Half-Year Financial Report
at 30/06/2009

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Corporate Officers

Board of Directors:

1. Gilberto Coffari – Chairman
2. Sergio Costalli – Vice Chairman
3. Claudio Albertini – Chief Executive Officer
4. Corrado Pirazzini – Director
5. Roberto Zamboni – Director
6. Leonardo Caporioni – Director
7. Fernando Pellegrini – Director
8. Aristide Canosani – Director (Independent)
9. Fabio Carpanelli – Director (Independent)
10. Massimo Franzoni – Director (Independent)
11. Francesco Gentili – Director (Independent)
12. Andrea Parenti – Director (Independent)
13. Riccardo Sabadini – Director (Independent)
14. Giorgio Boldreghini – Director (Independent)
15. Sergio Santi – Director (Independent)

Board of Statutory Auditors

1. Romano Conti - Chairman
2. Roberto Chiusoli – Standing Auditor
3. Franco Gargani – Standing Auditor
4. Isabella Landi – Alternate Auditor
5. Monica Manzini – Alternate Auditor

Internal Control Committee:

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

Compensation Committee

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

Nomination Committee

1. Fabio Carpanelli
2. Giorgio Boldegrini
3. Andrea Parenti

Supervisory Board:

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

External Auditors: Reconta Ernst & Young S.p.A..

Directors' Report

The Group

The Immobiliare Grande Distribuzione Group's Consolidated Half-Year Financial Report at 30 June 2009 was prepared pursuant to Art. 154 ter of Legislative Decree 58/1998 and in accordance with the valuation criteria and measurements established by the IFRS (International Financial Reporting Standards) adopted by the European Commission as per the procedure provided for in Art. 6 of EC Regulation n°1606/2002 issued by the European Parliament and the Council on 19 July 2002, and in particular with IAS 34 – Interim Financial Reporting. The Half-Year Financial Report, along with the notes to the accounts, consolidates the income statements and balance sheet at 30 June 2009 of IGD Siiq S.p.a., Immobiliare Larice srl, Millennium Gallery srl, Porta Medicea srl, Nikefin Asti s.r.l. and the companies WinMagazin SA and Winmarkt Management S.r.l.. The financial statements at 30 June 2009 for the RGD Group, held 50%, were consolidated based on the proportional method.

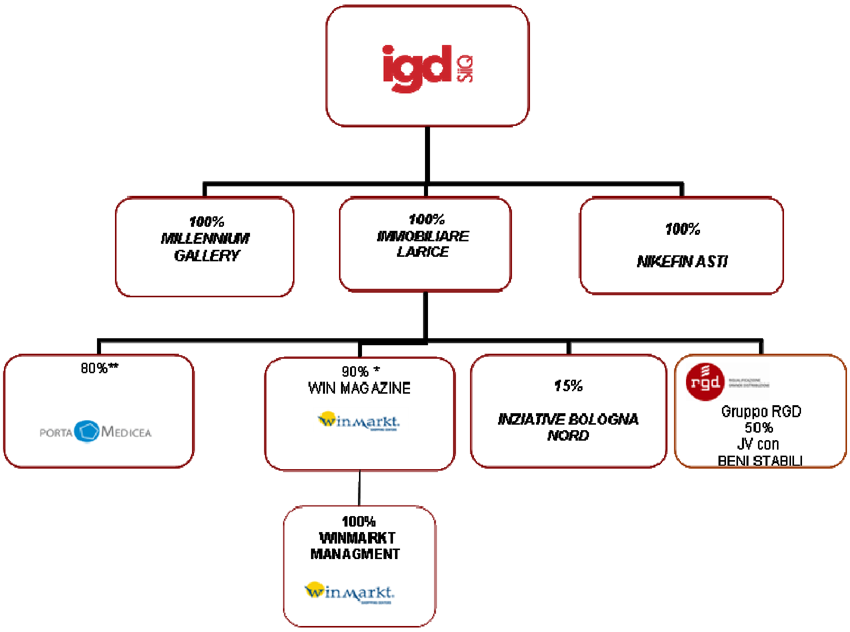
The Directors' Report contains alternative performance indicators which are different from the conventional financial indicators established under the IAS/IFRS. The alternative performance indicators are prepared based on the financial statements drawn up in accordance with IAS/IFRS standards, but calculated using different methods.

Please refer to the glossary for additional information about these indicators.

Today IGD is the only Società di Investimento Immobiliare Quotata (SIIQ or real estate investment trust) in Italy. IGD's focus has always been on medium-large sized shopping centers comprised of hypermarkets and shopping malls. The IGD Group is primarily active in property management and leasing. The objective is to enhance the value of the property portfolio which is done through, on the one hand, the purchase, construction and leasing of retail properties (shopping centers, hypermarkets, supermarkets and malls) and, on the other, the optimization of the returns from the portfolio thanks to the continuous improvement of the center's appeal and the sale of the malls.

The IGD Group also provides a complete range of services which includes Agency Management and Pilotage designed to promote new or expanded centers, along with Facility Management, linked to marketing and the daily operations of the center such as, for example, security, cleaning and ordinary maintenance.

The structure of the Group at 30 June 2009 is shown below:



Consolidated 100% due to put & call option on minority interest.

***** Consolidated 100% due to put& call option on minority interest.***

The Real Estate Market

The Macroeconomic Scenario

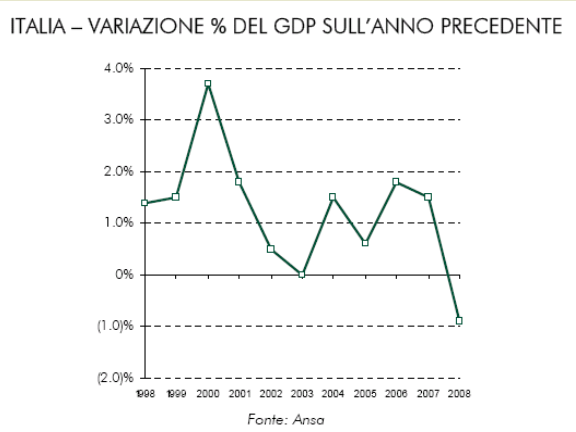
As expected, in the first half of 2009 the effects of the financial crisis, which blew up in the second half of 2008, impacted the real economy resulting in a drastic decline in production above all in developed countries, a significant increase in the rate of unemployment, a drop in consumer confidence and a downward revision of the expectations for short/medium term GDP growth.

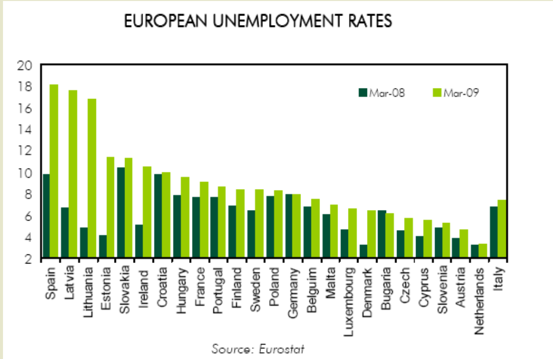
In light of such a drastic global crisis, the governments and central banks of the world's largest countries implemented economic and monetary policies designed to maintain a high rate of liquidity, to stimulate the recovery of the credit market, as well as sustain consumption and the income of individual families.

At this point it is too early, but in the next few months the effects and efficacy of these policies should become clear.

To date there have been some shy signs of recovery in consumption and in the real estate market in the United States. This, along with the fact that the emerging markets, like China (GDP up by 7.9% in second quarter 2009) also appear to be holding, make it possible for heads of state and monetary policy makers to believe that the worst is over. In Italy, however, first quarter GDP fell by 5.9% with respect to the same quarter in 2008 (Istat figures), while unemployment is expected to reach a rate of more than 8% in 2009 (Eurostat figures).

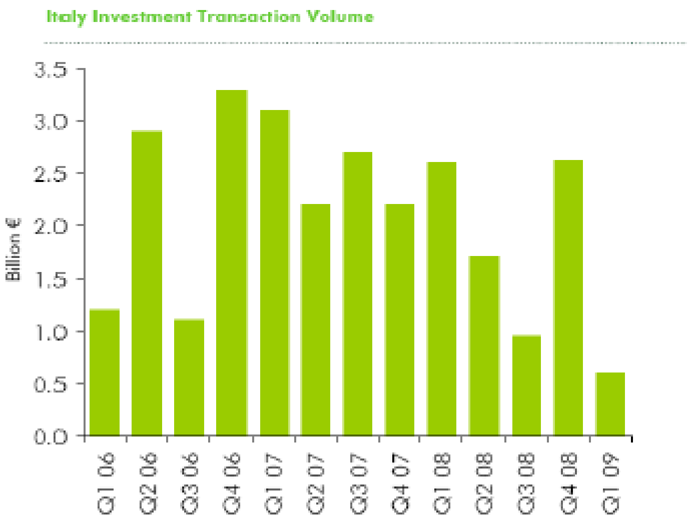
Real Estate Investments in Italy





The "standstill" that affected real estate transactions at the end of 2008 continued through the first half of 2009.

The volume of the real estate transactions in first quarter 2009 reached €582 million, a drop of 77% when compared to the same period in 2008.

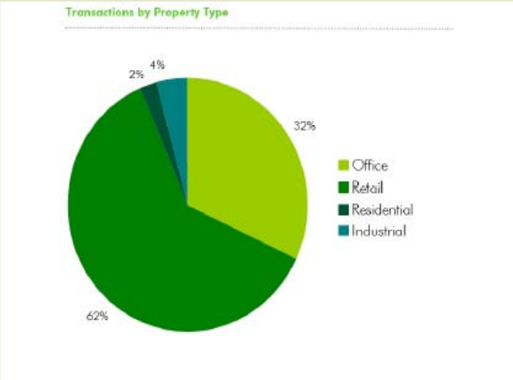


Source: CB Richard Ellis

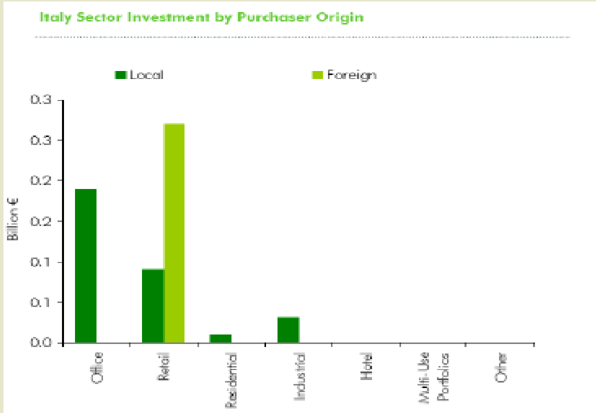
The credit crunch basically interrupted the flow of liquidity to investors, a few of whom got out of the Italian capital market all together.

The funds and investors with large equity components were the primary players in the Italian real estate market during the first half of the year.

With regard to the different segments, most investments were made in offices and retail:



Source: CB Richard Ellis



Source: CB Richard Ellis

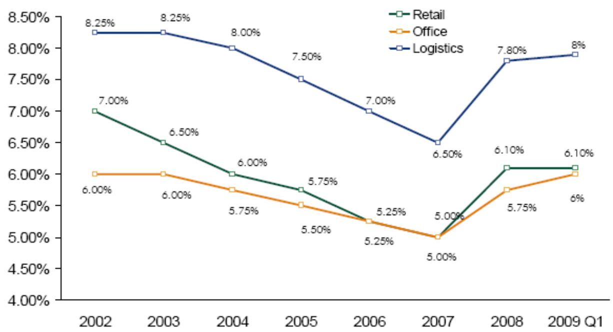
Foreign investors were focused primarily on the retail segment, while the office segment was dominated by domestic investors.

With regard to return on investment, yields started to increase over the figures at the end of the previous year. There was a noticeable difference between the yields of prime versus less attractive properties. In Italy the prime yields increased by 50-75 basis points, overall a positive result when compared to the EU-15 where the average increase reached 80-100 basis points, peaking at 200 basis points in some countries.

The increase in the yields of less attractive properties was, rather, much more interesting, reaching 150-200 basis points.

Thanks to the overall increase in yields the difference between the buyers' and sellers' price expectations was less dramatic than at the end of 2008. Buyers, however, are still waiting for better buying opportunities which normally materialize in the second half of the year.

PRIME GROSS YIELD TRENDS

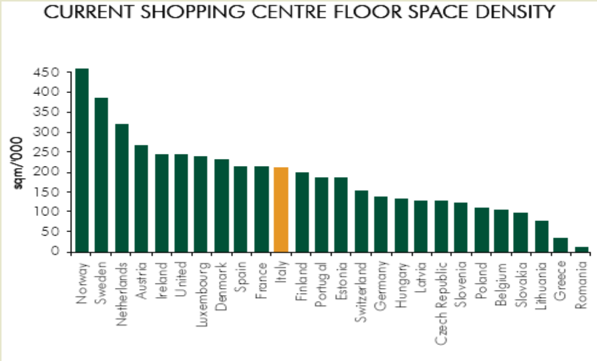


Fonte: CB Richard Ellis

Shopping Centers in Italy

In first half 2009, the stock of shopping centers (refers to the hyper/super plus shopping mall format) in Italy reached a GLA of 12.2 million m^2. The average density of 211 m^2 for every 1.000 inhabitants is, however, still below the European average.

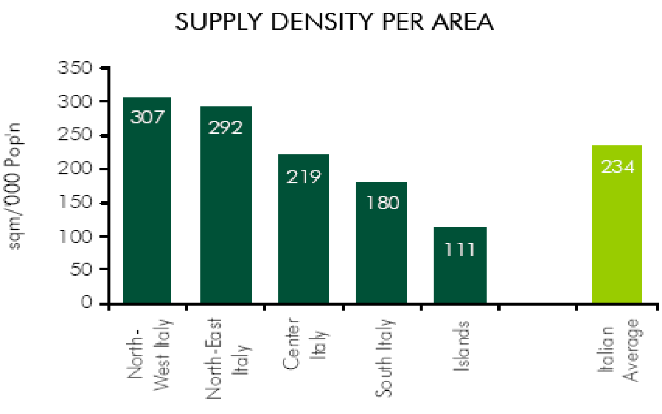
Source: CB Richard Ellis



Source: CB Richard Ellis

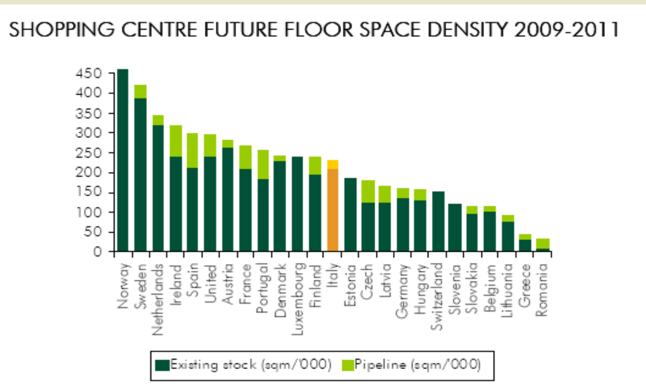
The GLA distribution of shopping centers is not comparable in Italy; the density m^2 /1,000 inhabitants in northern Italy is much higher than in the south or on the islands.

The chart below shows the current density (m^2/1,000 inhabitants) of the retail real estate sector in Italy:

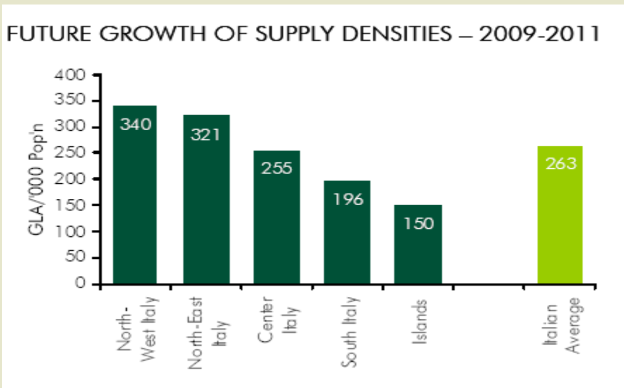


Source: CB Richard Ellis

The 2009-2011 pipeline includes a number of shopping center development projects in Italy , above all in central and southern regions. The difference between the density (m^2/1,000 inhabitants) of shopping centers in Italy is, at any rate, destined to shrink over the next three years :



Source: CB Richard Ellis



Source: CB Richard Ellis

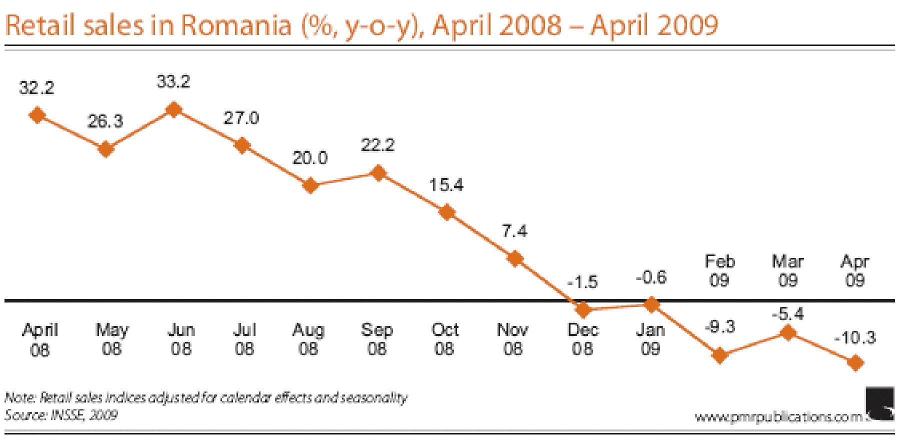
The forecast made at the end of 2008 that there would be a substantial slowdown in real estate investments and that the remaining investors would focus of “prime projects” which guarantee more stable long term returns, proved to be correct. There is, however, a good amount of liquidity available which will be used when the best opportunities arise. Something will most definitely develop by the end of 2009.

The Macroeconomic Scenario

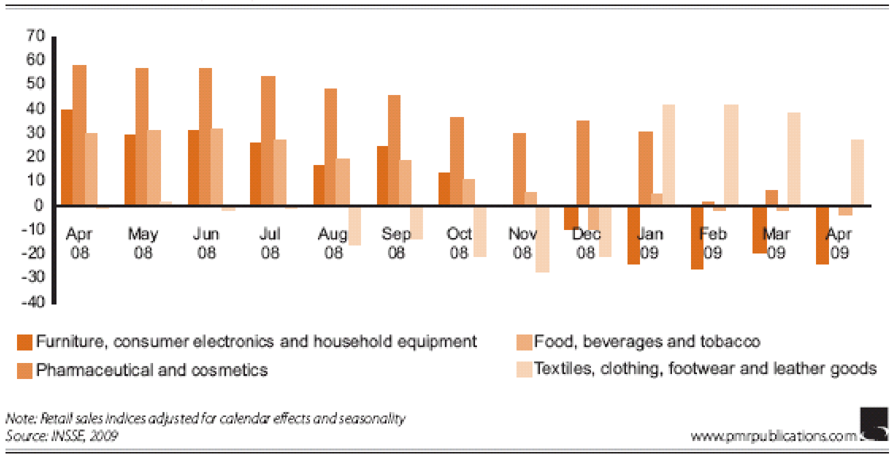
The market crisis of the first part of 2009 affected the Romanian economy, as well as that of other central European countries, more heavily than economists had forecast.
GDP in 1Q2009 fell –6.2% with respect to the same quarter in 2008 (source: BNR_April bulletin),while at the end of 2008 economists had forecast average growth in 2009 of 2%. In May 2009 the unemployment rate reached 5.8%, two percentage points higher than the same month in the previous year (source: the National Romanian Employment and Manpower Agency). Inflation in June 2009 reached 5.86% (source: National Bureau of Statistics), a drop on the prior months as forecast by the National Bank of Romania which set the 2009 target at 3.5%.
In 1H2009 the average ron/euro exchange charge was 4.23, down when compared to 2008 but in line with expectations.
In light of the economic situation and in order to address the crisis the Romanian government and the National Bank of Romania intervened with new economic and monetary policies. In March 2009 the IMF loaned the country €20 billion.

Consumer Trends and the Real Estate Market

In the first four months of 2009 the crisis impacted consumption which fell sharply when compared to the same months in the prior year as shown in the following charts:



Retail sales indices by selected good categories in Romania (%, y-o-y), April 2008 – April 2009



In first half 2009 there was only one new opening, the Grand Arena shopping center in southern Bucharest and two shopping centers located in the capital were expanded. The opening of new commercial retail GLA outside the capital was irrelevant. In the same period 2008 shopping centers for a total GLA of 140,000 m^2 were opened in Romania.

In the last two years many projects calling for the opening of new shopping centers by 2012 were presented to the market. Most of these projects, given the market crisis, have been either postponed or cancelled.

According to CBRE Romania, of the retail projects planned in the provincial Romanian cities presented to the market in 2007-2008, to date only 50-60% have been opened and in the near future, with the exception of two large shopping centers in Bucharest, few openings are expected (amongst these is the Piatra Neamt mall). The stock of commercial GLA m^2 is, however, very limited and the density of commercial GLA with respect to the inhabitants is still very low when compared to the surrounding countries like Hungary, Poland and the Czech Republic.

The credit crunch which began at the end of 2008 drove investors increasingly towards investment properties found in the best locations with safer returns. This resulted in a differentiation in yield trends. At the end of 2008 yields were around 8-8.5%; in 2009 prime yields for shopping centers located in Bucharest are expected to reach 8.5-9%, while yields for shopping centers found in provincial cities are expected to be higher at around 10-12%.

When compared to the same period in 2008, rents for commercial space were relatively stable in only a few very successful urban centers located in the capital, while falling from 10% to 20% in the shopping centers found in the provinces (source Cushman&Wakefield Romania),

New points of sale were, however, opened by operators, including important international ones, albeit primarily in existing centers. In first half 2009, in fact, Carrefour, Gap, Maxi discount, Domo, Debenhams, La Formi opened in shopping centers in the capital and other important Romanian cities.

It is likely that the real estate market in the second half of 2009 will continue to be unsettled, although we foresee increased stability in the renegotiation of contract terms and conditions.

The Real Estate Portfolio

Freehold Assets

The value of the IGD Group's real estate portfolio increased in first half 2009 thanks to the purchase of the Guidonia shopping center.

In line with the IGD Group's development strategy, at 30 June 2009, the real estate portfolio consisted primarily of commercial (retail) properties located throughout Italy and Romania and of assets under construction which are part of real estate development initiatives underway in Italy.

The market value of the IGD Group's real estate portfolio at 30 June 2009 was estimated, based on the independent appraisal of CB Richard Ellis, at €1,459.72 million (a figure which reaches €1,535.48 million if we include the 50% of RGD).

The IGD Group's real estate portfolio includes development projects (assets held for trading, direct development initiatives and land held for future expansion and new construction) which at 30 June 2009 were valued at €152.40 million.

On a like-for-like basis, the value of the IGD Group's Italian real estate portfolio (excluding RGD) at 30.06.2009 was down slightly with respect to 31.12.2008, falling by -0.82% to €986.32 million.

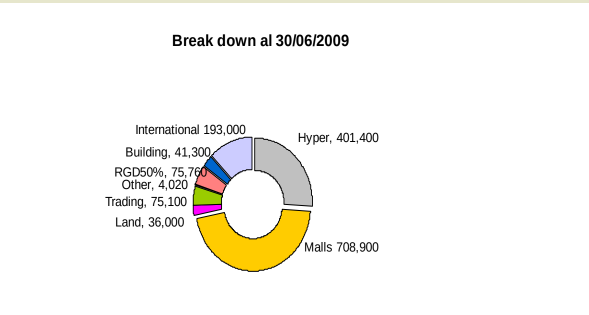
The drop is largely attributable to expectations that rents will remain unchanged including for expiring contracts as well as to forecasted restyling and extraordinary maintenance activities which impact DCF.

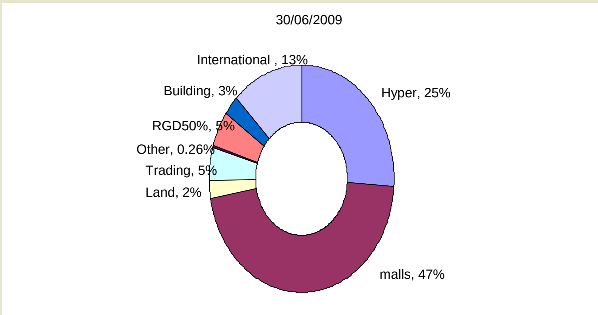
ANALYSIS OF THE FREEHOLD ASSETS

GEOGRAPHICAL BREAKDOWN AND COMPOSITION OF THE PORTFOLIO

In the spring of 2009 the IGD Group's real estate portfolio (excluding RGD) grew by a GLA of approximately 42,700 m^2 thanks to the new shopping center located in Guidonia.

Following this new opening, the IGD Group's real estate portfolio can be broken down as follows:



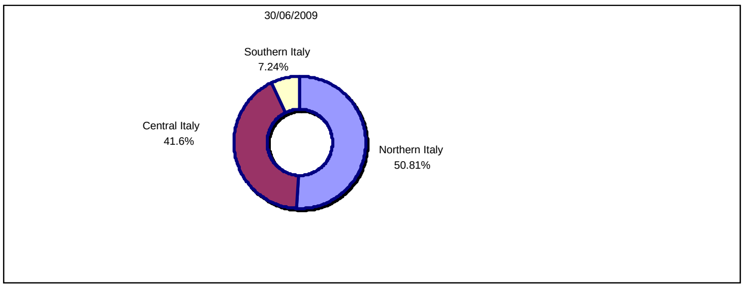


IGD's properties (excluding the 50% interest in RGD) in **Italy** total 40 and can be broken down as follows:

- 13 shopping malls
- 15 hypermarkets and supermarkets
- 5 direct development initiatives (4 plots of land, 1 building)
- 1 asset held for trading
- 6 other

E.Romagna:3 malls 7 Hyper-Super,1 plot of land; 3 other
Piedmont:1 mall R.Park, 1 direct development initiative
Lombardy:2 malls,
Trentino: 1 mall
Veneto: 2 plots of land

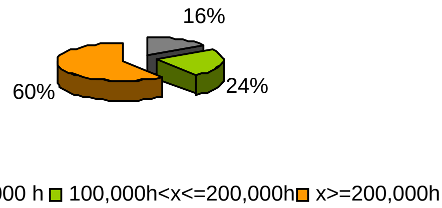
Marche:1 mall, 3 hyper, 3 other, 1 plot of land
Abruzzo:1 mall, 1 hyper
Campania:1 mall; 1 hyper
Lazio: 2 GC; 2 hyper
Tuscany: 1GC, 1 hyper, 1 asset held for trading



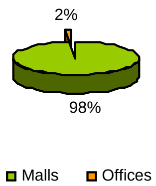
IGD's real estate assets in **Romania** total 16, broken down as follows:

- 15 shopping centers
- 1 office building

Geographic breakdown of Romanian assets at 31.12.2008



Breakdown of the Romanian portfolio at 31.12.2008



RGD's real estate assets, of which IGD owns 50%, include 3 properties in Italy, which can be broken down as follows:

- 2 shopping centers
- a portion of 1 shopping center

Lombardy:1 SC,
Emilia:1 SC
Piedmont: portion of 1 SCC

ITALY (excluding RGD)

HYPERMARKETS AND SUPERMARKETS

Hypermarkets and supermarkets are the stable component of the core real estate assets. They are leased on a long-term basis to Coop Adriatic Scrl and Unicoop Tirreno Scrl. Rent is indexed to 75% of the ISTAT index. Tenants are responsible for all routine and extraordinary maintenance on plants and the interiors of the buildings.

The occupancy rate is 100%, with an average yield of 6.48% calculated on the market value on a like-for-like basis, showing a slight increase of 0.08% with respect to the figure recorded at 31.12.2008. Like-for-like, the market value of this class of properties fell 1.3% on the market value at 31.12.2008 to €388.1 million in absolute terms due primarily to a reduction in the estimated rate of inflation used in the DCF calculation.

In April 2009 the Guidonia hypermarket, with a market value of €13.3 million, became part of the portfolio. With this acquisition, the market value of the hypermarkets at 30.06.2009 amounted to €401.4 million.

ITALIAN SHOPPING MALLS

Shopping malls are the dynamic portion of IGD's core portfolio. At 30 June 2009 the occupancy rate was 98.81%, a slight drop, with respect to 31.12.2008,with respect to the prior year due to the recent opening of the shopping center in Guidonia. Like-for-like, the market value of the shopping malls at 30 June 2009 reached € 594.2 million, a drop of –0.5% when compared to the previous year.

The average yield on a like-for-like basis of 6.1%, calculated on market values at 30 June 2009, was in line with the average yield at 31.12.2008.

In April 2009 the Guidonia shopping mall, with a market value of €114.7 million and average yield of 6.89%, became part of the portfolio.

The total market value of the shopping malls at 30.06 2009 amounted to €708.9 million.

DIRECT DEVELOPMENT INITIATIVES

PLOTS OF LAND

IGD owns 4 plots of land where it will build new commercial centers/retail parks or expand existing ones. The market value on a like-for-like basis at 30 June decreased by -4.8% when compared to the previous year.

A building permit was issued, along with the relative commercial licenses, to build 11 commercial complexes in the area located in Chioggia. A request for one variance for the construction of a Retail Park has already been filed given the delay in obtaining certain authorizations and, therefore, construction will take longer than expected. Work on the shopping center is expected to begin in first half 2010. The urbanization works, however, have already been started.

The necessary permits have already been issued and work should begin in first half 2009 on the plot of land in Conegliano, where a retail park is to be built adjacent to the commercial center that is in the process of being completed and which will be constructed by CoopAdriatica directly.

The total market value of IGD’s freehold plots of land in Italy at 30.06.2009 amounted to €36 million.

BUILDINGS

The building in the process of being completed and marketed located in Isola d’Asti (AT), was valued by an independent appraiser at 30 June 2009 at €41.3 million. It should be opened by the end of 2009.

ASSETS HELD FOR TRADING

At 30 June 2009 the real estate assets held by the company Porta Medicea, the developer of the multifunctional complex in Livorno, were valued by an independent appraiser at € 75.1 million.

Please note that the real estate complex will be zoned for different uses; residential, services, hospitality and commercial. The latter will be acquired by IGD, based on preliminary agreements for the purchase of assets to be completed in the future, namely the retail area and, therefore, will be reclassified subsequently in the financial statements under assets under construction.

OTHER

This category includes small properties (two stores and an office building, plus a wholesale zone and a fitness area) pertaining to freehold shopping centers. The perimeter of this area did not change in first half 2009, while its market value fell –3.8% with respect to 31.12.2008 with a total value that amounted to €4.02 million. There was a general decline in market value, due to the unfavorable outlook for the rental of space.

ROMANIA

The real estate portfolio of the Romanian company Winmarkt is comprised of 15 shopping centers and an office building with a total GLA of 90,244 m^2.

The properties are located in 13 cities in Romania. None of the properties are found in the country's capital, Bucharest.

The total market value of the 16 properties at 30 June 2008 was €193 million, a drop of 3.55% with respect to the previous half based on the independent appraisal which valued the 15 malls at €188.9 million. The average yield of the shopping malls was 9.3%, a drop of 0.5% on 31.12.2008 due largely to the temporary vacancies in a few centers in preparation for the arrival of primary food and non food operators as per the centers' medium-long term consolidation strategy.

The average yield of the office building was 9.7%, in line with 31.12.2008.

RGD srl

The company RGD srl, a 50-50 joint venture between IGD and Beni Stabili, is the owner of the two commercial centers located in Ferrara, Nerviano (MI) and a large stake of the Mega Shopping Center - Le Fornaci - located in Beinasco (TO).

The real estate held by RGD make up the value component of IGD's real estate portfolio; the market value, according to an independent appraisal, at 30 June 2009 was €151.52 million, a decline of 4.1% with respect to the previous half. The average yield at 30 June 2009 was 6.3%, an increase of 0.4% on the figure at 31.12.2008 due primarily to the fair value valuation of the three properties.

IGD's portion, at 30 June 2009, totaled €75.76 million.

DEVELOPMENT PROJECTS INVOLVING THE PURCHASE OF ASSETS TO BE COMPLETED IN THE FUTURE

The main development projects involving preliminary agreements to purchase assets to be completed in the future include:

- closing of the "Katanè" shopping mall, which opened on 4 May 2009, by the end of 2009;
- closing of the shopping mall in Borgo Nuovo, near Palermo, in 2010. Please note that the delivery, forecast for July 2009, has been delayed due to problems with the authorization for the proposed access and the variance permit. The deposits and down payments paid to date are guaranteed by first demand bank guarantees.
- the preliminary agreement for the purchase of the shopping mall in Peschiera was cancelled on 20 July.
- in light of the already existing characteristics of the "Il Ducale" shopping center, we believe that the preliminary purchase agreement will be transferred to the company RGD srl by the end of 2009. The deposits and down payments paid to date are guaranteed by first demand bank guarantees.
- purchase of the shopping mall in Gorizia. To date no delays in the original timing have been reported and are in line with the timing provided for in the contract.

The most important real estate investments and development projects are shown in the table below:

Real estate investments

Type	Book value at 30/06/2009	Accounting method	Market value at 30/06/2009	Date of last appraisal
IGD Group - Real estate investments				
Hypermarkets	401.40	fair value	401.40	July 09
Shopping malls Italy	708.90	fair value	708.90	July 09
Other	4.02	fair value	4.02	July 09
Total Italy	**1,114.32**		**1,114.32**	
Shopping malls Romania	188.90	fair value	188.90	July 09
Other Romania	4.10	fair value	4.10	July 09
Total Romania	**193.00**		**193.00**	
Total IGD Group (excluding JV RGD)	**1,307.32**		**1,307.32**	

Development initiatives involving the purchase of assets to be completed in the future

Type	Book value at 30/06/2009	Accounting method	Market value at 30/06/2009	Date of last appraisal
Direct development initiatives				
Assets under construction	41.30	Cost	41.30	July 09
Plots of land and ancillary costs	34.84	Cost	36.00	July 09
Total direct development initiatives	**76.14**		**77.30**	
Development initiatives involving the purchase of assets to be completed in the future				
Deposits, down payments and accessory costs	97.57	Cost	Not subject to appraisal	
Total development initiatives involving the purchase of assets to be completed in the future	**97.57**			

Assets held for trading

Type	Book value at 30/06/2009	Accounting method	Market value at 30/06/2009	Date of last appraisal
Assets held for trading	**75.03**		**75.10**	July 09

The SIIQ Regulatory Environment

The special SIIQ regime was introduced under Art. 1, paragraphs 119 - 141, of Law n. 296 dated 27 December 2006 (the 2007 budget law).

The regulatory framework was completed when the Ministry of Economics and Finance issued the **Founding Law** as Regulation n. 174/2007 which was subsequently interpreted by the Tax Office in the **bulletin** issued on 31 January 2008.

Based on the above mentioned norms and regulations and common practice, the requirements for eligibility under the special regime are the following:

Subjective requirements

- must be a joint stock company
- must reside in Italy for tax purposes
- shares must be traded on a regulated market

Statutory requirements

- rules must be adopted which regulate investments
- limits on the concentration of investment and counterparty risk must be provided for
- limits on the maximum financial leverage permitted must be provided for

Ownership requirements

- a single shareholder may not hold more than 51% of the company, the so-called **"Control limit"**
- at least 35% of the float must be held by shareholders with less than 2%, the so called "**Float requisite**"

Objective requirements

- freehold rental properties must make up 80% of the real estate assets, the so-called **"Asset Test"**
- revenues from rental activities must total at least 80% of the positive entries in the income statement, the so-called **"Profit Test"**

The primary characteristic of this new regime is the possibility, after having satisfied certain legal requirements, to be eligible for a tax regime under which income is subject to income tax only when distributed to shareholders rather than when generated by the company itself.

Given the fact that income generated by the SIIQ is subject to income tax solely when distributed to shareholders, the law requires that at least 85% of the rental income must be distributed.

With regard to the verification of eligibility, based on the Founding Law the subjective, statutory and ownership requisites must be met before the option is exercised while the verification of the objective requisites is done after the close of the financial statements for the year in which the option was exercised.

In April 2008, once it was clear that all the subjective, statutory and ownership requisites had been satisfied, IGD exercised the option to be treated under the special regime effective 1 January 2008.

For the purposes of SIIQ status, the total capital gains, net any losses, resulting from the difference between the normal value of the rental assets, the real property rights on same, the plots of land and the value for tax purposes at the end of the fiscal year, are subject to substitute IRES (corporate income tax) and IRAP (regional business tax) at a tax rate of 20 per cent (the **Entry Tax**).

Pursuant to paragraph 128, Art. 1 of the Founding Law, IGD opted to pay the Entry Tax of €30,797,217 in five yearly installments.

The first installment was paid by the deadline for IRES payments related to the tax period prior to the year in which the company exercised its option to be treated under the special regime (16 June 2008). The second instalment was paid on 16 June 2009 while the other installments will be paid within the timeframe

provided for IRES payments in the three subsequent tax periods along with the interest matured calculated based on the discount rate plus one basis point.
Below is the forecast payment schedule (without interest):

	16/06/2010	16/06/2011	16/06/2012
Payment	6,159,443	6,159,443	6,159,443

As mentioned above, pursuant to the law the income generated by rental activities is exempt from IRES and IRAP as long as the company distributes at least 85% of same. Please note that on 23 April 2009 the Shareholders' Meeting approved the payment of a dividend equal to €10,439,544 and that the income distributed was derived entirely from exempt operations and represents an amount which is not less than 85% of the income available for distribution, in accordance with norms and regulations applicable under the SIIQ regime.
Based on the Parent Company's financial statements at 30.06.2009, and at 31.12.2008, both the asset test, based on which the value of freehold rental properties must represent more than 80% of the total value of the real estate assets, and the profit test, based on which revenues from rental activities must total at least 80% of the positive entries in the income statement, were satisfied.

DISCLOSURE REGARDING COMPLIANCE WITH REQUIREMENTS FOUND IN THE CORPORATE BYLAWS (ART. 3, C. 2, MINISTERIAL DECREE N. 174 OF 7 JULY 2007)

With regard to the requirements related to Corporate Bylaws, please note the following.
With regard to investments, it is expressly provided in Art. 4.3 lett. i) of the Company's bylaws that:

- *the Company shall not, either directly or through its subsidiaries, invest more than 30 percent of its assets in a single property with urban and functional characteristics, except in the case of development plans covered by a single planning scheme, where portions of the property are covered by individual, functionally independent building permits, or equipped with urban works that are sufficient to guarantee connection to public services;*

The Company did not invest, either directly or through its subsidiaries, more than 30% of its assets in a single property with urban and functional characteristics.

With regard to the limits on the concentration of investment and counterparty risk, it is expressly provided in Art. 4.3 lett. ii) of the Company's bylaws that:
- "*income from a single tenant or from tenants belonging to a single group may not exceed 60 percent of total rental income"*.
The income from a single tenant or tenants belonging to a single group did not exceed 60% of total rental income.
With regard to limits on the maximum financial leverage permitted, it is expressly provided in Art. 4.3 lett. ii) of the Company's bylaws that:
- *"the maximum permitted financial leverage, at a company or group level, is 85 percent of equity".*
Financial leverage, either at the group or single level, never exceeded 85% of equity.

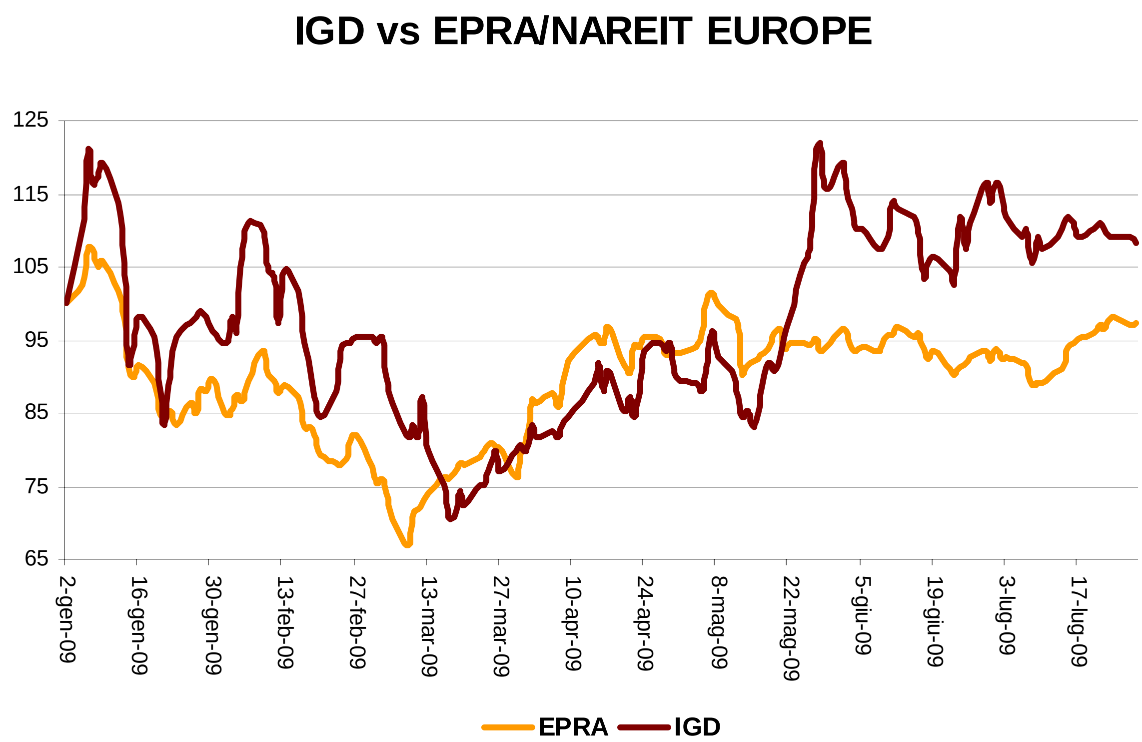
IGD'S STOCK

The real estate sector's negative price trend begun in the second half 2009 persisted in the initial part of first half 2009. The EPRA/NAREIT EUROPE Index lost 20.79% in the first three months of 2009.

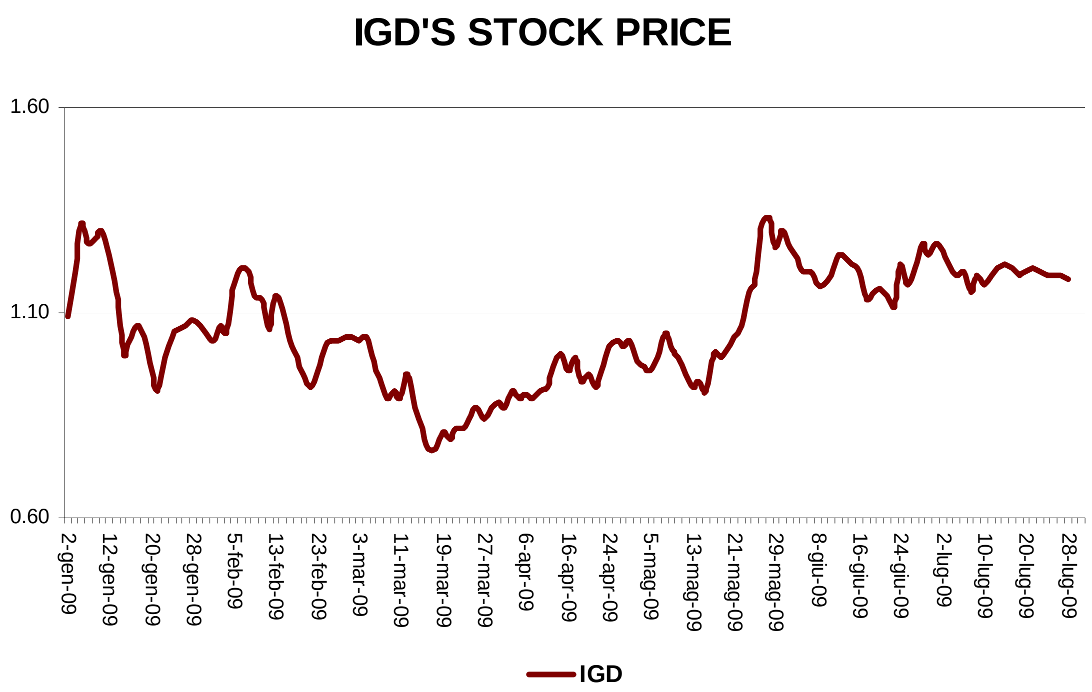
In March prices began to recover and the first quarter losses were largely offset. The EPRA/NAREIT EUROPE was, in fact, up by 19.97% at 28 July 2009.

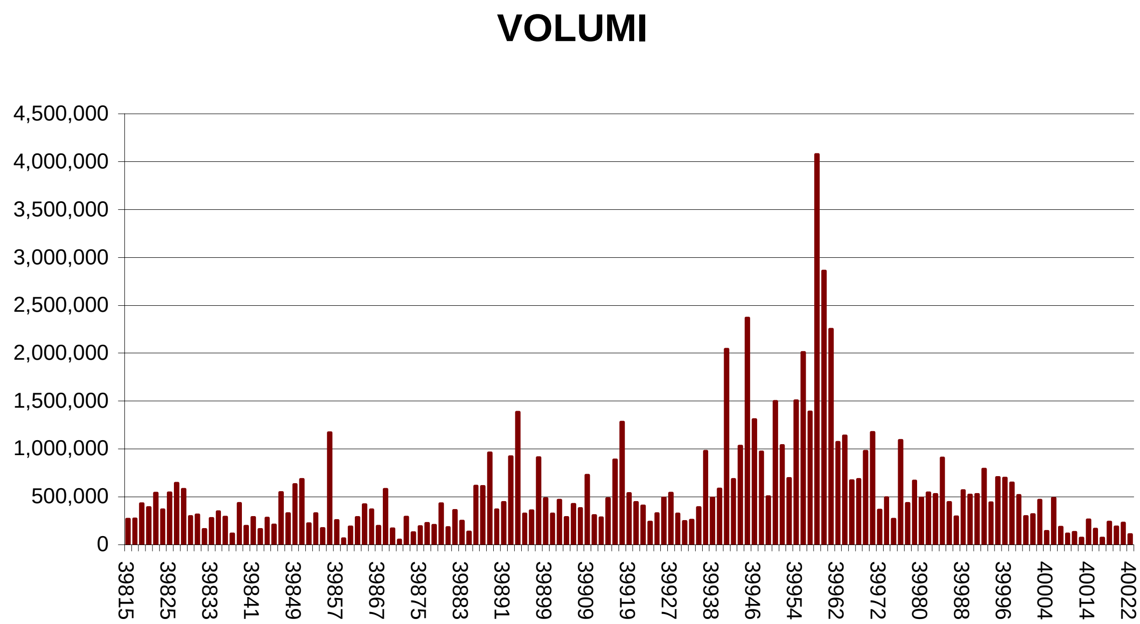
Most of the real estate companies reached historic lows in March, as did the rest of the market following very negative valuations which impacted the real estate sector across the board.

IGD, as can be seen from the charts below, consistently outperformed the European real estate index (EPRA/NAREIT EUROPE), with the exception of the period between March and mid-May, culminating in a gap of 28.4% on 28 May 2009. Currently (at 28 July) there is a difference of 10.45%.



In first half 2009 the stock hit a high of €1.33 (28 May) and a low of €0.77 (17 March) with a positive performance in the six month period of 16.51%.





An average of 619,076 shares were traded each day.

The stock has significant qualified coverage, at the moment 12 brokers, five in Italy and 7 abroad, cover the stock. No analysts interrupted their coverage in the period.

In the first half the company presented its yearly results to the financial community and organized a conference call to discuss the quarterly results. IGD also organized roadshows in Paris and London.

The NAV

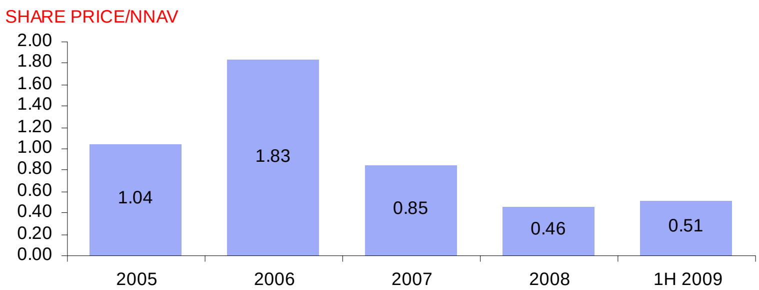
		1H'09	FY '08
Market value freehold properties	A	1,535.48	1,423.20
Investment property and land	B	1,535.50	1,421.24
Potential capital gains (losses)	**c=a-b**	**-0.02**	**1.95**
Net equity		737.03	742.88
Value of treasury shares (incl commissions)		22.25	22.25
Adjusted net equity	**H**	**759.29**	**765.13**
Current price of IGD shares	30/06/09	**1.24**	**1.13**
Potential capital gains (losses) on treasury shares	**d**	**-8.53**	**-9.74**
Total capital gains	**e=c+d**	**-8.55**	**-7.79**
NAV	**f=e+h**	**750.74**	**757.34**
Number of shares	g	309.25	309.25
NAV per share	**f/g**	**2.43**	**2.45**
Tax rate		28.0%	31.4%
Total net capital gain	**i**	**-8.54**	**-8.40**
NNAV	**l=h+i**	**750.74**	**756.73**
NNAV per share	**m=l/g**	**2.43**	**2.45**

In the NAV calculation, the potential capital loss, which is minimal and equal to €0.02 thousand, refers to land, recognized in the financial statements at the lowest between cost and fair value, and the Darsena City property, which is listed among assets under construction and is recognized in the financial statements at the lowest between cost and fair value and in light of guarantees issued by the seller. The NAV decreased by 0.82% with respect to December 2008 due to the reduction, albeit limited, in the market value of freehold properties and assets under construction; the NNAV fell by 0.79%.

It should also be noted that NAV is static and does not take into account the preliminary agreements signed to date nor the down payments which are recognized as assets under construction.

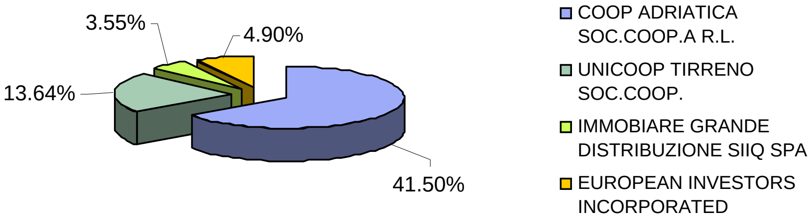
The tax rate is the same as the IRES rate (27.5%) and the one-off IRAP rate to which IGD SIIQ is subject.

The chart below shows the share price (on the last day of the year or the period under examination)/NNAV ratio from 2005 through 30 June 2009.



The Shareholders

The shareholder base was largely unchanged in first half 2009



CORPORATE EVENTS

On **23 April** the shareholders met to approve the financial statements at 31 December 2008 and to appoint the new Board of Directors, after having set the number of directors at 15, which will remain in office through the Shareholders' Meeting called to approve the financial statements for the year ending on 31 December 2011.
During the Shareholders' Meeting held on **23 April**, a new Board of Statutory Auditors which will remain in office for the three year period 2009-2011 was also appointed.
The Shareholders also authorized the new plan for the purchase and disposal of treasury shares presented by the Board of Directors, thus revoking the authorization granted on 7 January 2008 which would have expired on 7 July 2009. The Board, therefore, is authorized to purchase up to a maximum of 10% of the share capital for a period of 18 months from the resolution date. The purchases must be made at a price which is not 20% above or below the official price recorded by the Italian Stock Exchange on the day prior to each single purchase. Any disposals of the shares purchased pursuant to this resolution may be done against cash at a price which is not 90% below the official price recorded by the Italian Stock on the day prior to each single transaction or by way of exchanges, barters, transfers or other forms of disposal as part of industrial projects or extraordinary finance operations.

On **30 April** the Board of Directors of Igd Siiq S.p.A. confirmed Gilberto Coffari in his role as the company's Chairman, Sergio Costalli is his role as Vice Chairman and Claudio Albertini was appointed Chief Executive Officer in substitution of Filippo Maria Carbonari who, at the same time, tendered his resignation from the Board of Directors.
During the meeting the following were also appointed: the Chairman's Committee, the Internal Control Committee, the Compensation Committee and the Nominations Committee. Members of the Supervisory Board and the Lead Independent Director were also appointed.
The members of the corporate bodies are listed in the **Corporate Officers** section of this document.

In **May** 2009 the IGD's Board of Directors approved the proposed merger by incorporation of the wholly owned subisidary Nikefin Asti S.r.l., owner of the property in the process of being completed that will house

the Asti shopping mall and retail park which should be opening in the second half of the year, in Igd Immobiliare Grande Distribuzione Società di Investimento Immobiliare Quotata S.p.A.
The merger transaction is in line with the Group's reorganization and rationalization designed to improve the efficiency of the corporate structure.

In **May** the IGD Group moved to its **new headquarters** in via dei Trattati Comunitari 1957-2007, 13 Bologna.

INVESTMENTS AND COMMERCIAL AGREEMENTS

In first half 2009 the IGD Group continued with the development outlined in the Business Plan and implemented the strategy necessary to commercially reposition the Winmarkt portfolio.
On 16 March 2009 the IGD Group finalized an important agreement with **Carrefour** in Romania based on which three supermarkets will be included in three Winmarkt shopping centers: in Turda, Bistrat and Cluj.
This was an important step towards the realization of the operational strategy that IGD announced when the acquisition was made: enhance the value of the Romanian shopping centers by rendering them more appealing to local consumers and increasing traffic by including the offer of food products which prior to this transaction were not part of the Winmarkt centers.
On 27 March a deed was executed for the purchase of the "**Tiburtino**" shopping center, located in **Guidonia Montecelio** along the Tiburtina roadway, just a few kilometers from the Grande Raccordo Anulare beltway; the structure covers an area of 52,500 square meters and has 120 points of sale found on a single floor. At the same time a mortgage loan was taken out for a total of €78 million.
The center was inaugurated and opened to the public on 2 April. In terms of staffing, between the sales personnel and the maintenance, cleaning and service crews, the facility employs more than 1,000 people.
The **Shopping Center di Isola d'Asti** is in the process of being completed. The center will have 26 points of sale, 4 medium sized areas, a retail park which should be opened by the end of 2009. The urbanization works were also begun on the Piazza Mazzini area adjacent to the new real estate complex **"Porta a Mare"** in Livorno which will be zoned for different uses; residential, commercial, services and hospitality.
On 29 April IGD SIIQ S.p.A. signed the financial lease agreement for the purchase of the its **new headquarters.**
On 1 April the IGD Group and **Domo**, a primary Romanian retailer specialized in small appliances and electronics, IT and telephony, signed an important agreement based on which Domo will be present in nine of the fifteen Winmarkt shopping centers that Igd purchased in Romania in April 2008 for the next five years. Domo will, therefore, have access to a sales area of 6,460 m^2 in nine different Winmarkt shopping centers.
Work continued on the shopping centers in **Catania** and **Palermo** and IGD, pursuant to the preliminary agreements signed, made additional down payments as the construction moved forward.
On **5 May** the "**Katanè**" shopping center in Gravina (Catania) was opened to the public. The center includes a mall of 15,000 m^2 which is comprised of 70 stores and six medium-large size areas which range in size from 300 to 3,000 m^2. Food products are also an important part of the center thanks to the presence of the 8,000 m^2 hypermarket managed by Ipercoop Sicilia.
The mall is completely rented and will immediately generate revenues equal to a 100% occupancy rate. The structure features 1,500 parking places and the mall employs 350 people. The closing should take place by the end of 2009.
At the beginning of January the preliminary contract for the purchase of the Trapani Shopping Mall was cancelled. The rescission was due to the delay in the issue of building licenses, since a longer timeframe

had made the project less attractive. The current strategy of IGD SIIQ S.p.A., which is based on "dynamic" portfolio management, favors a focus of financial resources on those projects that present a quicker cash flow generation capacity. Following the cancellation of the preliminary Trapani Shopping Mall contract, IGD SIIQ is entitled to be reimbursed the entire deposit made equal to €5.5 million, which represented 10% of the whole forecast investment.

INCOME STATEMENT REVIEW

The IGD Group closed first half 2009 with a consolidated net profit of €7,127 thousand. The result reflects the fair value valuation of the real estate portfolio which was penalized by the persistent crisis of the real estate sector both in Italy and abroad. More in detail, the first half result includes net writedowns of €11,783 thousand on properties and current investments, compared with net revaluations of €8,093 thousand in first half 2008.

The decline in net profit with respect to the first half 2008 is also due to the positive tax contribution in 2008 following the Parent Company's election for treatment under the SIIQ tax regime.

If we look at the results for the first half net the effects of the property valuations and the one-off tax benefit, the net profit at 30 June 2009 would rise from €7,127 thousand to €16,877 thousand, an increase of €4,463 thousand with respect to the previous half which would drop from €34,221 to €12,414 thousand.

A summary of the results is shown below:

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

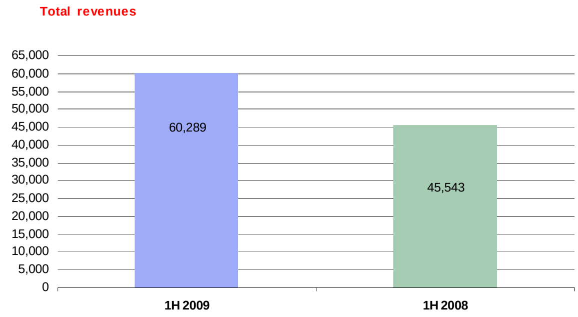
	1H 2009	1H 2008	Δ	%
Revenues from freehold properties	48,656	34,468	14,188	41.16%
Revenues from leasehold properties	4,419	5,558	-1,139	-20.50%
Revenues from services	3,510	2,104	1,406	66.82%
Operating income	**56,585**	**42,130**	**14,455**	**34.31%**
Other revenues	3,704	3,413	291	8.51%
TOTAL REVENUES	**60,289**	**45,543**	**14,745**	**32.38%**
Other costs	-3,704	-3,413	-291	8.51%
Direct costs	-12,779	-8,781	-3,998	45.53%
Cost of labor	-1,574	-1,439	-135	9.36%
Divisional gross margins	**42,232**	**31,910**	**10,322**	**32.35%**
General expenses	-2,271	-2,141	-130	6.06%
Cost of labor (headquarters)	-2,970	-1,891	-1,079	57.06%
EBITDA	**36,991**	**27,878**	**9,113**	**32.69%**
Amortization and depreciation	-368	-200	-168	83.46%
Writedowns	-3,792	0	-3.792	
Change in fair value	-7,991	8,093	-16,084	-198.74%
EBIT	**24,840**	**35,771**	**-10,931**	**-30.56%**
Financial income	2,060	2,577	-517	-20.09%
Financial charges	-19,233	-14,147	-5,086	35.95%
Net financial income/(charges)	**-17,173**	**-11,570**	**-5,603**	**48.43%**
PRE-TAX PROFIT	**7,667**	**24,201**	**-16,534**	**-68.32%**

Income tax for the period	-540	10,020	-10,560	-105.38%
NET PROFIT	**7,127**	**34,221**	**-27,094**	**-79.17%**

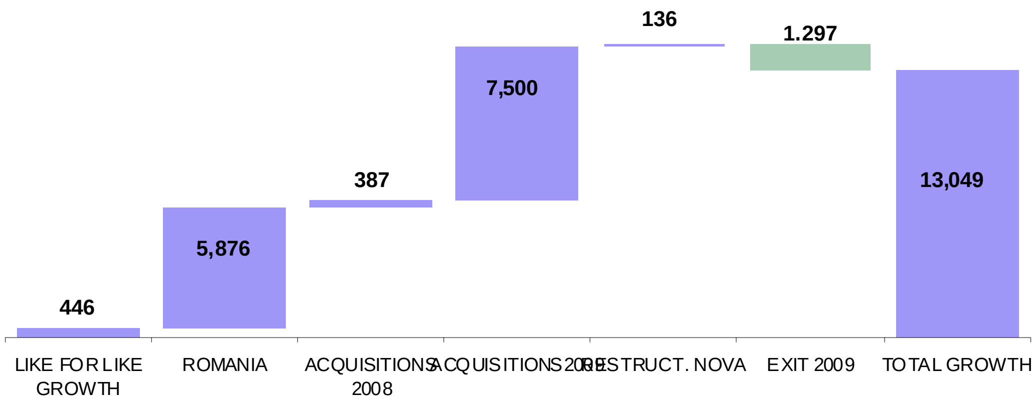
(the consolidated income statement is restated to reflect core operations. Operating revenues are shown net of "other revenues," which are offset one-to-one by "other costs.")

Revenues

As of June 2009 the Group had earned revenues of €60,289, an increase of €14,745 thousand or 32.38% on the previous year.



✓ The most significant growth came from the IGD Group's core business; **revenues from the rental business** rose 32.60% on 2008. The increase of €13,049 thousand represents 24.59% of the total revenues from rental business in first half 2009.



- The Romanian companies Win Magazine and Winmarkt Management contributed a noticeable 11.07% to the growth in revenues from the rental business.
- The shopping center Le Fornaci di Beinasco, owned by RGD and acquired at the end of April 2008, contributed revenues for the entire half and added 0.73% to this growth.
- The most important contribution, of 14.13%, came from the new openings in 2009:
    - Galleria Gran Rondò in Crema, acquired on 30 December 2008
    - Centro Tiburtino in Guidonia opened on 02 April 2009
    - Centro Katanè in Catania opened on 05 May 2009
- The newly remodeled Centro Nova contributed 0.26% to the increase in revenues from the rental business.

- The lack of revenues form the hypermarket Centro Nova in March reduced revenue growth by 2.44%. Please not that the lack of revenues from Iper Nova was offset by the drop rental charges.
- Like-for-like growth was 0.84%.

✓ **Revenues from services**, up 66.82% with respect to the same period in 2008, were comprised primarily of:

- Recurring revenues from Facility Management which amounted to €1,654 thousand or 47.11% of the total revenues from services in first half 2009. These revenues increased by 4.19% with respect to first half 2008 due to mandates granted in relation to the new openings.
- Non-recurring revenues from Pilotage of 1,687 thousand of euro which are offset by Pilotage costs Please note that in first half these revenues were quite significant, reaching 48.05% of revenues from services, as they are linked to new openings .

✓ **Other revenues, €**3,704 thousand are due 88.31% to chargebacks, the remainder is due the reclassification of services rendered to related parties net administrative services which may result in the reduction of their respective revenues.

Margins

The divisional gross margin increased by 32.53%, rising from €31,910 thousand in first half 2008 to €42,292 thousand in 2009. The table below shows the income statement highlights and the trend in margins for the periods closed on 30 June 2009:

CONSOLIDATED INCOME STATEMENT

	1H 2009	1H 2008	Δ	%
Margin from freehold properties	41,017	30,748	10,269	33.40%
Margin from leasehold properties	399	384	15	3.91%
Margin from services	816	778	38	4.90%
DIVISIONAL GROSS MARGIN	**42,232**	**31,910**	**10,322**	**32.35%**
Payroll costs at headquarters	-2,970	-1,891	-1,079	57.06%
General expenses	-2.271	-2.141	-130	6.06%
EBITDA	**36,991**	**27,878**	**9,113**	**32.69%**
Amortization and depreciation	-368	-200	-168	83.46%
Writedowns	-3,792	0	-3,792	
Change in fair value	-7,991	8,093	-16,084	-198.74%
EBIT	**24,840**	**35,771**	**-10,931**	**-30.56%**
Financial income/(charges)	-17,173	-11,570	-5,603	48.43%
PRE-TAX PROFIT	**7,667**	**24,201**	**-16,534**	**-68.32%**
Income tax for the period	-540	10,020	-10,560	-105.38%
NET PROFIT	**7,127**	**34,221**	**-27,094**	**-79.17%**

- ✓ **SBU 1 - Property leasing – margin on freehold properties:** in first half 2008 this margin reached € 41,017 thousand compared to €30,748 thousand in the same period of the prior year, an increase of 33.40%. This activity has very interesting margins equal to 84.30%.

- ✓ **SBU 1 - Property leasing – margin on leasehold properties:** the margin increased slightly by 9.03%.

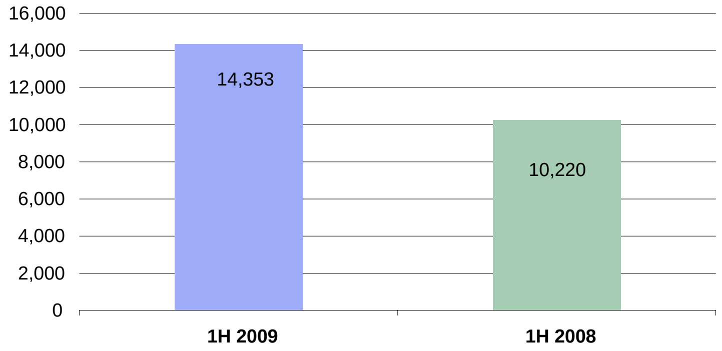
- ✓ **SBU 2 – Services - margin from service businesses:** the margin from services at June 2009 amounted to €816 thousand, a increase with respect to June 2008 of 4.9%. This activity features low capital absorption and generates a substantial margin which reached 23.25%. Of note is the fact that the most significant cost in this segment is the cost of labor.

EBITDA

EBITDA reached € 36,991 thousand, an increase with respect to the same period in the prior year of €9,113 thousand or 32.69%.

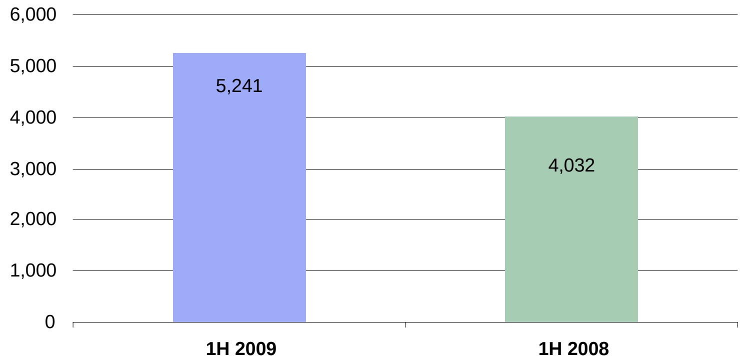
Direct costs, including direct personnel expenses, totaled €14,353 thousand, 25.37% of which is attributable to operating expenses which were in line with the increase in sales.

Direct cost



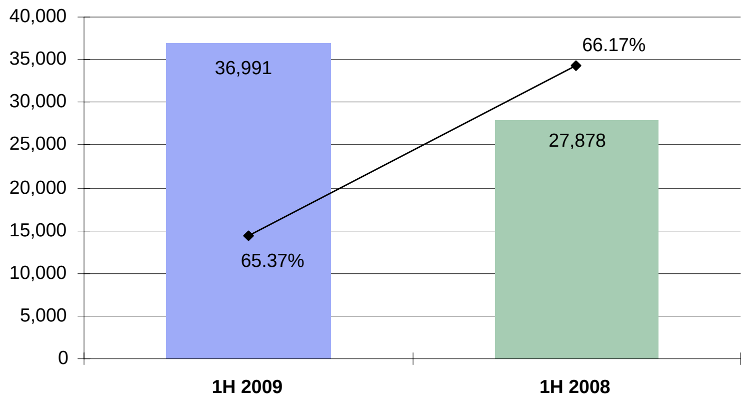
General expenses, including payroll costs at headquarters, in first half 2009 amounted to €5,241 thousand compared to €4,032 thousand in the same period 2008. These costs represent 9.26% of the operating revenues.

G & A



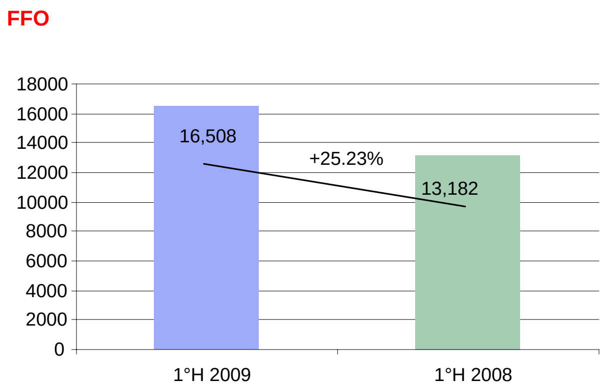
EBITDA MARGIN, calculated as a percentage of operating revenues (net Other revenues) went from 66.17% to 65.37% in first half 2009.

EBITDA ED EBITDA MARGIN



FFO

Funds From Operations, an important indicator used in the real estate market, defines cash flow based on the net profit net tax, writedowns, impairment, fair value, amortization and depreciation. The figure rose by 25.23% with respect to the prior half.

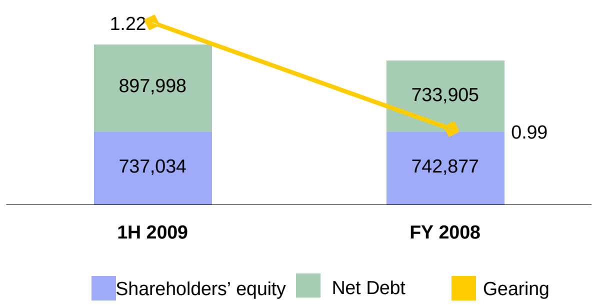


EBIT

EBIT, which reached €24,840 thousand, dropped with respect to first half 2008 by 30.56% due to the writedowns mentioned above; the net writedowns, equal to approximately 0.82% of the value of the real estate assets, are quite contained thanks to the mix and quality of the Group's real estate assets.

Financial income and charges

The negative balance of financial income and charges went from €11,570 thousand in1H08 to €17,173 thousand in 1H09; this change is attributable to the increased net debt which in first half 2009 amounted to €897,998 thousand compared to €604,989 thousand in first half 2008. The gearing ratio rose from 0.99 at 31/12/2008 to 1.22 at 30/06/2009.



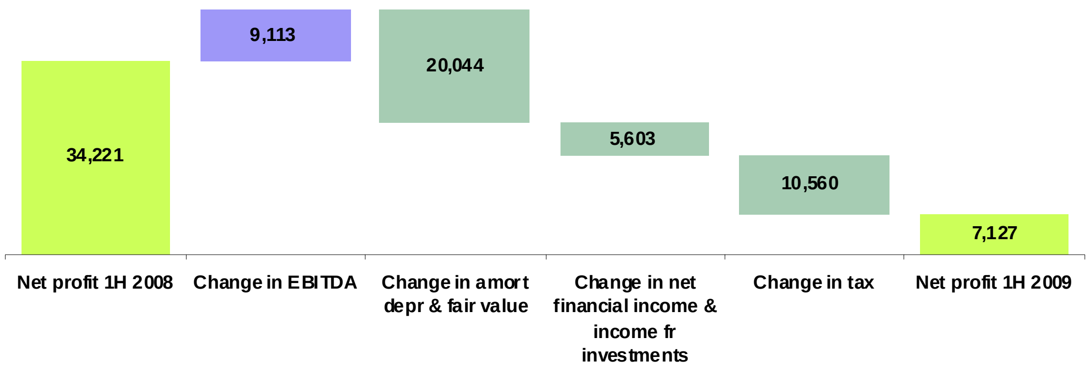
Tax

Current and deferred tax, which amount to €540 thousand at 30 June 2009, represent 7.04% of the pre-tax profit. This figure reflects the impact of treatment under the SIIQ tax regime (please refer to the section "**The SIIQ Regulatory Environment"**).

Tax is not comparable to the same period of the previous year due to the reversal of deferred tax liabilities at 30 June 2008 related to the greater value of properties as of 31/12/2007 and to the recognition of substitute tax.

Net profit

The change in net profit with respect to the previous half is shown below.



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	30-June-09	31-Dec-08	Δ	%
Fixed assets	1,627,507	1,516,187	111,320	7.34%
Net working capital	81,734	42,759	38,975	91.15%
Other long term liabilities	-74,209	-82,164	7,955	-9.68%
TOTAL USE OF FUNDS	**1,635,032**	**1,476,782**	**158,250**	**10.72%**
Shareholders' equity	737,034	742,877	-5.843	-0.79%
Net Debt	897,998	733,905	164,093	22.36%
TOTAL SOURCE OF FUNDING	**1,635,032**	**1,476,782**	**158,250**	**10.72%**

The principal changes in first half 2009, compared to 31 December 2008, are summarized below:

- ✓ **Fixed assets** rose from €1,516,187 thousand at 31 December 2008 to €1,627,507 thousand at 30 June 2009; the change of €111,320 thousand is explained by increases and decreases in:
  - ✓ **Real estate investments** (+€111,375 thousand). During the first half the Guidonia shopping center, inaugurated on 2 April 2009, was purchased and extraordinary maintenance was carried out at the Borgo, Sarca, Esp and Lugo centers.

  Fair value adjustments resulted in a net decrease of €7,991 thousand or approximately 0.59% in this class of properties.

- **Buildings** (+ €7,961 thousand, net depreciation). The increase is explained by the IGD Group's new headquarters, purchased with a financial lease on 29 April 2009.
- **Assets under construction** (-€14,369 thousand). The change is primarily attributable to:

  Increases (+€26,087 thousand) due to :

  - The payment of additional down payments pursuant to the preliminary contracts for the centers in Catania and Palermo;
  - The work done to complete the mall and the medium-sized area in Asti;
  - Progression of the work on the commercial area of the multifunctional complex in Livorno

  Decrease (-€36,920 thousand) due to :

  - The reimbursement of the deposit following cancellation of the preliminary agreement for the purchase of the shopping center in Trapani;
  - Transfer to investment property of the down payment for the shopping center in Guidonia;
  - The reclassification of investment property upon completion of work in progress;
  - Writedowns (-€3,792 thousand) taken in order to align the carrying value of the work in progress with the lower between cost and the appraised fair value.

- **Deferred tax assets** (+€2,625 thousand) The change is primarily due to:
  - Recognition of deferred tax related to mortgage hedging instruments (IRS);
  - Recognition of deferred tax related to the writedowns of the assets under construction and the inventory for work in progress;
  - Recognition of deferred tax related to the fair value adjustments of the real estate investments.

- **Sundry receivables and other non-current assets** (+€2,384 thousand). The change is primarily due to:
  - Recognition of the real property rights on the shopping malls in the "San Ruffillo" and "Città delle Stelle" centers.

- **Net working capital** (+€38,975 thousand). The change is due to:

- +€2,280 thousand in inventories for work in progress related to the areas, buildings and urbanization works under construction at the site of the multifunctional complex in Livorno. The real estate complex is to be zoned for various uses; residential, commercial, services and hospitality. It has been booked under assets under construction;
- +€2,622 thousand to the increase in trade receivables, net provisions for doubtful accounts, in line with the increase in sales and the opening of the two new shopping centers in April and May;
- +€21,379 thousand for other current assets attributable primarily to an increase in VAT credits deriving from the purchase of the shopping center in Guidonia and the down payments made pursuant to the preliminary contracts;
- +€11,993 thousand in trade payables, explained primarily by the balance deposited for the land and buildings pertaining to the multifunctional complex in Livorno;
- -€2,987 thousand related largely to amounts owed to the Parent Company;

- +€1,294 thousand to the decrease in current tax liabilities following payment of the IRAP and IRES owed, as well as the payment of the installment of the SIIQ entry tax and substitute tax pursuant to Decree 185 revaluation;
- +€2,734 thousand for other current liabilities which decreased noticeably following the refund of security deposits, substituted by guarantees, and for the recognition in the income statement of revenues generated by the two newly opened shopping centers.

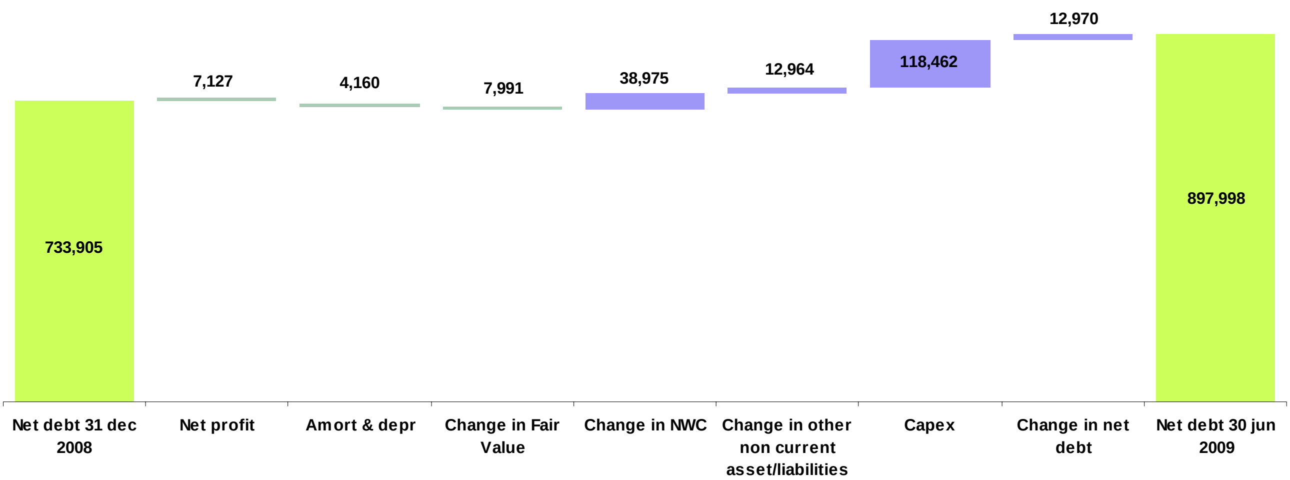
- **Other long term liabilities.** (+€7,955 thousand). The change is explained by:
  - Utilization during the half of the provision for Guidonia indemnities of €1,626 thousand;
  - Recognition of deferred tax attributable primarily to the fair value adjustments of the real estate investments of €413 thousand;
  - Reclassification of the substitute tax to be paid by 16 June 2010 under other current liabilities.

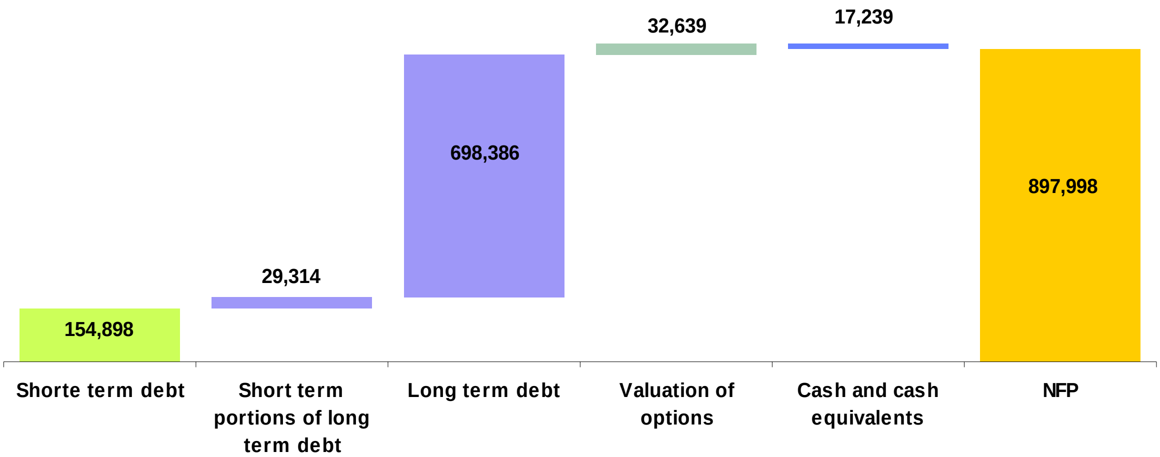
- ✓ **Shareholders' equity** at 30 June 2009 amounted to €737,034 thousand. The change of -€5,843 thousand is explained by:
  - the decrease in the derivatives accounted for using the cash flow hedge method;
  - the distribution of the 2008 profit of €10,440 thousand;
  - the addition of €360 thousand to the translation reserve for the translation of foreign currency financial statements;
  - the profit of €7,127 thousand in first half 2009;
  - a decrease of €61 thousand in minority interests in equity due to the deconsolidation of Consorzio dei Proprietari del Centro Leonardo and Consorzio Forte di Brondolo.

Net debt: Net debt amounted to €897,998, an increase of €164,093 over the end of the prior year due to investments made in the period and NWC.

Net Debt *(in €/000)*	30/06/2009	31/12/2008
Cash and cash equivalents	(16,300)	(65,886)
Related party financial receivables and other current financial assets	(885)	(651)
Financial receivables and other current financial assets	(54)	(57)
LIQUIDITY	**(17,239)**	**(66,594)**
Current financial liabilities	125,662	115,694
Convertible bond loan - current portion	32	2.930
Mortgage loans - current portion	27,442	28,607
Leasing – current portion	1,840	1,574
Related party current financial liabilities	29,236	53,682
CURRENT DEBT	**184,212**	**202,487**
CURRENT NET DEBT	**166,973**	**135,893**
Non-current financial assets	(19)	(29)
Convertible bond loan	208,473	205,163
Non-current financial liabilities due to other sources of finance	73,309	62,397
Non-current financial liabilities	449,262	330,481
NON-CURRENT DEBT	**731,025**	**598,012**
NET DEBT	**897,998**	**733,905**

(table compliant with CONSOB Circular n. 6064293 of 28 July 2006)





The item “Short term portions of long term debt” shown in the net financial position above includes the short term portion of mortgages, leasing company loans and bond debt.

SUBSEQUENT EVENTS

On 9 July the Board of Directors appointed Corrado Pirazzini a non executive director in substitution of Filippo Maria Carbonari who tendered his resignation last 30 April.

On 13 July 2009 the company signed an agreement with MiniMAX Discount, an important Romanian chain involved in the distribution of food products, based on which between the end of July and the middle of September 2009 MiniMAX Discount supermarkets will be opened in four of the 15 shopping centers that Igd Siiq purchased in Romania in Spring 2008. MiniMAX is already a well known presence in 19 medium sized Romanian cities.

The partnership represents a new, important step forward in the strategy to commercially reposition Winmarkt's portfolio and confirms IGD's desire to focus on increasing the offer of food products which materialized, in part, last March with the Carrefour agreement.

Thanks to the presence of MiniMAX Discount we can count on a range of choice products at competitive prices, which meet the needs of local customers given their central location in cities, like the ones that are part of this agreement, where the population's average income is limited

The commercial agreement involves the cities of Vaslui, Braila, Buzau and Tulcea: in the first three the supermarkets will be located in the lower floors which were previously occupied by Domo electronics which, following the partnership agreement signed with Igd last April, now occupies a larger area on upper floors. The MiniMAX in Tulcea, rather, will be found on the ground floor which has been completely redesigned. The four new MiniMAX Discount points of sale cover an average surface area of approximately 900 m^2.

On 20 July all parties mutually agreed to cancel the preliminary purchase contract for the shopping mall in Peschiera Borromeo, just outside of Milan, through a vehicle company. The project called for investments totaling €80 million.

The cancellation was triggered by the final outcome of the authorization process which called for the realization of a project which was different than the one originally provided for in the preliminary contract signed on 3 August 2007.

BUSINESS FORECAST

Following cancellation of the contract, on 24 July IGD SIIQ was reimbursed the entire down payment made equal to €1.48 million.

The IGD Group begins second half 2009 with a clear understanding of the uncertainties and risks linked to the persistent unfavorable trend which currently weighs on the global economic conditions; the weak financial markets, the drop in consumption and the significant impact this has on both the domestic and international real estate sectors.

In second half 2009 the IGD Group intends to continue with the development plan presented to the financial community in May 2007 while also concentrating on optimal management of the existing portfolio and the completion of projects which are already underway thanks to the Company's ability to finance the investments in the pipeline.

The results for FY 2009 will be impacted by both external factors, which cannot be controlled by the Company such as the real estate market trend and the valuations of the existing portfolio, as well as by further growth in EBITDA thanks to the contributions of the new openings completed in the first half and, not to be forgotten, the low tax charges due to treatment under the SIIQ regime.

Treasury Shares

At 30 June 2009 the company possessed 10,976,592 ordinary shares or 3.549 % of the share capital for a total of €22,141,778. Please note that on 30 December 2008, 10,000,000 ordinary shares were pledged by the Parent Company to the seller as a guarantee for the delayed payment of the Gran Rondò Mall.

Research and Development

Pursuant to Art. 2428, paragraph 1, of the Italian Civil Code the IGD Group does not perform research and development activities.

Significant Transactions

During first half 2009, no significant non-recurring transactions or atypical/unusual transactions, as defined in CONSOB's notice of 28 July 2006, were carried out with third parties or between companies in the Group.

IGD GROUP CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS AT 30 JUNE 2009

Consolidated income statement

Consolidated income statement (in €/000)	*Note*	*1H 2009 (A)*	*1H 2008 (B)*	*Change (A-B)*
Revenues:		**52,911**	**39,478**	**13,433**
- from third parties		38,853	24,794	14,059
- from related parties		14,058	14,684	(626)
Other income:		**7,378**	**6,065**	**1,313**
- from third parties		7,189	5,460	1,729
- from related parties		189	605	(416)
Total operating revenues and income		**60,289**	**45,543**	**14,746**
Change in inventory for work in progress		2,255	52,117	(49,862)
Cost of work in progress		(3,023)	(52,117)	49,094
Income (loss) from work in progress	**16**	**(768)**	**0**	**(768)**
Material and service costs:		14,483	12,810	1,673
- third parties		13,129	11,226	1,903
- related parties		1,354	1,584	(230)
Cost of labor		3,954	2,814	1,140
Other operating expenses		4,093	2,041	2,052
Total operating expenses		**22,530**	**17,665**	**4,865**
EBITDA		**36,991**	**27,878**	**9,113**
(Depreciation & amortization)		(368)	(200)	(168)
(Work in progress impairment)	**17**	(3,792)	0	(3,792)
Fair value change - increases / (decreases)	**17**	(7,991)	8,093	(16,084)
EBIT		**24,840**	**35,771**	**(10,931)**
Financial income		**2,060**	**2,577**	**(517)**
- third parties		2,039	2,394	(355)
- related parties		21	183	(162)
Financial charges		**19,233**	**14,147**	**5,086**
- third parties		18,656	13,706	4,950
- related parties		577	441	136
Net financial income (charges)	**18**	**(17,173)**	**(11,570)**	**(5,603)**
PRE-TAX PROFIT		**7,667**	**24,201**	**(16,534)**
Income taxes	**19**	540	(10,020)	10,560
NET PROFIT FOR THE PERIOD		**7,127**	**34,221**	**(27,094)**
Attributable to:				
* Parent company		7,127	34,228	(27,101)
* Minority interests		0	(7)	7
- Basic earnings per share		0.024	0.114	
- Diluted earnings per share		0.038	0.111	

Consolidated statement of comprehensive income

(in €/000)	1H 2009 (A)	1H 2008 (B)
Profit for the period	7,127	34,221
Other components of comprehensive income		
Exchange gains (losses) from translation of foreign currency financial statements	361	18
Change in cash flow hedge reserve, gross of tax effects	**(3,903)**	**3,320**
Tax effects on components of comprehensive income	1,073	(913)
Total other components of comprehensive income, net of tax effects	**(2,469)**	**2,425**
Total comprehensive income for the period	**4,658**	**36,646**
Total comprehensive income for the period attributable to:		
Parent company shareholders	**4,658**	**36,653**
Minority interests	**0**	**(7)**

Consolidated balance sheet

(in €/000)	*Note*	*30 June 2009 (A)*	*31 December 2008 (B)*	*Change (A-B)*
NON-CURRENT ASSETS:				
Intangible assets				
- Intangible assets with finite useful lives	**1**	157	186	(29)
- Goodwill		11,725	10,752	973
		11,882	**10,938**	**944**
Property, plant, and equipment				
- Investment property	**2**	1,356,515	1,245,140	111,375
- Buildings		7,961	-	7,961
- Plant and machinery		1,081	1,130	(49)
- Equipment and other assets		1,420	693	727
- Leasehold improvements		1,656	1,664	(8)
- Assets under construction	**3**	227,247	241,886	(14,639)
		1,595,880	**1,490,513**	**105,367**
Other non-current assets				
- Deferred tax assets	**4**	10,727	8,102	2,625
- Sundry receivables and other	**5**	9,018	6,634	2,384
- Non-current financial assets		19	29	(10)
		19,764	**14,765**	**4,999**
TOTAL NON-CURRENT ASSETS (A)		**1,627,526**	**1,516,216**	**111,310**
CURRENT ASSETS:				
Inventory for work in progress	**6**	52,250	49,970	2,280
Inventories		9	7	2
Trade and other receivables	**7**	12,894	10,272	2,622
Related party trade and other receivables	**7**	135	477	(342)
Other current assets	**8**	52,742	31,363	21,379
Related party financial receivables and other current financial assets		885	651	234
Financial receivables and other current financial assets		54	57	(3)
Cash and cash equivalents		16,300	65,886	(49,586)
TOTAL CURRENT ASSETS (B)		**135,269**	**158,683**	**(23,414)**
TOTAL ASSETS (A + B)		**1,762,795**	**1,674,899**	**87,896**
SHAREHOLDERS' EQUITY				
parent company's share	**9**	737,034	742,816	(5,782)
minority interests		-	61	(61)
TOTAL NET EQUITY (C)		**737,034**	**742,877**	**(5,843)**
NON-CURRENT LIABILITIES:				
Non-current financial liabilities	**10**	731,044	598,041	133,003
Provision for employee severance indemnities		519	501	18
Deferred tax liabilities	**4**	41,018	41,377	(359)
General provisions	**12**	745	2,553	(1,808)
Sundry payables and other non-current liabilities		20,255	26,110	(5,855)
Related party sundry payables other other non-current liabilities		11,672	11,623	49
TOTAL NON-CURRENT LIABILITIES (D)		**805,253**	**680,205**	**125,048**
CURRENT LIABILITIES:				
Current financial liabilities	**10**	154,976	148,805	6,171
Related party current financial liabilities	**10**	29,236	53,682	(24,446)
Trade and other payables	**13**	18,241	30,234	(11,993)
Related party trade and other payables	**13**	3,615	628	2,987
Current tax liabilities	**14**	8,592	9,886	(1,294)
Other current liabilities	**15**	5,848	8,582	(2,734)
TOTAL CURRENT LIABILITIES (E)		**220,508**	**251,817**	**(31,309)**
TOTAL LIABILITIES (F = D + E)		**1,025,761**	**932,022**	**93,739**
TOTAL NET EQUITY AND LIABILITIES (C + F)		**1,762,795**	**1,674,899**	**87,896**

Interim consolidated statement of changes in equity

	Share capital	Share premium reserve	Legal reserve	Reserve for first-time adoption of IAS/IFRS	Euro conversion reserve	Goodwill reserve	Cash flow hedge reserve	IPO and capital increase reserves	Reserve for treasury shares	Bond issue reserve	Fair value reserve	Trans-lation reserve	Undistributed earnings reserve	Profit (losses) carried forward	Share-holders' equity	Minority interests	Total
Balance at 01/01/08	**309,249**	**147,730**	**4,134**	**(965)**	**23**	**13,736**	**3,323**	**(7,986)**	**0**	**21,380**	**187,575**	**0**	**1,784**	**61,030**	**741,013**	**157**	**741,170**
Profit for the period														34,228	34,228	(7)	34,221
Other compre-hensive income (losses)							940					18	1,467		2,425		2,425
Total compre-hensive income (losses)												**18**	**1,467**	**34,228**	**36,653**		**36,646**
Purchase of treasury shares	(10,977)								(11,276)						(22,253)		(22,253)
Change in scope of consolidation															0	7,904	7,904
Allocation of 2007 profit																	
- dividends														(16,776)	(16,776)		(16,776)
- to undistributed earnings reserve													11,866	(11,866)	0		0
- to legal reserve			2,022											(2,022)	0		0
- to other reserves											18,239			(18,239)	0		0
Balance at 30 June 2008	**298,273**	**147,730**	**6,156**	**(965)**	**23**	**13,736**	**4,263**	**(7,986)**	**(11,276)**	**21,380**	**205,815**	**18**	**15,117**	**46,355**	**738,638**	**8,053**	**746,692**

	Share capital	Share premium reserve	Legal reserve	Reserve for first-time adoption of IAS/IFRS	Euro conversion reserve	Goodwill reserve	Cash flow hedge reserve	IPO and capital increase reserves	Reserve for treasury shares	Bond issue reserve	Fair value reserve	Trans-lation reserve	Undistributed earnings reserve	Profit (losses) carried forward	Share-holders' equity	Minority interests	Total
Balance at 01/01/09	**298,273**	**147,730**	**6,156**	**(965)**	**23**	**13,736**	**(856)**	**(7,986)**	**(11,276)**	**27,609**	**205,815**	**598**	**8,912**	**55,047**	**742,816**	**61**	**742,877**
Profit for the period														7,127	7,127		7,127
Other compre-hensive income (losses)							(2,075)					361	(755)		(2,469)		(2,469)
Total compre-hensive income (losses)							**(2,075)**					**361**	**(755)**	**7,127**	**4,658**		**4,658**
Change in scope of consolidation															**0**	(61)	**(61)**
Allocation of 2008 profit																	
- dividends														(10,440)	**(10,440)**		**(10,440)**
- coverage of IAS/IFRS effects				965				7,986						(8,951)	**(0)**		**(0)**
- to undistributed earnings reserve													9,951	(9,951)	**0**		**0**
- to legal reserve			626											(626)	**0**		**0**
- to other reserves											20,867			(20,867)	**0**		**0**
															0	**0**	**0**
Balance at 30 June 2009	**298,273**	**147,730**	**6,782**	**0**	**23**	**13,736**	**(2,931)**	**0**	**(11,276)**	**27,609**	**226,682**	**959**	**18,108**	**11,339**	**737,034**	**(0)**	**737,034**

Consolidated cash flow statement

CASH FLOW STATEMENT FOR THE PERIOD ENDED:	*30 June 2009*	*30 June 2008*
(in €/000)		
CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit for the period	**7,127**	**34,221**
Adjustments to reconcile net profit with cash flow generated (absorbed) by operating activities:		
(Capital gains) capital losses and other non-monetary items	1,225	31
Depreciation and amortization	368	200
Writedown of work in progress	3,792	0
Net change in (deferred tax assets)/provision for deferred tax liabilities	(1,910)	(43,267)
Change in fair value of investment property	7,991	(8,093)
Change in inventory for work in progress	(2,282)	(52,370)
Net change in current assets and liabilities	(40,022)	37,172
Net change in current assets and liabilities with related parties	3,329	(443)
Net change in non-current assets and liabilities	(10,029)	30,073
Net change in non-current assets and liabilities with related parties	49	49
CASH FLOW FROM OPERATING ACTIVITIES (a)	**(30,362)**	**(2,426)**
Investments in fixed assets	(118,462)	(33,844)
Equity investments in subsidiaries		(199,186)
CASH FLOW FROM INVESTING ACTIVITIES (b)	**(118,462)**	**(233,030)**
Change in non-current financial assets	1	0
Change in financial receivables and other current financial assets	3	40,441
Change in related party financial receivables and other current financial assets	(234)	198
Purchase of treasury shares	0	(22,253)
Change in translation reserve	361	18
Change in borrowings	(61)	7,904
Distribution of dividends	(10,440)	(16,776)
Change in current debt	6,171	60,702
Change in current debt with related parties	(24,446)	22,403
Change in non-current debt	127,883	27,881
CASH FLOW FROM FINANCING ACTIVITIES (c)	**99,238**	**120,518**
NET INCREASE (DECREASE) IN CASH BALANCE	**(49,586)**	**(114,938)**
CASH BALANCE AT BEGINNING OF YEAR	**65,886**	**123,074**
CASH ACQUIRED THROUGH THE PURCHASE OF CONSOLIDATED EQUITY INVESTMENTS	**0**	**8,963**
CASH BALANCE AT END OF YEAR	**16,300**	**17,099**

Notes to the condensed consolidated half-year financial statements

Form and content of the c consolidated half-year financial statements

Introduction

The condensed consolidated interim financial statements of Immobiliare Grande Distribuzione at 30 June 2009 were approved and authorized for publication by the Board of Directors on 27 August 2009.

Immobiliare Grande Distribuzione SIIQ SpA (IGD SIIQ SpA or IGD) is a company set up and organized under Italian law. IGDs' Group manages and leases properties, with the goal of profiting from its real estate portfolio through the acquisition, construction and leasing of retail properties (shopping centers, hypermarkets, supermarkets and malls), and the optimization of yields on the properties it owns outright or the sale of malls at a profit. It also provides a wide range of services, through agency and facility management operations at properties owned by the Group and third parties.

IGD SIIQ SpA is a member of Gruppo Coop Adriatica Società Cooperativa a.r.l.

Preparation criteria

The condensed consolidated half-year financial statements at 30 June 2009 have been prepared in accordance with IAS 34 (Interim Financial Reporting), with reference to the rules for "condensed" accounts, and on the basis of Art. 154 *ter* of Legislative Decree 58/1998.

The condensed consolidated half-year financial statements do not include all disclosures required in the full-year financial statements, and should be read jointly with the Group's annual report for the year ended 31 December 2008.

Significant accounting standards

The accounting standards used to prepare condensed consolidated half-year financial statements are the same as those employed in the Group's annual financial statements for the year ended 31 December 2008, with the exception of the following new standards and interpretations applicable from 1 January 2009:

IAS 1 - Presentation of financial statements (revised)

The revised and corrected standard separates owner and non-owner changes in equity. As a result, the statement of changes in equity will include only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the standard introduces the statement of comprehensive income which presents all items of recognized income and expense, either in a single statement or in two that are linked together. The Group has opted to provide two linked statements.

IAS 23 - Borrowing costs (revised)

The revised version has eliminated the option, followed by the Group until 31 December 2008, of immediately expensing borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale (qualifying assets). The new version of the standard was also amended as part of the IASB's 2008 improvement project, to revise the definition of borrowing costs eligible for capitalization.

In accordance with the transitional provisions of the standard, the Group has adopted it prospectively from 1 January 2009, capitalizing borrowing costs that are directly attributable to the purchase and construction of investment property in relation to which the Group had incurred expenditure or borrowing costs or which the Group had begun to prepare for their intended use or sale as of that date. Borrowing costs are capitalized, subject to verification that this will not increase the asset's value beyond recoverable amount or net realizable value, on new constructions and extensions for which the Group owns the land and/or building and for which the necessary construction permits have been issued.

IFRS 2 - Share-based payments - Vesting conditions and cancellations

This standard has been amended to specify the definition of vesting conditions and to prescribe the accounting treatment in case a grant is effectively canceled due to the failure to meet a non-vesting condition. The adoption of this amendment does not affect the Group's financial position or performance.

IFRS 8 - Operating Segments

This standard requires disclosures about the Group's operating segments and replaces the need to determine the primary reporting segment (business) and secondary reporting segment (geographical). The adoption of this amendment does not affect the Group's financial position or performance. The Group has determined that its operating segments are the same as those established under *IAS 14 - Segment Reporting.* The disclosures for each segment are provided in the "Segment Reporting" section, including revised and corrected comparative information.

IAS 32 - Financial instruments: Presentation and IAS 1 - Presentation of financial statements – Puttable financial instruments and obligations arising on liquidation

This standard has been amended to allow a limited exception for puttable financial instruments to be classified under equity if they meet a certain number of conditions. The adoption of these amendments does not affect the Group's financial position or performance.

IFRIC 13 - Customer loyalty programs

This interpretation requires customer loyalty award credits to be recognized separately from the sale transactions from which they arise. Part of the fair value of the sale price must be allocated to the award credits and deferred. The deferred portion is recognized as revenues when the award credits are redeemed. The adoption of these changes does not affect the Group's financial position or performance.

IFRIC 16 - Hedges of a net investment in a foreign operation

This interpretation must be applied prospectively. IFRIC 16 constitutes a guideline for recognizing a hedge of a net investment. As such, it provides guidance on identifying the foreign currency risks that qualify as a hedged risk in the hedge of a net investment in a foreign operation; where, within a group, hedging instruments that are hedges of a net investment in a foreign operation can be held to qualify for hedge accounting; and how an entity should determine the exchange gain or loss considering both the net investment and the hedging instrument, the latter to be offset upon disinvestment. The Group does not engage in this kind of hedge, so the changes do not affect its financial position or performance for the period.

Improvements to IFRS

In May 2008 the IASB began to publish improvements to its standards, fundamentally for the purpose of removing inconsistencies and clarifying terminology each standard has its own rules for first-time adoption.

Accounting standards, amendments, and interpretations not yet effective and not applied in advance by the Group:

On 10 January 2008 the IASB issued a revised version of IFRS 3 - *Business combinations* and amended IAS 27 - *Consolidated and separate financial statements*. The main changes brought to IFRS 3 are the elimination of the need to measure the individual assets and liabilities of a subsidiary at fair value in every subsequent acquisition, in the case of a business combination achieved in stages. Goodwill will be determined only upon acquiring control, as the difference between the value of the equity interest held prior to the acquisition, the consideration transferred, and the value of the net assets acquired. If the entity does not acquire 100% of the subsidiary, the minority interests in equity may be recognized either at fair value or using the previous method sanctioned by IFRS 3. The revised version also requires all acquisition-related costs to be recognized as expenses, and contingent consideration to be recognized and measured at the acquisition date. In the amendment to IAS 27, the IASB has clarified that changes in an equity interest not leading to loss of control must be accounted for as equity transactions and recognized within equity. When control is lost, the parent shall measure its retained interest in the company at fair value, and recognize any gain or loss arising from loss of control in the income statement. Finally, the amendment to IAS 27 requires that all losses attributable to minority shareholders be allocated to minority interests in equity, even if this results in a deficit balance. The new rules must be applied prospectively from 1 January 2010.

As part of the IASB's 2008 improvement project, a change to IFRS 5 – *Non-current assets held for sale and discontinued operations* states that if an entity is committed to a sale involving loss of control of a subsidiary, it shall classify all of the assets and liabilities of that subsidiary as held for sale, even if the entity will retain a non-controlling interest in its former subsidiary after the sale. The change must be adopted prospectively from 1 January 2010.

On 31 July 2008 the IASB issued an amendment to IAS 39 - *Financial instruments: recognition and measurement*, to be applied retrospectively from 1 January 2010. The amendment provides guidance on defining the hedged item in certain situations. At 30 June 2009, the EU authorities had not yet finished the endorsement process necessary for application.

On 5 March 2009 the IASB issued an amendment to IFRS 7 – *Financial instruments: disclosures,* to require enhanced information on fair value measurements and reinforce existing principles for disclosures concerning the liquidity risk associated with financial instruments. The amendment is effective from 1 January 2009; at 30 June 2009 the EU authorities had not yet finished the endorsement process necessary for application.

On 12 March 2009, the IASB issued an amendment to IFRIC 9 – *Reassessment of embedded derivatives* and IAS 39 - *Financial instruments: Recognition and measurement*, which under given circumstances allows the reclassification of certain financial assets out of the fair-value-through-profit-or-loss category. The amendment clarifies that in reclassifying a financial instrument out of that category, all embedded derivatives must be measured and, if necessary, separately accounted for in the financial statements. The amendment is effective retrospectively from 31 December 2009; at 30 June 2009 the EU authorities had not yet finished the endorsement process necessary for application.

On 16 April 2009, the IASB issued a set of Improvements to IFRS; information is provided below on those that according to the IASB entail changes for presentation, recognition or measurement purposes, while no mention is made of those involving only terminology or editorial changes with minimal effect on accounting, or those affecting standards or interpretations not applicable to the IGD Group.

IFRS 2 - *Share-based payments*: the amendment, effective from 1 January 2010 (early adoption is permitted), clarifies that following the change made by IFRS 3 to the definition of a business combination, the contribution of a business on the formation of a joint venture and the combination of entities or businesses under common control do not fall within the scope of IFRS 2.

IFRS 5 – *Non-current assets held for sale and discontinued operations:* this amendment, to be applied prospectively from 1 January 2010, clarifies that IFRS 5 and other IFRS that make specific reference to non-current assets (or disposal groups) classified as held for sale or discontinued operations set out all the disclosures required in respect of those assets or operations.

IAS 1 - *Presentation of financial statements*: this amendment, effective from 1 January 2010 (early adoption is permitted), changes the definition of current liability contained in IAS 1. Under the old definition, a liability was current if it could be settled at any time through the issue of equity instruments. This entailed recognizing as current all liabilities for convertible bonds that could be converted into shares of the issuer at any time. As a result of the change, for the purpose of classifying liabilities as current/non-current, the existence of a currently exercisable option for conversion into equity instruments is no longer relevant.

IAS 7 – *Statement of cash flows:* this amendment, effective from 1 January 2010, clarifies that only expenditures that result in a recognized asset are eligible for classification as investing activities in the statement of cash flows; cash flows originating from expenditures that do not result in a recognized asset (such as advertising and promotional costs and employee training) must be classified as cash flows from operating activities.

IAS 17 – *Leasing:* Under the new formulation, the general conditions required by IAS 17 for classifying a lease as a *finance lease* or an *operating lease* will also be applicable to the leasing of land, regardless of whether ownership is transferred upon expiration. Before the changes, if ownership of the leased land was not transferred at the end of the lease, it was classified as an operating lease because land has an indefinite useful life. The amendment is effective from 1 January 2010; at the date of adoption, the classification of all land elements of unexpired leases must be reassessed, with any lease newly classified as a finance lease to be recognized retrospectively.

IAS 36 – *Impairment of assets:* this amendment, applicable prospectively from 1 January 2010 (with early application permitted), states that each unit or group of units to which goodwill is allocated for the purpose of impairment testing shall not be larger than an operating segment as defined by IFRS 8 (5), before the aggregation allowed by IFRS 8 (12) on the basis of similar economic and other characteristics.

IAS 38 - *Intangible assets:* the 2008 revision of IFRS 3 clarifies that sufficient information exists to measure the fair value of an intangible asset acquired in a business combination if the asset is separable or arises from contractual or other legal rights. IAS 38 has been amended to reflect this change to IFRS 3. The amendment also clarifies the valuation techniques commonly used to measure the fair value of intangible assets not traded in an active market; in particular, such techniques include discounting the estimated future net cash flows from an asset, and estimating the costs the entity avoids by owning the asset and not having to license it from a third party or the costs to recreate or replace it (as in the cost approach). The amendment is effective prospectively from 1 January 2010; however, in case of early adoption of the revised IFRS 3, this amendment must also be applied in advance.

IAS 39 - *Financial instruments: Recognition and measurement*: this amendment restricts the non-applicability of IAS 39 under paragraph 2(g) of the standard to forward contracts between an acquirer and a selling shareholder to buy or sell an acquiree in a business combination at a future date, when the completion of the business combination does not depend on further actions of either party but only on the passage of a normal period of time. The scope of IAS 39 extends to option contracts, whether or not currently exercisable, which allow one party to control the occurrence or non-occurrence of future events and whose exercise will result in control of an entity. The amendment also clarifies that embedded prepayment options whose exercise price compensates the lender for the loss of additional interest income shall be considered closely related to the host debt contract and therefore not accounted for separately. Finally, it clarifies that gains or losses on a hedged instrument must be reclassified from equity to the income statement during the period that the hedged forecast cash flows affect profit or loss. This amendment applies prospectively from 1 January 2010; early adoption is permitted.

IFRIC 9 – *Reassessment of embedded derivatives*: this amendment, applicable prospectively from 1 January 2010, excludes from the scope of IFRIC 9 embedded derivatives in contracts acquired in combinations of entities or businesses under common control or in the formation of a joint venture. At 30 June 2009 the EU authorities had not yet finished the endorsement process necessary for application of this improvement.

In June 2009, the IASB issued an amendment to IFRS 2 - *Share-based payment: group cash-settled share-based payment transactions*. The amendment clarifies the scope of IFRS 2 and its interactions with other standards. Specifically, it clarifies that an entity that receives goods or services in a share-based payment arrangement must account for those goods or services regardless of which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash. It also clarifies that a "group" has the same meaning as in IAS 27 - *Consolidated and separate financial statements*, that is, it includes only a parent and its subsidiaries. Moreover, the amendment states that an entity must measure the goods or services received in an equity-settled or a cash-settled share-based payment transaction from its own perspective, which may not always be the same as the amount recognized in the consolidated financial statements. The amendment incorporates the guidelines previously included in

IFRIC 8 - *Scope of IFRS 2* and IFRIC 11 - *IFRS 2 - Group and treasury share transactions*. As a result, the IASB has withdrawn IFRIC 8 and IFRIC 11. The amendment is applicable from 1 January 2010; at 30 June 2009 the EU authorities had not yet finished the endorsement process necessary for application.

Use of estimates

In preparing the condensed consolidated half-year financial statements, management has made estimates and assumptions that affect the carrying values of revenues, costs, assets and liabilities and the disclosures on contingent assets and liabilities as of the interim balance sheet date. Actual results may differ.

Estimates and assumptions are reviewed on a regular basis and any changes are reflected in profit or loss.

The consolidated financial statements, tables and explanatory notes are expressed in thousands of euro (€K), unless otherwise specified.

In accordance with CONSOB instructions, income statement figures are provided for the period under review and for the year-to-date; they are compared with figures for the same periods last year. Balance sheet figures, which refer to the end date of the half-year, are compared with the end date of the previous financial year. Therefore, comments on income statement items refer to a comparison with the first six months of 2008, while balance sheet items are compared with figures at 31 December 2008.

Scope of consolidation

The consolidated financial statements have been drawn up on the basis of the financial statements at 30 June 2009, prepared by the consolidated companies and adjusted, where necessary, to align them with the Group's IFRS-compliant accounting and classification policies.

With respect to 31 December 2008, the scope of consolidation has changed due to the deconsolidation of Consorzio dei Proprietari del Centro Leonardo and Consorzio di Costruzione Forte di Brondolo.
The deconsolidation is not significant, given the consortiums' negligible size with respect to the Group as a whole.
The following table list the companies consolidated by the IGD Group at 30 June 2009.

Name	% held	Control	Registered office	Share capital (in EUR)	Consolidation method	Operations
Immobiliare Larice Srl	100%	IGD SIIQ SpA	Ravenna, via Villa Glori 4	75,071,221.00	Line-by-line	Shopping center management
Millennium Gallery Srl	100%	IGD SIIQ SpA	Ravenna, via Villa Glori 4	100,000.00	Line-by-line	Shopping center management
RGD Srl	50%	IGD SIIQ SpA	Milan, via Dante 7	52,000.00	Proportional	Purchase and sale of real estate
RGD Gestioni Srl	50%	RGD Srl 100%	Milan, via Dante 7	10,000.00	Proportional	Shopping center management
New Mall Srl	50%	RGD Srl 100%	Turin, via B. Buozzi 5	60,000.00	Proportional	Shopping center management
Porta Medicea Srl	80%**	Immobiliare Larice Srl	Livorno, via Gino Graziani 6	60,000,000.00	Line-by-line	Construction firm
Win Magazin SA	90%*	Immobiliare Larice Srl	Bucharest, Romania	31,128.00	Line-by-line	Shopping center management
Winmarkt Management Srl	100%	Win Magazin SA	Bucharest, Romania	274,014.00	Line-by-line	Agency and facility management services
Nikefin Asti Srl	100%	IGD SIIQ SpA	Ravenna, via Villa Glori 4	100,000.00	Line-by-line	Construction of mall for subsequent marketing/ rental

Consolidated 100% due to put & call option on minority interest.

***** Consolidated 100% due to put & call option on minority interest.***

Seasonal Trends

The company's operations do not reflect any seasonal or cyclical trends.

Segment Reporting

The balance sheet and income statement are broken down below by business segment, followed by a geographical breakdown of revenues from freehold assets.

INCOME STATEMENT	1H09	1H08	1H09	1H08	1H09	1H08	1H09	1H08
	RENT		SERVICES		MUTUAL		TOTAL	
REVENUES	**53,075**	**40,026**	**3,510**	**2,104**	**3,704**	**3,413**	**60,289**	**45,543**
DIRECT COSTS	11,659	8,894	2,694	1,326	-3,704	-3,413	18,057	13,633
DIVISIONAL GROSS MARGIN	**41,416**	**31,132**	**816**	**778**	**0**	**0**	**42,232**	**31,910**
MUTUAL COSTS					5,241	4,032	5,241	4,032
EBITDA	**41,416**	**31,132**	**816**	**778**	**-5,241**	**-4,032**	**36,991**	**27,878**
WRITEDOWNS/REVAL./DEP.&AMORT	-12,070	7,900	-41	-2	-41	-5	-12,151	7,892
EBIT	**29,346**	**39,032**	**775**	**775**	**-5,2811**	**-4,037**	**24,840**	**35,771**
NET FINANCIAL INCOME (CHARGES)							**-17,173**	**-11,570**
TAXES							**539**	**-10,020**
PRE-TAX PROFIT							**7,127**	**34,221**

BALANCE SHEET	30/06/09	31/12/08	30/06/09	31/12/08	30/06/09	31/12/08	30/06/09	31/12/08
	RENT		SERVICES		MUTUAL		TOTAL	
REAL ESTATE PORTFOLIO	1,368,634	1,248,628	0	0	0	0	1,368,634	1,248,628
OTHER NON-CURRENT ASSETS	0	0	0	0	31,626	25,673	31,626	25,673
CURRENT INVESTMENTS	227,247	241,886	0	0			227,247	241,886
NET WORKING CAPITAL	37,152	21,051	432	230	44,150	21,478	81,734	42,759
OTHER NON-CURRENT LIABILITIES	-73,821	-81,719	-387	-446			-74,209	-82,164
TOTAL USE OF FUNDS	**1,559,211**	**1,429,847**	**45**	**-216**	**75,776**	**47,152**	**1,635,032**	**1,476,782**
NET DEBT	825,862	690,684	-3,641	-3,930	75,776	47,152	897,998	733,905
SHAREHOLDERS' EQUITY	733,349	739,163	3,685	3,714			737,034	742,877
TOTAL SOURCE OF FUNDS	**1,559,211**	**1,429,847**	**45**	**-216**	**75,776**	**47,152**	**1,635,032**	**1,476,782**

REVENUES FROM FREEHOLD ASSETS	1H09	1H08	1H09	1H08	1H09	1H08	1H09	1H08
	NORTHERN ITALY		CENTRAL/SOUTHERN ITALY & ISLANDS		ABROAD		TOTAL	
RENTAL INCOME	12,259	10,484	6,681	6,403	9,095	3,351	28,035	20,239
BUSINESS LEASE INCOME	7,437	6,931	11,952	6,244	0	0	19,389	13,175
TEMPORARY LOCATION RENTALS	577	536	387	372	0	0	964	908
OTHER REVENUES	26	41	5	0	238	105	269	146
TOTAL	**20,299**	**17,993**	**19,024**	**13,019**	**9,333**	**3,457**	**48,656**	**34,468**

Notes to the Condensed Consolidated half-year Financial Statements

Note 1) Goodwill

	Balance at 01/01/08	*Increases*	*Decreases*	*Reclassifications*	*Change in scope of consolidation*	*Balance at 31/12/08*
Goodwill	26,670	3,697	(19,092)	(523)	0	10,752

	Balance at 01/01/09	*Increases*	*Decreases*	*Reclassifications*	*Change in scope of consolidation*	*Balance at 30/06/09*
Goodwill	10,752	973	0	0	0	11,725

- The increase in goodwill is due to the recognition of the minimum strike price for the put option on the minority interest in Win Magazin S.A.

Goodwill has been allocated to the individual cash generating units (CGUs). Below is the breakdown of goodwill by CGU at 30 June 2009:

Goodwill		*31/12/08*	*30/06/09*
Millennium Srl		3,952	3,952
RGD Srl		975	975
Win Magazin S.A.		3,696	4,669
Winmarkt Management Srl		1	1
Centro Nova		546	546
Città delle Stelle		65	65
San Donà		448	448
San Ruffillo		63	63
Gescom Service		1,006	1,006
	Total	10,752	11,725

Goodwill for Millennium, RGD, Win Magazin, and Winmarkt Management arose when accounting for the relative business combinations. The recoverability of the goodwill allocated to these CGUs has been analyzed on the basis of the property appraisal by CBRE, in accordance with the criteria described above for the Group's investment properties (see Note 2). Specifically, this goodwill covers the possibility to sell properties owned by the subsidiaries (through the equity investment) without incurring taxes. Therefore, recoverability derives from the tax savings that could be achieved from the investment's sale, and is measured on the basis of the deferred tax provision covering the higher book value of the property with respect to the tax-deductible amount.

Goodwill for the CGUs Centro Nova, Città delle Stelle, San Donà, San Ruffillo, and Service and Winmarkt Management pertains to business management for properties not owned by the Group, as well as services (facility management) provided at commercial centers owned by the Group and by third parties. The amount attributed to each cash generating unit was determined on the basis of value in use. The Value in use was calculated by projecting cash flows estimated in the 2009 budget and in revised plans for 2010-2012, extrapolated for subsequent years on the basis of medium/long-term growth rates. The discount rate (weighted average cost of capital, or WACC) was 5.85%; the risk premium contained in the cost of equity is 4.5%, while the borrowing rate used is the average rate paid by the company to obtain funding.
It was considered in estimating a growth rate of 1.5%. The test did not suggest the need to adjust the amounts reported.

Note 2) Investment property

As required by IAS 40, the following table reconciles the opening and closing value of investment property, with additions, disposals, and changes in fair value shown separately.

	Balance at 01/01/08	*Increases*	*Decreases*	*Revaluations*	*Writedowns*	*Reclassifications*	*Change in scope of consolidation*	*Balance at 31/12/08*
Investment property	947,805	75,484	(13)	7,948	(10,536)	1,199	223,253	1,245,140

	Balance at 01/01/09	*Increases*	*Decreases*	*Revaluations*	*Writedowns*	*Reclassifications*	*Change in scope of consolidation*	*Balance at 30/06/09*
Investment property	1,245,140	90,855	0	11,163	(19,154)	28,512		1,356,515

The increases pertain to the acquisition of the Guidonia shopping center and to extraordinary maintenance work on the Borgo, Sarca, Esp, and Lugo centers.

Reclassifications refer essentially to the transfer to investment property of the down payment and work in progress on the Guidonia shopping center.

Revaluations and writedowns refer to the adjustment of investment property to fair value at 30 June 2009. The independent appraisal by CB Richard Ellis at 30 June 2009 resulted in a higher fair value for some properties in Lazio/Campania, and writedowns for all the others.

The valuation policies used, as certified in the appraisal report, were as follows:

- for malls: discounted cash flow projections based on net rental income for the next 10 years. According to this method, at the end of the 10 years it is assumed that the property will be sold at a value obtained by capitalizing the final year's rental income at an applicable market rate for similar investments.
- for hypermarkets and supermarkets: discounted cash flow projections based on net rental income for the next 10 years. According to this method, at the end of the 10 years it is assumed that the property will be sold at a value obtained by capitalizing the final year's rental income at an applicable market rate for similar investments.
- For the freehold portions used as stores, wholesale zone, fitness area, and offices, the following methods were used:
  - comparative or market method, based on a comparison between the investment property and similar properties recently sold or currently offered on the same or competing markets.
  - Income method, based on the present value of the potential market income of a property, obtained by capitalizing the income at an applicable market rate.
  - The values obtained with the above methods are then appropriately mediated.

Note 3) Assets under construction

	Balance at 01/01/08	*Increases*	*Decreases*	*Reclassifications*	*Writedowns*	*Change in scope of consolidation*	*Currency translation gain/loss*	*Balance at 31/12/08*
Assets under construction	168,147	80,411	(46,809)	(822)	0	41,020	(61)	241,886

	Balance at 01/01/09	*Increases*	*Decreases*	*Reclassifications*	*Writedowns*	*Change in scope of consolidation*	*Currency translation gain/loss*	*Balance at 30/06/09*
Assets under construction	241,886	26,087	(5,467)	(31,453)	(3,792)	0	(14)	227,247

The increase in assets under construction (see Note 27: commitments and risks) is mainly due to:

- down payments for the purchase of new shopping centers
- additional advances on preliminary contracts
- the expansion of the shopping centers ESP, Porte di Napoli, Centro Portogrande, and Mondovicino and roadworks at the future shopping center in Chioggia
- the investment in the Centro Multifunzionale di Livorno (retail sector only)

The decrease is due to the reimbursement of a down payment due to cancellation of the preliminary contract for the purchase of the shopping center in Trapani.

Reclassifications concern the allocation of the down payment towards the purchase price for the shopping center in Guidonia, the reimbursement of down payments and advances for the new headquarters of the IGD Group, now acquired through a finance lease, and the conclusion of works now allocated to investment property.

Writedowns were made to adjust the carrying value of projects in course to the lower of cost and appraised fair value.

Note 4) Deferred tax assets and deferred tax liabilities

Deferred tax assets and liabilities	*30/06/09*	*31/12/08*	*Change*
Deferred tax assets	10,727	8,102	2,625
Deferred tax liabilities	(41,018)	(41,377)	359

In detail:

Deferred tax assets and liabilities	*30/06/09*	*31/12/08*	*Change*
Amortization reversal	53	124	(71)
Capital increase	236	624	(388)
IPO costs	108	477	(369)
Goodwill amortization for tax purposes	12	13	(1)
Taxed provisions	403	167	236
Bonus provision	39	54	(15)
IAS 40	1,526	547	979
Higher land value for tax purposes	764	545	219
IAS 19	1	1	0
Interest rate swaps	3,116	2,043	1,073
Writedowns from impairment testing	1,105	0	1,105
Beinasco leasing	2,700	2,787	(87)
Elimination of capital gains	526	526	0
Other effects	138	194	(56)
TOTAL DEFERRED TAX ASSETS	**10,727**	**8,102**	**2,625**

Deferred tax assets relate to temporary differences from the application of IAS 40, the charging of costs for capital operations to equity, the higher fiscal value of land for which the substitute tax (SIIQ entry tax) was paid in 2008, writedowns of assets under construction and work in progress, interest rate swaps used for hedging purposes, and the leasing of buildings at the Beinasco shopping center.

Provision for deferred tax liabilities	*30/06/09*	*31/12/08*	*Change*
Depreciation and amortization for tax purposes	106	103	3
Capital gains in installments	98	131	(33)
Tax effect on fair value of properties	38,279	38,692	(413)
Tax effect on post-employment benefits per IAS 19	5	0	5
Tax effect on convertible bond	824	952	(128)
Tax effect on Millennium leasing	1,706	1,499	207
TOTAL DEFERRED TAX LIABILITIES	**41,018**	**41,377**	**(359)**

The balance of the "tax effect on fair value of properties" at 30 June 2009 (€38,279 thousand) is due primarily to the higher fair value of the Romanian investment properties with respect to the value recognized for tax purposes.

Note 5) Sundry receivables and other non-current assets

Other non-current assets	*30/06/09*	*31/12/08*	*Change*
Equity investments	594	479	115
Down payment for purchase of shares	5,480	5,480	0
Tax credits	5	5	0
Beneficial interest	2,891	629	2,262
Due from others	0	0	0
Security deposits	48	41	7
Total	**9,018**	**6,634**	**2,384**

The main difference on the previous year is the extension of the beneficial interest in the San Ruffillo and Città delle Stelle shopping centers.

The increase in equity investments is due to the deconsolidation of Consorzio Forte di Brondolo and Consorzio dei Proprietari del Centro Leonardo. See the section on the scope of consolidation for further details.

Iniziative Bologna Nord is held 15% by Immobiliare Larice.

Equity investments	*30/06/09*	*31/12/08*	*Change*
Consorzio Forte di Brondolo	55	0	55
Iniziative Bologna Nord	473	473	0
Consorzio Proprietari C.C. Leonardo	52	0	52
Other	14	6	8
Total	**594**	**479**	**115**

Note 6) Inventory for work in progress

	31/12/08	*Increases*	*Writedowns*	*30/06/09*
Multifunctional complex	49,970	3,048	(768)	52,250

Inventory for work in progress relating to the land, buildings, and urbanization works of the multifunctional complex in Livorno increased by €3,048 thousand due to the advancement of works. Closing inventory was written down by €768 thousand to adjust the carrying value of the work in progress to the lower of cost and appraised fair value.

Note 7) Trade receivables from third parties and related parties

	30/06/09	*31/12/08*	*Change*
Trade receivables	16,942	12,722	4,220
Provision for doubtful accounts	(4,048)	(2,450)	(1,598)
Total trade receivables	**12,894**	**10,272**	**2,622**

Trade receivables increased by €4,220 thousand, correlating with the growth in revenues and the opening of two new shopping centers in April and May.

Movements in the provision for doubtful accounts, which reflects collection forecasts for problematic receivables, are shown below:

	31/12/08	*Translation effect*	*Utilizations*	*Accruals*	*30/06/09*
Provision for doubtful accounts	2,450	(2)	(47)	1,647	4,048
TOTAL PROVISION FOR DOUBTFUL ACCOUNTS	**2,450**	**(2)**	**(47)**	**1,647**	**4,048**

Receivables from related parties have decreased since the end of last year and are broken down below:

	30/06/09	*31/12/08*	*Change*
Parent company	4	391	(387)
Total parent company	**4**	**391**	**(387)**
Other related parties			
RGD Group	36	18	18
Consorzio dei Proprietari Centro Leonardo	17	0	17
Consorzio Forte di Brondolo	2	0	2
Sviluppo Faenza	12	0	12
Ipercoop Tirreno	36	21	15
Vignale Immobiliare Srl	0	11	(11)
Unicoop Tirreno Scarl	29	23	6
Librerie Coop SpA	2	12	(10)
Robintur SpA	(3)	1	(4)
Total other related parties	**131**	**86**	**45**
Total related parties	**135**	**477**	**(342)**

Note 8) Other current assets

Other current assets increased due to the VAT credit generated by the purchase of the Guidonia shopping center and to advances paid to suppliers:

Other current assets	*30/06/09*	*31/12/08*	*Change*
Tax credits			
VAT credits	47,877	28,727	19,150
IRES credits	1,219	1,475	(256)
IRAP credits	109	112	(3)
Due from others			
Advances paid to suppliers	1,945	0	1,945
Due from insurers	0	3	(3)
Accrued income and prepayments	777	205	572
Deferred costs	500	622	(122)
Other	315	219	96
Total other current assets	52,742	31,363	21,379

Note 9) Net equity

Movements in this item are detailed in the statement of changes in equity.

Most of the movements in reserves were a result of:

- the decrease in derivatives accounted for using the cash flow hedge method;
- the distribution of the 2008 profit of €10,440 thousand;
- the addition of €360 thousand to the translation reserve for the translation of foreign currency financial statements;
- the profit of €7,127 thousand for first half 2009;
- a decrease of €61 thousand in minority interests in equity due to the deconsolidation of Consorzio dei Proprietari del Centro Leonardo and Consorzio Forte di Brondolo.

Note 10) Non-current and current financial liabilities

This item includes the non-current portion of floating-rate loans from banks, of the convertible bond loan, and of the leasing liability, as follows:

Non-current financial liabilities	*Duration*	*Balance at 30/06/09*	*Balance at 31/12/08*	*Change*
Mortgage loans with banks		**437,050**	**323,389**	**113,661**
Banca Pop. di Verona scarl	31/5/01 - 31/5/11	3,005	4,489	(1,484)
Intesa BCI SpA	31/5/01 - 31/5/11	3,190	4,728	(1,538)
Unicredit Banca Impresa SpA/Mediocredito	5/4/01 - 5/4/11	2,582	3,873	(1,291)
Banca Toscana SpA Casilino	31/12/01 - 31/12/15	17,021	18,351	(1,330)
Banca Toscana SpA Casilino	31/12/01 - 31/12/13	6,731	7,601	(870)
Banca Toscana SpA Livorno	31/12/01 - 31/12/13	13,673	15,440	(1,767)
Banca Toscana SpA Livorno	31/12/01 - 31/12/13	11,780	13,302	(1,522)
BNL	6/9/06 - 6/10/16	21,479	22,398	(919)
Interbanca SpA	25/9/06 - 5/10/21	123,441	73,377	50,064
Banca BRE - Mondovì mortgage loan	23/11/06 - 10/01/23	12,751	13,077	(326)
Carisbo - Guidonia mortgage loan	27/03/09 - 27/03/24	77,763	0	77,763

Unipol Lungo Savio	31/12/08 - 31/12/23	11,376	11,570	(194)
Antonveneta	30/11/07 - 30/11/12	12,731	13,727	(996)
Unipol Merchant	10/04/07 - 06/04/27	90,750	92,241	(1,491)
Carige	17/12/08 - 30/03/24	28,777	29,215	(438)
IRS on mortgage loans		12,212	7,092	5,120
Convertible bond	28/6/07-28/06/12	208,473	205,163	3,310
Due to other sources of finance		**73,309**	**62,397**	**10,912**
Coop Lombardia for Galleria Gran Rondò	31/12/11	23,000	23,000	0
Due for options on equity investments		32,639	27,304	5,335
Hipo Tirol leasing SpA	01/04/04 - 01/07/12	3,354	3,833	(479)
Ing Lease Italia	01/06/05- 01/06/17	7,948	8,260	(312)
Sardaleasing for Bologna HQ	29/04/09 - 30/04/27	6,368	0	6,368
Total		**731,044**	**598,041**	**133,003**

The principal changes in non-current financial liabilities are discussed below:

- ✓ Mortgage loans with banks: the increase is due to an additional disbursement of the Interbanca loan and a new loan with Cassa di Risparmio di Bologna for the purchase of the Guidonia shopping center. The decrease in mortgage loans with respect to 31 December 2008 is explained by the transfer of the short-term portion to current financial liabilities.
- ✓ IRS on mortgage loans: the change is due to the measurement of interest rate swaps at 30 June 2009.
- ✓ Due for options on equity investments: the increase of €5,335 thousand includes €973 thousand for the adjustment, as provided for in the put & call contract, of the payable to Inpartner S.p.A. for the minority interest (10%) in Win Magazin S.A. and €4,362 thousand for the adjustment of the put & call liability to Cooperare Sviluppo for the minority interest (20%) in Porta Medicea Srl.
- ✓ Due to Sardaleasing: the increase was caused by the signing of a finance lease on 29 April for the purchase of the IGD Group's new headquarters.
- ✓ The following information concerns the convertible bond:
  - ✓ On 28 June 2007 the Group issued a convertible bond of €230,0000,000, paying coupons at 2.5%.
  - ✓ In accordance with IAS 32, this has initially been recognized as a financial liability of €200,305,352, corresponding to the value of a comparable liability with no equity component. The effective interest rate used is 5.53%.
  - ✓ Under the amortized cost method, the ancillary 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, leading to an effective rate of 6.03% (see Note 18); the greater costs with respect to the nominal rate of 2.5% actually paid are accounted for as an increase in the payable associated with the bond. At 30 June 2009 this amounted to €3,310 thousand.

Mortgage loans are secured by properties.

The covenants on loans outstanding at the close of the year are as follows:

- ✓ Article 13 of the contract with Interbanca signed on 1 August 2006 states that the bank can terminate the contract if, in the consolidated financial statements at 31 December 2006 and through financial year 2011, the debt-to-equity ratio exceeds 2.0. At 30 June 2009 the ratio was 1.22.

- ✓ Article 5 of the contract with BNL signed on 7 August 2006 states that the bank can terminate the contract if, from 31 December 2006 through maturity, the debt-to-equity ratio exceeds 2.0. At 30 June 2009 the ratio was 0.78.
- ✓ Article 12 *bis* of the contract with Unipol Banca SpA and Unipol Merchant Banca per le Imprese SpA signed on 26 March 2007 states that the bank can terminate the contract (or increase the spread) if, from 31 December 2007 through maturity, the debt-to-equity ratio exceeds 2.3. At 30 June 2009 the ratio was 1.22.
- ✓ Article 8 of the contract with Cassa di Risparmio di Bologna signed on 27 March 2009 states that the bank can terminate the contract if, until maturity, the IGD Group's debt-to-equity ratio exceeds 1.6. At 30 June 2009 the ratio was 1.22.

Details are provided below on current financial liabilities with third parties and related parties.

	Duration	*Balance at 30/06/09*	*Balance at 31/12/08*	*Change*
Short-term credit with banks				
Banca Pop. Emilia Romagna - Hot money		0	5,000	(5,000)
Banca Pop. Emilia Romagna - Bologna	non-revolving	560	13,034	(12,474)
Carisbo - Hot money	30/06/09 - 30/09/09	10,000	10,000	0
BNL - Bologna	22/05/09 - 07/09/09	30,035	25,015	5,020
Banca Toscana MPS - Hot money	29/06/09 - 29/09/09	25,001	0	25,001
Cassa Risparmio PD RO - Hot money	30/03/09-31/07/09	10,000	10,094	(94)
Cassa Risparmio PD RO - Rovigo Finanz.	23/12/08 - 23/06/10	30,013	30,032	(19)
Unipolbanca - Bologna	07/08/09	20,053	22,519	(2,466)
Total short-term credit		**125,662**	**115,694**	**9,968**
Mortgage loans with banks				
Banca Pop. di Verona scarl	31/05/01-31/05/11	2,990	2,916	74
Intesa BCI SpA	31/05/01-31/05/11	3,047	2,984	63
Unicredit Banca Impresa/Mediocredito	05/04/01-05/04/11	2,608	2,673	(65)
Banca Toscana SpA Casilino 1	31/12/01-31/12/15	2,628	2,564	64
Banca Toscana SpA Casilino 2	31/12/01-31/12/13	1,719	1,677	42
Banca Toscana SpA Livorno 1	31/12/01-31/12/13	3,492	3,407	85
Banca Toscana SpA Livorno 2	31/12/01-31/12/13	3,008	2,935	73
BNL - Rimini mortgage loan	25/09/06 - 05/10/21	1,950	2,179	(229)
Banca BRE - Mondovì mortgage loan	23/11/06 - 10/01/23	827	1,003	(176)
Unipol Lungo Savio	31/12/08 - 31/12/23	383	400	(17)
Interbanca loan	25/09/06-05/10/21	488	926	(438)
Carisbo - Guidonia mortgage loan	27/03/09 - 27/03/24	0	0	0
Antonveneta mortgage loan	30/11/07 - 30/11/12	0	2	(2)
Unipol Merchant	10/04/07 - 06/04/27	3,431	4,303	(872)
Carige	17/12/08 - 30/03/24	871	638	233
Total mortgage loans with banks		**27,442**	**28,607**	**(1,165)**
Due to leasing companies and bondholders				
Hipo Tirol leasing SpA	01/04/04-01/07/12	952	939	13
Ing Lease Italia	01/06/05- 01/06/17	643	635	8
Lease for IGD HQ	29/04/09 - 30/04/27	245	0	245
Convertible bond	28/6/07-28/06/12	32	2,930	(2,898)
Total due to leasing companies and bondholders		**1,872**	**4,504**	**(2,632)**
TOTAL CURRENT FINANCIAL LIABILITIES WITH THIRD PARTIES		**154,976**	**148,805**	**6,171**
Due to the parent company				

COOP for Lungo Savio loan	0	47	(47)
COOP pooled account	3,249	27,975	(24,726)
COOP for Larice loan	25,987	25,660	327
TOTAL CURRENT FINANCIAL LIABILITIES WITH RELATED PARTIES	**29,236**	**53,682**	**(24,446)**

Most of the change in financial liabilities with third parties relates to new hot money loans and repayments and to the difference in the current portion of mortgage loans.

The change in the convertible bond refers to the coupon accrued at 30 June 2009.

The decrease in current financial liabilities with related parties reflects the reduced exposure to the parent company, Coop Adriatica, through use of the pooled account. Transactions with the parent company are settled under arm's-length conditions.

Note 11) Net debt

The net financial position is broken down below. See the directors' report for comments.

Net debt (in €/000)	*30/06/09*	*31/12/08*
Cash and cash equivalents	(16,300)	(65,886)
Related party financial receivables and other current financial assets	(885)	(651)
Financial receivables and other current financial assets	(54)	(57)
LIQUIDITY	**(17,239)**	**(66,594)**
Current financial liabilities	125,662	115,694
Convertible bond loan - current portion	32	2,930
Mortgage loans - current portion	27,442	28,607
Leasing - current portion	1,840	1,574
Related party current financial liabilities	29,236	53,682
CURRENT DEBT	**184,212**	**202,487**
CURRENT NET DEBT	**166,973**	**135,893**
Non-current financial assets	(19)	(29)
Convertible bond	208,473	205,163
Non-current financial liabilities due to other sources of finance	73,309	62,397
Non-current financial liabilities	449,262	330,481
NON-CURRENT DEBT	**731,025**	**598,012**
NET DEBT	**897,998**	**733,905**

(table compliant with CONSOB Circular no. 6064293 of 28 July 2006)

Note 12) General provisions

	Balance at 31/12/08	*Utilizations*	*Accruals*	*Balance at 30/06/09*
GENERAL PROVISIONS				
Provision for legal risk (Laterizi dispute)	65			65
Provision for taxation	60		64	124
Bonus provision	437	(437)	256	256
Other general provisions	76	(65)		11
Provision for Guidonia indemnities	1,915	(1,626)		289
TOTAL	**2,553**	**(2,128)**	**320**	**745**

Provision for Laterizi dispute

The provision for the Laterizi dispute was made in prior years to cover potential risks stemming from lawsuits filed by customers of Centro Leonardo SpA, which was merged into IGD in 2001. The cases are still pending.

Provision for taxation

This provision was set up to cover risks from tax assessments.

Bonus provision

The bonus provision relates to the variable compensation accrued to employees in 2010 on the basis of the Company's estimated results. The utilization refers to the payment made in 2009.

Other general provisions

This amount was set aside in previous years to cover potential liabilities from pending lawsuits with suppliers.

Provision for Guidonia indemnities

This was set up in 2008 to cover risks and charges stemming from the delayed opening of the Guidonia shopping center.

The delayed opening exposed the company to the risk, which then materialized, of being sued by the retail operators to whom the stores in the mall had been rented. Both IGD SIIQ and the builder have been asked to pay penalties and/or damages in connection with the delay and with the water damage incurred while fitting out stores.

IGD is attempting to settle the dispute to prevent the final contracts from falling through, and above all to maintain good relations with retail operators at other malls. These efforts led immediately to several agreements, allowing a substantial reduction in the initial claims. With the builder, IGD has initiated a formal exchange of correspondence to determine who is responsible and therefore who should bear the cost of the delay, bearing in mind that there were several contributing factors.

At 30 June 2009, utilizations for settlements amounted to €1,626 thousand. There are only a few situations left to resolve.

Note 13) Trade payables to third parties and related parties

Trade and other payables	*Balance at 30/06/09*	*Balance at 31/12/08*	*Change*
Suppliers	18,241	30,234	(11,993)
Total suppliers	**18,241**	**30,234**	**(11,993)**

Trade payables decreased due to the balance paid on the land and buildings of the multifunctional complex in Livorno.

Related party trade and other payables	*Balance at 30/06/09*	*Balance at 31/12/08*	*Change*
Parent company	**3,493**	**628**	**2,865**
Other related parties	**122**	**0**	**122**

Unicoop Tirreno Scarl	35	0	35
Cons. Forte di Brondolo	45	0	45
Consorzio Proprietari Leonardo	42	0	42
Total	**3,615**	**628**	**2,987**

Trade payables to related parties increased with respect to the previous year due mainly to the amount due to Coop Adriatica for the beneficial interests in the San Ruffillo and Città delle Stelle shopping centers.

Note 14) Current tax liabilities

Current tax liabilities	*Balance at 30/06/09*	*Balance at 31/12/08*	*Change*
IRPEF	460	388	72
IRAP	5	197	(192)
IRES	402	573	(171)
VAT	196	269	(73)
Environmental consortium	17	17	0
Other taxes	901	330	571
Substitute tax for reval. Decree 185	437	1,306	(869)
Substitute tax for SIIQ status	6,174	6,806	(632)
Total current tax liabilities	8,592	9,886	(1,294)

This item consists mainly of the substitute tax paid by the parent company to achieve SIIQ status, the substitute tax on the revaluation made by Larice Srl in accordance with Decree 185 of 29 November 2008 (the "economic stimulus decree" approved with Law 2/2009 of 27 January 2009) on the Sarca investment property (due in June 2010), and IRES due by companies not included in the group tax election. Other tax liabilities mostly concern the withholdings taken by the parent company on the payment of dividends from exempt operations.

Note 15) Other current liabilities

Other current liabilities	*Balance at 30/06/09*	*Balance at 31/12/08*	*Change*
Social security	234	252	(18)
Accrued liabilities and deferred income	1,140	1,532	(392)
Deferred sales revenues	0	1,461	(1,461)
Insurance	14	25	(11)
Due to employees	599	476	123
Security deposits received	3,468	4,477	(1,009)
Unclaimed dividends	1	1	0
Advances due within one year	3	67	(64)
Other liabilities	389	291	98
Total other liabilities	5,848	8,582	(2,734)

The decrease of €2,734 thousand concerns the reimbursement of security deposits, replaced by sureties, and the transfer to the income statement of revenues pertaining to the period in connection with the opening of two new shopping centers.

Income statement

See the directors' report for comments on income statement results.

Note 16) Income (loss) from work in progress

	Balance at 30/06/09	*Balance at 30/06/08*	*Change*
Change in work in progress to order	2,255	52,117	(49,862)
Cost of work in progress	(3,023)	(52,117)	49,094
Income (loss) from work in progress	**(768)**	**0**	**(768)**

Inventory for work in progress relating to the land, buildings, and urbanization works of the multifunctional complex in Livorno increased by €3,023 thousand due to the advancement of works. Closing inventory was written down by €768 thousand to adjust the carrying value of the work in progress to the lower of cost and appraised fair value.

Note 17) Change in fair value and writedowns of assets under construction

See notes 2) and 3) for further information.

Note 18) Financial income and charges

	Balance at 30/06/09	*Balance at 30/06/08*	*Change*
Bank interest income	510	2,364	(1,854)
Other interest income	1,529	30	1,499
Total third parties	**2,039**	**2,394**	**(355)**
Interest income from related parties	21	28	(7)
Other income from group companies (RGD)	0	154	(154)
Total related parties	**21**	**183**	**(162)**
Total financial income	**2,060**	**2,577**	**(517)**

Interest income from banks decreased due to the use of cash to finance the Group's development. Other interest income consists mainly of exchange gains on financial income from Romania. Interest income from related parties is described in Note 23.

	Balance at 30/06/09	*Balance at 30/06/08*	*Change*
Interest expense on security deposits	166	166	(0)
Interest expense on Coop Adriatica (formerly TCA) account	411	274	137
Total related parties	**577**	**441**	**136**
Interest expense to banks	1,579	219	1,360
Other interest and charges	1,226	67	1,159
Mortgage loan interest	8,371	8,248	123
Financial leasing charges	240	230	10
Bond interest and charges	6,162	6,005	157
Interest capitalized	(186)	0	(186)
IRS spreads	1,264	(1,063)	2,327
Total third parties	**18,656**	**13,706**	**4,950**
Total financial charges	**19,233**	**14,147**	**5,086**

The increase in net financial charges is explained by the growth of net debt in support of the Group's development. The reduction in interest rates affected the change, but was mitigated by the fact that almost all non-current debt is hedged by interest rate swaps.

Bond interest and charges, at €6,162 thousand, are made up as follows:

- interest to bondholders (2.5%) = €2,851 thousand
- higher financial charges due to rise in effective interest rate from 2.5% to 5.53% = €2,885 thousand
- higher financial charges due to use of amortized cost method = €426 thousand (rate increase of 0.5%)

Note 19) Income taxes

	Balance at 30/06/09	*Balance at 30/06/08*	*Change*
Current taxes	1,409	2,225	(816)
Deferred tax liabilities	847	(43,795)	44,642
Deferred tax assets	(1,573)	753	(2,326)
SIIQ entry tax	0	30,797	(30,797)
Out-of-period gains/charges	(143)	0	(143)
TOTAL	**540**	**(10,020)**	**10,560**

Current taxes amount to €1,409 thousand: €284 thousand for IRAP and €1,135 thousand for IRES, due mainly by Win Magazin S.A.

Deferred tax assets came to a positive €1,573 thousand and deferred tax liabilities to a negative €847 thousand.

Out-of-period gains refer mainly to excess provisions for IRAP in 2008 with respect to the real amount due, as a result of the tax authorities' clarification (Circular 27/E of 26 May 2009) that capital gains and losses on the disposal of capital goods are irrelevant for IRAP purposes.

Note 20) Earnings per share

As required by IAS 33 (paragraph 66), the income statement presents the basic and diluted earnings per share for profit or loss from continuing operations attributable to the ordinary equity holders of the parent company. The information is provided on the basis of consolidated figures only, as provided for by IAS 33.

Basic earnings per share is calculated by dividing profit or loss attributable to ordinary equity holders of the parent company by the weighted average number of shares outstanding during the period.

Diluted earnings per share is calculated by dividing profit or loss (for the computation of *diluted profit*, the payout reserved to the parent company's shareholders was adjusted by the amount of interest related to the bond, net of the tax effect) attributable to ordinary equity holders of the parent company by the weighted average number of shares outstanding, in accordance with paragraphs 19 and 26, plus the weighted average number of shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares. Dilutive potential ordinary shares shall be deemed to have been converted into ordinary shares at the beginning of the period or, if later, the date of the issue of the potential ordinary shares.

	30/06/09	30/06/08
Net profit attributable to parent company shareholders	7	34
Diluted net profit attributable to parent company shareholders	13	39
Weighted average number of ordinary shares for purposes of basic earnings per share	298	302
Weighted average number of ordinary shares for purposes of diluted earnings per share	345	348
Basic earnings per share	0.024	0.114
Diluted earnings per share	0.038	0.111

Note 21) Dividends

During the year, further to the shareholders' resolution of 23 April 2009 (the AGM that approved the 2008 financial statements), a dividend of €0.035 was paid for each of the 298,272,669 shares outstanding, for a total of €10,439,544.

Note 22) Information on related parties

	RECEIVABLES AND OTHER CURRENT ASSETS	*PAYABLES AND OTHER LIABILITIES*	*REVENUES - OTHER INCOME - FINANCIAL INCOME*	*COSTS AND FINANCIAL CHARGES*	*FIXED ASSETS*
Coop Adriatica Scarl	167	40,937	10,235	1,849	30
Robintur SpA	(3)	-	119	-	-
Librerie Coop SpA	2	-	219	-	-
Unicoop Tirreno Scarl	29	35	2,252	35	-
Vignale Immobiliare SpA	0	150	37	-	-
Vignale Comunicazione Srl	-	-	230	-	-
Ipercoop Tirreno SpA	36	3,315	1,014	49	-
IBN	723	-	12	-	-
SVILUPPO FAENZA	12	-	12	-	-
Cons. Forte di Brondolo	2	45	-	-	43
Consorzio Proprietari Leonardo	17	42	108	-	-
RGD	36	-	30	-	-
TOTAL	**1,020**	**44,523**	**14,267**	**1,932**	**73**
AMOUNT REPORTED	**135,269**	**1,025,761**	**62,349**	**41,763**	**1,627,526**
RATIO	**0.75%**	**4.34%**	**22.88%**	**4.63%**	**0.00%**

The Group has financial and economic relationships with its parent, Coop Adriatica, with other companies in the Coop Adriatica Group (Robintur SpA and Librerie Coop SpA), and with companies in the Unicoop Tirreno Group (Vignale Immobiliare, Vignale Comunicazioni, Unicoop Tirreno and Ipercoop Tirreno). Related party transactions are conducted under arm's-length conditions and are recognized at face value.

Transactions with the controlling company Coop Adriatica refer to:

- assets and income for the leasing of properties used as hypermarkets;
- liabilities and costs for the use of buildings as malls under leases held by Coop Adriatica;
- liabilities and costs for Coop Adriatica's supply of services in the areas of equity and EDP;
- capitalized costs for services in connection with various real estate initiatives;
- financial collection and payment transactions in the context of treasury services.

Transactions with Robintur SpA concern the leasing of store space at malls and the supply of services.

Transactions with Vignale Immobiliare refer to security deposits received on leases.

Transactions with Ipercoop Tirreno consist of:

- security deposits received on leases;
- receivables and income for the leasing of properties used as hypermarkets.

Transactions with Librerie Coop SpA concern receivables and income for the leasing of properties inside shopping centers.

Transactions with Iniziative Bologna Nord refer to a loan contract.

Note 23) Management of financial risk

The Group's financial instruments other than derivatives include bank loans and sight/short-term deposits. Such instruments are used to finance the Group's operations. The Group has other financial instruments as well, such as trade payables and receivables, which derive from its operating activities. It has also engaged in interest rate swaps. The purpose of these is to manage the interest rate risk generated by the Group's transactions and sources of financing. The main risks produced by the Group's financial instruments are interest rate risk, liquidity risk, and credit risk. The Board of Directors reviews and agrees on policies to manage these risks, as summarized below. The Group also monitors the market price risk generated by financial instruments. The accounting standards for hedge derivatives are mentioned in the following note.

Interest rate risk

The Group's exposure to market risk due to changes in interest rates concern its long-term loans with banks, whose conditions and maturities are reported in Note 10. To manage this risk efficiently, the Group purchases interest rate swaps with which it agrees to exchange, at specific intervals, the difference between fixed-rate interest and floating-rate interest calculated on a predefined notional principal amount. The swaps are designed to hedge the underlying obligations.

Foreign exchange risk

The Group uses the euro as its accounting currency for all purchases and sales, with the exception of the companies in Romania, whose contracts with customers are in lei but anchored to the performance of the euro.

Price risk

The Group's exposure to price risk is minimal, as revenues and costs are defined in long-term contracts.

Credit risk

The Group only deals with well-known, reliable customers and about 27% of its revenues are earned from related parties.

Note 24) Capital management

The primary objective of the Group's capital management is to make sure it maintains a solid credit rating and sufficient capital indicators to support the business and maximize shareholder value.
The Group manages the capital structure and adapts it to changing economic conditions. To maintain or adapt the capital structure, it can adjust the level of dividends paid, reimburse share capital, or issue new shares.

No changes were made to objectives, policies or procedures in 2008 and 2009.

The Group monitors its financial solidity by means of the debt-to-equity ratio, which compares net debt to total equity plus net debt. In net debt it includes interest-bearing loans and trade and other payables, net of cash and cash equivalents. Equity includes the capital attributable to the shareholders of the parent company, less retained earnings.

	30/06/09	*31/12/08*
Interest bearing loans	915,256	800,528
Trade and other payables	27,704	39,444
Cash and cash equivalents	(17,239)	(66,594)
Net debt	925,721	773,378
Net equity	737,034	742,816
Undistributed net profit		(10,440)
Total capital	737,034	732,376
Capital and net debt	**1,662,755**	**1,505,754**
Debt/equity ratio	**55.67%**	**51.36%**

Note 25) Derivative instruments

The Group has engaged in derivative contracts for the use of structured products called interest rate swaps. These fall under the management of interest rate risk and aim to reduce such risk on outstanding loans. Under these agreements, the parties agree to pay or collect certain amounts on given dates on the basis of various interest rate spreads.

	UBM 4°	*UBM 5°*	*UBM 6°*	*Monte Paschi Finance 1*	*Monte Paschi Finance 2*	*Monte Paschi Finance 3*	*Monte Paschi Finance 4*	*BNP Paribas*	*Aletti Interbanca*	*BNP Interbanca*	*MPS 10198433*	*MPS 10201705*	*Carisbo*
Nominal amount	5,164,569	6,227,618	5,804,550	31,952,302	19,648,679	8,450,196	23,384,615	94,000,000	25,000,000	25,000,000	25,000,000	25,000,000	13,393,191
Inception date	05/10/04	31/05/05	31/05/05	31/12/04	31/12/04	31/12/04	06/10/06	06/10/07	10/06/09	10/06/09	11/06/09	12/06/09	12/02/09
Maturity	05/04/11	31/05/11	31/05/11	31/12/13	31/12/15	31/12/13	06/10/16	06/10/17	5/10/21	5/10/21	5/10/21	5/10/21	10/01/23
IRS frequency	Half-yearly	Half-yearly	Half-yearly	Half-yearly	Half-yearly	Half-yearly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Half-yearly
Bank rate	6-month Euribor	6-month Euribor	6-month Euribor	6-month Euribor	6-month Euribor	6-month Euribor	3-month Euribor	3-month Euribor	3-month Euribor y	3-month Euribor	3-month Euribor	3-month Euribor	6-month Euribor
Customer rate	3.35%	3.10%	3.10%	3.20%	3.39%	3.23%	3.84%	4.38%	3.42%	3.44%	3.44%	3.42%	3.35%

Note 26) Subsequent events

No events have occurred since 30 June 2009 that would require the company to adjust the figures in the condensed consolidated interim financial statements or report elements not previously disclosed.

Note 27) Commitments and risks

At 30 June 2009 the Group had the following purchase and sale commitments:

- preliminary agreement for the acquisition from an unrelated party of a mall (14,919 square meters GLA) in the Gravina quarter of Catania; price €56 million, largely paid in the form of down payments and advances as the center is nearing completion;
- preliminary agreement for the acquisition from an unrelated party of a mall (14,000 square meters GLA) in Palermo; price €46.9 million, of which €22.8 million already provided as down payment and advances;
- preliminary agreement for the purchase of a mall in Vigevano. The provisional price is €43.7 million, of which €15 million provided as a down payment;
- agreement for a joint venture with Gam (a member of the Despar Italia Group), an unrelated party that develops and manages commercial centers in southern Italy. The new company will own a commercial center in Vibo Valentia, comprised of a 6,000 square meter hypermarket and a mall with GLA of 12,632 square meters. The agreement gives IGD the option, once the start-up phase is over and by the end of 2009, to acquire a 50% interest in the company that owns Centro Commerciale di Vibo (with an estimated value of €70 million). This can take place through the subscription of a private capital increase of up to €70 million, should new development opportunities arise in the area of interest, or through the outright purchase of a stake;
- preliminary agreement for the acquisition of a mall in Gorizia; €7.35 million has been provided as a down payment. This project involves the construction of a shopping center comprised of a hypermarket and a mall of around 14,300 square meters GLA. IGD's investment is limited to the mall, for a price of €49 million. The center is scheduled to open during the first half of 2011;
- the real estate transaction "Darsena City" in Ferrara, which pursues a single goal but will take place in two separate phases involving a number of different contracts, including:

a. the purchase of a shopping center of 16,368 square meters GLA plus mall and parking lot, for €56 million (subject to adjustment), with a six-year lease and plans for future expansion;
b. a preliminary contract for the purchase of a building under construction adjacent to the above with an area of 10,500 square meters, for additional GLA of approximately 3,960 square meters, against consideration of about €19.9 million subject to adjustment;
c. a preliminary company acquisition contract for the entire complex to be created along with the property under construction, at a provisional price of €1 million, subject to adjustment depending on the revenues the company is earning at the time of the definitive transfer of ownership;
d. a statement defining the contractual links among the various agreements and setting the definitive criteria for determination of the final price of the company and the building under construction and for any price adjustment of the property sold. The seller will have an option to withdraw from the preliminary contracts should the total price of the transaction be less than €70.7 million, provided the seller buys back the property indicated in letter a;

- preliminary contract for the purchase of an additional portion of the Beinasco mall, against payment of 5.8% of rent received;
- preliminary contract for the purchase of another commercial center in Carpati Sinaia (Romania); the contract will be finalized within 30 months of 29 April 2008, after the seller has renovated and remarketed the property. The price has been set at €16.24 million, provided that a rent target of at least €1.35 million is reached. At present, it appears that the completion date may be postponed, so the preliminary contract might be canceled.

The advances and down payments made by the Group are backed by sureties.

Information pursuant to Art. 149-*duodecies* of the CONSOB Regulations for Issuers

The following chart, prepared in accordance with Art. 149-*duodecies* of the CONSOB Regulations for Issuers, shows the fees pertaining to the first half of 2009 for external auditing and for services other than auditing rendered by the accounting firm or by entities in its network.

In €/000	Service provider	Recipient	Fees
Auditing	Reconta Ernst & Young SpA	IGD SIIQ SpA	60
	Reconta Ernst & Young SpA	Subsidiaries	17
	Mazars S.p.A.	Subsidiaries	6
	Reconta Ernst & Young SpA	Romanian subsidiaries	24
TOTAL			107

Certification of the condensed consolidated half-yearly financial statements pursuant to Art.154 *bis* of Legislative Decree 58/98

1. We, the undersigned, Claudio Albertini as chief executive officer and Grazia Margherita Piolanti as financial reporting officer of IGD SIIQ SpA, hereby declare, including in accordance with Art. 154-*bis* (3) and (4) of Legislative Decree 58 of 24 February 1998:

- the adequacy of in relation to the characteristics of the business; and
- the company's due compliance with the administrative and accounting procedures for the preparation of the condensed half-yearly financial statements during the first half of 2009.

2. We also confirm that:

2.1. the condensed half-yearly accounts:

a) have been prepared in accordance with the applicable International Accounting Standards recognized by the European Union pursuant to Regulation 1606/2002/EC of the European Parliament and the Council of 19 July 2002, in particular with IAS 34 - *Interim Financial Reporting*;

b) correspond to the ledgers and accounting entries;

c) provide fair and truthful disclosure of the financial status and performance of IGD SIIQ SpA and of the companies included in the consolidation;

2.2 the interim directors' report contains information on the key events that took place during the first six months of the year and their impact on the condensed half-yearly financial statements and describes the main risks and uncertainties for the remaining six months of the year. The interim directors' report also includes a reliable analysis of information on significant related party transactions.

27 August 2009

Claudio Albertini
Chief Executive Officer

Grazia Margherita Piolanti
Financial Reporting Officer

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Auditors' review report on the interim condensed consolidated financial statements (Translation from the original Italian text)

To the Shareholders of
Immobiliare Grande Distribuzione Società di Investimento Immobiliare Quotata S.p.A.

1. We have reviewed the interim condensed consolidated financial statements, comprising the consolidated statement of financial position, the consolidated statements of income, the consolidated statement of comprehensive income, changes in shareholders' equity and cash flows and the related explanatory notes, of Immobiliare Grande Distribuzione Società di Investimento Immobiliare Quotata S.p.A. and its subsidiaries (the "IGD SIIQ Group") as of June 30, 2009. Management of Immobiliare Grande Distribuzione Società di Investimento Immobiliare Quotata S.p.A. is responsible for the preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standards applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to issue this review report based on our review.

2. We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of July 31, 1997. Our review consisted mainly of obtaining information on the accounts included in the interim condensed consolidated financial statements and the consistency of the accounting principles applied, through discussions with management, and of applying analytical procedures to the financial data presented in these consolidated financial statements. Our review did not include the application of audit procedures such as tests of compliance and substantive procedures on assets and liabilities and was substantially less in scope than an audit conducted in accordance with generally accepted auditing standards. Accordingly, we do not express an audit opinion on the interim condensed consolidated financial statements as we expressed on the annual consolidated financial statements.

   With respect to the consolidated financial statements of the prior year and the interim condensed consolidated financial statements of the corresponding period of the prior year, presented for comparative purposes, the latter restated in accordance with IAS 1 (2007), reference should be made to our reports issued on March 30, 2009 and on August 28, 2008, respectively.

3. Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements of IGD SIIQ Group as of June 30, 2009 are not prepared, in all material respects, in conformity with the International Financial Reporting Standards applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Bologna, August 27, 2009

Reconta Ernst & Young S.p.A.
Signed by: Andrea Nobili, Partner

This report has been translated into the English language solely for the convenience of international readers

GLOSSARY

AGENCY MANAGEMENT

Activity carried out in order to single out the Tenant Mix and negotiate the lease agreements for the stores located in the malls.

COMMERCIAL CENTER

Real estate complex comprised of a Hypermarket and a Shopping Mall, featuring common areas and infrastructures located in a covered area with heating and air conditioning.

DEVELOPMENT PIPELINE

Program for investments in development.

DIRECT COSTS

Costs directly attributable to the commercial centers.

DIVIDEND YIELD

The dividend yield, or price/dividend ratio, on a company stock is the company's annual dividend payments made or announced divided by closing price of the ordinary shares at the end of the year

EBIT (operating profit)

EBIT or Earnings before Interest and Taxes, is a figure which, when compared to EBITDA, includes some information on amortization, depreciation and the change in the property's fair value. In the case of IGD, which adheres to the IAS (International Accounting Standards), amortization and depreciation are not overly significant as every six months, based on an independent appraisal, the value of the freehold properties is updated: the property is booked in the balance sheet at market value, while the difference in fair value is posted in the income statement between EBITDA and EBIT.

EBITDA

EBITDA, or Earnings before Interests, Taxes, Depreciation & Amortization, is the most significant measurement of a company's operating performance. It shows the earnings before interest, taxes, depreciation and amortization and, therefore, does not reflect the company's source of financing, taxes or its investment cycle. EBITDA is a proxy for the operating cash flow that the company is capable of generating.

EPRA

European Public Real Estate Association.

EPS / EARNINGS PER SHARE

Total earnings divided by the average number of shares outstanding in the year.

ESTIMATED RENTAL VALUE / ERV

The estimated rental value at market rates of rentable space based on an independent appraiser's valuation of the rent which could be reasonably expected for similar properties located in similar areas.

FACILITY MANAGEMENT

Supply of specialized services to commercial centers such as security services, cleaning and routine maintenance.

FFO / FUNDS FROM OPERATIONS

Net income to which the real estate portfolio depreciation and amortization expenses and the net change in the market value are added.
It is the indicator most commonly used to evaluated a REIT's performance.

GENERAL EXPENSES

Undivided costs, not attributable to individual commercial centers which, as such, are referred to as corporate costs.

GLA / GROSS LEASABLE AREA

Gross leasable area.

GROSS DIVISIONAL MARGIN
The result obtained by subtracting direct costs from revenues.

GROSS SURFACE AREA

Area of the buildings including the outside walls.

HYPERMARKET

Property with a sales area in excess of 2,500 m^2 used for the retail sale of food and non food products.

INITIAL YIELD

The initial annual income from a real estate asset expressed as a percentage of its valuation at the time of purchase.

IPD

Investment Property Databank. An index which produces an independent benchmark for real estate investment returns.

IRS/INTEREST RATE SWAPS

Financial instrument based on which two parties agree to exchange interest payments on a specific principle amount on a predetermined date. Used to convert floating rate debt into fixed rate debt.

JOINT VENTURE

Entity in which IGD holds a long term interest, controlled jointly by one or more parties based on a contractual agreement which calls for decisions regarding the management and financing of the enterprise to be made jointly.

LIKE-FOR-LIKE PORTFOLIO

Real estate assets held in the portfolio for the entire year and the entire prior year.

LTV / LOAN TO VALUE

Ratio between fair market value of real estate assets and the relative financing.

MALL / SHOPPING MALL

Common space shared by the operators of a Commercial Center.
In Italian a Shopping Mall is usually referred to as a *Galleria*.

MARKET VALUE

The estimated amount for which a property coud be exchanged on the date of valuation between a willing buyer and a willing seller in an arms-length transaction after proper marketing wherein the parties had each acted knowledgably, prudently, and without compulsion.
Following is the definition of market value used by the appraiser:
"Pursuant to the 6th and last edition of the "RICS Appraisal and Valuation Manual" ("The Red Book") published by the Royal Institution of Chartered Surveyors in the United Kingdom and translated into Italian on 1 January 2008, market value is the Market Value is the estimated amount for which a property could be bought and sold on the date of valuation between a willing buyer and a willing seller in an arms-length transaction after proper marketing wherein the parties have each acted knowledgably, prudently, and without compulsion".

MEDIUM SIZED AREA

Property Immobile avente area di vendita compresa tra mq. 250 e mq. 2.500 adibito alla vendita al dettaglio di prodotti di largo consumo non alimentari.

NAV / NET ASSET VALUE

Expresses the difference between the value of the real estate assets (Asset Value) and net debt. The NAV per share indicated in IGD's financial statements is the Triple Net Asset Value (3NAV): it is, in fact, expressed net latent capital gains and the tax effect. In the calculation potential capital gains on freehold property are to be added to the net equity. The tax effect, based on the company's tax rate, is then deducted from this result. This Net NAV figure is then divided by the number of shares issued.

OCCUPANCY RATE

Gross let surface area expressed as a percentage of total real estate surface area.

OVER-RENTED

Space rented at a level above its ERV.

PRE-LET

Rental contract signed by an operator before the development of the property has been completed.

REAL ESTATE PORTFOLIO

The portfolio of real estate assets, both freehold and third party, managed by the IGD Group.

REIT

Real Estate Investment Trust. Equivalent to a SIIQ in Italy.

RETAIL PARK

Group of three or more complex which together cover more than 4,500 m^2, with shared parking.

REVERSIONARY POTENTIAL YIELD

The net annual rent which should be generated once the rent reaches the estimated rental value expressed as a percentage of the property value.

ROACE / RETURN ON AVERAGE CAPITAL EMPLOYED

Operating income divided by the average capital employed in the year.

ROE/RETURN ON EQUITY

Net income divided by net equity after dividends

SHOPPING MALL

Real estate complex that includes a group of retails shops and the shared common areas STORE

Property used for the retail sale of non food products.

SIIQ

Società di Investimento Immobiliare Quotata. Real estate investment model comparable to a REIT. The regulatory framework allows for publicly held listed companies, whose primary activities are related to real estate, to take tax exemptions once certain requirements related to income, equity and rental activities are satisfied.

SUPERMARKET

Property with a sales area of between 250 m^2 and 2,500 m^2 used for the retail sale of food and non food products.

TENANT MIX

All the operators, brands and trademarks found within a shopping mall.

UNDER-RENTED

Space rented at a level below its ERV.

WACC / WEIGHTED AVERAGE COST OF CAPITAL

The average cost of capital (debt and all other sources of capital) used in order to calculate the expected return on investments.