IMMOBILIARE GRANDE DISTRIBUZIONE SOCIETA' DI INVESTIMENTO IMMOBILIARE QUOTATA S.P.A.

Registered office in Ravenna (RA), Via Agro Pontino n. 13,

Headquarters in Bologna, Via Trattati Comunitari Europei1957-2007 n.13,

Tax ID, VAT and Ravenna Company Register no: 00397420399,

Share capital approved: EUR 392,885,625.00,

Share capital subscribed and paid-in: EUR 309,249,261.00.

Half-Year Financial Report

at 30/06/2011

CONTENTS

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 Boldreghini
3. Andrea Parenti

Supervisory Board

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

Committee for Related Party Transactions

1. Riccardo Sabadini
2. Giorgio Boldreghini
3. Andrea Parenti

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

The IGD Group's Interim Management Statement

Financial and Economic Highlights at 30 June 2011

TOTAL OPERATING REVENUE	61,710 €/000
REVENUE - CORE BUSINESS	59,984 €/000
EBITDA - CORE BUSINESS	43,637 €/000
EBITDA MARGIN - CORE BUSINESS	72.75%
CONSOLIDATED NET PROFIT	30,193 €/000
CONSOLIDATED FFO	22,810 €/000
NFP	1,073,022 €/000
NE	785,641 €/000
GEARING	1.37x
LOAN TO VALUE	56.66%
COST OF DEBT	3.87%
HEDGING OF LONG TERM DEBT + BOND	72.52%

Introduction

The Immobiliare Grande Distribuzione Group's Consolidated Half-Year Financial Report at 30 June 2011 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 established 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 statements of financial position at 30 June 2011 of IGD Siiq S.p.a., Immobiliare Larice srl, Millennium Gallery srl, Porta Medicea s.r.l, and the companies WinMagazin SA and Winmarkt Management S.r.l..

This report contains alternative performance indicators with respect to the conventional indicators required of audited financial statements which comply with IAS/IFRS. The alternative performance indicators do stem from financial statements prepared on an IAS/IFRS-compliant basis, but have also been calculated using other sources or alternative methods.

Please refer to the Glossary for more information about these indicators.

The Group

IGD, which became a Società di Investimento Immobiliare Quotata (SIIQ or real estate investment trust) in 2008, was the first company to obtain SIIQ status in Italy.

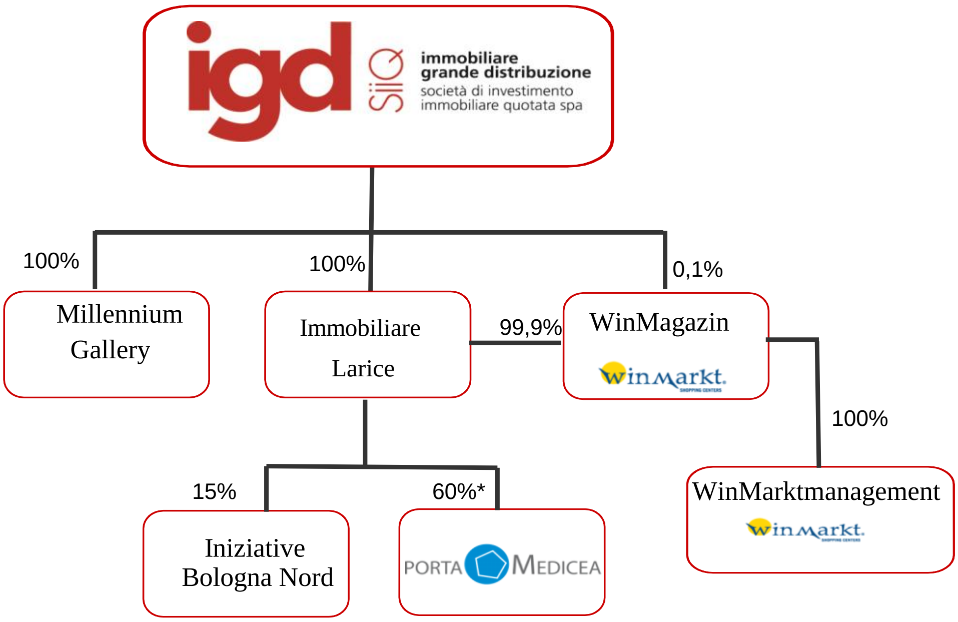
Listed in February 2005 with a real estate portfolio valued at €585 million in September 2004, over the last six years IGD has recorded significant growth: at 30 June 2011 the real estate portfolio was valued by an independent appraiser at €1,893.66 million The IGD Group is focused primarily on the retail real estate sector and is most active in Italy, but it is also present in Romania where, through WinMagazine SA (acquired in April 2008), it controls the country's largest chain of Winmarkt brand department stores and is active in 13 midsize cities.

IGD SIIQ's portfolio includes the freehold assets found in Italy. The Parent Company also controls 100% of Millenium Gallery s.r.l., owner of part of the shopping mall in Rovereto, 100% of Immobiliare Larice and 0.1% di Winmagazin SA.

Immobiliare Larice, in addition to owning the CentroSarca shopping mall in Milan, also holds the majority of the operations which are not included in the SIIQ's scope of consolidation:

1. 99.9% of WinMagazine, through which it controls WinMarktManagement, the company responsible for the team of Romanian managers;
2. 60% of Porta Medicea, the requalification and real estate development project of Livorno's seafront;
3. management of the leasehold properties Centro Nova and Centro Piave;
4. service activities which include mandates for the management of freehold and leasehold properties.

The organizational chart below reflects the Group's structure at 30 June 2011.



**Consolidated at 80% due to the put & call option on a non-controlling interest.*

The Real Estate Market

The Macroeconomic Scenario

Although there has been a strong expansion of the emerging markets, in the first half of 2011 the world economy experienced a slowdown due to the weakening of a few major advanced economies (Japan and the United States) which more than offset the strengthening of the Euro zone and the resumed growth in the United Kingdom (Source: Bank of Italy). Based on the International Monetary Fund's (IMF) most recent forecasts, this year's world GDP is expected to drop by an average of 4.3% (Chart 1), rising slightly in the following year. The forecasts were lowered from 4.4% due primarily to the worsening of the prospects for the Japanese economy. The recovery is largely heterogeneous as GDP is expected to rise by 2.2% in advanced economies and by 6.6% in the emerging markets. The greatest risks are linked to the persistently weak labour market, the real estate market in the United States, as well as the concerns related to sovereign debt in the Euro zone. In the emerging markets, concerns are largely linked to inflation risk.

Chart 1

Macroeconomic scenario
(percentage changes on previous year)

ITEMS	Economics			FMI Consensus	
	2010	**2011**	**2012**	**2011**	**2012**
GDP					
World	**5.1**	**4.3**	**4.5**	-	-
Advanced economies	**3.0**	**2.2**	**2.6**	-	-
Euro zone	1.8	2.0	1.7	2	1.7
Japan	4.0	-0.7	2.9	-0.7	3.2
United Kingdom	1.3	1.5	2.3	1.6	2.1
United States	2.9	2.5	2.7	2.5	3.1
Emerging markets	**7.4**	**6.6**	**6.4**	-	-
Brazil	7.5	4.2	3.6	4.1	4.2
China	10.3	9.6	9.5	9.2	8.8
India (1)	10.4	8.2	7.8	8.0	8.4
Russia	4.0	4.8	4.5	4.6	4.5
World trade (2)	**12.4**	**8.2**	**6.7**	-	-

Source: IMF, World Economic Outlook Update, June 2011; Consensus Economics, various publications, June 2011.
(1) Consensus Economics forecasts refer to fiscal year. –
(2) Goods and services.

In Italy GDP in the first quarter 2011 grew by 1% with respect to the same quarter in the prior year, confirmation of what promises to be a slow recovery.

	2010		2011	
GDP Italy	**3Q**	**4Q**	**1Q**	**2Q**
trend (prev. Q)	0.2%	1.0%	0.1%	0.3%
tendential (Q 2010)	1.0%	1.3%	1.0%	0.8%

(Source ISTAT)

In the second quarter GDP rose by +0.8% with respect to the same quarter of the prior year and by 0.3% with respect to the prior quarter, further confirmation of the slow recovery. The Bank of Italy expects Italy's GDP to rise by +1% in 2011 and by +1.1% in 2012.

In the first six months of 2011 inflation rose, as expected, by +2.7% with respect to the same month in the prior year, bringing inflation in the first six months of the year to +2.3% (source ISTAT). If we consider inflation net of energy costs, the figure comes in at +2.0%. Based on the Bank of Italy's forecasts, the trend should reverse in second half 2011 with inflation returning to levels below 2% in 2012.

In the spring, the volatility of the financial markets began to increase again due to the growing uncertainty regarding the extent of the international recovery and the renewed concerns about sovereign debt in the Euro zone.

In the first six months of 2011 3M and 6M Euribor rates continued to rise reaching, in June 2011, 1.49% and 1.75%, respectively.

In first half 2011 the unemployment rate (the number of people between the ages of 14 and 65 who are looking for work as a percentage of the total work force) fell slightly with respect to 2010 and in June 2011 reached 8.0%, an improvement of 0.3% YoY. Youth (14-29 years old) unemployment continues to be high, even if it did decrease to 27.8% in June (Source ISTAT).

In the first five months of 2011 retail sales fell by -0.3% with respect to the first five months of the prior year and by -2.1% with respect to May 2010.

Specialized operations held well and reported positive figures, while among the non specialized operations of note were the non food product businesses and the supermarkets.

SCHEDULE 2. RETAIL TRADE AT CURRENT PRICES
BY TYPE OF EXERCISE OF THE GDO
May 2011 (a), percentage changes (indexes on the base of 2005=100)

Type of exercise	May-11 / May-10	Jan-May 11 / Jan-May 10
Non-specialized stores	-2.4	-0.8
A prevalence of food	-2.5	-0.7
Hypermarket	-6.1	-2.5
Supermarket	0.0	+0,3
Food discount	-1.9	-0.7
A prevalence of non food	0.0	+2,5
Specialized stores	0.0	+2,5
GDO	-2.1	-0.3

(a) Provisional data

(Source ISTAT)

Investments and real estate development in Italy

Investments in retail real estate in Europe reached approximately €20.7 billion in 2010, an increase of 68% with respect to the prior year. The bulk of the transactions took place in Western Europe with the United Kingdom in the lead, followed by Germany. In first quarter 2011 direct retail transactions in Europe totalled

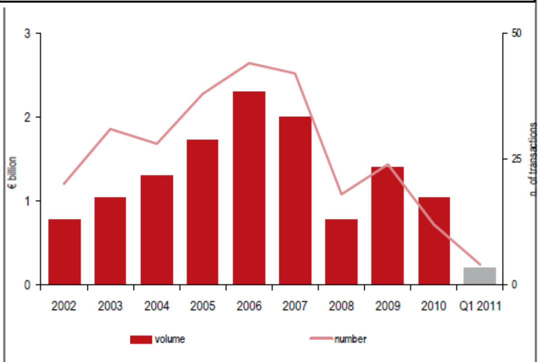
€8.04 billion, an increase of +48% with respect to the same period in the prior year and of +21% with respect to the prior quarter. Conversely, retail real estate transactions in Italy fell by 23% with respect to the prior year to €1.07 billion.

The most important retail real estate transactions completed in the first six months of 2011 are shown below:

GDO	CITY	DATE	GLA (mq)	PRICE ML/(€)	BUYER	SELLER
C.C. Coné - Iper	Conegliano	Jun-11	9,500	23.5	IGD	Coop Adriatica
Fidenza Shopping Park	Fidenza	Jun-11	26,000	40.0	Cordea Savills	Unieco
C.C. Via Larga - Iper	Bologna	Mar-11	7,400	31.3	Gruppo NordiConad	BNL Portfolio Immo.
Casal Bertone - Galleria Commerciale	Roma	Mar-11	9,830	48.0	Union Investments	Immobiliare Europa
C.C. Mongolfiera	Molfetta	Mar-11	35,000	60.0	OIRP Investment 2	Foruminvest
Romagna R.Park	Savignano su Rubicone	Mar-11	40,000	69.0	Klepierre	Pradera

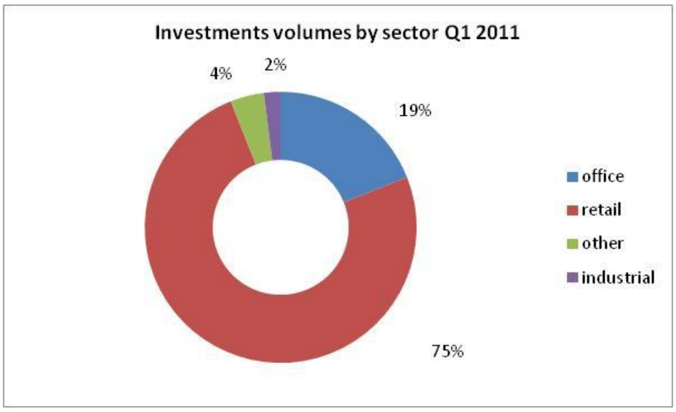
Between the end of 2010 and the first few months of 2011in Italy primarily private investors began to show renewed interest in high street properties (i.e. in 2010 Coin in Piazza 5 giornate and Zara in Corso Vittorio Emanuele in Milan and in the first part of 2011 the deal involving Rinascente in Piazza Duomo, Milan).

Retail investments evolution in Italy



Fonte: Jones Lang LaSalle Research Italy

The trend in retail real estate investments in the first months of 2011 shows that investors continue to prefer prime over secondary real estate properties, as well as properties found in northern versus southern Italy. Investors also seem to prefer existing units, with a solid customer base and consolidated profitability versus new projects with more uncertain future scenarios.



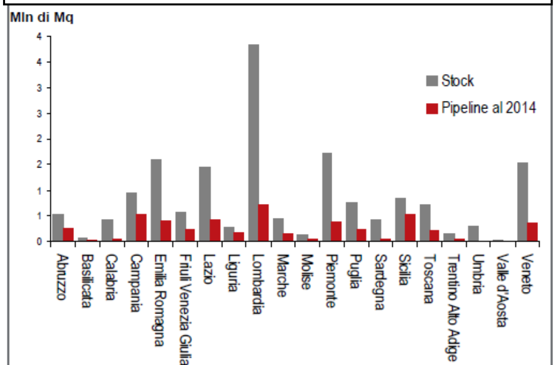
(Source:CBRE)

With regard to retail real estate development in Italy, the pipeline is significant: in 2011 approximately 1.4 million m^2 are expected to be developed with an additional 2 million m^2 in 2012 .

Currently what is happening is that the volume of "stand-by" retail real estate projects is increasing as the local authorities, in light of the market conditions and the uncertain yields which are causing the developers/builders to delay works and openings, are finally granting permits years after the filing of the initial requests.

The largest part of the total pipeline through 2012 is concentrated in the northern regions of Italy (49%), followed by the southern regions (34%) and, lastly, the central regions (17%).

Pipeline by region

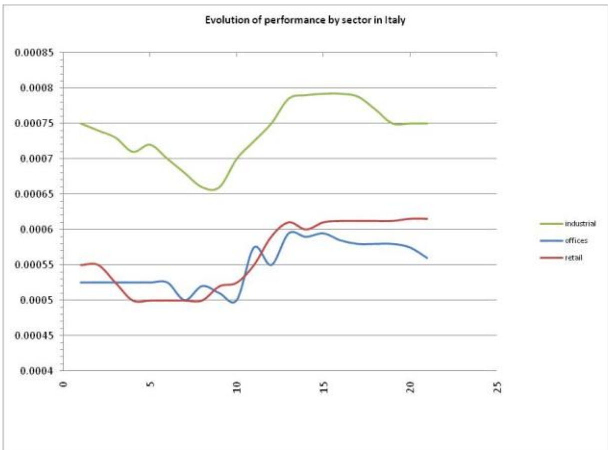


Fonte: Jones Lang LaSalle Research Italy

An interesting phenomenon has taken place since the end of 2010: the demand of retailers for new retail space has increased significantly, thanks also to the arrival of important international companies and new brands in Italy (for example, GAP and Banana Republic).

At the moment, as there are no new prime spaces available, the new openings have been primarily in existing spaces and in high street locations (even if the latter has taken place solely in the main cities like Milan, Bologna, Florence and Rome).

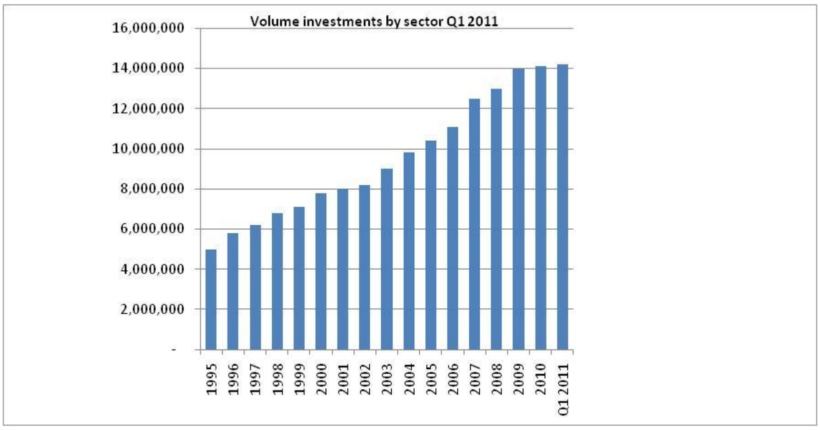
The gross prime yields in first quarter 2011 fell further for the office sector (5.5%), while they were largely unchanged for the shopping center (6.15%) and logistics (7.5%) sectors.



(source: CBRE)

Shopping centers in Italy

At the end of first quarter 2011 the stock of shopping centers in Italy (excluding outlets, retail parks and leisure parks) reached a GLA of approximately 14.2 million m^2 .



(Source:CBRE)

The most recent openings are indicative of a new trend that has developed, precisely the return to smaller shopping centers.

If in the past the average area of a shopping center was approximately 18,000 m^2 , today the average area reaches 16,000 m^2, (in 1995 this figure did not exceed 11,000 m^2 of GLA).

Following the new openings the average density of shopping centers (GLA/for every 1,000 in habitants) reached 235 m^2 for every 1,000 inhabitants.

The m^2 of GLA, however, continues to be distributed unevenly throughout Italy with a density of 290 m^2/1,000 inhabitants in the north, of 215 m^2/1,000 inhabitants in the center, while the density in the south and on the islands, while constantly rising, is still, respectively, 176 m^2/1,000 inhabitants and 167 m^2/1,000 inhabitants.

The new shopping centers opened in the first four months of 2011 include the “Punta di Ferro” Shopping Center in Forlì, which has a GLA of approximately 33,900 m^2 and the smaller Eurosia Shopping Center in Parma, which has a GLA of approximately 16,250 m^2.

ROMANIA

The macroeconomic scenario

In the first quarter of 2011 the Romanian economy, for the second quarter in a row, recorded positive GDP growth of 0.6% which points to a first sign that the country is coming out of its recession. In the first quarter of 2011 GDP grew by 1.7% YoY.

Inflation, however, increased and reached +7.93% in June 2011 (Source: NBR), higher than the National Bank of Romania’s forecast for inflation in 2011 of not more than 3%.

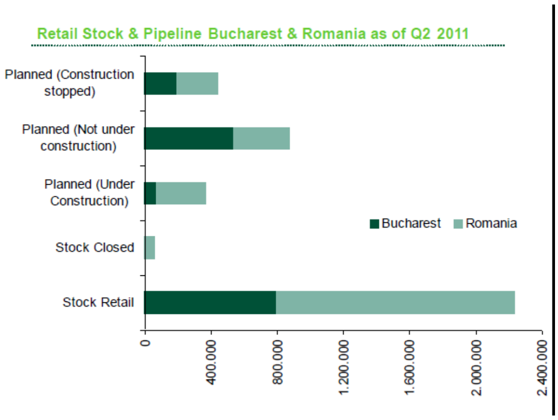
The exchange rate at 30 June 2011 reached 4.2341 ron/euro.

On a positive note, unemployment also fell in first half 2011 to 4.8% (Source: NBR).

Consumer trends and the real estate market

In first half 2011 the stock of shopping centers (including retail parks and outlets) reached a GLA of approximately 2.23 million m^2, only 37,000 m^2 of which is new GLA. This the lowest level in Romania since 2003 (Source data CBRE).

The development pipeline in Romania continues to grow and in first half 2011 reached a GLA of approximately 1.68 million m^2, of which only 22% (approximately 367,000 m^2) is under construction while the remaining 78% has is in the planning stage or work has been suspended.



(SOURCE: CBRE)

Retail Schemes under development Romania (selection)

Retail Scheme	GLA	Developer	City
Maritimo Shopping Center	50,000	Immofinnanz	Constanta
Galleria Arad	29,000	GTC	Arad
ERP Botosani	Aprox. 20,000	BelRom	Botosani
Electroputere Craiova	51,000	Auchan & BelRom	Craiova
Corall Mall	46,000	Cora Romania	Constanta
Baneasa Shopping City - Extension	15,000	Baneasa Investment	Bucharest
Colosseum	58,000	Nova Imobiliare	Bucharest

(SOURCE: CBRE)

The construction projects are concentrated in Bucharest, the capital, or in the main urban centers (such as Costanza, Craiova).

The GLA of new shopping centers in second half 2011 is expected to reach around 110,000 m^2.

In the first few months of 2011 the prime yields for shopping centers were largely unchanged with respect to the prior half coming in at 9% while the prime yields for on-street spaces in Bucharest reached 10.25%.

On a positive note, several large international retailers were active, above all in the urban area of Bucharest. As planned, in first half 2011 H&M opened six new points of sale and the same amount is expected to be opened by the end of 2011. New openings that took place in the first half of the year include Petit Bateau, Wienerwald, Toy watch and Olivers&Co while Leroy Merlyn, Subway and Toy&joy are expected to open in the second half.

The Real Estate Portfolio

FREEHOLD ASSETS

At 30 June 2011 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.

Beginning with the Half-Year Financial Report at 30 June 2011, the appraisal of the Italian real estate portfolio was split between two independent experts, CB Richard Ellis and Reag.

The Romanian portfolio was appraised solely by CB Richard Ellis, as in the past.

The market value of the IGD Group's real estate portfolio at 30 June 2011 was estimated, based on the independent appraisals of CB Richard Ellis and Reag at €1,893,655,000.

The IGD Group's real estate portfolio at 30 June 2011 includes the following classes of property:

- "Hyper and super", found in 7 regions in Italy, with a market value of €503.7 million;
- "Shopping malls and retail parks", found in 11 regions in Italy, with a market value of €1,047,165 million;
- "City Center" , retail properties found along the main shopping streets of urban areas, with a market value of €27.2 million;
- "Other" or miscellaneous properties pertaining to freehold shopping centers or office units with a market value of €6.14 million;
- "assets held for trading", relative to the multi-functional project in Livorno, with a market value of €95.8 million ;
- "plots of land", found throughout Italy which are to be used for future expansion and/or new retail projects, with a market value of €34.75 million;
- Winmarkt", a portfolio of 16 properties used primarily for retail purposes found throughout Romania, with a market value of €178.9.

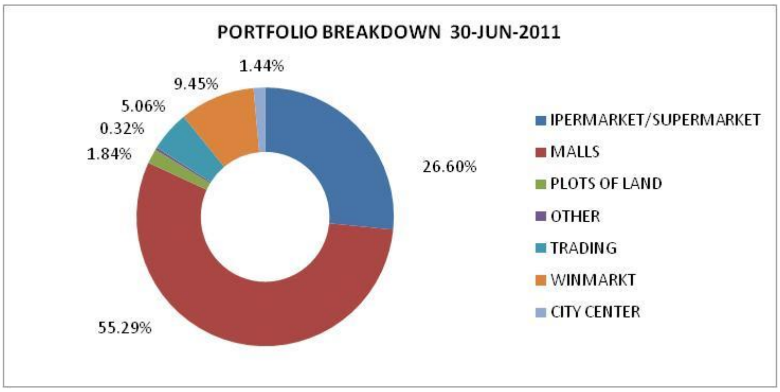
The appraisals of the different classes of property are shown below:

Property category	% portfolio	Expert
Hyper and Super	13.55%	CBRE
	13.05%	REAG
Shopping malls and retail parks	30.87%	CBRE
	24.43%	REAG
City center	1.44%	CBRE
Other	0.30%	CBRE
	0.03%	REAG
Assets held for trading	5.06%	CBRE
Plots of land	1.65%	CBRE
	0.18%	REAG
Winmarkt (Romania)	9.45%	CBRE
	100.00%	
Total	62.31%	CBRE
	37.69%	REAG
	100.00%	

ANALYSIS OF THE FREEHOLD ASSETS

GEOGRAPHICAL BREAKDOWN AND COMPOSITION OF THE PORTFOLIO

In the first half of 2011 the following properties were added to the IGD Group's real estate portfolio: the hypermarket found in the Coné Shopping Center in Conegliano Veneto, where IGD already owned the shopping mall, which has a GLA of approximately 9,500 m^2 ; a retail property on Via Rizzoli in the historic heart of Bologna, which has a GLA of approximately 2,350 m^2 ; the almost 1,200 m^2 portion of an office building found in the Centro Direzionale Business Park in Bologna of which Igd already owns the lower floor and where its headquarters are located. The IGD Group's real estate portfolio at 30 June 2011 can be broken down as follows:



IGD's properties in **Italy** total 48 (including the 50% of the "Darsena" Shopping Center) and can be broken down as follows:

- 19 shopping malls and retail parks
- 17 hypermarkets and supermarkets
- 1 city center
- 3 plots of land for development
- 1 asset held for trading
- 6 other

The breakdown of the properties by region and geographical area is shown below:

E.Romagna: 5 malls, 8 Hypermarkets-Supermarkets, 1 plot of land, 1 city center

Piedmont:1 mall + 1 mall and retail park

Lombardy: 2 malls,

Trentino: 1 mall

Veneto: 1 plot of land, 1 mall and retail park, 1 hypermarket

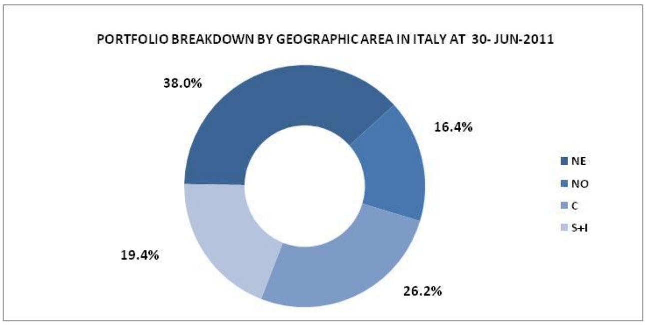
Marche: 1 mall, 3 hypermarkets, 2 other, 1 plot of land

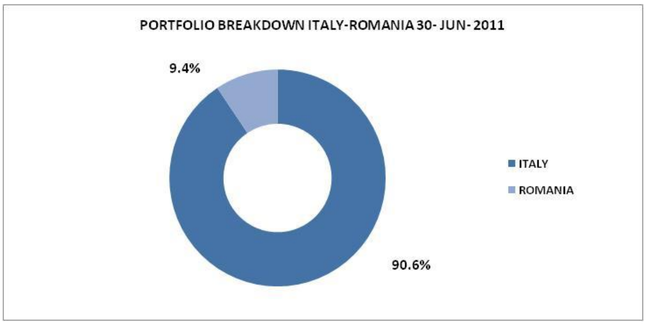
Abruzzo: 1 mall, 1 hypermarket

Campania: 1 mall, 1 hypermarket

Lazio: 2 malls; 2 hypermarkets

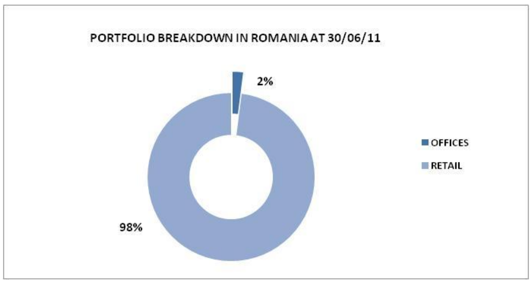
Tuscany: 1mall, 1 hypermarket, 1 asset held for trading

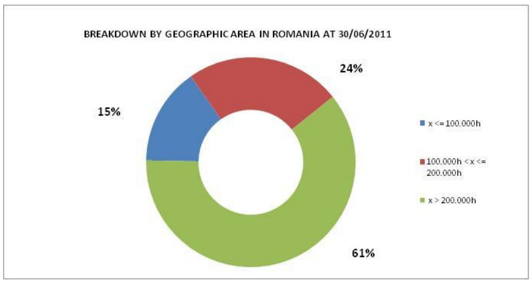




IGD's real estate assets in **Romania** total 16, broken down as follows:

- 15 shopping centers
- 1 office building





ITALY

HYPERMARKETS AND SUPERMARKETS

Hypermarkets and supermarkets are the stable component of the IGD's real estate assets. They are leased on a long-term basis to Coop Adriatica Scrl and Unicoop Tirreno Scrl and Ipercoop Sicilia. 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 6.35% on a like-for-like basis, a drop of 0.06% with respect to the prior year due to the change in the market value on a like-for-like basis of this class of property which rose +1.64% with respect to 31.12.2010, coming in at € 478.6 million.

The increase in the market value is primarily attributable to the stability of the revenues and to the expiration of a few lease clauses relative to newly opened hypermarkets, as well as to an increase in rents due to the installation of solar panels.

The perimeter of this class of properties grew in the first half of 2011 by 9,500 m^2 of GLA following the purchase of the hypermarket found in the Coné Shopping Center in Conegliano Veneto which is leased to Coop Adriatica on a long term basis that guarantees a yield of 6.29%, at full capacity. An office unit, which had been classified at 31 December 2010 as “other”, was also turned into a technical facility and annexed to the Miralfiore hypermarket.

The total value of the hypermarkets and supermarkets at 30 June 2011 amounted to €503.7 million.

SHOPPING MALLS AND RETAIL PARKS

In the first half of 2011 the perimeter of this class of property did not change if the purchase of the business division, which is part of the Gran Rondò Shopping Center in Crema, and the multiplex cinema and a bar in the Sarca Shopping Center are excluded.

At 30 June 2011 the occupancy rate was 95.99%, an increase of 0.4% with respect to 31 December 2010 due to the rental of vacant spaces found in the new centers opened in 2010.

The market value of the shopping malls reached €1,047.165 million at 30 June 2011, an increase of 1.17% which is primarily attributable to the two acquisitions described above. The average yield at 30 June 2011 was 6.52%, an increase of +0.02% with respect to 31 December 2010.

CITY CENTER

Following the acquisition in April of the complex, comprised of properties which are adjacent and connected to one another, on Via Rizzoli in downtown Bologna, a new class of property was added to the real estate portfolio which is referred to as “City center”.

The complex has a GLA of approximately 2,350 m^2, spread out over three floors, and is already fully rented on a long term basis to premier retailers (Apple and MelBooks).

The market value of this class of property at 30 June amounted to €27.2 million with yields at full capacity of 5.51%. The occupancy rate is 100%.

DIRECT DEVELOPMENT PROJECTS (PLOTS OF LAND)

The IGD Group's class of properties “Plots of Land for Development” at 30 June 2011 consists of three plots of land. A new shopping center is in the process of being built on one of them, while the other two will be used for future expansion of existing shopping centers.

With regard to the future Chioggia shopping center, two plots of land were purchased during the first half from former consortia members for a total of €3.7 million upon which midsize stores will be built. Following these acquisitions, IGD became the sole member of the Forte di Brontolo Consortium and, therefore, will work directly on the two midsize stores that are part of the project plan but which were not included in the two previous appraisals. To date the area soil clean-up has been completed resulting in the elimination of any explosive devices and the urbanization works are currently underway.

With regard to the expansion of the Portogrande Shopping Center, the project calls for the building of two midsize stores, while the mall in the ESP Shopping Center will also be expanded; the urban authorization process for both projects is currently underway and should be completed by the end of 2011.

The total market value of this class of property at 30 June 2011 amounted to €34.75 million, an increase of +20.7% with respect to 31 December 2010 due to the progress of the construction work done on the land in Chioggia.

ASSETS HELD FOR TRADING

The assets of Porta Medicea, the developer of the multifunctional project in Livorno, were valued at 30 June 2011 by the independent appraiser CB Richard Ellis at €95.8 million, an increase of 10.51% with respect to the prior year due to the progression of the construction work.

OTHER

In first half 2011 the perimeter of this class of property, which up until 31 December of last year consisted of one store and an office building, plus a wholesale zone and a fitness area pertaining to freehold shopping centers, changed as an office unit and was annexed to the Miralfiore Hypermarket and the almost 1,200 m^2 portion of the second floor of an office building found in the Centro Direzionale Business Park in Bologna of where IGD's headquarters are located, was purchased. This space is currently rented to the Hera Group, on the basis of a long-term contract which guarantees a yield of 6.47%. The market value of this class of property at 30 June 2011 amounted to €6.14 million, an increase like-for-like of +0.43% .

ROMANIA

The real estate portfolio of the Romanian company Winmarkt is comprised of 15 shopping centers and an office building for 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 2010 was €178.9 million, down by 0.67% with respect to 31 December 2010 due entirely to the 15 shopping malls which were valued by the independent appraiser CB Richiard Ellis at €174.7 million. The average yield of the 15 malls was 8.04%, a drop of -0.61% on 31.12.2010 as the market value held thanks to the improved occupancy and the decline in the assets' management costs.

The market value at 30 June 2011 of the Junior office building in Ploiesti was estimated at €4.2 million, unchanged with respect to 31 December 2010.

The occupancy rate at 30 June 2011 reached 84.2%, an increase of 1.2% with respect to the prior year.

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

Real estate investments

Class	Book value 30/06/2011	Acounting method	Market value at 30/06/2011	Date of last appraisal
Real estate investments IGD Group				
Hypermarkets and supermarkets	503.70	fair value	503.70	Aug - 11
Shopping malls Italy*	1,047.17	fair value	1,047.17	Aug - 11
City center	27.20	fair value	27.20	Aug - 11
Other	6.14	fair value	6.14	Aug - 11
Total Italy	**1,584.21**		**1,584.21**	
Shopping malls Romania	174.70	fair value	174.70	Aug - 11
Other Romania	4.20	fair value	4.20	Aug - 11
Total Romania	**178.90**		**178.90**	
Total IGD Group	**1,763.11**		**1,763.11**	

* the figure includes Darsena City classified in the financial statements under works in progress and down payments.

Direct development initiatives and assets to be purchased in the future

Class	Book value 30/06/2011	Acounting method	Market value at 30/06/2011	Date of last appraisal
Direct development initiatives				
Plots of land and ancillary costs	32.76	adjusted cost	34.75	Aug - 11
Total direct development initiatives	**32.76**		**34.75**	
Development initiatives involving the purchase of assets to be completed in the future:				
Deposits, down payments and ancillary costs	1.23	cost	not appraised	
Total development initiatives involving the purchase of assets to be completed in the future	**1.23**			

Assets held for trading

Class	Book value 30/06/2011	Acounting method	Market value at 30/06/2011	Date of last appraisal
Asset held for trading**				
Plots of land, buildings and work in progress	90.96	cost	95.80	Aug - 11
Consolidation difference	0.28			
Other ancillary costs	0.11			
Asset held for trading	**91.35**	**cost**	**95.80**	

** The figure includes the portion of the retail units to be sold to IGD SIIQ S.p.A on the basis of a preliminary sales agreement and classified in the financial statements under works in progress and down payments.

The Parent Company's 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 Bulletin n. 8/E issued on 31 January 2008.

Subsequently, pursuant to Art. 12 of Legislative Decree n. 135 dated 25 September 2009 a new paragraph, 141-*bis,* of Art. 1 of Law n. 296 dated 27 December 2006, was introduced eliminating the Italian residency requirement for the companies that intend to participate in the SIIQ regime. Further reference was made in this regard in the Tax Board's Resolution n. 136 of 27 December 2010.

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

Subjective requirements

- must be a joint stock company
- must reside in Italy for tax purposes or, with regard to companies with stable real estate businesses in Italy, in one of the countries member of the European Union and party to the agreement to create a single European economic zone as indicated in the list appended to the decree issued by the Ministry of Treasury and Finance as per paragraph 1 of Art. 168-*bis* of the Uniform Income Tax Act
- 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 who hold less than 2% of the voting rights exercisable in ordinary Shareholders' Meetings and less 2% of the dividend rights, 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 special 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.

Furthermore, 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 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 payment of each installment coincides with the deadline for IRES payments related to the prior tax period. The installments subsequent to the payment of the first installment will be paid with the interest matured calculated based on the discount rate plus one percentage point.
Below is the forecast payment schedule (without interest):

	16/06/2012
Payment	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. In this regard, on 20 April 2011 the Shareholders' Meeting approved payment of a dividend totalling €22,370,451 for 2010 and the earnings distributed were generated entirely by exempt operations and amounted to not less than 85% of the earnings from these operations that were distributable.

Based on the parent company's financial statements at 30.06.2011 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 the rental of freehold properties or other property rights rental activities must total at least 80% of the positive entries in the income statement, were satisfied.

DISCLOSURE REGARDING COMPLIANCE WITH CORPORATE BY-LAWS REQUIREMENTS (ART. 3, P. 2, MINISTERIAL DECREE N. 174 OF 7 JULY 2007)

With regard to the requirements related to corporate by-laws, please note the following.
With regard to investments, it is expressly provided in Art. 4.3 lett. i) of the Company's by-laws 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 by-laws 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 by-laws 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.

The Stock

IGD's shares are traded on the Italian Stock Exchange's STAR segment as part of the real estate sector. The minimum lot is €1.00 and its specialist is Intermonte. IGD SIIQ SpA 's share capital at 30 June 2011 was comprised of 309,249,261 shares with a par value of €1.00.

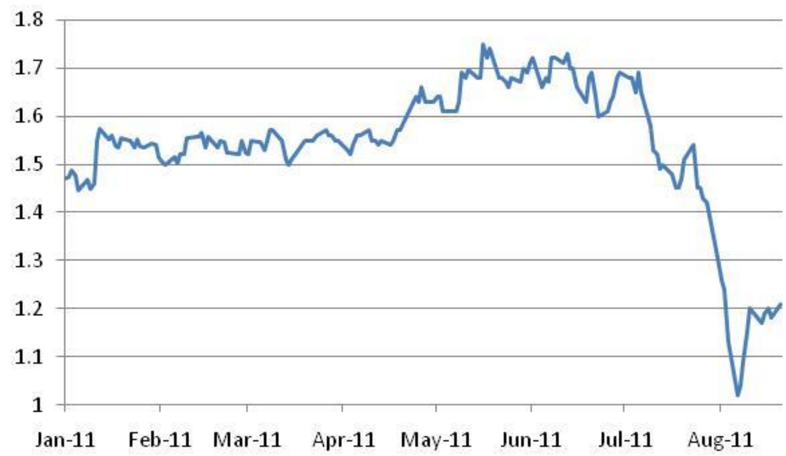
IGD ticker symbols:
RIC: IGD.MI
BLOOM: IGD IM
ISIN: IT0003745889

Indices in which IGD is included:

FTSE EPRA/NAREIT Global Real Estate Index;
EPRA: European Public Real Estate Association

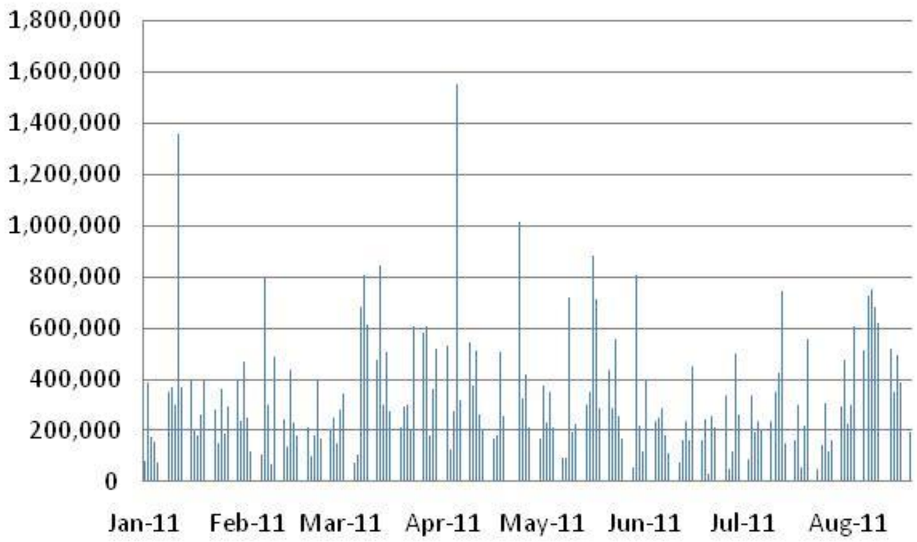
Euronext IEIF REIT Europe
IEIF: Institut de l'Epargne Immobilière et Foncière

The stock's performance



The stock, which at 3 January was trading at €1.47, climbed to €1.58 euro in the first two weeks of the year and subsequently traded in a range of between €1.5 and €1.58. Beginning on 20 April the stock price began to rise again, reaching its high for the year of €1.76 on 18 May. Thanks to the Company's strong fundamentals which were reflected in the results for FY 2010 and confirmed by the positive performance in first quarter 2011, the stock closed first half 2011 at €1.68 (+14.3% with respect to 3 January). Beginning on 7 July, when the prices of Italian government bonds crashed and uncertainty reigned prior to the approval of the 2011 financial manoeuvre, the stock price fell sharply. Despite attempts to bounce back between 20 and 25 July, the macroeconomic data which continued to point to a slowdown of the recovery and the critical situation of the US debt caused profound weakness in the financial markets. On 8 August IGD's stock price, in fact, hit its low of €1.02. When the ECB began buying securities issued by the European countries hardest hit by speculation and while the Italian government began work on an additional manoeuvre, the stock price began to rise and rapidly reached levels of around €1.2. IGD's stock, which is not immune to the high level of risk currently perceived in equity investments, is also being penalized by the recent drop in volumes.

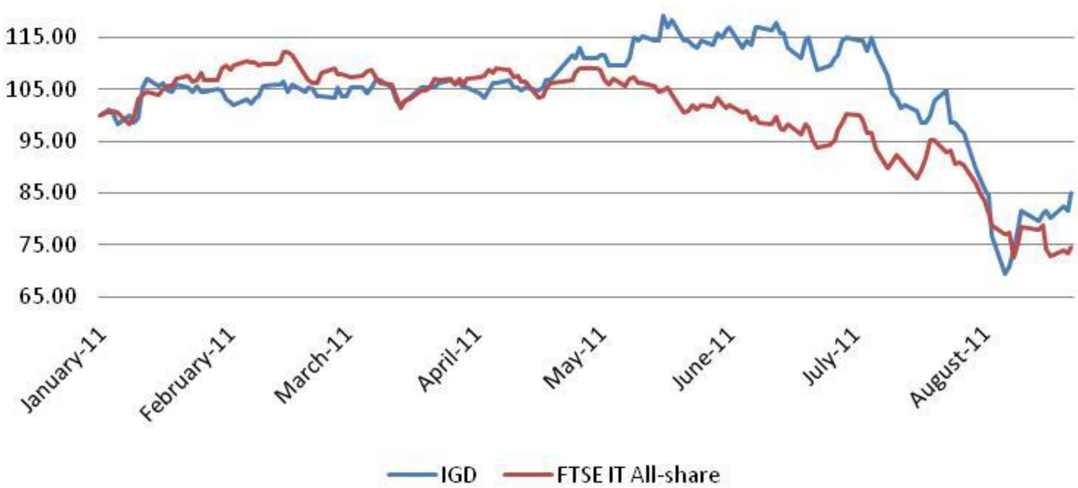
Daily volumes



In the first six months of 2011 an average of 330,000 IGD shares were traded each day, down with respect to the average of 424,000 shares per day recorded in first half 2010 and the 619,000 shares in first half 2009. Peak volumes were recorded in first half 2011 on 13 January (more than 1.3 million shares were traded), on 7 April (more than 1.5 million) and 26 April (more than 1 million): the increase in volumes corresponded with the rise in the stock price. Even though, following the transformation into a SIIQ, the number of institutional investors owning IGD has increased, the volumes are down. This is probably attributable to the fact that a few of the new investors, who typically invest in REITs given the attractive dividends paid, are long term investors which tends to "cement" the free float.

IGD's stock price compared with the Italian stock exchange index

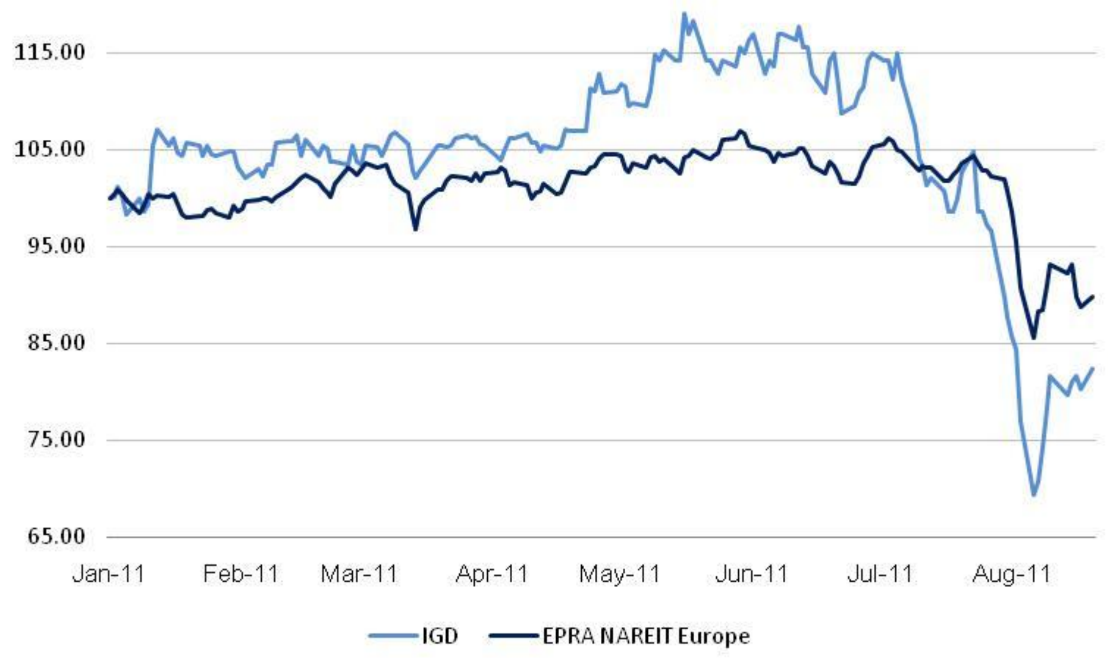
IGD vs. Italy FTSE All-share Index (base 3.1.2011 = 100)



The comparison of IGD's performance with the Italian Stock Market index shows that the stock traded is basically in line with the index through mid-April when IGD's price rose significantly, while the Italian Stock Market index fell sharply due to the weight of the financial sector (facing recapitalization and particularly exposed to country risk).

As mentioned above, in July the price of IGD's shares also dropped, but beginning 10 August 2011 the stock began to perform better than the index. At 22 August the stock was outperforming the Italian stock market index by approximately 8 percentage points.

IGD's stock price compared to the European Real Estate Index
IGD vs. EPRA NAREIT Europe (base 3.1.2011=100)



Source: EPRA

In the first six months of 2011, the EPRA NAREIT Europe Index rose 4.4%; this increase continued, albeit to a more limited extent, through the end of July (+2.3% with respect to 3 January). IGD's stock consistently outperformed the sector index, reaching, after the first quarter, a peak of more than 15 percentage points. In the last few weeks, when the 10 year BTP yields began to rise sharply, this outperformance was entirely retraced and at the end of July the stock was underperforming the European Real Estate Index. This negative performance has been partially offset by the stock's post-8 August rebound.

Analyst coverage and Investor Relations

IGD continues to have ample coverage, at the moment 8 brokers (4 in Italy and 4 abroad) cover the stock with an average target price at the end of July 2011 of around €1.81, compared to €1.6 at the beginning of 2011. At the end of July 2011, 3 brokers have a "buy" recommendation on the stock, while the remaining 5 recommendations are neutral. None of the analysts have issued a "sell" recommendation.
The stock is also covered by 2 brokers who do not issue stock recommendations.

During the first half of the year two presentations (conference calls) were held in order to discuss the results for full year 2010 and first quarter 2011.
On 4 May 2011 an event was organized in Bologna during which IGD presented its first Corporate Sustainability Report to its stakeholders.

The Company also organized road-shows in London (on three separate occasions), Amsterdam, Brussels and Paris.

Igd also participated in the STAR Conference organized by the Italian Stock Exchange held in Milan and in the Kempen Conference in Amsterdam.

It also accompanied numerous investors on visits to the company's shopping centers.

II NAV

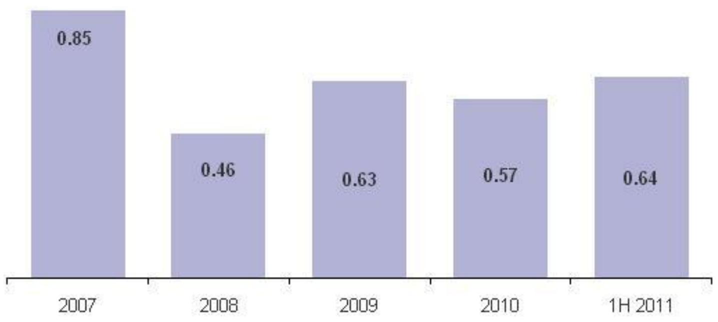
		1H 2011	FY'10
Market value freehold properties, plots of land, direct development pojects and assets held for trading	a	1,893.66	1,803.98
Investments, land, development projects and assets held for trading	b	1,887.22	1,804.01
Potential capital gains/ (losses	**c=a-b**	**6.44**	**(0.03)**
Net equity		785.64	773.45
Treasury shares (incl. commissions)		22.25	22.25
Adjusted net equity	**h**	**807.89**	**795.71**
IGD's current stock price	30-giu-11	**1.68**	**1.46**
Potential capital gain/(loss) on treasury shares	**d**	**(3.70)**	**(6.12)**
Total gain	**e=c+d**	**2.74**	**(6.15)**
NAV	**f=e+h**	**810.64**	**789.56**
Number of shares	g	309.25	309.25
NAV per share	**f/g**	**2.62**	**2.55**
Tax rate on capital gains		27.6%	27.7%
Total net capital gain	**i**	**0.96**	**(6.14)**
NNAV	**l=h+i**	**808.86**	**789.57**
NNAV per share	**m=l/g**	**2.62**	**2.55**

Both the NAV and the NNAV rose with respect to 31 December 2010 by 2.75%. This increased is explained by:

1) the increase in total equity,
2) the potential capital gain of €6.44 million related to the plots of land and direct development projects and the assets held for trading (recognized in the financial statements at the lower between cost and fair value),
3) the increase in the stock price which resulted in a potential capital loss on treasury shares of approximately €3.7 million.

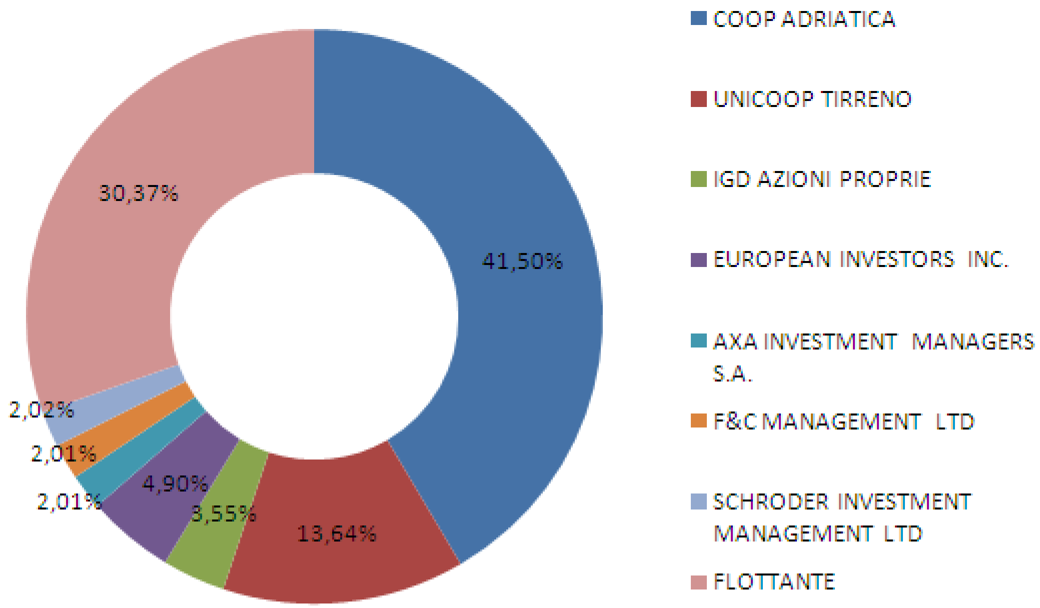
The tax rate is the same as the IRES rate (27.5%) and the one-off IRAP rate to which IGD SIIQ is subject.

The following graph shows the stock price (as of the last day of the 2010 or the half)/NNAV ratio from 2007 through 30 June 2011.



The Ownership Structure

As of 30 June 2011 two new foreign institutional investors (F&C Management LTD and Schroder Investment LTD) held significant interests in the company which confirms the interest foreign investors have in the stock.



Significant Events

Corporate Events

Please note that on 7 February 2011 Coop Adriatica scarl and Unicoop Tirreno Società Cooperativa renewed the shareholders' agreement which establishes a voting block of "**IGD**" shares pursuant to Art. 122, paragraphs 1 and 5 lett. A) and B), of Legislative Decree n. 58/1998 (the "**Agreement**") designed to facilitate the Company's strategic decisions and their management.

The Agreement involves 170,516,129 ordinary IGD shares or 55.140% of the company's ordinary share capital (the "**Syndicated Shares**"), of which 157,713,123 or 51% of the share capital are bound by a voting block (the "**Block Shares**"). The agreement will expire on 30 June 2012.

On 9 March 2011 the Board of Directors approved the draft separate and consolidated financial statements for FY 2010 and proposed a dividend of €0.075 per outstanding share.

During the Annual General Meeting held on 20 April IGD's shareholders approved IGD SIIQ S.p.A.'s financial statements for FY 2010, as approved by the Board of Directors on 9 March 2011, and resolved to pay a dividend of €0.075 per share, an increase of 50% with respect to the €0.05 paid in the prior year.

During the Annual General Meeting, once again in ordinary session, IGD's shareholders also authorized the purchase and disposal of treasury shares on one or more occasions up to the maximum permitted by law, in order to pursue the Company's aims as allowed by regulations and market practices recognized by Consob. The authorization to purchase treasury shares will be effective for eighteen months as from the date of the resolution, while there is no time limit on the authorization to dispose of the shares.

During the same meeting, IGD's shareholders also approved the proposed amendments to Articles 2, 11, 12 and 18 of the company's Regulations for Shareholder Meetings (the "Regulations for Shareholder Meetings"), in order to comply with the changes introduced to TUF in Legislative Decree n. 27 of 27 January 2010 in implementation of Directive 2007/36/EC of 11 July 2007 relating to shareholder rights. In extraordinary session, the shareholders of IGD also approved amendments to Articles 13 and 22 of the corporate by-laws in order to comply, once again, to the changes introduced to Legislative Decree n. 58/2998 ("TUF") in implementation of Directive 2007/36/EC of 11 July 2007 relating to shareholder rights.

Further amendments were made to the corporate by-laws in order to comply with Consob's recent regulations governing transactions with related parties.

Investments

With regard to the multifunctional project in Livorno, "Porta a Mare", the restructuring of part of Palazzo Orlando was completed in February and the sale of office units for a total of €1.7 million was finalized.

Work was begun on the Piazza Mazzini area and the pre-marketing of the residential units generated good interest.

In March the IGD Group signed a contract for the purchase of the retail management division responsible for the management of the stores found inside the mall of the "Gran Rondò" Shopping Center in Crema.

A purchase price of €4.9 million was paid, excluding tax and ancillary charges, and management began on 1 April 2011.

In the same month two plots of land, next to freehold properties, were also purchased in order to complete the site where the Chioggia retail park will be built in the future for a total investment of €3.7 million, excluding ancillary charges.

In April, pursuant to the preliminary agreement signed in March 2011, the purchase of a real estate complex on Via Rizzoli, the main shopping street in the historic heart of Bologna, was finalized. The complex, comprised of properties which are adjacent and connected to one another, has a GLA of 2,350 square meters, spread out over three floors, and is already fully rented on the basis of long term commercial leases to two premier retailers: Apple, opening soon, and MelBooks, already present.

The consideration for the transaction amounted to €25 million, plus transfer tax and ancillary charges. The transaction is in line with the new "city center project" strategy included in IGD's Business Plan 2009-2013, updated in November 2010, which provides for the possible acquisition of properties found in the historic centers of some of Italy's most important cities.

At the end of April two different contracts were executed for the purchase of two floors of *Edificio 1* (Building 1) of the Bologna Business Park, which currently houses the Group's headquarters. More in detail, the first, definitive contract was for the purchase of the building's second floor, which covers a GLA of 1,222 m^2 and is rented, in its entirety, on the basis of a long-term contract, to the Hera Group. The purchase price for this acquisition amounted to €3.73 million, in addition to tax and ancillary charges. The second contract, signed on a preliminary basis, was for the purchase of the third and last floor of the building which covers a GLA of 824 m^2. The purchase price amounts to €3.07 million, in addition to fit-out expenses. The closing is expected to take place by 15 October 2011, once the fit-out works are completed. This floor will be used, in part, by the IGD Group and, in part, rented to third parties. Following the acquisition of the second and third floors of the complex, which will be added to the ground and first floors where the Group's headquarters are located, the IGD Group will own all of the Bologna Business Park ' s Building 1, found in via Trattati Comunitari Europei 1957-2007, n. 13. The complex has a GLA of 4,030 m^2, spread out over four floors, and is found inside a modern and efficient business park where the headquarters of premier lending institutions are located.

At the end of June Immobiliare Larice signed a contract for the purchase of a business division which manages a multiplex cinema, as well as a bar, inside the Centro Sarca Shopping Center, for €3.5 million, in addition to tax.

On 30 June IGD SIIQ S.p.A. signed a contract with Coop Adriatica s.c.a.r.l., a related party, for the sale and subsequent lease of the hypermarket found inside the Conè Shopping Center and Retail Park in Conegliano Veneto.

Following the purchase of the hypermarket IGD, which already owns the retail park and the shopping mall as it was purchased on 22 December 2010, now owns 100% of the Conè Shopping Center and Retail Park.

IGD paid the entire purchase price of €23.5 million, in addition to tax and ancillary charges, upon execution of the definitive contract. Once the sale of the hypermarket was finalized, IGD then leased the property which has a GLA of 9,500 m^2 to Coop Adriatica on the basis of an 18-year lease.

The transaction was completed in accordance with the "Procedure for Related Party Transactions" adopted by IGD Siiq Sp.A. pursuant to Consob Regulation n. 17221 of 12 March 2010.

A new mortgage loan of €16 million was also taken out with Centrobanca when the purchase of the hypermarket was finalized.

INCOME STATEMENT REVIEW

The Group closed first half 2011 with a net profit of €30,193 thousand, more than double the €14,031 thousand recorded in the same period of the prior year, due primarily to increased revenue, cost control and property revaluation. In order to highlight the core business, the "Porta a Mare" project in Livorno, which generated its first revenue during the quarter following the sale of office units, is shown separately. A summary of the results follows:

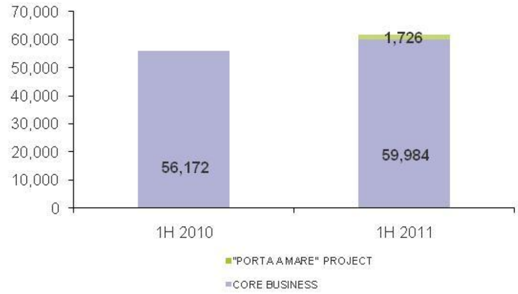
CONSOLIDATED STATEMENT OF INCOME	CONSOLIDATED			CORE BUSINESS			"PORTA A MARE" PROJECT		
€/000	1H 2010	1H 2011	%	1H 2010	1H 2011	%	1H 2010	1H 2011	%
Revenues from freehold properties	49,782	53,158	6.78%	49,782	53,158	6.78%	0	**0**	n.a.
Revenues from leasehold properties	4,094	4,238	3.51%	4,094	4,238	3.51%	0	**0**	n.a.
Revenues from services	2,296	2,588	12.73%	2,296	2,588	12.73%	0	**0**	n.a.
Revenues from trading	0	1,726	n.a.	0	0	n.a.	0	**1,726**	n.a.
Revenues	**56,172**	**61,710**	**9.86%**	**56,172**	**59,984**	**6.79%**	**0**	**1,726**	**n.a.**
Direct costs	(9,706)	(10,117)	4.24%	(9,603)	(10,069)	4.85%	(103)	**(48)**	(53.25)%
Personnel expense	(1,634)	(1,718)	5.14%	(1,634)	(1,718)	5.14%	0	**0**	n.a.
Cost of sales and other costs	141	(1,034)	n.a.	0	0	n.a.	141	**(1,034)**	n.a.
Gross Margin	**44,973**	**48,841**	**8.60%**	**44,935**	**48,197**	**7.26%**	**38**	**644**	**n.a.**
G &A expenses	(2,310)	(2,036)	(11.87)%	(2,217)	(1,829)	-17.50%	(93)	**(207)**	n.a.
Headquarter personnel costs	(2,723)	(2,750)	1.00%	(2,713)	(2,731)	0.66%	(10)	**(19)**	93.68%
EBITDA	**39,940**	**44,055**	**10.30%**	**40,005**	**43,637**	**9.08%**	**(65)**	**418**	**n.a.**
Ebitda Margin				***71.22%***	***72.75%***		***n.a.***	***24.23%***	
Depreciation	(431)	(484)	12.23%						
Devaluation	(2,907)	(140)	(95.18)%						
Change in FV	(4,167)	12,776	(406.60)%						
Other provisions	(100)	0	(100.00)%						
EBIT	**32,335**	**56,207**	**73.83%**						
Financial income	2,350	397	(83.12)%						
Financial charges	(19,154)	(20,667)	7.90%						
Net Financial Income	**(16,804)**	**(20,270)**	**20.63%**						
Income form equity investments	**0**	**(633)**	**n.a.**						
Pre-tax income	**15,531**	**35,304**	**127.32%**						
Income tax for the period	(1,522)	(5,092)	234.49%						
Tax rate	***9.80%***	***14.42%***							
NET PROFIT	**14,009**	**30,212**	**115.66%**						
(profit)/losses related to third	22	(19)	(189.89)%						
NET GROUP PROFIT	**14,031**	**30,193**	**115.19%**						

Certain cost and revenue items have been reclassified or offset which explains the difference with respect to the financial statements. Bank fees, in particular, were reclassified under "financial income/(charges)".

Revenue

IGD's revenue from core business at June 2011 amounted to €59,984 thousand, an increase of 6.79% with respect to the same period in the prior year. For the first time the "Porta a Mare" project in Livorno generated revenue from the sale of properties of €1,726 thousand and, therefore, total operating revenue reached €61,710 thousand, an increase of 9.86% with respect to the first half of the prior year.

Total revenue



✓ The **revenue from the rental business** rose 6.53% with respect to the same period in 2010.

The increase of €3,520 thousand is attributable to:

- for €1,553 thousand or 3.40%, with respect to the prior year, to like-for-like growth. This increase is attributable to the rents adjusted for inflation which in first half 2011 reached an average of +2.48%, contract renewals and the pre-letting of new spaces primarily in Centro d'Abruzzo, Le Fonti del Corallo and Porto Grande, which reported an average increase of approximately 6.82%;
- for €3,892 thousand to the new openings and acquisitions made in 2010: La Torre Shopping Mall in Palermo, opened on 23 November 2010, and the Conè Shopping Mall and Retail Park in Conegliano Veneto, opened on 25 November 2010;
- for €309 thousand to the new acquisitions made in 2011: the second floor of the office building where the IGD Group's headquarters are located and the city center property, both in Bologna;
- the positive effects of the above were offset by a decrease of €2,234 thousand explained by:
  - a change in the scope of consolidation following the exit of 50% of two of the three properties held through RGD, sold on 15 December 2010 (50% of the third property was subsequently repurchased on 30 December 2010).
  - a drop in sales in Romania of €797 thousand due to:
    - the critical situation of the Romanian market which caused average market rents to fall and affected contract renewals;
    - the strategy to further consolidate the portfolio which resulted in the presence of national and International retailers who pay lower rents.

Revenue from services, up 12.73% with respect to the same period in 2010, consist primarily in revenue from Facility Management which contributed €2,444 thousand or 94.43% to the total revenue from services generated in the first six months of 2011. This revenue increased 14.57% with respect to the same period in 2010 due primarily to the mandates granted for the management of newly opened and third party centers.

Revenue from trading, which amounted to €1,726 thousand, is a new revenue component included in the Group's income statement and refers to the "Porta a Mare" project in Livorno. Following the completion of the restructuring of part of Palazzo Orlando, the first sale of a portion of an office building was finalized in March.

Margins

The divisional gross margin increased by 8.60%, rising from €44,973 thousand at June 2010 to €48,841 thousand in 2011, due primarily to revenue which grew more proportionately than costs. The table below shows the income statement highlights and the trend in margins at 30 June:

CONSOLIDATED STATEMENT OF INCOME	CONSOLIDATED			CORE BUSINESS			"PORTA A MARE" PROJECT		
€/000	1H 2010	1H 2011	%	1H 2010	1H 2011	%	1H 2010	1H 2011	%
Margin from freehold properties	43,465	46,470	6.91%	43,465	46,470	6.91%			n.a.
Margin from leasehold properties	826	974	18.03%	826	974	18.03%			n.a.
Margin from services	644	753	16.96%	644	753	16.96%			n.a.
Margin from trading	38	644	n.a.				38	644	n.a.
Gross divisional margin	**44,973**	**48,841**	**8.60%**	**44,935**	**48,197**	**7.26%**	**38**	**644**	**n.a.**
Cost of labor - headquarters	(2,723)	(2,750)	1.00%	(2,713)	(2,731)	0.66%	(10)	(19)	93.68%
General expenses	(2,310)	(2,036)	(11.87)%	(2,217)	(1,829)	(17.50)%	(93)	(207)	n.a.
EBITDA	**39,940**	**44,055**	**10.30%**	**40,005**	**43,637**	**9.08%**	**(65)**	**418**	**n.a.**
Depreciation and amortization	(431)	(484)	12.23%						
Writedowns	(2,907)	(140)	(95.18)%						
Change in fair value	(4,167)	12,776	(406.60)%						
Other provisions	(100)	0	(100.00)%						
EBIT	**32,335**	**56,207**	**73.83%**						
Net financial income (charges)	(16,804)	(20,270)	20.63%						
Margin from income (charges) fr equity investments		(633)	n.a.						
PRE-TAX PROFIT	**15,531**	**35,304**	**127.32%**						
Inome tax for the period	(1,522)	(5,092)	234.49%						
NET PROFIT	**14,009**	**30,212**	**115.66%**						
Minorities' portion of profit (loss) for the period	22	(19)	(189.89)%						
GROUP'S PORTION OF NET PROFIT	**14,031**	**30,193**	**115.19%**						

- ✓ **SBU 1 - Property leasing - margin from freehold properties:** this margin in the first six months of 2011 reached €46,470 thousand compared with €43,465 thousand in the same period of the prior year, an increase of 6.91%. In percentage terms, this activity featured very interesting margins of 87.42% versus 87.31% in the prior year. Revenue increased 6.78% while direct costs grew, less than proportionately, by 5.90%.

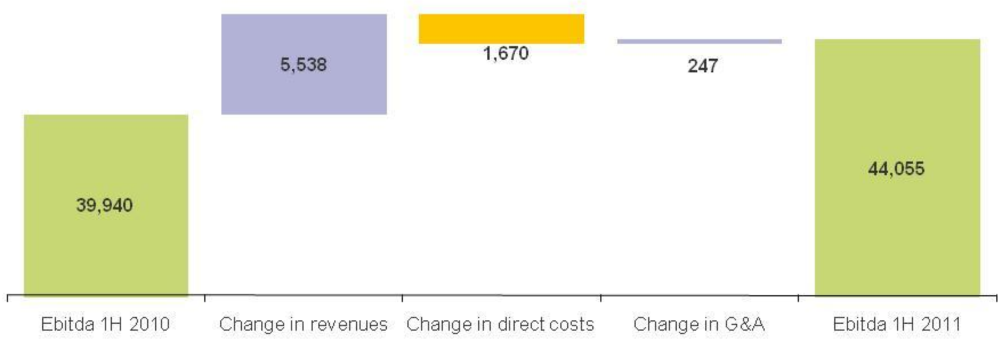
- ✓ **SBU 1 - Property leasing – margin on leasehold properties:** the margin, of €974 thousand, rose 18.03% with respect to the same period in the prior year. As a percentage of revenue the margin rose from 20.17% in 2010 to 23.00%.

- ✓ **SBU 2 – Services - margin from service businesses:** the margin from services at June 2011 amounted to €753 thousand, an increase with respect to June 2010 of 16.96%. This activity features low capital absorption and generated a margin which reached 29.11% versus 28.06% in the prior year.

- ✓ **SBU 3 – Development and trading – margin from trading:** the margin from the "Porta a Mare" project in Livorno of €644 thousand reflects both the revenue from the sale of a portion of an office building and, in addition to direct costs, the costs relating to the units sold.

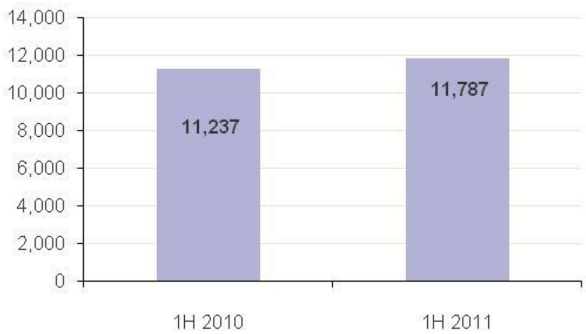
EBITDA

EBITDA for the core business at 30 June 2011 amounted to € 43,637, an increase of 9.08% with respect to the same period in the prior year while total Ebitda reached €44,055 thousand, an increase of 10.30% with respect to the same period in the prior year



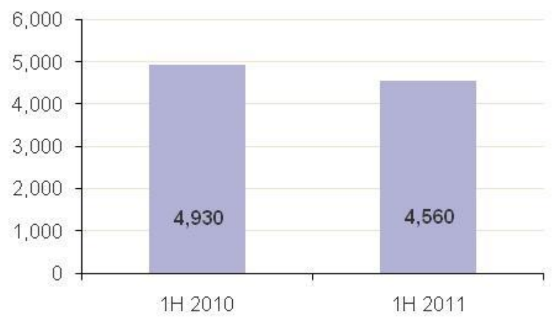
Direct costs, pertaining to the core business and including direct personnel expenses, at 30 June 2011 amounted to €11,787 thousand, an increase of 4.89% with respect to the same period in the prior year. These costs represent 19.65% of core business revenue. The direct costs pertaining to the "Porta a Mare" project, as shown in the reclassified income statement, refer to the costs attributable to the portion of the office building sold.

Direct costs core business



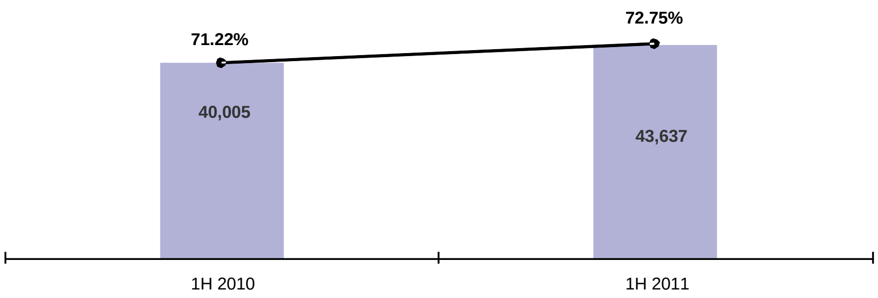
General expenses for the core business, including payroll costs at headquarters, amounted to €4,560 thousand at 30 June 2011, a drop of 7.51% or €370 thousand with respect to the €4,930 thousand reported in the same period 2010. These costs represent 7.60% of operating revenue. The increase in general expenses for the multifunctional project is largely explained, as shown in the reclassified income statement, by the event organized to present the "Porta A Mare" project to the city of Livorno.

General expenses core business



The **EBITDA margin** for the core business rose from the 71.22% reported at June 2010 to 72.75%. The growth confirms the solid operating trend and the stability of the cost structure.

Ebitda and Ebitda Margin core business



EBIT

EBIT amounted to €56,207 thousand, an increase with respect to the same period in 2010 of 73.83% due to the trend in Ebitda, the revaluation of the Italian portfolio and the drop in impairment of works in progress.

Net financial income (charges)

Net financial charges increased from €16,804K in the first half of 2010 to €20,270K for the period ended 30 June 2011. Net of exchange losses and interest capitalized, this item increased by approximately €2,138 thousand due in part to the increase in net debt to support the Group's development, which rose from €1,023,018K at 30 June 2010 to €1,073,022K, and in part to a modest rise in the average cost of debt which rose from 3.54% to 3.87%. The increase in net debt was caused primarily by new mortgage loans for property investments in Palermo and Conegliano, and by the temporary use of short-term credit facilities while waiting for long-term loans to be granted to finance the investments made during the period.

Net financial income/(charges)	30/06/2011	30/06/2010	*Changes*
(financial income)	(204)	(269)	65
financial charges	20,354	18,296	2,058
exchange gains/(loses)	42	(1,179)	1,221
interest capitalized	0	(107)	107
charges	78	63	15
Net finanzial income (charges)	**20,270**	**16,804**	**3,466**

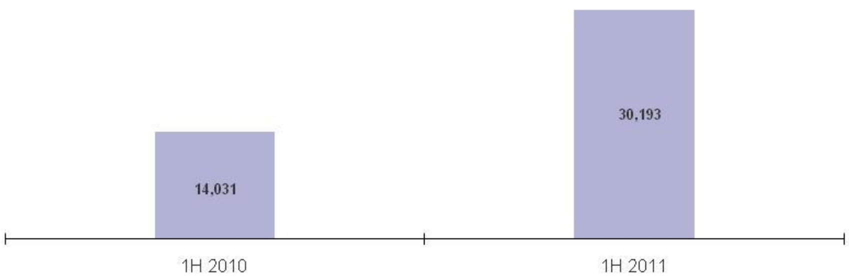
Tax

The tax burden, current and deferred, at 30 June 2011 amounted to €5,092 thousand, reflecting a tax rate of 14.42% compared to 9.80% in the same period of the prior year. The increase is primarily attributable to the increase in fair value which is subject to ordinary tax rates even under the SIIQ regime. Net of this effect and net of contingencies, the tax rate reaches 8.43%.

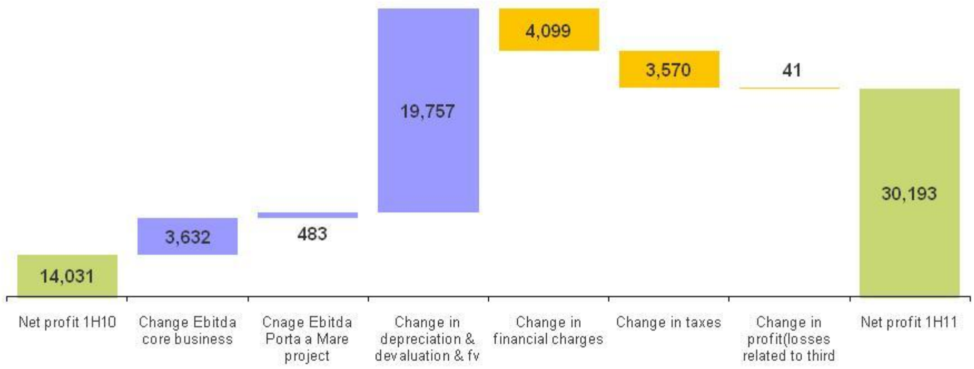
Net profit

The Group's portion of net profit for the period amounted to €30,193 thousand, more than double the figure recorded in the same period of the prior year.

Net profit



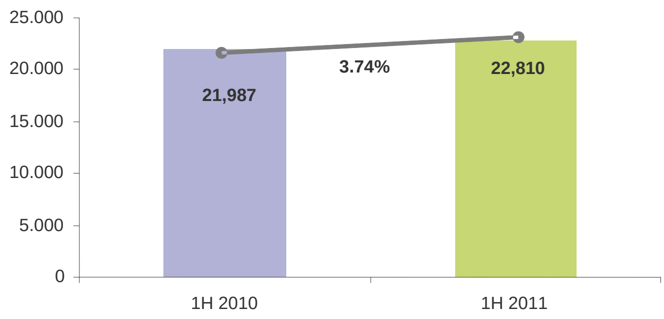
The change in net profit with respect to the same period in the prior year is shown below.



FFO

The Funds from Operations (FFO) , a significant indicator used in the real estate market to define the cash flow from a company's operations based on net profit, adjusted for deferred tax, writedowns, fair value, amortization and depreciation, rose by 3.74% with respect to the same period in the prior year.

FFO



STATEMENT OF FINANCIAL POSITION AND FINANCIAL REVIEW

The IGD Group's statement of financial position at 30 June 2011 can be summarized as follows:

SOURCE – USE OF FUNDS	30/06/11	31/12/10	Δ	%
Fixed assets	1,861,257	1,782,089	79,168	4.44%
NWC	71,447	85,239	(13,792)	(16.18%)
Other non- current liabilities	(74,041)	(76,792)	2,751	(3.58%)
TOTAL USE OF FUNDS	**1,858,663**	**1,790,536**	68,127	3.80%
Net equity	785,641	773,454	12,187	1.58%
NFP	1,073,022	1,017,082	55,940	5.50%
TOTAL SOURCE OF FUNDING	**1,858,663**	**1,790,536**	68,127	3.80%

The principal changes in first half 2011, compared to 31 December 2010, are summarized below:

- ✓ **Fixed assets** rose from 1,782,089 thousand at 31 December 2010 to €1,861,257 thousand at 30 June 2011; the change of +€79,168 thousand is explained by increases and decreases in:
  - ✓ **Real estate investments** (+€74,610 thousand). The net change is attributable to the purchase of the hypermarket found inside the shopping center in Conegliano, of the real estate complex in downtown Bologna, of the second floor of the Business Park building in Bologna, of the retail management division responsible for the management of the stores found inside the mall of the “Gran Rondò” Shopping Center in Crema, and the multiplex cinema and bar found inside the Centro Sarca Shopping Center, as well as to the net increase in the fair value of the property investments.
  - ✓ **Assets under construction** (+€7,627 thousand). The net change is primarily attributable to:

    the increase in assets under construction due to:

    - ✓ an increase following the purchase of two plots of land, next to the ones already owned, where the Chioggia retail park will be built, plus the progression on the urbanization works;
    - ✓ progression of the work on the commercial units found in the multifunctional center in Livorno;
    - ✓ extraordinary maintenance of a few of the Romanian centers;
    - ✓ settlement of the down payment and advances in accordance with the preliminary contract for the purchase of the third floor of the Business Park building in Bologna.

    The decrease is primarily attributable to:

- ✓ an impairment loss charged on land and construction in progress to reflect the difference between cost and appraised fair value.

- ✓ **Deferred tax assets** (-€2,586 thousand). The change is primarily due to:
  - ➢ recognition of deferred tax related to mortgage hedging instruments (IRS);
  - ➢ recognition of deferred tax related to the fair value of property investments .

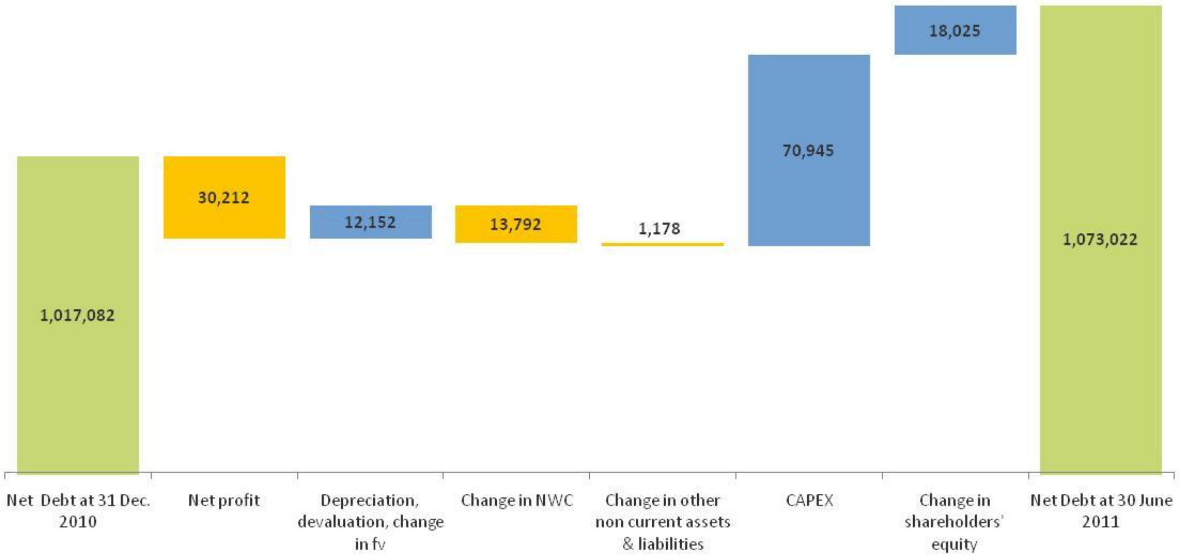
  For more information refer to Note 12.
- ✓ **Miscellaneous receivables and other non-current assets** (-1,343 thousand). The change is due primarily to:
  - ➢ writedown of the book value of IBN, a company of which IGD holds 15%;
  - ➢ the decrease in the beneficial interest on the mall at the Città delle Stelle Shopping Center for the amount recognized for the period in the income statement.

- ✓ **Net working capital** (-€13,792 thousand). The change is explained primarily by:
  - ➢ for +€3,101 thousand by the inventories for construction in progress and down payments. This change is attributable to advancement of works on the Piazza Mazzini area in Livorno; please refer to Note 14 for more information;
  - ➢ for -€1,184 thousand by an increase in trade receivables payable by third parties and related parties, net of impairment;
  - ➢ for -€23,430 thousand by other current assets; the drop is largely due to a decrease in VAT credits awaiting refunds against sureties issued and reclassified to current financial receivables ;
  - ➢ for +€5,060 thousand by a drop in trade payables payable to third parties and related parties ;
  - ➢ for -€1,510 thousand by an increase in current tax liabilities relating to the withholding on the dividends paid by the Parent Company, partially offset by the payment of the last instalment of the substitute tax relating to the revaluation of Centrosaca mall pursuant to Decree 185/2008;
  - ➢ for +€1,802 thousand by other current liabilities which fell substantially following the repayment of security deposits, cashed in the prior year, relating to the opening of the two new shopping malls (Palermo and Conegliano) and substituted by sureties, as well as the transfer to investment property of the security deposits and down payments received following the sale of a property in Livorno.

- ➢ **Other non-current liabilities.** (+€2,751 thousand). The change is primarily attributable to:
  - ➢ recognition of deferred tax liabilities of €3,445 thousand attributable primarily to the fair value of property investments;
  - ➢ Reclassification of the substitute tax equal to €6,160 thousand to be paid by 16 June 2012 under current liabilities.

- ✓ **Equity:** at 30 June 2011 amounted to €785,641 thousand; the change of +€12,187 thousand is explained by:
  - ➢ for €22,730 thousand by the distribution of the 2010 profit;
  - ➢ the decrease in the derivatives accounted for using the cash flow hedge method;
  - ➢ changes in the translation reserve for the translation of foreign currency financial statements;
  - ➢ net profit for the period;
  - ➢ adjustment of the deferred tax relative to the convertible bond.

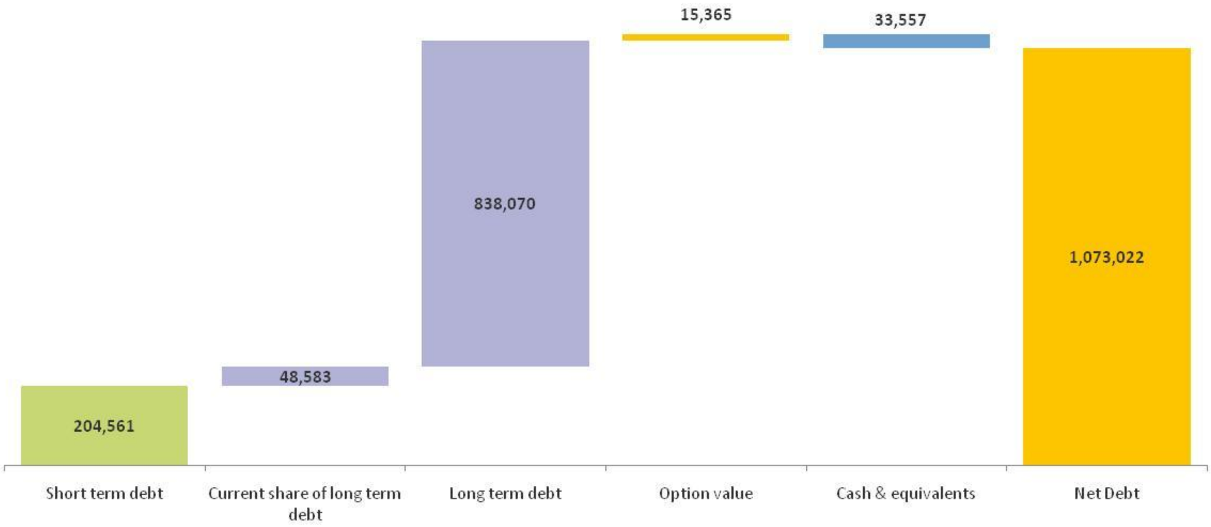
✓ **Net financial position** at 30/06/2011 rose with respect to the prior year by €55,940 thousand. The changes are shown below:



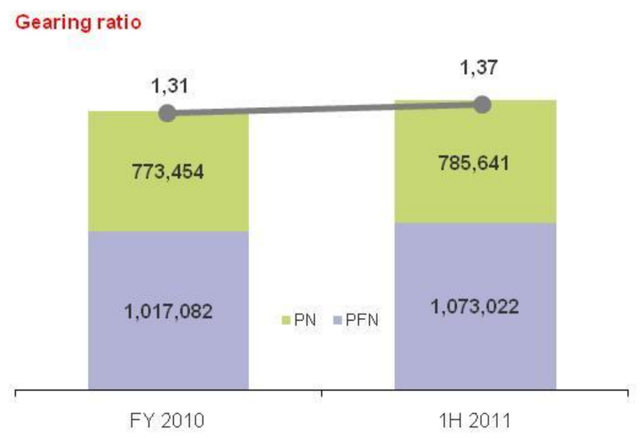
NET FINANCIAL POSITION		
	30/06/2011	31/12/2010
Cash and cash equivalents	(5,386)	(32,264)
Financial receivables and other current financial assets w . related parties	(660)	(1,091)
Financial receivables and other current financial assets	(27,511)	(6,001)
LIQUIDITY	**(33,557)**	**(39,356)**
Current financial liabilities w . related parties	25,325	4,127
Current financial liabilities	179,236	137,591
Mortgage loans - current portion	46,181	48,431
Leasing – current portion	2,358	1,248
Convertible bond loan - current portion	44	66
CURRENT DEBT	**253,144**	**191,463**
CURRENT NET DEBT	**219,587**	**152,107**
Non-current financial assets	(20)	(19)
Derivatives - assets	(4,885)	(4,380)
Non-current financial liabilities due to other sources of finance	21,886	21,497
Leasing – non-current portion	6,133	7,863
Non-current financial liabilities	584,152	590,707
Non-current financial liabilities w . related parties	15,000	15,000
Convertible bond loan	216,988	214,642
Derivatives - liabilities	14,181	19,665
NON-CURRENT NET DEBT	**853,435**	**864,975**
NET DEBT	**1,073,022**	**1,017,082**

(Table prepared in accordance with Consob Bulletin n. 6064293 of 28 July 2006)

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



The gearing ratio of 1.37, slightly above the figure recorded at 31 December 2010, is shown below.



The Group's financial policy is guided by the principles outlined in the 2009-2013 Business Plan in terms of:

- balanced capital structure: with a Debt/Equity ratio which is not expected to exceed 1.5;

-financial balance: with funding and the relative hedging primarily long term, in line with the loan expirations.

Currently, 72.52% of the debt is long term (including the bond) and is hedged against interest rate risk; 58.08% of the net debt is covered, in line with the 2009-2013 Business Plan which called for coverage of a maximum of 60% of the net debt.

The average cost of debt reached 3.87%, slightly higher than the 3.54% recorded in first half 2010. This increase (concentrated primarily in the current year) is attributable to the new IRS contracts stipulated in 2010 but effective 1.1.2011 and to the increase in Euribor which rose from the 0.848 (monthly average) recorded at June 2010 to 1.499 (monthly average) at June 2011.

The bank credit facilities amounted to €311.33 million at 30/06/2011 and the unutilized portion to €132.86 million.

SUBSEQUENT EVENTS

In July IGD SIIQ S.p.A extinguished the debt of €23 million payable to Immobiliare Gran Rondò s.r.l. and subsequently cancelled the pledge granted on 30 December 2008 of 10,000,000 ordinary shares and of quotas of 15.5 million in Immobiliare Larice to guarantee the delayed payment of the Gran Rondò Mall.
In July IGD SIIQ S.p.A. signed an agreement with Ipercoop Sicilia S.p.A. for the purchase and subsequent lease of the portion of the property used for the hypermarket found inside the La Torre Shopping Center in Palermo. The hypermarket has a GLA of 11,200 m^2, 6,000 m^2 of which is covered by the sales area.
Following the acquisition of the hypermarket IGD, which is already owner of the shopping mall as it was purchased by the Group on 15 June 2010, owns 100% of the La Torre Shopping Center .
The purchase price totalled €36 million, in addition to tax and ancillary charges, which was financed by a mortgage loan of €25 million, while IGD paid the remainder upon stipulation of the definitive contract.

OUTLOOK

Despite the persistently uncertain and unstable scenario, the positive results achieved in 2010 and first half 2011 confirm the validity of the strategic guidelines outlined in the updated 2009-2013 Business Plan and the economic-financial targets presented to the market in November 2010. More in detail, in the second half of 2011 the IGD Group expects to see further growth in all the key performance indicators such as revenue, Ebitda, and Ebitda margin thanks to the new openings, as they become fully operational, and the new acquisitions, in addition to a gearing ratio of not more than 1.5x.
We also expect that the continuous improvement of the results and the low tax burden guaranteed by the SIIQ regime will make it possible to pay a dividend that is higher than the one paid in the previous year.

Related Party Transactions

All transactions with related parties, including intercompany transactions, fall within the Group's ordinary sphere of operations and take place under arm's-length conditions. For more information regarding the transactions that took place during the first half please refer to Note 29 of the Notes to the Interim Condensed Consolidated Financial Statements.

Treasury Shares

At 3O June 2011 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 to the seller as a guarantee for the delayed payment of the Gran Rondò Mall.

Research and Development

The IGD Group does not perform research and development activities.

Significant Transactions

During the period ended 30 June 2011, 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.

THE IGD GROUP

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT 30 June 2011

Consolidated statement of income at 30 June 2011

(€/000)	Note	30/06/2011 (A)	30/06/2010 (B)	Change (A-B)
Revenue:		**57,349**	**53,699**	**3,650**
- from third parties		41,597	38,375	3,222
- from related parties		15,752	15,324	428
Other income:		**5,715**	**5,831**	**(116)**
- other income		5,082	5,528	(446)
- from related parties		633	303	330
Revenue from property sales		**1,726**	**0**	**1,726**
Total revenue and operating income	1	**64,790**	**59,530**	**5,260**
Change in work in progress inventory	2	3,416	1,971	1,445
Total revenue and change in inventory		**68,206**	**61,501**	**6,705**
Cost of work in progress		4,411	1,830	2,581
Material and service costs		11,705	12,350	(645)
- third parties		10,018	10,814	(796)
- related parties		1,687	1,536	151
Cost of labour		3,899	3,826	73
Other operating costs		2,759	2,700	59
Total operating costs	3	**22,774**	**20,706**	**2,068**
(Depreciation, amortization and provisions)		(1,939)	(1,449)	(490)
(Impairment losses)/Reversals on work in progress and goodwill		(140)	(2,907)	2,767
Change in fair value - increases / (decreases)		12,776	(4,167)	16,943
Total depreciation, amortization, provisions, impairment and change in fair value	4	**10,697**	**(8,523)**	**19,220**
EBIT		**56,129**	**32,272**	**23,857**
Income/(loss) from equity investments	5	**(633)**	**0**	**(633)**
Income/(loss) from equity investments		(633)	0	(633)
Financial income:		**397**	**2,350**	**(1,953)**
- third parties		380	2,339	(1,959)
- related parties		17	11	6
Financial charges:		**20,589**	**19,091**	**1,498**
- third parties		20,247	18,684	1,563
- related parties		342	407	(65)
Net financial income (charges)	6	**(20,192)**	**(16,741)**	**(3,451)**
PRE-TAX PROFIT		**35,304**	**15,531**	**19,773**
Income taxes	7	5,092	1,522	3,570
NET PROFIT FOR THE PERIOD		**30,212**	**14,009**	**16,203**
Minority interests in net (profit)/loss		(19)	22	(41)
Parent Company's portion of net profit		**30,193**	**14,031**	**16,162**
- basic earnings per share	8	0.101	0.047	
- diluted earnings per share	8	0.096	0.053	

Consolidated statement of comprehensive income

(in €/000)	30/06/2011 (A)	30/06/2010 (B)
PROFIT FOR THE PERIOD	**30,212**	**14,009**
Other components of comprehensive income		
Effects on equity of hedging instruments	5,713	(13,061)
Tax effects on components of comprehensive income	(1,571)	3,592
Effects on equity transactions with third parties		1,202
Other effects on components of comprehensive income	203	(1,290)
Total other components of comprehensive income, net of tax effects	**4,345**	**(9,557)**
Total comprehensive income for the period	**34,557**	**4,452**
Minorities' portion of the loss for the period	**(19)**	**22**
Parent company's portion of net profit for the period	**34,538**	**4,474**

Consolidated statement of financial position at 30 June 2011

(€/000)	Note	30/06/2011 (A)	31/12/2010 (B)	Change (A-B)
NON-CURRENT ASSETS				
Intangible assets				
- Intangible assets with finite useful lives		88	69	19
- Goodwill	9	11,427	11,427	0
		11,515	**11,496**	**19**
Property, plant, and equipment				
- Investment property	10	1,741,240	1,666,630	74,610
- Buildings		7,620	7,668	(48)
- Plant and machinery		1,526	1,130	396
- Equipment and other assets		2,131	1,549	582
- Leasehold improvements		1,551	1,640	(89)
- Assets under construction	11	81,918	74,291	7,627
		1,835,986	**1,752,908**	**83,078**
Other non-current assets				
- Deferred tax assets	12	10,518	13,104	(2,586)
- Sundry receivables and other non-current assets	13	3,238	4,581	(1,343)
- Non-current financial assets		4,905	4,399	506
		18,661	**22,084**	**(3,423)**
TOTAL NON-CURRENT ASSETS (A)		**1,866,162**	**1,786,488**	**79,674**
CURRENT ASSETS:				
Work in progress inventory and advances	14	67,390	64,289	3,101
Inventory		8	7	1
Trade and other receivables	15	13,107	12,265	842
Related party trade and other receivables	16	1,056	714	342
Other current assets	17	20,382	43,812	(23,430)
Related party financial receivables and other current financial assets	18	660	1,091	(431)
Financial receivables and other current financial assets	18	27,511	6,001	21,510
Cash and cash equivalents		5,386	32,264	(26,878)
TOTAL CURRENT ASSETS (B)		**135,500**	**160,443**	**(24,943)**
TOTAL ASSETS (A + B)		**2,001,662**	**1,946,931**	**54,731**
NET EQUITY:				
Portion pertaining to the Parent Company		773,771	761,603	12,168
Portion pertaining to minorities		11,870	11,851	19
TOTAL NET EQUITY (C)	19	**785,641**	**773,454**	**12,187**
NON-CURRENT LIABILITIES:				
Non-current financial liabilities	20	843,340	854,374	(11,034)
Related party non-current financial liabilities	20	15,000	15,000	0
Provision for employee severance indemnities		664	612	52
Deferred tax liabilities	12	52,355	48,910	3,445
Provisions for risks and future charges		1,662	1,645	17
Sundry payables and other non-current liabilities	22	7,401	13,687	(6,286)
Related party sundry payables and other non-current liabilities		11,959	11,938	21
TOTAL NON-CURRENT LIABILITIES (D)		**932,381**	**946,166**	**(13,785)**
CURRENT LIABILITIES:				
Current financial liabilities	21	227,819	187,336	40,483
Related party current financial liabilities	21	25,325	4,127	21,198
Trade and other payables	24	12,165	15,733	(3,568)
Related party trade and other payables	24	3,432	4,924	(1,492)
Current tax liabilities	25	9,776	8,266	1,510
Other current liabilities	26	5,109	6,911	(1,802)
Related party other current liabilities	27	14	14	0
TOTAL CURRENT LIABILITIES (E)		**283,640**	**227,311**	**56,329**
TOTAL LIABILITIES (F=D + E)		**1,216,021**	**1,173,477**	**42,544**
TOTAL NET EQUITY AND LIABILITIES (C + F)		**2,001,662**	**1,946,931**	**54,731**

Consolidated statement of changes in net equity

	Share capital	Share premium reserve	Legal reserve	Euro conversion reserve	Goodwill reserve	Cash Flow Hedge reserve	Reserve for treasury shares	Bond issue reserve	Fair Value reserve	Translation reserve	Undistributed earnings reserve	Profit /losses) carried forward	Shareholders' equity	Minority interests	Total equity
Balance at 01/01/2010	**298,273**	**147,730**	**6,782**	**23**	**13,736**	**(3,704)**	**(11,276)**	**27,804**	**226,682**	**(860)**	**17,725**	**24,619**	**747,533**	**0**	**747,533**
Profit for the period												14,031	**14,031**	(22)	**14,009**
Other comprehensive income (losses)						(6,653)		1,599		(2,889)	(1,614)		**(9,557)**		**(9,557)**
Total comprehensive income (losses)						**(6,653)**		**1,599**		**(2,889)**	**(1,614)**	**14,031**	**4,474**	**(22)**	**4,452**
Change in scope of consolidation													0	11,919	**11,919**
Allocation for 2009 profit															
dividends												(14,914)	**(14,914)**	0	**(14,914)**
To undistributed earnings reserve											(3,374)	3,374	**0**		**0**
To legal reserve			836									(836)	**0**		**0**
To other reserves									7,075			(7,075)	**0**		**0**
Balance at 30 June 2010	**298,273**	**147,730**	**7,618**	**23**	**13,736**	**(10,357)**	**(11,276)**	**29,403**	**233,757**	**(3,749)**	**12,737**	**19,199**	**737,094**	**11,897**	**748,991**

	Share capital	Share premium reserve	Legal reserve	Euro conversion reserve	Goodwill reserve	Cash Flow Hedge reserve	Reserve for treasury shares	Bond issue reserve	Fair Value reserve	Translation reserve	Undistributed earnings reserve	Profit /losses) carried forward	Shareholders' equity	Minority interests	Total equity
Balance at 01/01/2010	**298,273**	**147,730**	**7,618**	**23**	**13,736**	**(3,137)**	**(11,276)**	**29,699**	**233,757**	**(3,945)**	**14,006**	**35,120**	**761,603**	**11,851**	**773,454**
Profit for the period												30,193	30,193	19	**30,212**
Other comprehensive income (losses)						2,834		107		96	1,308		4,345		**4,345**
Total comprehensive income (losses)						**2,834**		**107**		**96**	**1,308**	**30,193**	**34,538**	**19**	**34,557**
Allocation for 2010 profit															
dividends												(22,370)	**(22,370)**		**(22,370)**
To undistributed earnings reserve											(3,505)	3,505	**0**		**0**
To legal reserve			1,385									(1,385)	**0**		**0**
To other reserves									5,142			(5,142)	**0**		**0**
Balance at 30 June 2011	**298,273**	**147,730**	**9,003**	**23**	**13,736**	**(303)**	**(11,276)**	**29,806**	**238,899**	**(3,849)**	**11,809**	**39,921**	**773,771**	**11,870**	**785,641**

Consolidated cash flows at 30 June 2011

	30/06/2011	30/06/2010
(€/000)		
CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit for the year	**30,212**	**14,009**
Adjustments to reconcile net profit with cash flow generated (absorbed) by operating activities:		
Capital gains/ (losses) and other non-monetary items	2,048	791
Depreciation, amortization and provisions	1,939	1,449
(Impairment)/reversal of assets under construction and goodwill	140	2,907
Net change in (deferred tax assets)/provision for deferred tax liabilities	4,663	122
Change in fair value of investment property	(12,776)	4,167
Change in inventory	(3,102)	(1,970)
Net change in current assets and liabilities	17,208	17,724
Net change in current assets and liabilities with related parties	(1,834)	1078
Net change in non-current assets and liabilities	(4,874)	(5,853)
Net change in non-current assets and liabilities with related parties	21	364
CASH FLOW FROM OPERATING ACTIVITIES (a)	**33,645**	**34,788**
(Investments) in fixed assets	(72,279)	(22,790)
Disposals of fixed assets	1,339	7,727
Divestments in subsidiaries		13,120
(Equity investments) in subsidiaries		
CASH FLOW FROM INVESTING ACTIVITIES (b)	**(70,940)**	**(1,943)**
Change in non-current financial assets	0	0
Change in financial receivables and other current financial assets	(21,469)	(24,250)
Change in financial receivables and other current financial assets with related parties	431	(2,278)
Change in translation reserve	18	(66)
Payment of dividends	(22,370)	(14,914)
Change in current debt	40,504	(122)
Change in current debt with related parties	21,198	(210)
Change in non-current debt	(7,895)	(12,248)
Change in non-current debt with related parties	0	0
CASH FLOW FROM FINANCING ACTIVITIES (c)	**10,417**	**(54,087)**
NET INCREASE (DECREASE) IN CASH BALANCE	**(26,878)**	**(21,242)**
CASH BALANCE AT BEGINNING OF YEAR	**32,264**	**35,856**
CASH BALANCE AT END OF YEAR	**5,386**	**14,614**

Explanatory notes

Form and content of the interim condensed consolidated financial statements

Introduction

The interim condensed consolidated financial statements of Immobiliare Grande Distribuzione at 30 June 2011 were approved and authorized for publication by the Board of Directors on 25 August 2011. IGD SIIQ S.p.A. and its subsidiaries belong to Gruppo Coop Adriatica Società Cooperativa a.r.l.

Preparation criteria

The interim condensed consolidated financial statements at 30 June 2011 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. They do not include all disclosures required in the annual financial statements, and should be read jointly with the Group's annual report for the year ended 31 December 2010.

Significant accounting standards

The accounting standards used to prepare the interim condensed consolidated financial statements are the same as those used in the Group's annual financial statements for the year ended 31 December 2010, with the exception of the following new standards and interpretations applicable from 1 January 2011:

IAS 24 *Related party disclosures (amendment)*

The IASB issued an amendment to IAS 24 that clarifies the definition of related party. The new definition emphasizes symmetry in the identification of related parties and more clearly defines the circumstances under which persons and executives with strategic responsibilities shall be considered related parties. The amendment also introduces an exemption from general related party disclosures for transactions with a government and with entities controlled, jointly controlled or significantly influenced by the same government. The adoption of these changes has not affected the Group's financial position or performance.

IAS 32 *Financial instruments: presentation* (amendment)

This amendment includes a change in the definition of financial liability for the classification of rights issues in foreign currency (and of certain options and warrants) as equity when such instruments are issued pro rata to all of an entity's existing owners of the same class of its own non-derivative equity instruments, or for the purchase of a fixed number of the entity's own equity instruments for a fixed amount of any currency. The amendment has had no impact on the Group's financial position or performance.

IFRIC 14 *Prepayments of a minimum funding requirement* (amendment)

This amendment removes an unintentional consequence that arises when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendment permits such an entity to treat the benefit of such an early payment as an asset. The IGD Group is not subject to minimum funding requirements in Europe. Therefore, the amendment has had no impact on its financial position or performance.

Improvements to IFRS (May 2010)

In May 2010 the IASB issued a third set of improvements to the International Financial Reporting Standards, mostly with a view to removing inconsistencies and clarifying terminology. Each standard has its own transitional provisions. The adoption of the following improvements has entailed changes in the accounting policies but has not affected the Group's financial position or performance:

IFRS 3 *Business combinations:* changes the available options for the measurement of non-controlling interests. The option to measure these either at fair value or at the proportionate share of the acquiree's net identifiable assets applies only to non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation. All other components should be measured at their acquisition date fair value. The amendment has had no impact on the Group's financial position or performance.

IFRS 7 *Financial instruments - disclosures:* aims to simplify and improve disclosures by reducing the volume of information on collateral held and requiring more qualitative disclosures to help contextualize the quantitative part. The amendment has had no impact on the Group's financial position or performance.

IAS 1 *Presentation of financial statements:* clarifies that an entity may present the analysis of other comprehensive income by item either in the statement of changes in equity or in the notes to the financial statements. The Group provides this analysis in the statement of changes in equity.

IAS 34 *Interim financial reporting:* requires additional disclosures in the interim financial statements about fair value and changes in the classification of financial assets, as well as changes in contingent assets and contingent liabilities. These changes are described in Note 31.

Accounting standards, amendments and interpretations effective from 1 January 2011 and not relevant for the Group

Changes in the following standards have had no impact on the Group's accounting policies, financial position or results:

IFRS 3 *Business combinations* – the change clarifies that contingent consideration from business combinations that took place before the adoption of IFRS 3 (as revised in 2008) should be accounted for according to IFRS 3 (2005).

IFRS 3 *Business combinations* – share-based payments (replaced voluntarily or not replaced) and their accounting treatment in the context of a business combination.

IAS 27 *Consolidated and separate financial statements* – application of the transitional provisions of IAS 27 (2008 revision) to the standards consequently modified.

IFRIC 13 *Customer loyalty programs* – in calculating the fair value of award credits, an entity must consider discounts and incentives that would otherwise be offered to customers not participating in the loyalty programs.

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

The Group has not opted for the early adoption of any other standard, interpretation or improvement that has been issued but is not yet effective.

Use of estimates

In preparing the consolidated financial statements, management has made estimates and assumptions that affect the carrying values of revenue, costs, assets and liabilities and the disclosures on contingent assets and liabilities as of the 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 financial statements, tables and explanatory notes are expressed in thousands of euro (€/000 or €K), unless otherwise specified.

Scope of consolidation

The consolidated financial statements have been drawn up on the basis of the financial statements at 30 June 2011, prepared by the consolidated companies and adjusted, where necessary, to align them with the

Group's IFRS-compliant accounting and classification policies. The scope of consolidation has not changed since the end of 2010.

Pursuant to Consob Circular DEM/6064293 of 28 July 2006, below is a list of Group companies showing the location of their registered office, share capital in the local currency and consolidation method. The interests held directly or indirectly by IGD SIIQ S.p.A. and each of its subsidiaries are also specified.

Name	Registered office	Country	Share capital	Currency	Percent consolidated	Held by	Percent of share capital held	Operations
Parent company								
IGD SIIQ S.p.A.	Ravenna, Via Agro Pontino 13	Italy	309,249,261.00	EUR				Shopping center management
Subsidiaries consolidated on a line-by-line basis								
Immobiliare Larice S.r.l.	Ravenna, via Villa Glori 4	Italy	75,071,221.00	EUR	100.00%	IGD SIIQ S.p.A.	100.00%	Shopping center management and services
Millennium Gallery S.r.l.	Ravenna, via Villa Glori 4	Italy	100,000.00	EUR	100.00%	IGD SIIQ S.p.A.	100.00%	Shopping center management
Porta Medicea S.r.l.*	Bologna, via Trattati Comunitari Europei 1957-2007	Italy	60,000,000.00	EUR	80%*	Immobiliare Larice S.r.l.	60.00%	Construction company
Win Magazin S.A.	Bucharest	Romania	113,715.30	ROL	100.00%	Immobiliare Larice S.r.l. 99.9%	100.00%	Shopping center management
						IGD SIIQ S.p.A%		
Winmarkt Management S.r.l.	Bucharest	Romania	1,001,000	ROL	100.00%	Win Magazin S.A.	100.00%	Agency and facility management services
Subsidiaries valued at cost								
Consorzio I Bricchi	Isola d'Asti loc. Molini via Prato Boschiero	Italy	6,000.00	EUR		IGD SIIQ S.p.A.	72.25%	Shopping center promotion and management of common areas
Consorzio Forte di Brondolo	Castenaso (Bologna) Via Villanova 29/7	Italy	67,179	EUR		IGD SIIQ S.p.A.	100%	Urban development consortium
Consorzio Proprietari C.C. Leonardo	Imola (Bologna) via Amendola 129	Italy	100,000.00	EUR		IGD SIIQ S.p.A.	52.00%	Shopping center promotion and management of common areas
Associates valued at cost								
Millennium Center soc. cons. r.l.	Rovereto (Trento), via del Garda 175	Italy	10,000.00	EUR		Millennium Gallery S.r.l.	35.40%	Shopping center promotion and management of common areas
Others valued at cost								
Iniziative Bologna Nord	Casalecchio di Reno (Bologna), Via Isonzo 67	Italy	3,000,000.00	EUR		Immobiliare Larice S.r.l.	15.00%	Real estate development

**Consolidated at 80% due to a put & call option on a non-controlling interest of 20%.*

Seasonal trends

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

Segment reporting

The income statement and the statement of financial position are broken down below by business segment, followed by a geographical breakdown of revenue from freehold properties.

€/1000	1H 2011	1H 2010	1H 2011	1H 2010	1H 2011	1H 2010	1H 2011	1H 2010	1H 2011	1H 2010
INCOME STATEMENT	**PROPERTIES**		**SERVICES**		**"PORTA A MARE" PROJECT**		**SHARED**		**TOTAL**	
REVENUE	**57,396**	**53,874**	**2,588**	**2,296**	**1,726**	**0**			**61,710**	**56,172**
COST OF GOODS SOLD AND OTHER COSTS					*(1,034)*	*141*			*(1,034)*	*141*
DIRECT COSTS	*(9,952)*	*(9,585)*	*(1,835)*	*(1,652)*	*(48)*	*(103)*			*(11,835)*	*(11,340)*
GROSS MARGIN	**47,444**	**44,289**	**753**	**644**	**644**	**38**	**0**	**0**	**48,841**	**44,973**
SHARED COSTS							*(4,864)*	*(5,096)*	*(4,864)*	*(5,096)*
EBITDA	**47,444**	**44,289**	**753**	**644**	**644**	**38**	**(4,864)**	**(5,096)**	**43,977**	**39,877**
PROVISIONS/IMPAIRMENT/ DEP.&AMORT							*12,152*	*(7,605)*	*12,152*	*(7,605)*
EBIT	**47,444**	**44,289**	**753**	**644**	**644**	**38**	**7,288**	**(12,701)**	**56,129**	**32,272**
NET FINANCIAL INCOME (CHARGES)							**(20,192)**	**(16,741)**	**(20,192)**	**(16,741)**
NET INCOME (LOSS) FROM EQUITY INVESTMENTS							**(633)**	0	**(633)**	**0**
TAXES							**(5,092)**	**(1,522)**	**(5,092)**	**(1,522)**
NET PROFIT									**30,212**	**14,009**
NON-CONTROLLING INTERESTS IN (PROFIT)/LOSS							(19)	22	(19)	22
GROUP NET PROFIT									**30,193**	**14,031**

With respect to the consolidated income statement, in this table costs and revenue from charge-backs have been offset against each other in the amount of €3,080K.

€/1000	1H 2011	FY 2010	1H 2011	FY 2010	1H 2011	FY 2010	1H 2011	FY 2010	1H 2011	FY 2010
STATEMENT OF FINANCIAL POSITION	**PROPERTIES**		**SERVICES**		**"PORTA A MARE" PROJECT**		**SHARED**		**TOTAL**	
FIXED ASSETS	*1,746,422*	*1,670,927*		*0*	*26*	*22*	*7,621*	*7,668*	*1,754,069*	*1,678,617*
OTHER NON-CURRENT ASSETS		*0*		*0*		*0*	*25,270*	*29,181*	*25,270*	*29,181*
CURRENT INVESTMENTS	*81,918*	*74,291*		*0*		*0*		*0*	*81,918*	*74,291*
NET WORKING CAPITAL	*(6,314)*	*(22,892)*	*552*	*441*	*66,603*	*72,144*	*10,606*	*35,546*	*71,447*	*85,239*
OTHER NON-CURRENT LIABILITIES	*(58,552)*	*(61,345)*	*(534)*	*(493)*	*(14,955)*	*(14,954)*		*0*	*(74,041)*	*(76,792)*
TOTAL USE OF FUNDS	**1,763,474**	**1,660,981**	**18**	**(52)**	**51,674**	**57,212**	**43,497**	**72,395**	**1,858,663**	**1,790,536**
NET DEBT									*1,073,022*	*1,017,082*
EQUITY									*785,641*	*773,454*
TOTAL SOURCES	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1,858,663**	**1,790,536**

€/1000	1H 2011	1H 2010	1H 2011	1H 2010	1H 2011	1H 2010	1H 2011	1H 2010
REVENUE FROM FREEHOLD PROPERTIES	NORTHERN ITALY		CENTRAL/SOUTHERN ITALY & ISLANDS		ABROAD		TOTAL	
LEASE & RENTAL INCOME	*23,493*	*22,293*	*22,538*	*19,717*	*5,862*	*6,563*	*51,893*	*48,573*
ONE-OFF REVENUE	*18*	*7*	*21*	*0*	*0*	*0*	*39*	*7*
TEMPORARY LOCATION RENTALS	*654*	*562*	*465*	*453*	*0*	*0*	*1,119*	*1,015*
OTHER RENTAL INCOME	*57*	*27*	*20*	*33*	*30*	*127*	*107*	*187*
TOTAL	**24,222**	**22,889**	**23,044**	**20,203**	**5,892**	**6,690**	**53,158**	**49,782**

Note 1) Revenue and operating income

First-half revenue and operating income increased from the previous year, due to the new openings in Palermo and Conegliano in the second half of 2010 and the investments made in the first six months of 2011 (city center and offices), as well as contract renewals and inflation adjustments on existing leases. The increase in service revenue is explained by the management contracts signed for newly opened shopping centers. Also, with renovations completed on a section of Palazzo Orlando, an initial office wing was sold during the first half of the year. See the interim directors' report for further information.

Note 2) Change in construction in progress inventory

Change in construction in progress inventory	1H 2011	1H 2010	Change
Construction costs for the period	4,411	1,830	2,581
Interest capitalized	233	141	92
Change in inventory due to sale	(1,228)	0	(1,228)
Change in construction in progress inventory	**3,416**	**1,971**	**1,445**

Construction in progress inventory relating to the land, buildings, and urban infrastructure works of the multifunctional complex in Livorno increased by €4,411K due to the advancement of works on Piazza Mazzini and Palazzo Orlando.

Financial charges of €233K were capitalized for the half-year. The change in inventory, due to the sale of the office wing of Palazzo Orlando in the first quarter, amounts to €3,416K.

Note 3) Operating costs

Operating costs increased in the first half of 2011, mainly because of progress with the construction underway in Livorno, while other operating expenses went down due to a decrease in shared costs. See the interim directors' report for further information.

Note 4) Depreciation & amortization, provisions, impairment and change in fair value

Depreciation & amortization, provisions, impairment and change in fair value	1H 2011	1H 2010	Change
Amortization	(14)	(41)	27
Depreciation	(470)	(390)	(80)
Accrual to provision for doubtful accounts	(1,455)	(918)	(537)
Other provisions	0	(100)	100
Total depreciation, amortization and provisions	**(1,939)**	**(1,449)**	**(490)**
(Impairment losses)/Reversals on work in progress and goodwill	(140)	(2,907)	2,767
Change in fair value	12,776	(4,167)	16,943
Total depreciation & amortization, provisions, impairment and change in fair value	**10,697**	**(8,523)**	**19,220**

This item covers the adjustment to fair value of the investment property discussed in Note 10 and the impairment losses discussed in Note 11. Net revaluations for the adjustment of investment property to fair value amounted to €12,776K for the first half of the year. The heading "Impairment losses/reversals" includes an impairment loss on a direct development initiative (€140K) recognized in assets under construction, for the purpose of adjusting cost to fair value.
The allocation to the provision for doubtful accounts reduces trade receivables to their estimated realizable value.

Note 5) Income/(loss) from equity investments

Income/(loss) from equity investments	1H 2011	1H 2010	Change
Impairment of equity investments	(415)	0	(415)
Sale of equity investments	(218)	0	(218)
Total income/(loss) from equity investments	**(633)**	**0**	**(633)**

The net loss from equity investments in the first half of 2011 stems from the impairment of the Group's 15% interest in Iniziative Bologna Nord (€415K), and from transaction costs strictly associated with the possible price adjustment on the sale of RGD S.p.A. SIINQ (€218K).

Note 6) Financial income and charges

Financial income	1H 2011	1H 2010	*Change*
Bank interest income	101	57	44
Other interest and other income	19	201	(182)
Repo payment received	43	0	43
Interest on time deposit	24	0	24
Exchange gains	193	2,081	(1,888)
Total third parties	**380**	**2,339**	**(1,959)**
Interest income from related parties	8	5	3
Interest income from Coop Adriatica account	9	6	3
Total related parties	**17**	**11**	**6**
Total financial income	**397**	**2,350**	**(1,953)**

Financial income decreased due mainly to the drop in exchange gains on financial income from Romania, which came to €193K for the half-year. Interest income from related parties is described in Note 29.

Financial charges	1H 2011	1H 2010	*Change*
Interest expense on security deposits	85	56	29
Interest expense on Coop Adriatica account	257	351	(94)
Total related parties	**342**	**407**	**(65)**
Interest expense to banks	1,095	749	346
Other interest and charges	822	824	(2)
Exchange losses	235	902	(667)
Mortgage loan interest	6,895	4,948	1,947
Financial charges on leasing	113	195	(82)
Bond interest and charges	6,348	6,261	87
IRS spreads	4,739	4,912	(173)
Interest capitalized	0	(107)	107
Total third parties	**20,247**	**18,684**	**1,563**
Total financial charges	**20,589**	**19,091**	**1,498**

Financial charges, net of exchange losses and interest capitalized, increased by €2,058K. This is due in part to the growth of net debt in support of the Group's development, from €1,023,018K at 30 June 2010 to €1,073,022K, and in part to a modest rise in the average cost of debt, from 3.54% to 3.87%. The increase in debt was caused primarily by the temporary use of short-term credit facilities, while waiting for long-term loans to be granted, and by new mortgage loans for property investments in Palermo and Conegliano.

Bond interest and charges, at €6,348K, are made up as follows:

- interest to bondholders (3.5%) = €4,003K
- higher financial charges due to rise in effective interest rate from 3.5% to 5.57% = €1,919K
- higher financial charges due to use of amortized cost method = €426K (rate increase of 0.48%)

The effective interest rate is 6.05%.

Note 7) Income taxes

Income taxes	1H 2011	1H 2010	*Change*
Current taxes	756	1,148	(392)
Deferred tax liabilities	3,506	2,100	1,406
Deferred tax assets	1,152	(1,972)	3,124
Out-of-period income/charges	(322)	246	(568)
TOTAL	**5,092**	**1,522**	**3,570**

Current and deferred tax amount to €5,092K for the period to 30 June 2011, for a tax rate of 14.42% (9.8% the previous year). The increase was caused by the greater weight of the change in fair value, which is charged at the ordinary rate even under the tax rules for SIIQs. Net of that effect, and of out-of-period income and charges, the tax rate amounts to 8.43%.

Note 8) 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 IGD SIIQ S.p.A. 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 IGD SIIQ S.p.A. 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 IGD's shareholders was adjusted by the amount of interest related to the bond, net of the tax effect) attributable to ordinary equity holders of IGD 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.

Earnings per share	30/06/2011	30/06/2010
Net profit attributable to IGD SIIQ S.p.A. shareholders	30,193	14,031
Diluted net profit attributable to IGD SIIQ S.p.A. shareholders	36,480	20,225
Weighted average number of ordinary shares for purposes of basic earnings per share	298,272,669	298,272,669
Weighted average number of ordinary shares for purposes of diluted earnings per share	381,909,033	381,909,033
Basic earnings per share	**0.101**	**0.047**
Diluted earnings per share	**0.096**	**0.053**

Note 9) Goodwill

	Balance at 1 January 2010	Increases	Decreases	Reclassifications	(Impairment losses)/reversals	Change in scope of consolidation	Balance at 31 January 2010
Goodwill	12,016	1,465	(63)	(66)	(950)	(975)	11,427

	Balance at 1 January 2011	Increases	Decreases	Reclassifications	(Impairment losses)/reversals	Change in scope of consolidation	Balance at 30 January 2011
Goodwill	11,427						11,427

Goodwill has been allocated to the individual cash generating units (CGUs). Below is the breakdown of goodwill by CGU at 30 June 2011:

Goodwill	*31/12/10*	*30/06/2011*
Millennium s.r.l.	3,952	3,952
Winmagazine S.A.	5,409	5,409
Winmarkt management s.r.l.	1	1
Centro Nova	546	546
Città delle Stelle	65	65
San Donà	448	448
Gescom Service	1,006	1,006
Total	**11,427**	**11,427**

Goodwill for Millennium and Winmagazin refers to consolidation differences from business combinations. The recoverability of the goodwill allocated to these CGUs has been analyzed on the basis of the property appraisals by CBRE and REAG (see Note 8). Specifically, this goodwill covers the possibility to sell properties owned by the subsidiaries (through the equity investment) without incurring taxes. Therefore, recoverability lies in 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, Service, and Winmarkt Management pertains to business management for properties not owned by the Group, as well as services (facility management) provided at shopping centers owned by the Group and by third parties. For the latter, the Group performs impairment tests every year at 31 December, and whenever circumstances indicate that the recoverable amount of goodwill may have been impaired. For both types mentioned above, there were no quantitative or qualitative signs at 30 June 2011 suggesting the need for fresh impairment testing.

Note 10) Investment property

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

	Balance at 01/01/10	Increases	Decreases	Revaluations	Writedowns	Reclassifica-tions	Change in scope of consolidation	Balance at 31/12/10
Investment property	1,586,815	67,727	(19)	16,333	(25,079)	72,903	(52,050)	1,666,630

	Balance at 01/01/11	Increases	Decreases	Revaluations	Writedowns	Reclassifica-tions	Change in scope of consolidation	Balance at 30/06/11
Investment property	1,666,630	63,157	(1,339)	26,668	(13,891)	15	0	1,741,240

Increases refer to the purchase of the hypermarket at the shopping center in Conegliano, the real estate complex in Bologna's city center, the office on the second floor of the business park building in Bologna, the division for the operation of retail businesses inside the mall at Crema's Gran Rondò shopping center, and the division for the operation of the multiplex cinema and snack and beverage bars at Centro Sarca.
Revaluations and writedowns refer to the adjustment of investment property to fair value at 30 June 2011.
Decreases consist mainly of the final price adjustment regarding contingent consideration for a retail mall.
The independent appraisals by CB Richard Ellis and REAG at 30 June 2011 raised the overall value of Italian hypermarkets and malls, although some properties were written down. All of the buildings in Romania suffered a decline in value.
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 10/15/18/25 years. According to this method, at the end of the given period it is assumed that the property will be sold at a value obtained by capitalizing the final year's net 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 10/15/18/25 years. According to this method, at the end of the given period it is assumed that the property will be sold at a value obtained by capitalizing the final year's net rental income at an applicable market rate for similar investments.
- For the freehold portions used as stores, wholesale zone, fitness area and office space, and for the office building: discounted cash flow projections based on net rental income for the next 10/14/18 years. According to this method, at the end of the given period it is assumed that the property will be sold at a value obtained by capitalizing the final year's net rental income at an applicable market rate for similar investments.
- See the interim directors' report for an analysis of the real estate portfolio.

Note 11) Assets under construction

	Balance at 1 January 2010	*Increases*	*Decreases*	*Reclassifications*	*(Impairment losses)/reversals*	*Change in scope of consolidation*	*Currency translation gain/loss*	*Balance at 31 January 2010*
Assets under construction	132,399	58,288	(11,347)	(75,549)	(2,892)	(26,615)	7	74,291

	Balance at 1 January 2011	*Increases*	*Decreases*	*Reclassifications*	*(Impairment losses)/reversals*	*Change in scope of consolidation*	*Currency translation gain/loss*	*Balance at 30 January 2011*
Assets under construction	74,291	7,792		(29)	(140)		4	81,918

The change on the previous year is explained by:

- ✓ the purchase of two plots of land (abutting the land already owned) to complete the building site of the future Chioggia shopping center, plus progress on urban infrastructure works;
- ✓ progress with the investment in the Centro Multifunzionale di Livorno (retail sector only);
- ✓ extraordinary maintenance, still in progress, on various Romanian shopping centers;
- ✓ settlement of the down payment and advances under the preliminary contract for the third floor of the Business Park building in Bologna.

Decreases are essentially due to:

- ✓ an impairment loss charged on land and construction in progress to reflect the difference between cost and appraised fair value.

For further details, see the "real estate portfolio" section of the interim directors' report.

Note 12) Deferred tax assets and deferred tax liabilities

Deferred tax assets consist mainly of the tax effect on IFRS entries. There are no deferred tax assets on fiscal losses. The above taxes have been classified as "Non-current deferred tax assets."

Deferred tax assets and deferred tax liabilities	30/06/2011	31/12/2010	*Change*
Deferred tax assets	10,518	13,104	(2,586)
Deferred tax liabilities	(52,355)	(48,910)	(3,445)

In detail:

Deferred tax assets	30/06/11	31/12/10	*Change*
Amortization reversal	21	32	(11)
Capital increase	47	93	(46)
Goodwill amortization for tax purposes	12	9	3
Taxed provisions	224	304	(80)
Bonus provision	39	64	(25)
IAS 40	5,601	6,632	(1,031)
Higher land value for tax purposes	756	756	0
IAS 19	1	1	0
Interest rate swaps	3,469	4,903	(1,434)
Impairment losses on land and construction in progress	348	310	38
Total deferred tax assets	**10,518**	**13,104**	**(2,586)**

Deferred tax assets relate to:

- amortization and depreciation charged for tax purposes in connection with the use of IAS 38 and IAS 32 on start-up and expansion recognized in prior years in a specific equity reserve (capital increase expenses) or expensed in full as they can no longer be capitalized;
- taxed provisions, such as the provision for doubtful accounts and the employee bonus provision;
- the effect of investment property and construction in progress writedowns in accordance with IAS 40;
- advance payment of the substitute tax on the difference between the fair value and the carrying value (cost) of land;
- fair value recognition of interest rate swaps used for hedging purposes.

Most of the change on the previous year relates to the tax effect on the writedown/revaluation of properties and assets under construction, recognized in the income statement, and on the change in the fair value of derivatives, recognized in equity.

Deferred tax liabilities	30/06/11	31/12/10	*Change*
Depreciation and amortization for tax purposes	42	80	(38)
Capital gains in installments	5	6	(1)
Tax effect on amortization reversal	62	53	9
Tax effect on fair value of properties	48,322	45,067	3,255
Tax effect on interest rate swaps	1,345	1,207	138
Tax effect on post-employment benefits per IAS 19	12	10	2
Tax effect on convertible bond	102	227	(125)
Tax effect on leasing	2,366	2,194	172
Tax effect on put option	99	66	33
Total deferred tax liabilities	**52,355**	**48,910**	**3,445**

Provisions for deferred tax liabilities mostly concern the difference between the fair value of investment property and its value for tax purposes.

The increase stems primarily from the revaluation of investment property recognized in the first half of the year.

Note 13) Sundry receivables and other non-current assets

Other non-current assets	30/06/11	31/12/10	Change
Equity investments	326	740	(414)
Tax credits	4	4	0
Beneficial interest	2,854	3,785	(931)
Security deposits	54	51	3
Total	**3,238**	**4,581**	**(1,343)**

The largest change since the previous year is the decrease in the beneficial interest (corporeal right) on the mall at Città delle Stelle shopping center, in the amount recognized for the year in the income statement.

At 30 June an impairment loss was also charged on the investment in Iniziative Bologna Nord, as discussed in Note 5.

Details of equity investments and movements during the period are shown below:

Equity investments	31/12/10	increases	decreases	writedowns	30/06/11
Consorzio Forte di Brondolo	55				55
Iniziative Bologna Nord	616			(414)	202
Consorzio Proprietari C.C. Leonardo	52				52
Consorzio C.C. i Bricchi	4				4
Other	13				13
Total	**740**	**0**	**0**	**(414)**	**326**

Note 14) Work in progress inventory and advances

Work in progress inventory and advances	31/12/2010	increases	Financial charges	decreases	reclassifications	30/06/2011
Multifunctional complex project	61,251	4,096	233	(1,228)	315	64,667
Advances	3,038				(315)	2,723
Total work in progress	**64,289**	**4,096**	**233**	**(1,228)**	**0**	**67,390**

Work in progress inventory relating to the land, buildings, and urban infrastructures of the multifunctional complex in Livorno increased by €4,411K due to the advancement of works.

Financial charges of €233K were capitalized for the half-year.

The decrease, caused by the sale of the office wing of Palazzo Orlando during the first half of the year, amounts to €1,228K.

Note 15) Trade and other receivables

Trade and other receivables	30/06/11	31/12/10	Change
Trade and other receivables - third parties	20,000	17,726	2,275
Provision for doubtful accounts	(6,893)	(5,461)	(1,432)
Total	**13,107**	**12,265**	**842**

The increase in trade receivables is due essentially to the growth of rental income from Italian malls. They are shown net of the provision for doubtful accounts, which reflects recovery estimates on problem credits. Movements in the provision for doubtful accounts are shown below:

Movements in the provision for doubtful accounts	31/12/10	Change in scope of consolidation	Translation effect	Utiliza-tions	Writedown of delinquent interest	Allocations	30/06/11
Provision for doubtful accounts	5,461	0	9	(20)	(12)	1,455	6,893
Total provision for doubtful accounts	**5,461**	**0**	**9**	**(20)**	**(12)**	**1,455**	**6,893**

Note 16) Related party trade and other receivables

Related party trade and other receivables	30/06/11	31/12/10	Change
Parent	56	108	(52)
Total parent	**56**	**108**	**(52)**
Consorzio dei Proprietari Centro Leonardo	0	2	(1)
Consorzio C.C. i Bricchi	9	68	(59)
Ipercoop Sicilia	0	6	(6)
Ipercoop Tirreno	649	13	636
Vignale Comunicazioni S.r.l.	101	308	(206)
Unicoop Tirreno Scarl	92	77	15
Librerie Coop S.p.A.	3	9	(6)
Robintur S.p.A.	0	12	(12)
Consorzio La Torre	55	36	19
Consorzio Crema	29	0	29
Consorzio Forte di Brondolo	2	0	2
Consorzio Katanè	6	0	6
Consorzio Lame	1	0	1
Consorzio Coné	1	39	(39)
Albos	53	37	16
Other related parties	**1,000**	**607**	**393**
Total related parties	**1,056**	**714**	**342**

See Note 29 for comments.

Note 17) Other current assets

Other current assets	30/06/11	31/12/10	*Change*
Tax credits			
VAT credits	15,323	41,746	(26,423)
IRES credits	905	440	465
IRAP credits	145	193	(48)
Due from others			
Advances paid to suppliers	2,105	4	2,101
Due from insurers	167	17	150
Accrued income and prepayments	1,355	374	981
Deferred costs	164	218	(54)
Other	218	820	(602)
Total other current assets	**20,382**	**43,812**	**(23,430)**

Other current assets decreased since the previous year, due mainly to a VAT credit awaiting refund and therefore reclassified to current financial receivables.

Note 18) Current financial receivables and other current financial assets

Current financial assets	30/06/11	31/12/10	*Change*
Financial receivables with banks	2,511	0	2,511
Other financial assets	25,000	6,001	18,999
Total due from third parties	**27,511**	**6,001**	**21,510**
Parent	9	449	(440)
Other related parties	651	642	9
Total due from related parties	**660**	**1,091**	**(431)**

This item increased for the reason explained in Note 17.

Financial receivables from related parties concern a loan granted at market rates to Iniziative Immobiliari Bologna Nord (held 15%) and interest on the pooled account with the parent company Coop Adriatica.

Note 19) 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 distribution of the 2010 profit of €22,370K;
- adjustment of deferred taxation on the convertible bond (+€107 thousand);
- the change in derivatives accounted for using the cash flow hedge method (+€2,834K for derivatives held by IGD SIIQ S.p.A. and +€1,308K for those held by a subsidiary);
- the profit for the period allocable to owners of IGD SIIQ S.p.A. and non-controlling interests, for a total of €30,212K;
- movements in the translation reserve for the translation of foreign currency financial statements (+€96K).

Note 20) Non-current financial liabilities

This item mainly includes the convertible bond loan and the non-current portion of floating-rate loans from banks, as detailed below:

Non-current financial liabilities	Duration	30/06/11	31/12/10	Change
Mortgage loans with banks		**584,154**	**590,707**	**(6,553)**
Banca Toscana S.p.A. Casilino	31/12/01 - 31/12/15	11,359	12,827	(1,468)
Banca Toscana S.p.A. Casilino	31/12/01 - 31/12/13	3,028	3,988	(960)
Banca Toscana S.p.A. Livorno	31/12/01 - 31/12/13	6,150	8,101	(1,951)
Banca Toscana S.p.A. Livorno	31/12/01 - 31/12/13	5,299	6,979	(1,680)
BNL - Rimini mortgage loan	6/9/06 - 6/10/16	17,803	18,722	(919)
Interbanca S.p.A.	25/9/06 - 5/10/21	122,730	128,055	(5,325)
Banca BRE - Mondovì mortgage loan	23/11/06 - 10/01/23	11,350	11,715	(365)
Carisbo - Guidonia mortgage loan	27/03/09 - 27/03/24	70,503	72,554	(2,051)
Unipol Lungo Savio	31/12/08 - 31/12/23	10,541	10,760	(219)
Unipol Merchant	10/04/07 - 06/04/27	84,786	86,276	(1,490)
Carige	17/12/08 - 30/03/24	26,875	27,374	(499)
Cassa Risp. Veneto - Mondovì mortgage loan	08/10/09 - 01/11/24	28,216	28,711	(495)
Cr. Siciliano Mediocreval Catania	23/12/09 - 30/03/24	16,551	17,256	(705)
Mediocredito Italiano Faenza	05/10/09 - 30/06/2029	47,718	49,122	(1,404)
MPS Palermo	21/12/10 - 30/11/2025	33,304	34,137	(833)
Centrobanca Conegliano	22/12/10 - 31/12/2025	45,254	46,564	(1,310)
Centrobanca Conegliano Iper	30/06/11 - 30/06/16	15,097	0	15,097
Centrobanca Livorno	01/02/10 - 15/06/2013	10,899	10,875	24
MPS mortgage loan	30/11/07 - 30/11/12	16,691	16,691	0
Non-current Financial liabilities (IRS on mortgage loans)		**14.181**	**19,665**	**(5,484)**
Convertible bond	28/6/07 - 28/12/13	**216,987**	**214,642**	**2,345**
Due to other sources of finance		**28,018**	**29,360**	**(1,342)**
Contingent consideration for mall and business division		7.520	7,678	(158)
Options on equity investments	30/04/2014	14,365	13,819	546
Hipo Tirol leasing S.p.A.	01/04/04 - 01/07/12	280	1,878	(1,598)
Sardaleasing for Bologna HQ	30/04/09 - 30/04/27	5,853	5,985	(132)
Total financial liabilities with third parties		**843,340**	**854,374**	**(11,034)**
Coop loan - Le Maioliche	31/12/2019	15,000	15,000	0
Total financial liabilities with related parties		**15,000**	**15,000**	**0**

The change in non-current financial liabilities is a result of:

- a new €16 million mortgage loan from Centrobanca for purchase of the hypermarket in Conegliano, shown above net of the current portion and transaction costs;
- a decrease in existing mortgage loans due to the restatement of amounts due in 2012 to current financial liabilities;
- a decrease in the fair value of interest rate swaps;
- final price adjustment for the purchase of a mall and a business division;
- an increase of €546 thousand for adjustment of the liability of the put & call option with Cooperare S.p.A. regarding a non-controlling share (20%) of Porta Medicea S.r.l.

Mortgage loans are secured by properties.

Covenants

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 2011 the ratio was 1.37.
- ✓ 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, IGD SIIQ S.p.A.'s debt-to-equity ratio exceeds 2.0. At 30 June 2011 the ratio was 1.14.
- ✓ Article 12 *bis* of the contract with Unipol Banca S.p.A. and Unipol Merchant Banca per le Imprese S.p.A. 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 IGD Group's debt-to-equity ratio exceeds 2.3. At 30 June 2011 the ratio was 1.37.
- ✓ 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, at any time until maturity, the IGD Group's debt-to-equity ratio exceeds 1.6. At 30 June 2011 the ratio was 1.37.
- ✓ Article 87 of the contract with Cassa di Risparmio del Veneto signed on 8 October 2009 states that the bank can terminate the contract if the 2009 or subsequent consolidated financial statements show a debt-to-equity ratio of more than 1.6. At 30 June 2011 the ratio was 1.37.
- ✓ Article 13.1.7 of the contract with Mediocreval S.p.A. signed on 23 December 2009 states that the bank can terminate the contract if the debt-to-equity ratio exceeds 2.30, according to the consolidated financial statements for 2009 and subsequent years. Art. 13.1.8 also allows the bank to withdraw if, any time between utilization and final maturity, the loan-to-value (LTV) ratio exceeds 70%. At 30 June 2011, debt/equity was 1.37 and LTV was 56.66%.
- ✓ The contract with Cassa di Risparmio del Veneto signed on 23 June 2010 states that the bank can terminate the contract if the 2010 or subsequent consolidated financial statements show a debt-to-equity ratio of more than 1.6. At 30 June 2011 the ratio was 1.37.
- ✓ Article 5 of the contract with Mediocredito Italiano S.p.A. signed on 5 October 2009 by Faenza Sviluppo Area Marcucci (merged into IGD SIIQ S.p.A.) states that the bank can terminate the contract if the financial statements of IGD SIIQ S.p.A. for any financial year show a ratio of net external debt to equity plus intercompany financing of more than 2.70; at 30 June 2011 the ratio was 1.07.
- ✓ Article 2 of the contract with MPS signed on 21 December 2010 states that the bank can call in the loan if the debt/equity ratio exceeds 1.7 and the loan-to-value (LTV) ratio exceeds 70%. At 30 June 2011, debt/equity was 1.37 and LTV was 56.66%.
- ✓ Article 9 of the contract with Centrobanca S.p.A. signed on 22 December 2010 states that the bank can terminate the contract if the debt-to-equity ratio exceeds 2.0. At the close of June 2011, debt/equity was 1.37.
- ✓ According to Art. 10.I of the contract with Centrobanca S.p.A. signed on 30 June 2011: i) the bank can call in the loan if the debt/equity ratio exceeds 2.0; ii) the bank can curtail the loan by any amount, at its own discretion, if the loan-to-value ratio exceeds 66.40%. At 30 June 2011, debt/equity was 1.37 and LTV was 56.66%.

The table below shows the amount of loans directly allocable to investment property at 30 June 2011 and the average maturity:

Project/asset	Carrying value of asset	Direct financial debt	Form	Average maturity
Investment property	1,741,240	510,290	Mortgage loans, finance leases and bullet loans	12.07

Note 21) Current financial liabilities

Current financial liabilities	Duration	30/06/11	31/12/10	*Change*
Banca Pop. Emilia Romagna - hot money	27/06/11 - 27/07/11	15,000	0	15,000
Unicredit - hot money	11/04/11 - 12/07/11	8,034	0	8,034
Unicredit - hot money	26/5/11 - 11/07/11	2,004	0	2,004
Bre Banca - hot money	12/04/11 - 12/07/11	10,045	10,001	44
Bre Banca - hot money	30/06/11 - 29/07/11	12,001	0	12,001
Carisbo - hot money	27/05/11 - 27/07/11	10,016	8,000	2,016
Cassa Risparmio PD RO	23/06/10 - 23/02/11	0	5,000	(5,000)
Cassa Risparmio PD RO	23/06/10 - 23/08/11	5,000	5,000	0
Banca Pop Commercio e Industria - hot money	17/09/10 - 12/01/11	0	5,000	(5,000)
Banca Pop Commercio e Industria - hot money	17/09/10 - 12/01/11	0	5,000	(5,000)
Banca Popolare di Verona - hot money	16/05/11 - 16/08/11	12,000	12,008	(8)
BNL - Bologna	29/03/11 - 30/06/11	10,000	10,000	0
BNL - Bologna	14/06/11 - 14/09/11	10,000	0	10,000
Cassa Risp. Firenze - hot money	02/06/11 - 02/08/11	15,020	15,017	3
BNL - Bologna	non-revolving	10,017	9,486	531
Cassa Risparmio PD RO - hot money	11/04/11 - 11/07/11	10,041	10,047	(6)
Cassa Risparmio PD RO - Rovigo Finanz.	23/06/2010 - 23/12/11	20,011	20,012	(1)
Banca Pop Commercio e Industria		0	19	(19)
Banca Pop. Emilia Romagna		3,543	0	3,543
Mps 28634 ipotecario		0	1	(1)
Banca Pop. Verona		6	0	6
Total due to banks		**152,738**	**114,591**	**38,147**
Banca Pop. di Verona scarl	31/05/01 - 31/05/11	0	1,516	(1,516)
Intesa BCI S.p.A.	31/05/01 - 31/05/11	0	1,617	(1,617)
Unicredit Banca Impresa/Mediocredito	05/04/01 - 05/04/11	0	1,297	(1,297)
Banca Toscana S.p.A. Casilino 1	31/12/01 - 31/12/15	2,901	2,830	71
Banca Toscana S.p.A. Casilino 2	31/12/01 - 31/12/13	1,897	1,851	46
Banca Toscana S.p.A. Livorno 1	31/12/01 - 31/12/13	3,854	3,760	94
Banca Toscana S.p.A. Livorno 2	31/12/01 - 31/12/13	3,321	3,240	81
BNL - Rimini mortgage loan	6/9/06 - 6/10/16	1,923	1,913	10
Banca BRE - Mondovì mortgage loan	23/11/06 - 10/01/23	852	818	34
Unipol Lungo Savio	31/12/08 - 31/12/23	432	419	13
Interbanca loan	25/09/06 - 05/10/21	11,258	10,989	269
Carisbo - Guidonia mortgage loan	27/03/09 - 27/03/24	4,138	4,142	(4)
Unipol Merchant	10/04/07 - 06/04/27	3,382	3,323	59
Carige	17/12/08 - 30/03/24	992	960	32
Cassa Risp. Veneto - Mondovì mortgage loan	08/10/09 - 01/11/24	1,797	1,167	630
Cr. Siciliano Mediocreval Catania	23/12/09 - 30/03/24	1,429	1,429	0
Mediocredito Italiano Faenza	05/10/09 - 30/06/29	2,821	2,821	0
MPS Palermo	21/12/10 - 30/11/25	1,742	1,669	73
Centrobanca Conegliano	22/12/10 - 31/12/25	2,642	2,670	(28)
Centrobanca Conegliano Iper	30/06/11 - 30/06/16	800	0	800
Total mortgage loans with banks		**46,181**	**48,431**	**(2,250)**
Hipo Tirol leasing S.p.A.	01/04/04 - 01/07/12	2,094	990	1,104
Lease for IGD HQ	30/04/09 - 30/04/27	262	258	4
Coop Lombardia for Galleria Gran Rondò	11/07/2011	23,000	23,000	0
Purchase of Sarca business division		3,500	0	3,500
Convertible bond	28/6/07 - 28/12/13	44	66	(22)
Total due to other sources of finance		**28,900**	**24,314**	**4,586**

Total current financial liabilities with third parties		**227.819**	**187,336**	**40,483**
Coop pooled account		24,166	2,988	21,178
Coop price adjustment Le Maioliche	31/12/2011	1,000	1,000	0
Coop Le Maioliche loan	31/12/2019	159	139	20
Total due to related parties		**25,325**	**4,127**	**21,198**

Most of the change in financial liabilities with third parties relates to new hot money loans and repayments and to the current portion of new mortgage loans. The change in the bond loan is due to the installment accrued at 30 June 2011.

Net financial position

In detail:

NET FINANCIAL POSITION		
	30/06/2011	31/12/2010
Cash and cash equivalents	(5,386)	(32,264)
Financial receivables and other current financial assets w. related parties	(660)	(1,091)
Financial receivables and other current financial assets	(27,511)	(6,001)
LIQUIDITY	**(33,557)**	**(39,356)**
Current financial liabilities w. related parties	25,325	4,127
Current financial liabilities	179,236	137,591
Mortgage loans - current portion	46,181	48,431
Leasing – current portion	2,358	1,248
Convertible bond loan - current portion	44	66
CURRENT DEBT	**253,144**	**191,463**
CURRENT NET DEBT	**219,587**	**152,107**
Non-current financial assets	(20)	(19)
Derivatives - assets	(4,885)	(4,380)
Non-current financial liabilities due to other sources of finance	21,886	21,497
Leasing – non-current portion	6,133	7,863
Non-current financial liabilities	584,152	590,707
Non-current financial liabilities w. related parties	15,000	15,000
Convertible bond loan	216,988	214,642
Derivatives - liabilities	14,181	19,665
NON-CURRENT NET DEBT	**853,435**	**864,975**
NET DEBT	**1,073,022**	**1,017,082**

See the interim directors' report for further information on net debt.

Note 22) Sundry payables and other non-current liabilities

Sundry payables and other non-current liabilities	30/06/11	31/12/10	Change
Deferred sales revenue	7,266	7,266	0
Substitute tax for SIIQ status (due beyond one year)	0	6,159	(6,159)
Other liabilities	135	262	(127)
Total	**7,401**	**13,687**	**(6,286)**

The change is due primarily to the reclassification to current liabilities of €6,160K in substitute SIIQ tax payable by 16 June 2012.

Note 23) Trade and other payables

Trade and other payables	30/06/11	31/12/10	*Change*
Trade payables	12,165	15,733	(3,568)

The decrease in trade payables is due to payments made for construction and contract work on the investments in Palermo and Conegliano.

Note 24) Related party trade and other payables

Related party trade and other payables	30/06/11	31/12/10	*Change*
Parent	2,821	4,759	(1,938)
Other related parties:	611	165	446
Consorzio Lame	3	27	(24)
Consorzio La Torre - PA	53	3	50
Consorzio Conè	64	112	(48)
Consorzio Forte di Brondolo	375	0	375
Consorzio Katanè	29	0	29
Consorzio Proprietari Leonardo	5	23	(18)
Unicoop Tirreno	50	0	50
Robintur	32	0	32
Total related parties	**3,432**	**4,924**	**(1,492)**

See Note 29 for comments.

Note 25) Current tax liabilities

Current tax liabilities	30/06/11	31/12/10	*Change*
IRPEF	449	431	18
IRAP	64	0	64
IRES	276	204	72
VAT	169	172	(3)
Environmental consortium	8	0	8
Other taxes	2,160	0	2,160
Substitute tax for reval. Decree 185	0	447	(447)
Substitute tax for SIIQ status	6,650	7,012	(362)
Total current tax liabilities	**9,776**	**8,266**	**1,510**

Most of the changes are due to the increase in withholding tax taken by the parent company for the payment of dividends, to regional business tax (IRAP) and to income tax at the Romanian companies.

Note 26) Other current liabilities

Other current liabilities	30/06/11	31/12/10	*Change*
Social security	275	315	(40)
Accrued liabilities and deferred income	937	851	86
Insurance	23	25	(2)
Due to employees	671	598	73
Security deposits	3,172	3,827	(655)
Unclaimed dividends	1	1	0
Advances received, due within one year	5	1,198	(1,193)
Other liabilities	25	96	(71)
Total other liabilities	**5,109**	**6,911**	**(1,802)**

The decrease in this item is due to the refund of security deposits received the previous year for the opening of the two malls in Palermo and Conegliano, now replaced by bank guarantees, and the transfer of down payments and advances to sale proceeds further to the final sale of a property in Livorno.

Note 27) Related party other current liabilities

Related party other current liabilities	30/06/11	31/12/10	*Change*
Other	14	14	0
Total other liabilities with related parties	**14**	**14**	**0**

See note 29.

Note 28) Dividends

During the year, further to the shareholders' resolution of 20 April 2011 (the AGM that approved the 2010 financial statements), a dividend of €0.075 was paid for each of the 298,272,669 shares outstanding, for a total of €22,370,451.

Note 29) Related party disclosures

Below is the information required by paragraph 17 of IAS 24.

Related party disclosures	Receivables and other current assets	Financial receivables	Current payables and other liabilities	Non-current payables and other liabilities	Financial payables	Other non-current assets	Fixed assets - increases	Fixed assets - decreases
Coop Adriatica S.c.a.r.l.	56	9	2,821	8,532	40,325	2,797	23,715	0
Robintur S.p.A.	0	0	31	0	0	0	0	0
Librerie Coop S.p.A.	3	0	0	0	0	0	0	0
Unicoop Tirreno S.c.a.r.l.	92	0	64	2,304	0	0	0	0
Vignale Comunicazione S.r.l.	101	0	0	25	0	0	0	0
Ipercoop Tirreno S.p.A.	649	0	0	1,098	0	0	0	0
IPK SICILIA	0	0	0	0	0	0	0	0
Cons. Forte di Brondolo	2	0	375	0	0	0	350	0
Cons. Proprietari Leonardo	0	0	5	0	0	0	2	0
Consorzio Bricchi	9	0	0	0	0	0	0	0
Consorzio Lame	1	0	4	0	0	0	43	0
Consorzio Katanè	6	0	29	0	0	0	0	0
Consorzio Conegliano	1	0	65	0	0	0	0	0
Consorzio Palermo	55	0	53	0	0	0	0	0
Consorzio Crema	29	0	0	0	0	0	0	0
Albos	53	0	0	0	0	0	0	0
Iniziative Bologna Nord	0	651	0	0	0	0	0	0
Total	**1.056**	**660**	**3.446**	**11.959**	**40.325**	**2.797**	**24.111**	**0**
Amount reported	**101.943**	**28.171**	**20.720**	**19.360**	**1.111.484**	**18.661**		
Total increase/decrease for the year							**72.279**	**1.339**
% of total	**1,04%**	**2,34%**	**16,63%**	**61,77%**	**3,63%**	**14,99%**	**33,36%**	**0,00%**

Related party disclosures	Revenue - other income	Financial income	Costs	Financial charges
Coop Adriatica S.c.a.r.l.	10,407	9	1,101	321
Robintur S.p.A.	125	0	54	0
Librerie Coop S.p.A.	289	0	0	0
Unicoop Tirreno S.c.a.r.l.	2,529	0	50	0
Vignale Comunicazione S.r.l.	262	0	0	0
Ipercoop Tirreno S.p.A.	1,039	0	0	21
IPK SICILIA	1,188	0	0	0
Cons. Forte di Brondolo	2	0	0	0
Cons. Proprietari Leonardo	108	0	0	0
Consorzio Bricchi	53	0	319	0
Consorzio Lame	85	0	0	0
Consorzio Katanè	95	0	41	0
Consorzio Conegliano	79	0	91	0
Consorzio Palermo	92	0	29	0
Consorzio Crema	24	0	0	0
Albos	9	0	0	0
Iniziative Bologna Nord	0	8	0	0
Total	**16,385**	**17**	**1,687**	**342**
Amount reported	**64,790**	**397**	**22,774**	**20,589**
% of total	**25.29%**	**4.33%**	**7.41%**	**1.66%**

IGD has financial and economic relationships with its controlling company, Coop Adriatica, with other companies in the Coop Adriatica Group (Robintur S.p.A. and Librerie Coop S.p.A.), with Unicoop Tirreno and various companies in the Unicoop Tirreno Group (Vignale Comunicazioni, Albos and Ipercoop Tirreno), and with IperCoop Sicilia. Related party transactions are conducted on an arm's length basis.

Transactions with the controlling company Coop Adriatica refer to:

- receivables and income for the leasing of properties used as hypermarkets;
- payables and costs for the rental/use of malls owned by Coop Adriatica;
- payables 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;
- security deposits received on leases;
- financial collection and payment transactions in the context of treasury services, until April 2011 only;
- loan granted to IGD.

More specifically, new business with Coop Adriatica during the half-year consisted of:

- purchase of the hypermarket at Conè shopping center and retail park in Conegliano and subsequent rental agreement signed in June. The purchase price of €23.5 million, plus taxes and transaction costs, was paid in full by IGD at the closing. Having acquired ownership of the hypermarket, IGD rented the building, with a gross leasable area of 9,500 square meters, back to Coop Adriatica under an 18-year lease. The purchase was subject to the "Procedure for Related Party Transactions" adopted by IGD SIIQ S.p.A. in accordance with Consob Regulation 17221 of 12 March 2010;
- contract regarding the design and creation of a retail park in Chioggia, valid from 1 January 2011 to 31 December 2012, for a total value of €120 thousand.

Transactions with Robintur S.p.A. concern the leasing of store space at malls and the supply of services.
Transactions with Librerie Coop S.p.A. concern receivables and income for the business lease of properties inside shopping centers.
Transactions with Ipercoop Sicilia concern receivables and income from the leasing of properties used as hypermarkets.
Transactions with Ipercoop Tirreno consist of:

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

Transactions with Vignale Comunicazione concern receivables and income for the rental of premises at shopping centers. During the half-year, IGD SIIQ S.p.A. signed three rental agreements with Vignale Comunicazione, for the malls in Conegliano and Asti (valid from 1 March 2011 to 31 December 2011) and the mall in Palermo (1 January 2011 to 31 December 2012).
Transactions with Consorzio Forte di Brondolo concern payables and costs for construction work on the land in Chioggia.
Transactions with Consorzio Proprietari Leonardo, Consorzio Lamè, Consorzio Conè, Consorzio La Torre, Consorzio Katanè, Albos, and Consorzio Bricchi concern receivables and income for facility management services at shopping centers; the costs incurred with Consorzio Bricchi, Consorzio Conè, Consorzio La Torre and Consorzio Katanè refer to service charges for vacant units.
Transactions with Iniziative Immobiliari Bologna Nord, held 15%, refer to a loan granted to the company charging interest at the three-month Euribor plus 1.5%.

Note 30) Risk management

Management of financial risk

In the course of business, the Group is exposed to various financial risks: interest rate risk, liquidity risk, credit risk and foreign exchange risk. The Group has operational and financial policies aimed at reducing the impact of such risks on performance, in part through the use of interest rate derivatives. The Board of Directors reviews and agrees on policies to manage these risks.

Interest rate risk

The main risk factor is the volatility of interest rates and the effect this has on borrowing and on the investment of liquid funds.
The Group borrows mainly through short-term facilities and long-term mortgage loans charging adjustable interest, so it risks an increase in financial charges if interest rates go up. The Finance department monitors interest rate risk constantly, in coordination with top management.
To hedge interest rate risk, the Group has entered into interest rate swaps covering 62.76% of its exposure to rate fluctuations on long-term loans, which allow it to collect the adjustable interest rate in exchange for payment of a fixed rate. The Finance department analyzes and measures interest rate and liquidity risk while constantly evaluating the best means of implementation of the risk management model.

Liquidity risk

This refers to problems with liquidity management, insufficient resources to finance the business, and difficulty keeping up with loans or obtaining new credit.
Liquidity is monitored through cash flow planning, and risk is mitigated by the Group's extensive credit lines. The Finance department uses a financial forecasting tool to monitor expected cash flows over a one-quarter rolling horizon and makes sure there is enough liquidity to operate the business. Cash flow sensitivity, stress testing and VAR estimation are all used with respect to financial risk.

As for long-term loans, each facility finances a specific project, which minimizes the risk of needing to refinance. Some long-term loans involve covenants; this aspect is monitored constantly by the chief financial officer, who also coordinates with management to gauge the likelihood of violating the covenants as a result of the strategic, operational, compliance and financial risks mapped, using the enterprise risk management system. Financial commitments are covered by funds confirmed by the banks, and unutilized credit facilities are available.

Liquidity risk is managed prudently to avoid incurring excessive costs in the case of unforeseen events, which could have a further negative impact on market reputation. The Group also has a portfolio of unmortgaged properties worth €563 million.

Credit risk

Credit risk takes the form of customer insolvency and difficulty collecting payments. To mitigate this risk, tenants go through a pre-contractual selection process, based on financial standing and earnings prospects. Reviews of potential customers are performed also with the help of external specialists and aim to identify any risk factors for the company.

All customers are asked for bank guarantees and/or security deposits to guarantee fulfillment of their commitments. Throughout the life of the contract, the company monitors compliance on an ongoing basis, and follows internal credit management procedures in the event any problems arise; when the business relationship is secure, measures to assist the tenant may be taken. The IGD Group only deals with well-known, reliable customers and 25.29% of its core revenue is earned from related parties.

Foreign exchange risk

The Group is exposed to foreign exchange risk for its operations in Romania. Fluctuations in the value of the Romanian lei could lead to the writedown of properties held or to the unsustainability of contractual obligations for tenants in Romania, where rent is denominated in lei but anchored to the performance of the euro.

At the moment, IGD mitigates this risk through constant efforts to optimize the merchandising mix and tenant mix and to support the value of the real estate portfolio, in part by making improvements. Capital expenditure plans for 2010-2012 are designed to increase the quality and attractiveness of these properties.

Commercial policies are determined with care and with the utmost attention to local consumption styles and market demands. To that end, the Group employs a specialized team made up of head office and local professionals, to seek the right trade-off between the expertise acquired at the corporate level and knowledge of the local context.

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. This is pursued by:

1- keeping the debt/equity ratio at 1.5% or below (the ratio at 30 June 2011 was 1.37%);
2- keeping the loan-to-value ratio under 60% (it was 56.66% at the close of the half-year).

Note 31) Derivative instruments

The IGD 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. The fair value of interest rate swaps for which no active market exists is determined according to market-based quantitative techniques, i.e. accredited pricing models based on parameters taken as of the individual measurement dates. This method therefore reflects a prioritization of the input data consistent with level 2 of the fair value hierarchy defined by IFRS 7: although quoted prices in active markets (level 1) are not available for these instruments, it is possible to base measurements on data observable either directly or indirectly in the market.

Fair value hierarchy	30/06/11	Level
Interest rate swaps - receivables	4,885	2
Interest rate swaps - payables	(14,181)	2
Interest rate swaps - net effect	**(9,296)**	

The contracts are detailed below:

Agreement Detail	Monte Paschi Finance 1	Monte Paschi Finance 2	Monte Paschi Finance 3	Monte Paschi Finance 4	BNP Paribas	Aletti Interbanca	BNP Interbanca	Mps 10198433 (now Banca CRF)
Nominal amount	18,623,437	14,259,705	4,925,207	19,692,308	88,000,000	22,451,737	22,451,737	22,451,737
Inception date	31/12/2004	31/12/2004	31/12/2004	06/10/2006	06/10/2007	10/06/2009	10/06/2009	11/06/2009
Maturity	31/12/2013	31/12/2015	31/12/2013	06/10/2016	06/10/2017	05/10/2021	05/10/2021	05/10/2021
IRS frequency	Half-yearly	Half-yearly	Half-yearly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly
Bank rate	6-month Euribor	6-month Euribor	6-month Euribor	3-month euribor	3-month euribor	3-month euribor	3-month euribor	3-month euribor
Customer rate	3.20%	3.39%	3.23%	3.84%	4.38%	3.42%	3.44%	3.44%

Agreement Detail	Mps 10201705 (now Banca CRF)	Carisbo 902160165	Carisbo 910270202	Mps 87065 (now Banca CRF)	Aletti Asti	Aletti Guidonia	Carisbo 100540011	Carisbo 1004290251
Nominal amount	22,451,737	12,070,358	22,451,737	22,451,737	8,396,744	18,726,750	11,195,659	10,998,392
Inception date	12/06/2009	12/02/2009	28/10/2009	28/10/2009	28/04/2010	27/08/2010	28/04/2010	28/04/2010
Maturity	05/10/2021	10/01/2023	05/10/2021	05/10/2021	31/03/2024	27/03/2024	28/03/2024	29/12/2023
IRS frequency	Quarterly	Half-yearly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Half-yearly
Bank rate	3-month euribor	6-month Euribor	3-month euribor	3-month euribor	3-month euribor	3-month euribor	3-month euribor	6-month Euribor
Customer rate	3.42%	3.35%	3.18%	3.18%	3.29%	2.30%	3.27%	3.41%

Agreement Detail	MPS 92285	MPS Guidonia	Carisbo Guidonia 1008270304	Carisbo Guidonia 1008300079
Nominal amount	8,396,744	18,726,750	18,726,750	18,726,750
Inception date	28/04/2010	27/08/2010	27/08/2010	27/08/2010
Maturity	28/03/2024	27/03/2024	27/03/2024	27/03/2024
IRS frequency	Quarterly	Quarterly	Quarterly	Quarterly
Bank rate	3-month euribor	3-month euribor	3-month euribor	3-month euribor
Customer rate	3.25%	2.30%	2.30%	2.29%

Note 32) Subsequent events

At the date of approval, no events following the reporting date had occurred that would require the Group to adjust the figures in the financial statements or report elements not previously disclosed.

Note 33) Commitments and risks

At 30 June 2011 the Group had the following purchase and sale commitments:

- Agreement for a joint venture with Gam (member of the Despar Italia Group), an unrelated party that develops and manages shopping centers in southern Italy. The new company will own a shopping center in Vibo Valentia, comprised of a 6,000 square meter hypermarket and a mall with GLA of 12,632 square meters. Under the agreement, IGD will acquire a 50% interest in the owner of the Vibo Valentia shopping center. The due diligence began in 2010 and is still in course; the purchase is likely to be delayed until early 2012.

- Preliminary agreement for the purchase from a related party (Porta Medicea S.r.l.) of the retail section of the Centro Multifunzionale in Livorno, for €77 million.
- Due to the dissolution of the joint venture with Beni Stabili (resulting in the sale of 50% of RGD S.p.A. SIINQ) and the joint purchase of the Darsena City shopping center, IGD SIIQ S.p.A. has a commitment with RGD S.p.A. SIINQ to assume its share of all income and costs associated with the definitive and preliminary contracts signed on 15 March 2006 and transferred to RGD S.p.A. SIINQ on 29 March 2007, following the property's change of ownership on 9 March 2007. Due to missed rent payments for the Ferrara property forming part of the Darsena City shopping center, an injunction has been obtained, and in January RGD S.p.A. SIINQ called on the guarantee posted to secure the rent (€3,640K). The objection filed by Magazzini Darsena led to confirmation of the injunction. Magazzini Darsena has appealed the court's decision. Considering the financial difficulties of the debtor, additional measures have been taken to protect the rights of RGD S.p.A. SIINQ and IGD SIIQ S.p.A. arising from the complex transaction for the purchase of Darsena City, which is still in course. Specifically:

- RGD S.p.A. SIINQ has asked for and obtained a preventive attachment of €35 million against Magazzini Darsena and of €38 million against Darsena F.M.;
- two suits have been filed with the Court of Ferrara to force Magazzini Darsena and Darsena F.M. to pay the rent falling due subsequent to the missed payments covered by the injunction;
- an arbitration request has been filed with the Arbitration Chamber of Milan to determine the legitimacy of the price adjustment clause in the contract for the purchase of the Darsena City shopping center and calculate the amount of said adjustment, and to confirm the obligation of Magazzini Darsena and the joint obligation of Darsena F.M. and the parent company Partxco to pay future rent and the penalty that has accrued for late delivery of an additional section of the shopping center.

As mentioned in earlier financial reports, although the "Darsena City" real estate transaction in Ferrara pursues a single goal, it entails 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 revenue 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.

Note 34) Tax litigation

Following the tax audit concluded on 11 September 2008, the audit report was delivered without significant findings except for a recommendation to pay registration tax on four unregistered preliminary contracts subject to VAT, for approximately €170K including penalties and interest, and to revalue closing inventories for about €645K. Based on an analysis of the grounds stated in the report, the tax authorities' claims were contested at the administrative and litigative level.

As far as the registration tax is concerned, the Company paid the amount required and immediately appealed against the assessment and related penalties, on the reasoning that the definitive contracts were subject to VAT, so taxation of the down payment at the proportional rate of 0.50%, as required by the tax authorities, violates the principle that either VAT or registration tax is due pursuant to Art. 40 of Presidential Decree 131/86. Thus, the registration tax constitutes double taxation and should not have been paid.

In October 2009, the appeal was rejected by the Provincial Tax Commission of Ravenna. Based on the reasoning presented above, IGD plans to file for a refund of the amount it feels was unduly paid. As for the assessment regarding inventories, claiming that IGD had mistakenly interpreted the type of contract (sale of a future asset rather than a commissioned job) and therefore misclassified the inventories, subjecting them to the wrong set of tax rules, the Company's appeal to the Provincial Tax Commission of Ravenna filed in January 2011 has been rejected.

IGD plans to appeal at a higher level as it disagrees with the grounds for rejection.

Certification pursuant to Art. 154 bis of Legislative Decree 58/09 and Art. 81 ter of the Consob Regulation adopted with Resolution 11971 of 14 May 1999, as amended

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 2011.

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;
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.

Bologna, 25 August 2011

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 statement of financial position, the statement of income, the statement of comprehensive income, the statement of changes in net 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 S.p.A.Group") as of June 30, 2011. 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 reference should be made to our reports issued on March 24, 2011 and on August 26, 2010, 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 S.p.A.Group as of June 30, 2011 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 26, 2011

Reconta Ernst & Young S.p.A.
Signed by: Gianluca Focaccia, Partner

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

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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.

DEVELOPMENT PIPELINE

Program for investments in development.

DIRECT COSTS

Costs directly attributable to the shopping centers.

DIVIDEND YIELD

The dividend yield, or price/dividend ratio, on a company's 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.

EBITDA

EBITDA, or Earnings before Interest, 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.

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.

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 shopping centers such as security services, cleaning and routine maintenance.

FFO / FUNDS FROM OPERATIONS

Pre-tax income to which the real estate portfolio depreciation and amortization expenses, the net change in the market value and current taxes are added.
It is the indicator most commonly used to evaluate a REIT's performance.

GENERAL EXPENSES

Undivided costs, not attributable to individual shopping 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.

HEDGING

Percentage of the total number of mortgage loans and bonds covered by IRS and securities.

HYPERMARKET

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

IPD

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

INITIAL YIELD

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

INTEREST RATE SWAPS / IRS

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.

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 retailers found in a shopping center. A shopping mall is normally referred to as a mall.

MARKET VALUE (FAIR VALUE O VALORE EQUO)

The estimated amount for which a property could 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 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".

MID-SIZED STORES

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

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 or *SIIQ* in Italy.

RETAIL PARK

Group of three or more complexes 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

Net income divided by net equity after dividends

SHOPPING 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.

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.

STORE

Property used for the retail sale of non-food consumer goods.

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.