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 and VAT no: 00397420399 and Ravenna Company Register no: 88573,

Share capital approved: EUR 405,015,558.69

Share capital subscribed and paid-in: EUR 322,545,915.08

Half-Year Financial Report

at 30/06/2012

CONTENTS

Corporate Officers

Board of Directors:

1. Gilberto Coffari – Chairman
2. Sergio Costalli – Vice Chairman
3. Claudio Albertini – Chief Executive Officer
4. Roberto Zamboni – Director
5. Aristide Canosani – Director
6. Leonardo Caporioni – Director
7. Fernando Pellegrini – Director
8. Fabio Carpanelli – Director (independent)
9. Elisabetta Gualandri – Director (independent)
10. Tamara Magalotti – Director (independent)
11. Livia Salvini – Director (independent)
12. Andrea Parenti – Director (independent)
13. Riccardo Sabadini – Director (independent)
14. Giorgio Boldreghini – Director (independent)
15. Massimo Franzoni – 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. Elisabetta Gualandri
2. Livia Salvini
3. Massimo Franzoni

Compensation and Nominations Committee:

1. Andrea Parenti
2. Fabio Carpanelli
3. Tamara Magalotti

Committee for Related Party Transactions

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

Supervisory Board:

1. Fabio Carpanelli
2. Livia Salvini
3. Aristide Canosani

Lead Independent Director

Riccardo Sabadini

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

The IGD Group's Interim Management Statement

Financial and Economic Highlights at 30 June 2012

TOTAL OPERATING REVENUE	61,549 €/000
REVENUE - CORE BUSINESS REVENUE	61,549 €/000
EBITDA - CORE BUSINESS	43,134 €/000
EBITDA MARGIN - CORE BUSINESS	70.08%
CONSOLIDATED NET PROFIT	8,292 €/000
CONSOLIDATED FFO	18,053 €/000
NET DEBT	1,095,313 €/000
GEARING RATIO	1.39x
LOAN TO VALUE	57.24%
COST OF DEBT	4.33%
HEDGING OF LT DEBT + BOND	78.09%

Introduction

The Immobiliare Grande Distribuzione Group's Consolidated Half-Year Financial Report at 30 June 2012 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 2012 of IGD Siiq S.p.a., IGD Management s.r.l., Millennium Gallery s.r.l., 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

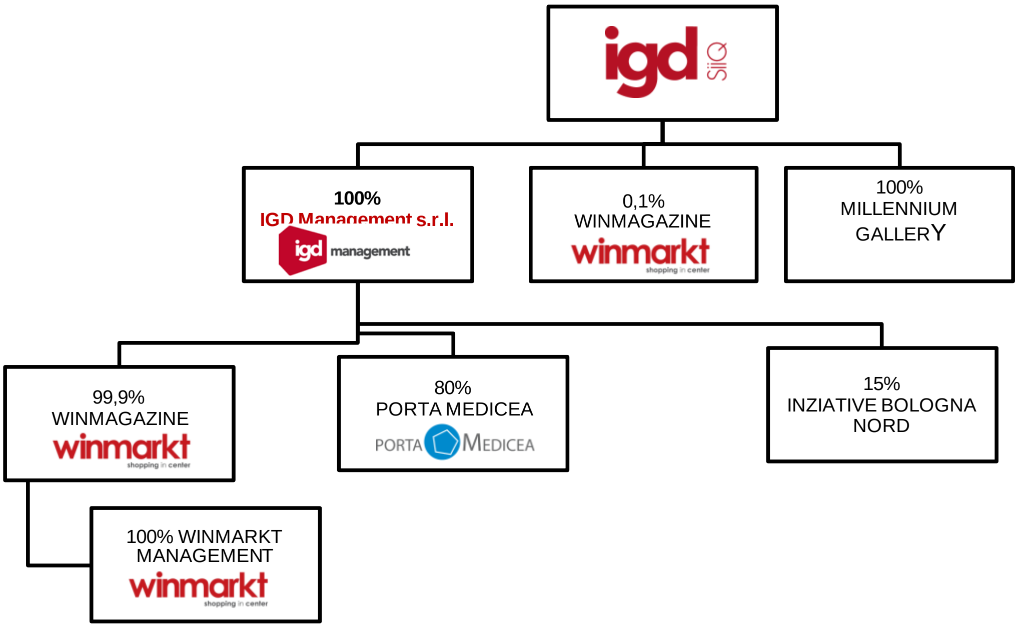
IGD, which became a Società di Investimento Immobiliare Quotata (SIIQ or real estate investment trust) in 2008, was the first company to obtain SIIQ status in Italy. Listed in February 2005 with a real estate portfolio valued at €585 million in September 2004, over the last six years IGD has recorded significant growth: at 30 June 2012 the real estate portfolio was valued by independent appraisers at €1,913.66 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 and the business division of the Crema mall, 100% of IGD Management (formerly Immobiliare Larice) and 0.1% di Winmagazin SA.

IGD Management, 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. 80% 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 2012.



The Market Scenario

The Macroeconomic Scenario

In first half 2012 economic activity worldwide was weakened by the persistent uncertainty about how the Euro zone sovereign debt crisis would develop going forward, by the economic slowdown in the United States and slower growth in the emerging markets.

Chart 1

Macroeconomic scenario
(percentage changes on previous year)

ITEMS	FMI			Consensus Economics	
	2011	**2012**	**2013**	**2012**	**2013**
GDP					
World	**3.9**	**3.5**	**3.9**	**-**	**-**
Advanced economies	**1.6**	**1.4**	**1.9**	**-**	**-**
Euro zone	1.5	-0.3	0.7	-0.5	0.5
Japan	-0.7	2.4	1.5	2.5	1.4
United Kingdom	0.7	0.2	1.4	0.1	1.6
United States	1.7	2.0	2.3	2.1	2.3
Emerging markets	**6.2**	**5.6**	**5.9**	**-**	**-**
Brazil	2.7	2.5	4.6	3.0	4.3
China	9.2	8.0	8.5	8.1	8.4
India (1)	7.1	6.1	6.5	6.6	7.3
Russia	4.3	4.0	3.9	3.8	3.8
World trade (2)	**5.9**	**3.8**	**5.1**	**-**	**-**

Source: IMF, World Economic Outlook Update, July 2012; Consensus Economics, various publications, July 2012 (for Brazil and Russia, June); national statistics.
(1) Consensus Economics forecasts refer to fiscal year, beginning on April of the year given
(2) Goods and services.

In Italy GDP growth was negative beginning in fall 2011 and throughout first quarter 2012.

In first quarter 2012 GDP, after seasonal and calendar adjustments, fell by -0.8% quarter-on-quarter and by -1.4% with respect to first quarter 2011.

Preliminary estimates for second quarter 2012, after seasonal and calendar adjustments, show a further reduction in domestic GDP of -0.7% QoQ and of -2.5% with respect to second quarter 2011.

If in the first quarter the agricultural sector recorded a positive trend, in the second quarter all three sectors (agriculture, manufacturing, services) had a negative impact on the overall result.

The biggest drop was recorded in intermediate goods (-10.2% YoY), but consumer (-8%) and capital goods (-7.5%) also fell significantly.

As of second quarter 2012 GDP in Italy had fallen by 1.9% (Source: ISTAT).

Chart 2

GDP and main conponents

(prices chain-linked volumes; seasonally and w orking-day adjusted data; percentage changes on previous period)

ITEMS	2011			2012	2011
	2Q	3Q	4Q	1Q	(1)
GDP	0.3	-0.2	-0.7	-0.8	0.4
Total imports	-1.6	-1.3	-2.8	-3.6	0.4
National demand (2)	-0.3	-1.1	-1.4	-1.8	-0.9
National consumption	-0.3	-0.5	-0.8	-0.6	-
household spending	-0.2	-0.4	-0.9	-1.0	0.2
other expenses (3)	-0.4	-0.6	0.5	4.0	-0.9
Gross fixed investments	-0.4	-1.2	-2.6	-3.6	-1.9
buildings	-1.2	-1.2	0.8	-3.3	-2.8
other investment goods	0.4	-1.1	-4.3	-3.9	-0.9
Changes in inventories and valuables	-	-0.5	-0.3	-0.5	-0.5
Total exports	0.6	1.8	-0.1	-0.6	5.6

Source: Istat

(1) annual data unadjusted for the number of w orking days

(2) includes changes in inventories and valuables

(3) government expenditure and non-profit institutions serving households

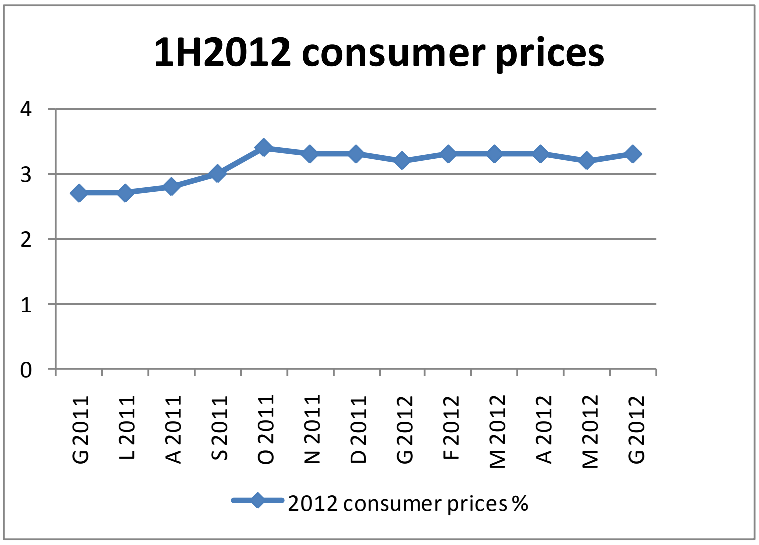
(4) contributions to GDP grow th on the previous period, percentage points

The drop in Italy's GDP caused internal consumption and investments to fall which resulted in increased unemployment, weaker spending power and a drop in consumer confidence.

Overall, we expect the recession to continue through the second half of 2012, with a recovery beginning not before the second half of 2013.

The Bank of Italy estimates that if the spread between 10-year BTP and similar German securities remains at around 450 basis points, GDP will fall, on average, by 2% in 2012 and by 0.2% in 2013.

In first half 2012 inflation was slightly above 3%, reaching 3.3% (Source: ISTAT).



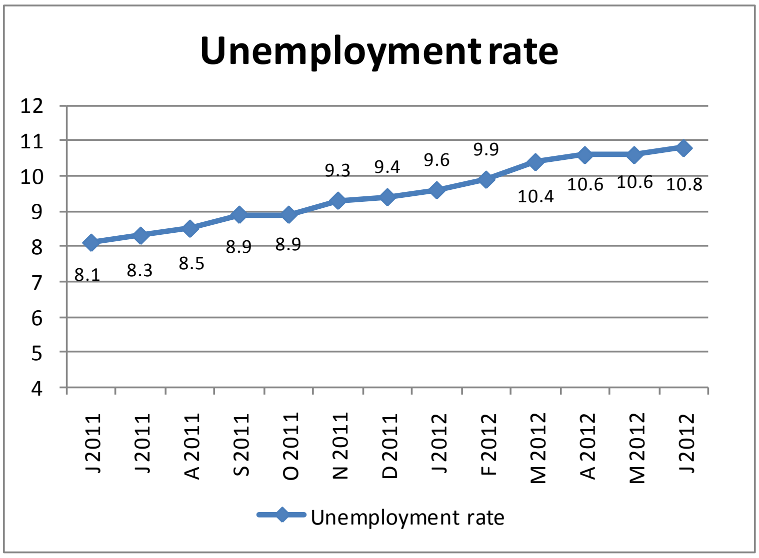
Inflation in June 2012 reached 2.8%.

Unprocessed food prices increased noticeably more than inflation YoY. Conversely, monthty energy costs fell due to the drop in fuel prices.

In the first six months of 2012 3M and 6M Euribor rates continued to fall reaching 0.66% and 0.93%, respectively, in June 2012.

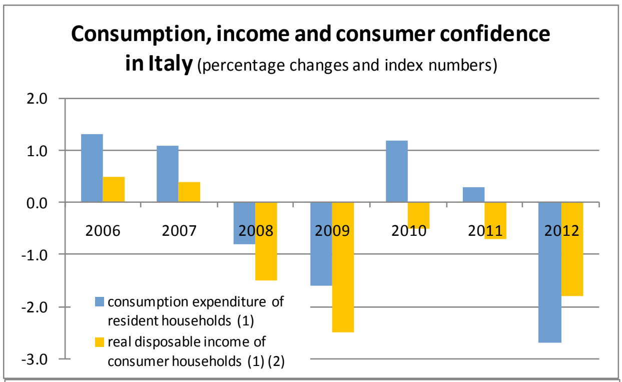
The unemployment rate continued to rise from June of last year, reaching 10.8% in June 2012.

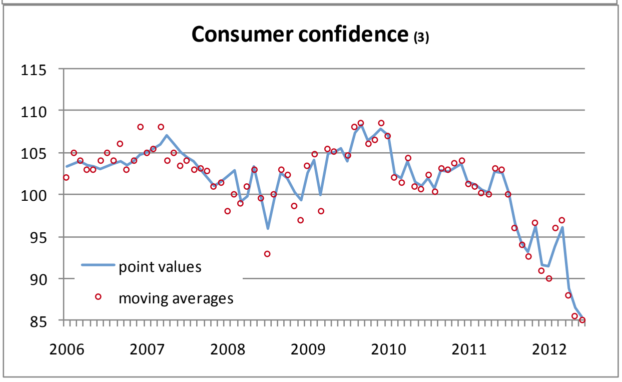
Youth unemployment (15-29 years of age) continues to be high and in June 2012 reached 34.3%, 1 percentage point less than the prior month (Source: ISTAT).



(Source: ISTAT).

Family spending continued to be very weak in first half 2012 due to the lack of disposable income and the deterioration of the labour market. Consumer confidence also reached historic lows.





Source: calculations and estimates based on Istat data

(1) chain-linked price volumes, percentage change over the previous year. Up to 2011 annual data, for 2012 percentage changes in 1Q on the same period in 2011

(2) deflated by deflator of consumption for expenditure of resident households

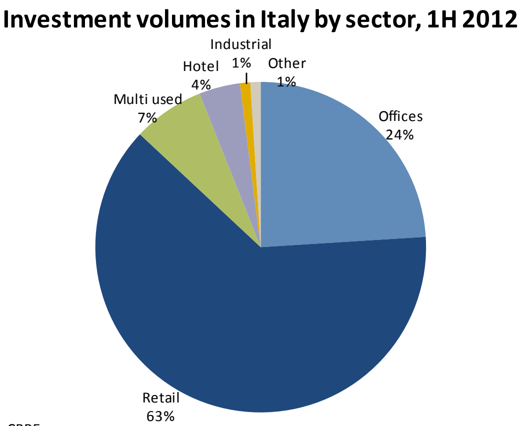
(3) Seasonally adjusted monthly data. Indexes: 2005=100

(4) Monthly moving average in the three months ending in the reference

Investments and real estate development in Italy

In first half 2012 real estate investments in Europe reached €50 billion. In Italy real estate investments reached €1.75 billion in the half, a drop of 9% with respect to the same period in 2011.

Excluding the maxi Simon Property transaction, which involved the disposal of 49% of the shares in GCI and alone represented €1 billion, real estate investments in the half totalled €834 million.



Source: CBRE

Market uncertainties drove investors to core assets with low risk profiles.

The results posted in the first six months of 2012 are testimony to this trend. If the Simons Property transaction is excluded, investors preferred the office sector with investments of €420 million or 50% of total investments, while less then €200 million were invested in the retail sector and half of this amount involved two shopping centers while the remaining investments were made in smaller retail structures (supermarkets, mid-sized stores and “high street” units). Transactions involving “high street” units increased noticeably due to both the availability (often bank branches) and the type of asset: found in central areas, long term leases with solid tenants and limited investments which attracts what today are the key domestic players. Specialized international retailers, already active in Italy, like ECE, Westfiled and Eurocommercial continue to be interested in the market while others, like Unibail Rodamco, are looking to enter the Italian market.

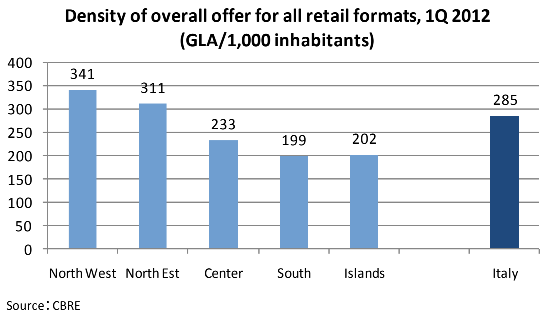
The main retail real estate investments made in first half 2012, excluding the Simon Property disposal, were:

GDO	CITY	DATE	GLA (mq)	PRICE ML/(€)	BUYER	SELLER
RETAIL WAREHOUSE	CORSICO	I Q 12	0	11.1	REVFIN SPA	RREEF SGR
RETAIL WAREHOUSE	ALESSANDRIA	I Q 12	4.88	5.0	NN	REDEVCO
OTHER	SAN GIULIANO	I Q 12	0	5.7	CARREFOUR	APN FOUNDS MANAGEMENT
OTHER	COMO	I Q 12	2,172	2.7	NN	ATLANTIC 1
OTHER	GALLARATE	I Q 12	0	7.1	CARREFOUR	APN FOUNDS MANAGEMENT

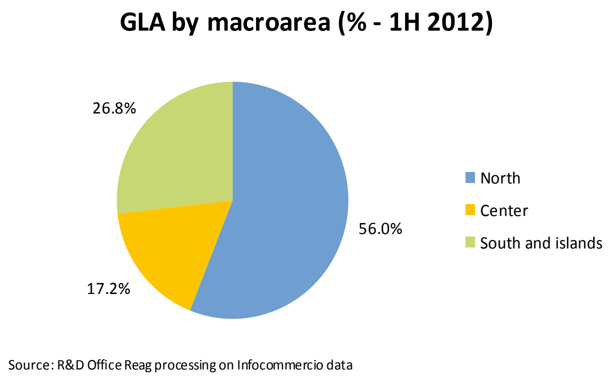
The only transaction that took place in second quarter 2012 was the purchase of the “Sidicium” Shopping Center in Teano (Caserta) by P&G Alternative Fund.

In first quarter 2012 the retail stock reached almost 16 million m^2 GLA, of which 90% is shopping centers, 7% retail parks and 3% factory outlets.

The average density of all retail formats in Italy rose further in the first three months of the year, reaching 265 m^2/1000 inhabitants.



GLA distribution is still uneven in Italy; the biggest concentration is in Lombardy, Emilia Romagna, Piedmont and Veneto:

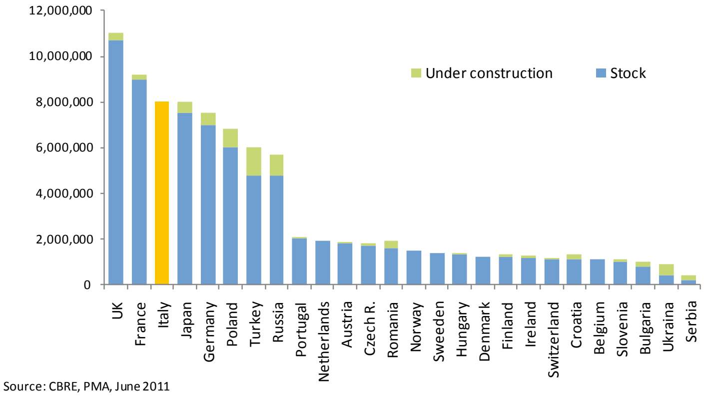


In first quarter 2012 three new projects were completed for a total GLA of approximately 121 thousand m^2: Le officine – Savona – a multipurpose center with a GLA of 17,500 m^2; Le Terrazze – La Spezia – a shopping center with a GLA of 38,600 m^2; Conca d’Oro – Palermo – a shopping center with a GLA of 54,890 m^2.

The openings made in the second quarter include: the " La Cartiera" Shopping Center in Naples, the "Corridomnia" Retail Park in Macerata and the expansion of the "I Gigli" Shopping Center in Florence with the construction of a retail park.

Even though construction is slowing, Italy is among the top countries in Europe in terms of future development.

Stock exhisting shopping centers & pipeline GLA/1,000 inhabitants



Source: CBRE, PMA, June 2011

Today we estimate that 34 retail projects will be completed in the 2012-2013, for a total GLA of approximately 890,000 m^2.

Number of shopping centers under construction in Italy by region, 1Q 2012

Source: CBRE

Despite the very uncertain economic environment and the consumer crisis, the demand of Italian and international investors for prime and central retail space is still significant.
In the first three months of 2012 new openings in key locations in Milan included Burberry in via Montenapoleone, Longchamp in via della Spiga and the new D&G flag ship store.
H&M opened its first "Cos", the Swedish brand's top line, store in corso Venezia.

The main trends in the Italian real estate markets that emerged in the first six months of the year include:

- reduction in real estate investments across all asset classes.
- international investors view Italy as a secondary market and are waiting for re-pricing before considering investments in the Italian market.
- the retail sector continues to be the sector that the few international investors prefer.

ROMANIA

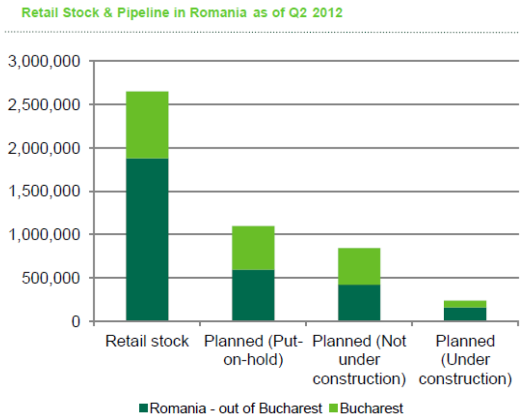
The macroeconomic scenario

In first quarter 2012 the Romanian GDP fell by 0.3% and the World Bank lowered its expectations for GDP growth in 2012 from 1.5% to 1.2% (Source: World Bank).

In first half 2012 inflation continued to fall reaching 2.4%, 60 bps below the National Bank of Romania's forecast which called for inflation of not more than 3%.
The exchange rate at 30 June 2012 reached 4.4494 ron/euro.
Unemployment rose in first half 2012 reaching 7.7% in May, a level which is still below the European average (11.1% in May 2012) (Source: Eurostat).

Consumer trends and the real estate market

In first half 2012 the stock of shopping centers (including retail parks and outlets) reached a GLA of approximately 2,650 thousand m^2, approximately 55,000 m^2 of which is new GLA (which corresponds to the only project completed in the northeast of Romania, Palas Mall) (Source CBRE).
The development pipeline in Romania reached 850,000n m^2, of which 230,000 m^2 is under construction.



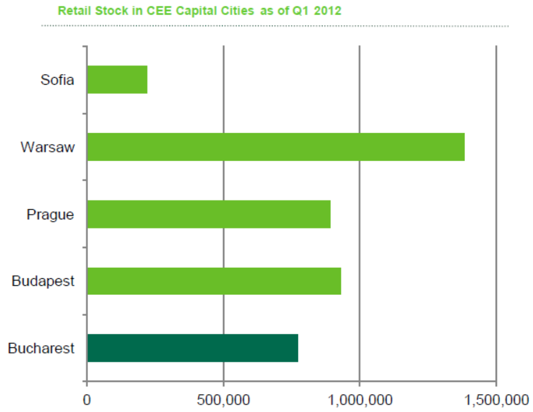
(FONTE: CBRE)

The shopping centers which are expected to open in 2012 include Cora rahova, Cangrasi Shopping Center and InterCora Mihai Bravu in Bucharest, along with other centers in Bacau and Ploiesti.
Expected openings in 2013 include Corall Costantia, Promenada Mall and Cora Slobozia.

Retail schemes under construction in Romania (selection)

Retail Scheme	GLA (sq m)	Developer	City
Promenada Mall	35,000	Raiffeisen Evolution	Bucharest
Uvertura Mall	15,000	Moldova Universal	Botosani
Ploiesti Shopping City	55,000	Carrefour Property & NEPI	Ploiesti
Cora	18,500	Romania Hypermarche	Bacau
Cora Rahova	22,000	Romania Hypermarche	Bucharest

The construction projects are concentrated largely in Bucharest, where the retail offering is in line with the main capitals of central Europe.



(FONTE: CBRE)

In first half 2012 the prime yields and prime rents for shopping centers were largely unchanged with respect to the prior year coming in at 8.75% and €600/m^2.

The yields were higher, but in line with the end of the prior year, for the on-street spaces in Bucharest where prime yields reached 10.25% and the rents per m^2 €840.

The interest of international retailers continues to be concentrated, above all, in Bucharest and in Romania's main cities.

The big international fashion retailers like H&M now have a sizeable number of points of sale: the Inditex Group expects to have 90 sales points at the end of 2012, while H&M opened its 15th point of sale in June.

With regard to international food retailers, Mega Immage and Lidl now have 140 units, while Profi has more than 120 units.

In 2012 the fast food chain Subway opened its first point of sale in Romania, where it has an important plan for new openings and franchise contracts already signed.

With regard to luxury brands, Escada and Burberry have selected prestigious locations in the shopping arcades of five star hotels.

The Real Estate Portfolio

FREEHOLD ASSETS

At 30 June 2012 the IGD Group's 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 2012 was estimated, based on the independent appraisals of CB Richard Ellis and Reag at €1,913.66 million.

The IGD Group's real estate portfolio at 30 June 2012 includes the following classes of property:

- Hyper and super", found in 8 regions in Italy; "Shopping malls and retail parks", found in 11 regions in Italy; "City Center" , retail properties found along the main shopping streets of urban areas; "Other" or miscellaneous properties pertaining to freehold shopping centers or office units;
- "assets held for trading", relative to the multi-purpose project in Livorno;

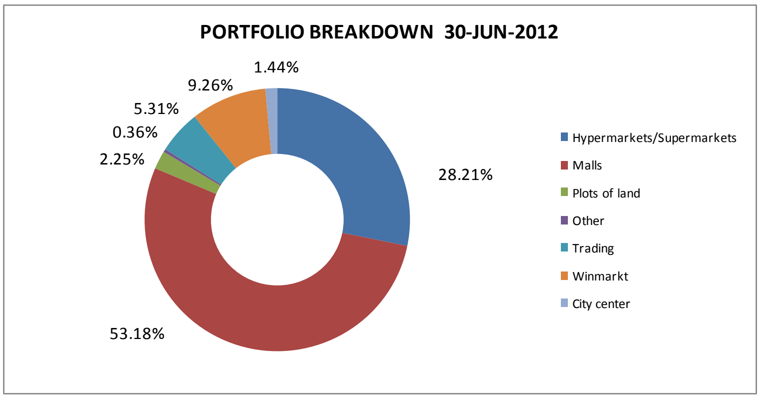
- “plots of land”, found throughout Italy which are to be used for future expansion and/or new retail projects;
- Winmarkt”, a portfolio of properties used primarily for retail purposes found throughout Romania, but not in Bucharest.

Property cathegory	% portfolio	Appraiser
Hypermarkets and supermarkets	13.28%	CBRE
	14.92%	REAG
Shopping malls and retail park	29.74%	CBRE
	23.44%	REAG
City center	1.44%	CBRE
Other	0.33%	CBRE
	0.03%	REAG
Asset held for trading	5.31%	CBRE
Development and lands	1.70%	CBRE
	0.55%	REAG
Winmarkt (Romania)	9.26%	CBRE
	100.00%	
Total	61.06%	CBRE
	38.94%	REAG
	100.00%	

ANALYSIS OF THE FREEHOLD ASSETS

GEOGRAPHICAL BREAKDOWN AND COMPOSITION OF THE PORTFOLIO

In first half 2012 the IGD Group’s real estate portfolio was unchanged with respect to 31 December 2011 and at 30 June can be broken down as follows:

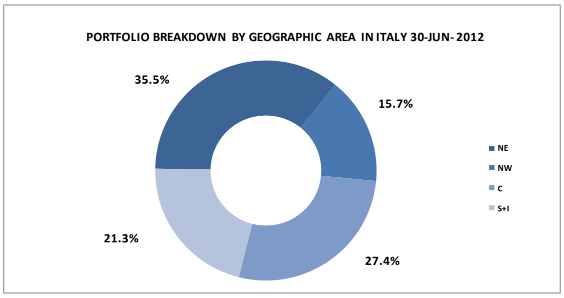


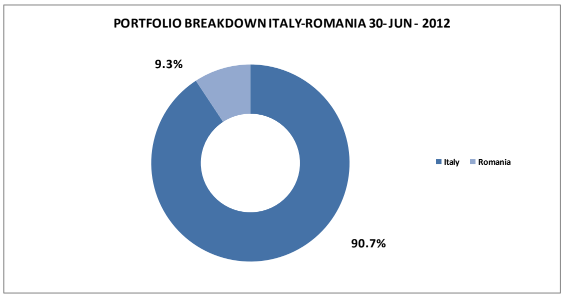
IGD’s properties in **Italy** total 51 (including the 50% of the “Darsena” Shopping Center) and can be broken down as follows:

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

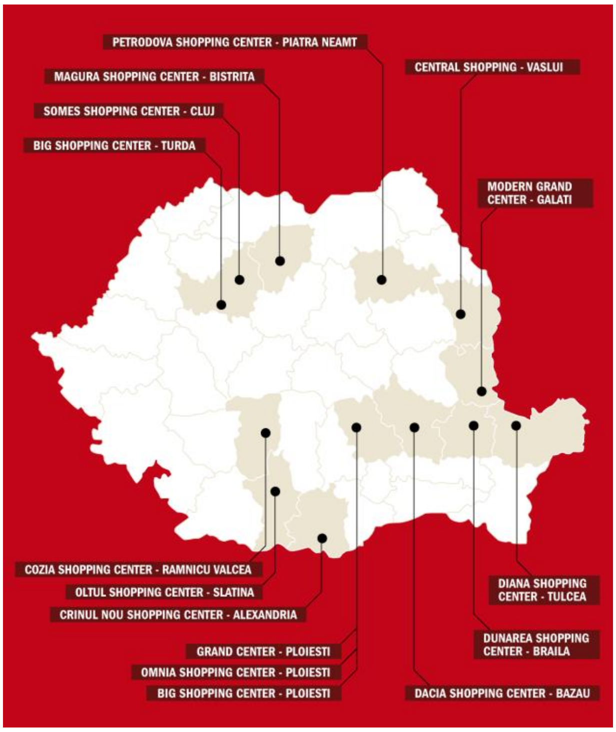
The breakdown of the properties by region and geographical area is shown below:

E.Romagna: 5 malls, 8 Hyper-Super, 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 hyper
Marche: 1 mall, 3 hyper, 2 other, 1 plot of land
Abruzzo: 1 mall, 1 hyper, 1 plot of land
Campania: 1 mall, 1 hyper
Lazio: 2 malls; 2 hyper
Tuscany: 1mall, 1 hyper, 1 asset held for trading
Sicily: 2 malls, 2 hyper

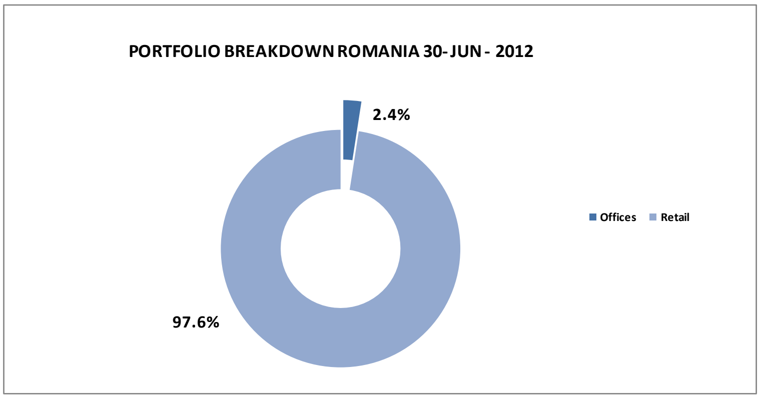


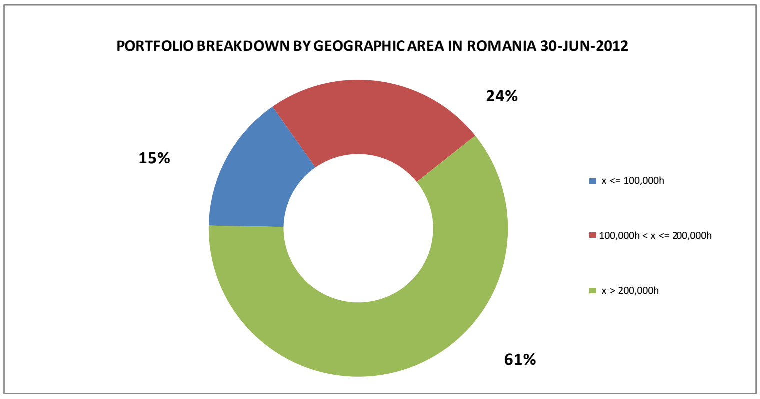


IGD's real estate assets in **Romania** total 16, broken down as follows:



- 15 shopping centers
- 1 office building





ITALY

In first half 2012 persistent economic uncertainty in the Euro zone and Italy, particularly with regard to the Italian government bond market, as well as the increased tax burden (increase in municipalities' IMU rates) impacted the real estate appraisals, as was the case with the year-end 2011 appraisals.

HYPERMARKETS AND SUPERMARKETS

IGD's hypermarkets and supermarkets are leased on a long-term basis to Coop Adriatic 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 total value of the hypermarkets and supermarkets at 30 June 2012 amounted to €539.8 million, an increase of 0.4% with respect to 31 December 2011.

The increase in the market value is primarily attributable to the stable revenue streams and to the expiration of a few lease clauses relative to newly opened hypermarkets. The occupancy rate is 100%, with an average yield of 6.51% on a like-for-like basis, an increase of 0.14% with respect to 31 December 2011.

SHOPPING MALLS AND RETAIL PARKS

In first half 2012 the perimeter of this class of property did not change.

The market value of the shopping malls and retail parks at 30 June 2012 reached €1,017.6 million, a decrease of -1.17% with respect to 31 December 2011, to which the investments made during the half to complete restyling and extraordinary maintenance should be added. The appraisal was affected mainly by the increased tax burden (IMU), the estimated cost of extraordinary maintenance, as well as the forecast drop in sales over the coming years. Despite the market turbulence linked to the sovereign debt crisis in the Euro zone, particularly with regard to Greece, Spain and Italy, the discount and cap rates used by the appraisers was largely unchanged with respect 31 December 2011. The average yield at 30 June 2012 was 6.55%, an increase of +0.05% with respect to 31 December 2011. At 30 June 2012 the financial occupancy rate, the GLA rented, calculated at market rates and expressed as a percentage of the market value of the total GLA rented at market rates, reached 95.6%. This represents a drop of 0.92% with respect to 31 December 2011, due to the increase in vacant space primarily at the Millennium Shopping Center (TN) following the closing of a mid-size store.

CITY CENTER

This class of property comprises a complex of properties which are adjacent and connected to one another located in downtown Bologna.

The market value of this class of property at 30 June 2012 amounted to €27.5 million, an increase of 0.7% with respect to 31 December 2011 which is explained by increase in the percentages paid based on sales volumes. The yields at full capacity, in fact, reached 5.64%, largely in line with the previous period. The occupancy rate is 100%.

DIRECT DEVELOPMENT PROJECTS (PLOTS OF LAND)

At 30 June 2012 the class of property "Plots of Land for Development" consisted of four plots of land. A new shopping center is in the process of being built on one of them, while the other three will be used for future expansion of existing shopping centers.

The total market value of this class of property at 30 June 2012 amounted to €43.03 million, an increase of 0.54% with respect to 31 December 2011 due primarily to the progress of the construction work relating to the Chioggia project.

ASSETS HELD FOR TRADING

The assets of Porta Medicea, the developer of the multipurpose project in Livorno, were valued at 30 June 2012 by the independent appraiser CB Richard Ellis at €101.6 million, a decrease of 0.78% with respect to the prior year due to the increased cap rate and the increase in the amount of time needed to generate revenue.

OTHER

At 30 June 2012 the class of property "Other" consisted of one store and a few offices, plus a wholesale zone and a fitness area pertaining to freehold shopping centers. This class of property includes the offices located on the second floor of the Centro Direzionale Bologna Business Park office building, where the IGD Group's headquarters are located, leased to the Hera Group, as well as the offices located on the third and last floor which are leased to Librerie Coop.

The market value of this class of property at 30 June 2012 amounted to €6.8 million, a decrease of 1.31%. with respect to the previous period.

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 2012 was €177.3 million, down 0.39% with respect to 31 December 2011. At 30 June 2012 the 15 shopping malls were valued by the independent appraiser CB Richard Ellis at €173 million, a drop of 0.4% with respect to the prior year explained primarily by the estimated cost of extraordinary maintenance and an expected drop in revenue growth.

The gross yields of the 15 malls reached 7.23%, a drop of 0.34% with respect to 31 December 2011.

The market value at 30 June 2012 of the office building Junior in Ploiesti reached €4.3 million, in line with the prior period.

At 30 June 2012 the financial occupancy rate, the GLA rented calculated at market rates expressed as a percentage of the market value of the total GLA rented at market rates, reached 88.37%. This represents a drop of 0.4% with respect to the prior year due to vacant space which, while down as a whole, shifted and was deliberately concentrated in the most prestigious centers in order to make them available to more international tenants.

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

Real estate investments

Class of property	Book value 30/06/2012	Acounting method	Market value at 30/06/2012	Date of last appraisal
IGD Group - investment property				
Hypermarkets and supermarkets	539.79	fair value	539.79	Aug-12
Shopping malls Italy	1,017.64	fair value	1,017.64	Aug-12
City center	27.50	fair value	27.50	Aug-12
Other	6.80	fair value	6.80	Aug-12
Total Italy	**1,591.73**		**1,591.73**	
Shopping malls Romania	173.00	fair value	173.00	Aug-12
Other Romania	4.30	fair value	4.30	Aug-12
Total Romania	**177.30**		**177.30**	
Total IGD Group	**1,769.03**		**1,769.03**	

Direct development initiatives

Class of property	Book value 30/06/2012	Acounting method	Market value at 30/06/2012	Date of last appraisal
Direct development initiatives				
Plots of land and ancillary costs	42.46	adjusted cost	43.03	Aug-12
Total direct development initiatives	**42.46**		**43.03**	

Assets held for trading

Class of property	Book value 30/06/2012	Acounting method	Market value at 30/06/2012	Date of last appraisal
Assets held for trading*				
Plots of land, buildings and work in progress	100.94	adjusted cost	101.60	Aug-12
Consolidation difference	0.28			
Other ancillary costs	0.11			
Assets held for trading	**101.33**	**adjusted cost**	**101.60**	

* 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.

	Investment property, plots of land, development initiatives, assets held for trading		Market value freehold property, plots of land, direct development initiatives, assets held for trading	Difference
Total	**1,912.82**		**1,913.66**	**0.84**

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.

The last of the five yearly installments of €6,159,443 (without interest) was paid on 16 June 2012.

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 19 April 2012 the Shareholders' Meeting approved payment of a dividend totalling €23,861,814 for 2011 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 30.06.2012 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-LAW 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 ticker symbols: RIC: IGD.MI BLOOM: IGD IM ISIN: IT0003745889

IGD SIIQ Spa's share capital at 30 June 2012 amounted to €322,545,915.08 comprised of 330,025,283 shares without a stated par value. Following the Dividend Reinvestment Option transaction, begun on 21 May 2012 and successfully completed on 1 June, 20,776,022 newly issued ordinary shares of IGD with dividend rights effective 1.1.2012 were subscribed for a total of €13,296,654.08.

Indices in which IGD is included:

FTSE All-Share Capped, FTSE Italia All-Share, FTSE Italia STAR, FTSE Italia Small Cap, FTSE Italia Finanza, FTSE Italia Beni Immobili 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*

IGD's Stock Price Performance and Volumes

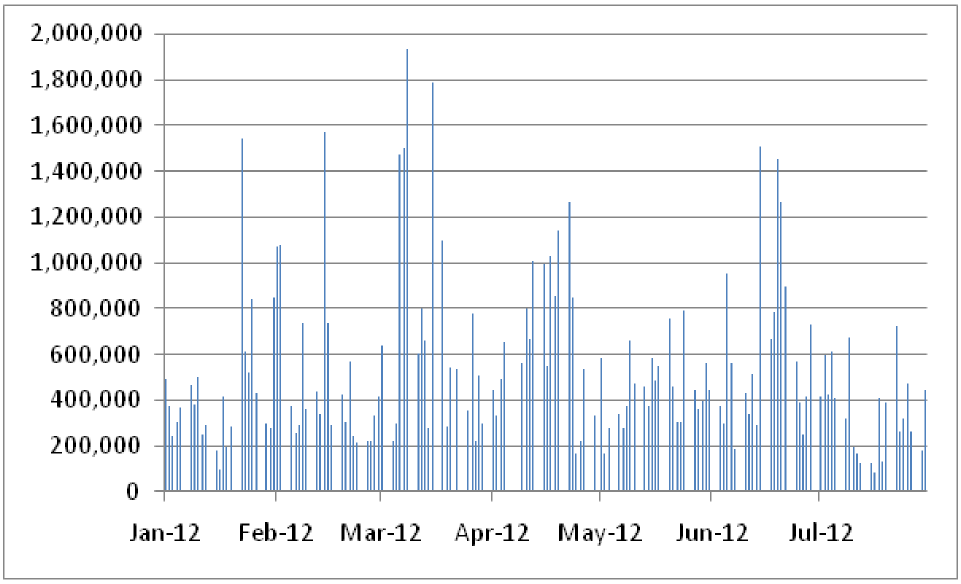
Adjusted closing price of IGD's stock as of 2 January 2012

Source: Borsa Italiana

In the first six months of 2012 IGD's stock price fell by 12.3% from the closing price €0.74 at 30.12.2011 to €0.64 at 29 June 2012. During the half the stock performed very erratically.

In the initial phase, in fact, which goes from January to March 2012, IGD's share price rose reaching a period high of €0.94 on 21 March: this movement reflected the expectations that the IGD Group would report good FY 2012 results; these expectations were met when the year-end figures were published after the Board of Directors meeting held on 8 March 2012 and the stock continued to rise in the following weeks.
Beginning with the second day of trading in April, the prior trend was inverted and IGD's stock fell to its period low reaching €0.53 on 18 June 2012, a decrease of approximately 44% with respect to the March high. This movement, completely unaffected by the Company's solid fundamentals – as reported also in the first quarter results published in May 2012 which continued to show stability in terms of both EBITDA and financial soundness – can only be explained by the great uncertainty regarding the ability of the Euro zone's southern European countries to sustain their sovereign debt in an environment in which the real economies continue to show signs of a recession.
From the second half of June on, the price of IGD's stock recovered part of the previous decline reaching €0.70 at the beginning of July. In this instance, as well, as IGD reported no new news, the stock's performance was a direct consequence of the slowdown in the stock sell-off thanks to the agreements reached at the EU Summit held 27-28 June 2012, above all with regard to fiscal union despite the fact the ESM (European Stability Mechanism) has yet to be officially approved. This will not happen before mid-September when the German Constitutional Court will rule on the constitutionality of the ESM.

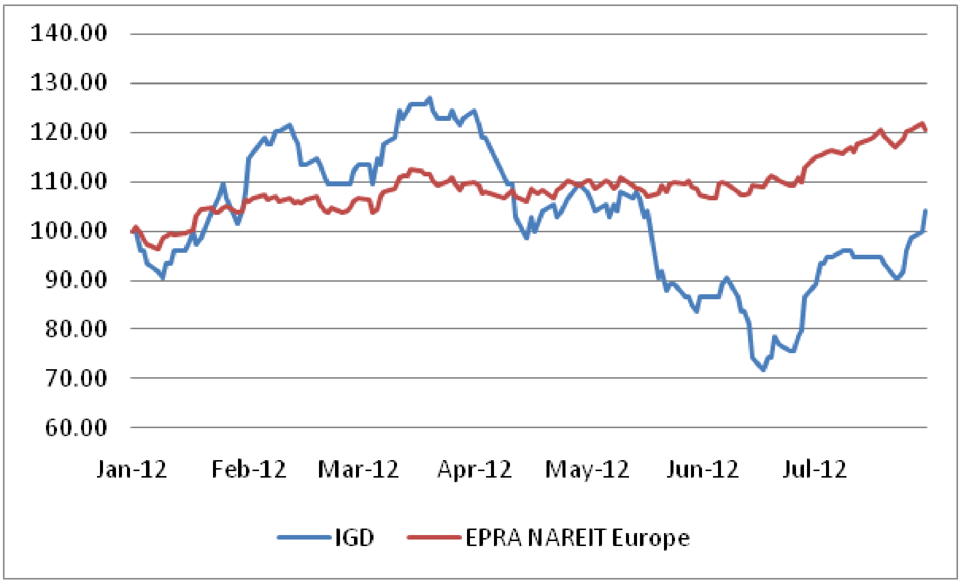
Daily volumes of IGD's stock as of 2 January 2012



Source: Borsa Italiana

In the first six months of 2012 an average of approximately **570,000** IGD shares were traded each day, a significant increase with respect to the average of 330,000 shares per day recorded in first half 2011 and the average of 350,000 shares traded per day in FY 2011. In first half 2012 during a number of sessions more than 1 million IGD shares were traded, peaking when the stock reached its period high in March 2012 and period low in June 2012.

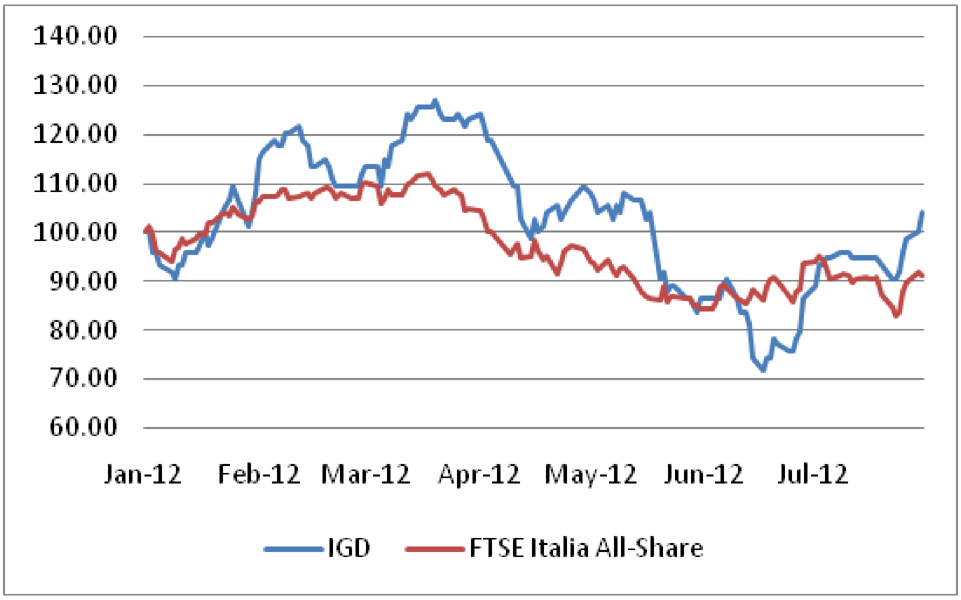
IGD's stock price compared with the European Real Estate Index (base 2.1.2012 = 100)



Source: EPRA data processed by IGD

The comparison of IGD's performance with the European sector index shows a net divergence, with the price of IGD's stock falling by 12.3% from the end of 2011 to 30 June, as mentioned above, while the EPRA NAREIT Europe rose 13.3%. This dynamic, which became clear only mid-May 2012 (IGD amply outperformed the index through the end of March), can be explained, on the one hand, by the correlation of IGD's stock performance with the high level of perceived country risk for Italy and, on the other, by the composition of the sector index EPRA NAREIT Europe which includes stocks with extremely sound fundamentals which are not part of peripheral Europe and which benefited in this period from a lower financing costs. The positive performance of the European real estate index is also fuelled by expectations that an aggregation process will begin which could result in sizeable stock purchases.

IGD's stock price compared with the Italian stock exchange index (FTSE Italia All-Share) as of 2 January 2012



Source: Borsa Italiana

Lastly, the comparison of IGD's performance with the Italian stock exchange index, the FTSE Italia All-Share, shows that IGD's shares performed in line with the index in the first twelve months of 2012, despite the extreme volatility of IGD's stock in the period.

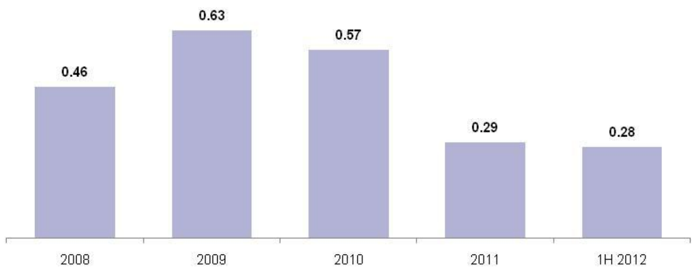
THE NAV

		1H 2012	FY'11
Market value freehold properties, plots of land, direct development projects and assets held for trading	a	1,913.66	1,924.65
Investment property, land, development projects and assets held for trading	b	1,912.82	1,916.79
	c=a-b	**0.84**	**7.86**
Net equity (including third parties)		756.15	767.05
Treasury shares (incl. commissions)		22.25	22.25
Adjusted net equity	h	**778.40**	**789.31**
IGD's current stock price	30-giu-12	**0.64**	**0.74**
Potential capital gain/(loss) on treasury shares	d	**(15.12)**	**(14.02)**
Total capital gain/(loss)	e=c+d	**(14.28)**	**(6.16)**
NAV	f=e+h	**764.12**	**783.15**
Number of shares	g	330.03	309.25
NAV per share	f/g	**2.32**	**2.53**
Tax rate on capital gains/losses		27.6%	27.6%
Total net capital gain/(loss)	i	**(14.51)**	**(8.33)**
NNAV	l=h+i	**763.89**	**780.98**
NNAV per share	m=l/g	**2.31**	**2.53**

Both the NAV and the NNAV fell with respect to 31 December 2011. This decrease is explained by:

1) the lower potential capital gain generated by the difference of the market value and real estate investments which fell from 7.86 to 0.84;
2) the capital loss on treasury shares;
3) the drop in total equity;
4) the increase in the number of treasury shares following the Dividend Reinvestment Option transaction which resulted in an increase in share capital of €13,296,654.08 and an increase in the total number of shares of 20,776,022.

The following graph shows the stock price (as of the last day of the year or the half)/NNAV ratio from 2008 through 30 June 2012.



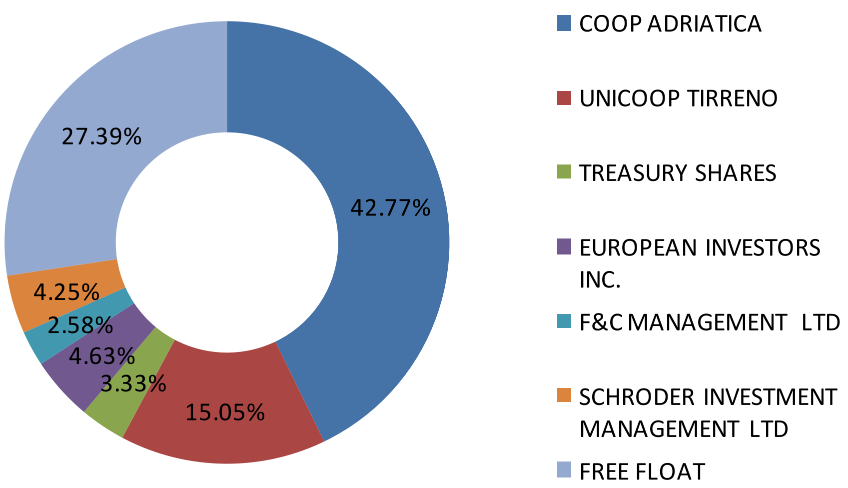
The Ownership Structure

In the first part of 2012, the structure of the institutional investors owning more than 2% of IGD's share capital changed following the exercise of the Dividend Reinvestment Option.

On 13 June 2012 AXA Investment Managers announced that it had reduced its interest from 2.05% to 1.969%, while on 23 July 2012 UniCoop Tirreno declared that it had increased its interest in IGD's capital to 15.05%.

Based on the shareholder register three high profile institutional investors hold more than 2% of IGD's share capital: Schroder Investment Management (4.25%), European Investors Inc. (4.63%) and F&C Management Ltd. (2.58%).

Main shareholders at 23 July 2012



Source: IGD SIIQ SPA's shareholder register and Consob notices regarding significant equity investments

Shareholders' Agreements

The Shareholders' Agreement signed by Coop Adriatica and Unicoop Tirreno on 12 June 2012, and updated on 2 July 2012, deemed relevant for the purposes of Art. 122 of TUF, involves 188,532,741 ordinary shares or 57.127% of the Company's share capital; of which 168,312,894 or 51% of the share capital are bound by a voting block; the remaining shares are considered free shares.

Analyst coverage and Investor Relations

IGD continues to have ample broker coverage through 4 Italian and 4 international brokers who had an average target price at the beginning of August 2012 of €0.94 versus €1.37 at the beginning of the year. At the end of July 2012, 4 brokers had a "buy" recommendation on IGD's stock, while three were neutral. Only one broker had an "underweight" recommendation.

In first half 2012 two conference calls were organized to present the results for FY 2011 and first quarter 2012.

The Company also organized roadshows in London, Amsterdam and Paris and in March 2012 IGD participated in the STAR Conference in Milan organized by Borsa Italiana.

Significant Events

Corporate Events

On 8 March 2012 the Board of Directors approved the draft separate and consolidated financial statements for FY 2011 and proposed a dividend of €0.08 per outstanding share.
With a view to strengthening the Company's capital structure the Board of Directors also decided to propose that the shareholders approve a capital increase excluding pre-emption rights which will give those shareholders, coupon holders entitled to receive the 2011 dividend, the possibility to reinvest a part, not to exceed 80%, of their dividend in IGD. This transaction, in line with the widespread practice adopted by a number of European REITs, gives dividend recipients the possibility to reinvest in IGD and IGD to recapitalize itself.
IGD's Board of Directors also approved the Report on Corporate Governance and Ownership Structure and the Directors' Remuneration Report which were included in the Annual Report.

On 11 April 2012, the extraordinary shareholders' meeting of the subsidiary Immobiliare Larice S.r.l., with registered office in Ravenna (RA), Via Villa Glori n. 4, and headquarters in Bologna, Via Trattati Comunitari Europei 1957-2007 n. 13, resolved to change the company's name to IGD MANAGEMENT S.r.l..

During the Annual General Meeting held on 19 April 2012, IGD's shareholders approved the FY 2011 financial statements, as presented during the Board of Directors' meeting held on 8 March 2012 and resolved to pay a dividend equal to € 0.08 per share, an increase of 6.7% with respect to the €0.075 paid in the prior year.
During the ordinary AGM shareholders also renewed the authorization granted to the Board of Directors to buy and sell treasury shares a on one or more occasions up to the maximum permitted by law, to undertake trading and hedging transactions and to invest liquidity to allow for the use of treasury shares in transactions related to current operations and business projects in accordance with the strategic guidelines pursued by the Company, in relation to which opportunities arise to exchange, swap, contribute or otherwise dispose of said shares; the authorization to purchase treasury shares will be effective for eighteen months as from the shareholders' approval of 19 April 2012, while there is no time limit on the authorization to dispose of the shares. The purchases must be done in accordance with Art. 132 of Legislative Decree 58/1998, Art. 144-bis of the Regulations for Issuers, and any other applicable regulation, as well as the market practices recognized by Consob and must be done in accordance with Art. 5, par. 1 of the European Commission's Regulation n. 2273/2003 of 22 December 2003.
The ordinary AGM also appointed the new Board of Directors and the new Board of Statutory Auditors (see pg. 2) who will remain office through the Annual General Meeting called to approve the financial statements at 31 December 2014.
IGD's new Board of Directors, in anticipation of laws which will introduce quotas relative to gender equality in administrative and control bodies, now includes 3 female directors. IGD's new Board of Statutory Auditors also includes female members in anticipation of the laws which introduce gender quotas.

The extraordinary AGM also approved the proposal to increase share capital for cash, pursuant to Art. 2441, fourth paragraph, second sentence, of the Italian Civil Code, excluding pre-emption rights, by up to 10% of the Company's pre-existing share capital. The capital increase is reserved exclusively for those entitled to receive the dividend paid for 2011.
The Dividend Reinvestment Option calls for:

- an increase in the share capital of up to a maximum of 80% of the 2011 dividend and, therefore, equal to €19,089.451, through the issue of ordinary shares without any stated nominal value with dividend rights;
- the capital increase may be subscribed exclusively by 2011 dividend recipients who may reinvest up to 80% of their gross dividend;
- the subscription price of the new shares will be set by the Board of Directors closer to the offer launch date based on the criteria established by the shareholders and will be equal to the average stock price recorded during the eight trading sessions prior to the launch date adjusted by (i) subtracting the amount of the 2011 cash dividend and (ii) applying a discount of a maximum of 10% and will not, at any rate, be less than €0.62 (arithmetic average of the stock's official closing price recorded in the three month period prior to 8 March 2012 adjusted by subtracting the 2011 dividend payment and applying a discount of up to a maximum of 12%).

The extraordinary AGM also approved amendments of Articles 16 (Board of Directors) and 26 (Board of Statutory Auditors) of the corporate bylaws in order to comply with Law n. 120 of 12 July 2011 n. 120 relating to equal gender opportunities within the administrative and control bodies of listed companies, as well as the amendment of Art. 6 (Share Capital, Shares, Bonds) of the corporate by-laws relating to (i) granting the Board of Directors, pursuant to Art. 2443 of the Italian Civil Code, the power to increase share capital, excluding pre-emption rights, by up to 10% of the pre-existing share capital, pursuant to Art. 2441, fourth paragraph, second sentence, of the Italian Civil Code and to (ii) eliminating the stated par value of the Company's ordinary shares.

After the Annual General Meeting was adjourned, a meeting was held of IGD's new Board of Directors, appointed for the period 2012 - 2014, which confirmed Gilberto Coffari and Claudio Albertini as Chairman of the Board of Directors and Chief Executive Officer, respectively. Sergio Costalli was confirmed as Vice Chairman of the Board of Directors. The Board confirmed the pre-existing powers, recognizing the same powers granted to the Chairman Gilberto Coffari and the Chief Executive Officer Claudio Albertini during the prior mandate.

The Board of Directors also appointed the Nominations Committee, the Compensation Committee, the Internal Control Committee, the Chairman's Committee, the Committee for Related Party Transactions, the Lead Independent Director and the Supervisory Board, who will remain in office through the expiration of the Board of Directors' term.

On 16 May 2012 Consob authorized publication of the Registration Document, the Informative Note on the Financial Instruments and the Summary Note relative to the public offering, reserved for those entitled to receive the dividends paid on IGD - Immobiliare Grande Distribuzione SIIQ S.p.A. ("IGD")'s ordinary shares for FY 2011, to subscribe a capital increase, excluding pre-emption rights, of up to a maximum of the 10% of the Company's pre-existing share capital, pursuant to Art. 2441, par. 4 (2) of the Italian Civil Code, as resolved during IGD's Annual General Meeting on 19 April 2012, for an amount not to exceed 80% of the distributable dividends or €19,089,451.

On 17 May 2012 IGD's Board of Directors determined the definitive conditions of the capital increase reserved for 2011 dividend recipients (the Dividend Reinvestment Option) based on the criteria established during the Annual General Meeting held in extraordinary session on 19 April 2012:

- the issue of a maximum of 29,827,267 ordinary shares without a stated par value, with dividend rights, which will rank pari passu with existing shares, to be offered in subscription to the 2011 dividend recipients, at a price of €0.64 per share, and charged entirely to share capital for up to a maximum of € 19.089.450,88.

- the exchange ratio was set at one new ordinary share for every 10 ordinary shares on which the 2011 dividend was paid.

Following the capital increase, the conversion price of the convertible bond loan "*EUR 230,000,000 3.50 per cent. Convertible Bonds due 2013*" was changed, in accordance withe Art. 6(vi) of the Convertible Bond Loan Regulations, from €2.75 to €2.7257, effective as of the day on which the new shares are issued.

The offer period began on 21 May 2012 and ended on 1 June 2012. In this period a total of 20,776,022 newly issued ordinary shares of IGD were subscribed, or 69.654% of the shares offered, for a total of €13,296,654.08.

Upon completion of the offer IGD's new share capital amounts to €322,545,915.08 broken down into 330,025,283 ordinary shares without a stated par value.

On 12 June 2012 Coop Adriatica and Unicoop Tirreno updated the shareholders' agreement following exercise of the dividend reinvestment option and extended the duration through 30 June 2013.

Investments, commercial agreements and financing

In 2012 Winmarkt, the Romanian subsidiary, continued with its new openings which included a new Carrefour supermarket in Braila and a new Billa supermarket in Galati, confirmation of the consolidated partnership with these primary grocery chains. With these last openings, the Winmarkt now has 6 Carrefour and 2 Billa points of sale.

The strategic restructuring of the Romanian real estate portfolio also continued with work beginning on two new facades, as well as refurbishment inside the centers.

In March 2012 a €30 million loan agreement was signed with Intesa San Paolo S.p.A., which took effect immediately. More in detail, the agreement is for a 5 year collateralized mortgage line of credit indexed to the three month Euribor with a spread of 310 bps loan. This line of credit made it possible to reduce short term exposure.

On 3 April 2012 IGD Management s.r.l. (formerly Immobiliare Larice), exercised the call option provided for under the agreements stipulated and purchased the 20% interest in Porta Medicea S.r.l held by Cooperare S.p.A..

As of that date the shareholders of Porta Medicea are IGD Management s.r.l., with 80%, and Finparco, a CMB Group company, with 20%.

In first half 2012 the lease purchase option relative to the shopping center in Rovereto provided for in the leases held with Hypo Tirol Leasing Spa was exercised.

INCOME STATEMENT REVIEW

The Group closed first half 2012 with a consolidated net profit of €8,292 thousand; the decline with respect to the same period in the prior year is attributable primarily to the change in the properties' fair value, the increase in financial charges and the increase in direct costs which were negatively impacted by the increase in property taxes (IMU).

In order to highlight the core business, the "Porta a Mare" project in Livorno, which generated its first revenue in first half 2011, is shown separately. A summary of the results follows:

CONSOLIDATED INCOME STATEMENT	CONSOLIDATED			CORE BUSINESS			"PORTA A MARE" PROJECT		
€/000	30/06/2011	30/06/2012	%	30/06/2011	30/06/2012	%	30/06/2011	30/06/2012	%
Revenues from freehold properties	52,415	54,684	4.33%	52,415	54,684	4.33%	0	0	n.a.
Revenues from leasehold properties	4,238	4,269	0.72%	4,238	4,269	0.72%	0	0	n.a.
Revenues from services	2,588	2,596	0.31%	2,588	2,596	0.31%	0	0	n.a.
Revenues from trading	1,726	0	(100.00)%	0	0	n.a.	1,726	0	(100.00)%
Revenues	**60,967**	**61,549**	**0.95%**	**59,241**	**61,549**	**3.90%**	**1,726**	**0**	**(100.00)%**
Direct costs	(9,374)	(12,012)	28.14%	(9,326)	(11,883)	27.41%	(48)	(129)	166.44%
Personnel expenses	(1,718)	(1,818)	5.79%	(1,718)	(1,818)	5.79%	0	0	n.a.
Increases, cost of sales and other costs	(1,034)	19	n.a.	0	0	n.a.	(1,034)	19	n.a.
Gross Margin	**48,841**	**47,738**	**(2.26)%**	**48,197**	**47,848**	**(0.72)%**	**644**	**(110)**	**n.a.**
G&A expenses	(2,036)	(2,039)	0.14%	(1,829)	(1,866)	2.02%	(207)	(173)	n.a.
Headquarters personnel costs	(2,750)	(2,859)	3.94%	(2,731)	(2,848)	4.28%	(19)	(11)	(44.51)%
EBITDA	**44,055**	**42,840**	**(2.76)%**	**43,637**	**43,134**	**(1.15)%**	**418**	**(294)**	**n.a.**
Ebitda Margin				***73.66%***	***70.08%***		*n.a.*	*n.a.*	
Depreciation	(484)	(652)	34.67%						
Devaluation	(140)	(423)	202.22%						
Change in FV	12,776	(10,923)	(185.50)%						
Other provisions	0	0	n.a.						
EBIT	**56,207**	**30,842**	**(45.13)%**						
Financial income	397	227	(42.73)%						
Financial charges	(20,667)	(24,252)	17.35%						
Net Financial Income	**(20,270)**	**(24,025)**	**18.53%**						
Income from equity investments	**(633)**	**(367)**	**n.a.**						
PRE-TAX INCOME	**35,304**	**6,450**	**(81.73)%**						
Income tax for the period	(5,092)	1,735	(134.08)%						
Tax rate	***14.42%***	***-26.90%***							
NET PROFIT	**30,212**	**8,185**	**(72.91)%**						
(profit)/losses related to third	(19)	107	(647.89)%						
NET GROUP PROFIT	**30,193**	**8,292**	**(72.54)%**						

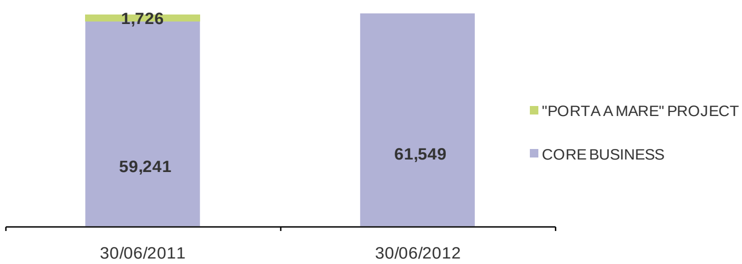
Certain cost and revenue items have been reclassified or offset which explains the difference with respect to the financial statements (please refer to operating segment information).

Revenue

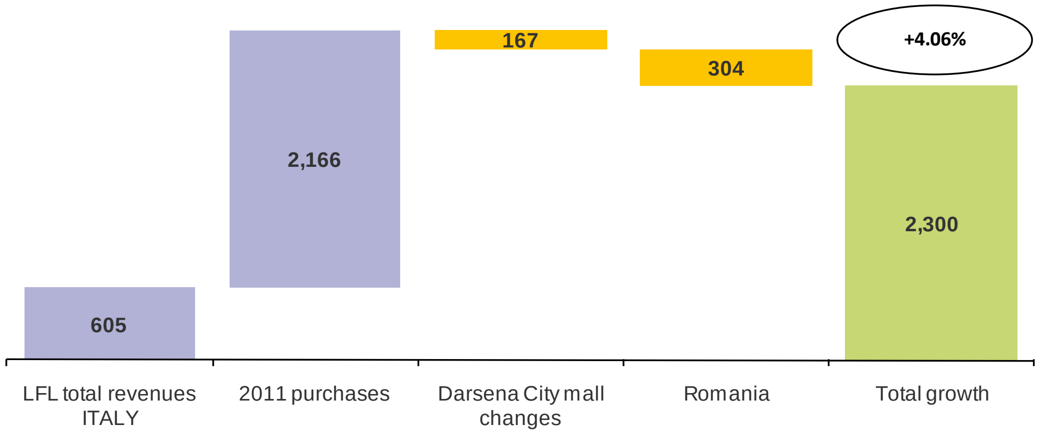
Consolidated operating revenue at 30 June 2012 amounted to €61,549 thousand, an increase of 0.95% with respect to the prior year, while revenue from core business rose by 3.90% due primarily to the impact of the new acquisitions made in 2011 for some €2,166 thousand.

Please note that, contrary to what was posted at 31/03/2012, the provisions for rents at the Darsena City mall were directly offset against revenue. The situation at 30/06/2011 was, consequently, reclassified.

Total revenues



✓ The **revenue from the rental business,** generated by freehold and leasehold properties, increased with respect to 30 June 2011 by 4.06%.



The increase of **€2,300** thousand is attributable to:

- for €**605** thousand to an increase of 1.21% in like-for-like revenue. This result was affected, in addition to the automatic indexing of the leases, by the new contracts signed in the period (26 renewals and 24 turnovers) with an average upside of 3.12%. Overall, the best results were posted by the restyled centers (Esp and Le Porte di Napoli), as well by Porto Grande, Centrosarca, Fonti del Corallo and Centro d'Abruzzo;
- for **€2,166** thousand to the new acquisitions made in 2011 which include the last two floors of the office building where the Group's headquarters are located (leased, in part, to third parties), the "City Center" buiding in via Rizzoli– both in Bologna – and the hypermarkets in Conegliano and Palermo;
- the positive effects above were impacted by a decrease of €**471** thousand in revenue from the Darsena City mall (for which provisions were increased after the bankruptcy proceedings were begun) and a drop in revenue in Romania due, in particular, to the insolvency of an important national retailer which called for a reorganization plan and caused sales to drop in some centers and resulted in lower rent in others.

✓ **Revenue from services**, largely in line with 30 June 2011, consist 95% in revenue from Facility Management which amounted to €2,460 thousand versus total revenue of €2,596 thousand.

✓ **Revenue from trading** amounted to €1,726 thousand at 30 June 2011 following the sale of a portion of an office building, while no sales were recorded in first half 2012.

Margins

The divisional gross margin fell by 2.26%, dropping from €48,841 thousand to €47,738 thousand in 2012. The table below shows the income statement highlights and the trend in margins at 30 June:

CONSOLIDATED INCOME STATEMENT	CONSOLIDATED			CORE BUSINESS			"PORTA A MARE" PROJECT		
€/000	30/06/2011	30/06/2012	%	30/06/2011	30/06/2012	%	30/06/2011	30/06/2012	%
Margin from freehold properties	46,683	46,734	0.11%	46,683	46,734	0.11%			n.a.
Margin from leasehold properties	971	766	(21.14)%	971	766	(21.14)%			n.a.
Margin from services	543	348	(35.79)%	543	348	(35.79)%			n.a.
Margin from trading	644	(110)	n.a.				644	(110)	n.a.
Gross divisional margin	**48,841**	**47,738**	**(2.26)%**	**48,197**	**47,848**	**(0.72)%**	**644**	**(110)**	**n.a.**
G&A expenses	(2,036)	(2,039)	0.14%	(1,829)	(1,866)	2.02%	(207)	(173)	n.a.
Headquarters personnel costs	(2,750)	(2,859)	3.94%	(2,731)	(2,848)	4.28%	(19)	(11)	(44.51)%
EBITDA	**44,055**	**42,840**	**(2.76)%**	**43,637**	**43,134**	**(1.15)%**	**418**	**(294)**	**n.a.**
Ebitda Margin				*73.66%*	*70.08%*		*n.a.*	*n.a.*	
Depreciation	(484)	(652)	34.67%						
Devaluation	(140)	(423)	202.22%						
Change in FV	12,776	(10,923)	(185.50)%						
Other provisions	0	0	n.a.						
EBIT	**56,207**	**30,842**	**(45.13)%**						
Financial management margin	(20,270)	(24,025)	18.53%						
Investment management margin	(633)	(367)	n.a.						
PRE-TAX INCOME	**35,304**	**6,450**	**(81.73)%**						
Income tax for the period	(5,092)	1,735	(134.08)%						
NET PROFIT	**30,212**	**8,185**	**(72.91)%**						
(profit)/losses related to third	(19)	107	(647.89)%						
NET GROUP PROFIT	**30,193**	**8,292**	**(72.54)%**						

- ✓ **SBU 1 - Property leasing - margin from freehold properties:** this margin amounted to €46,734 thousand versus €46,683 thousand in the prior year. In percentage terms, this activity continues to feature a significant margin of 85.46%, a drop with respect to the 89.06% recorded in the prior year due primarily to an increase in direct costs.

- ✓ **SBU 1 - Property leasing – margin on leasehold properties:** this margin reached €766 thousand. As a percentage of revenue the margin fell from 22.92% in first half 2011 to 17.94%.

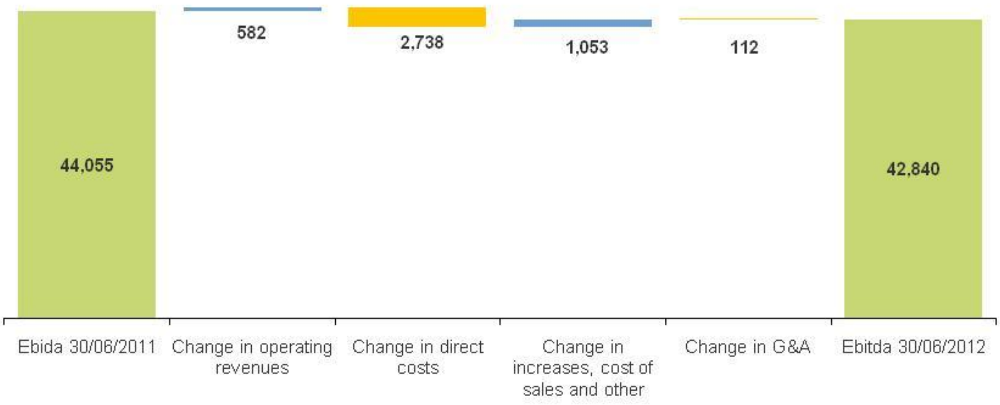
- ✓ **SBU 2 – Services - margin from service businesses:** the margin from services at June 2012 amounted to €348 thousand and represents 11.83% of revenue.

- ✓ **SBU 3 – Development and trading – margin from trading:** the margin from the "Porta a Mare" project in Livorno at 30 June was negative for some €110 thousand. With respect to the prior year, which included the sale of a property unit, this figure only reflect the costs of works in progress and the direct costs pertaining to this strategic area.

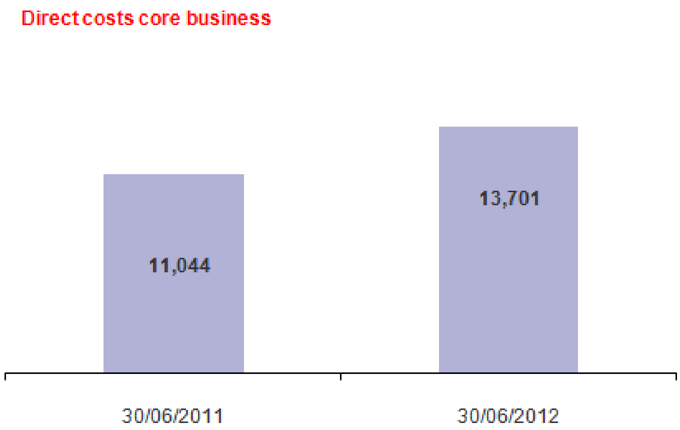
EBITDA

EBITDA for the core business at 30 June 2012 amounted to € 43,134, a drop of 1.15% with respect to the same period in the prior year while total Ebitda reached €42,840 thousand, a decrease of 2.76%.

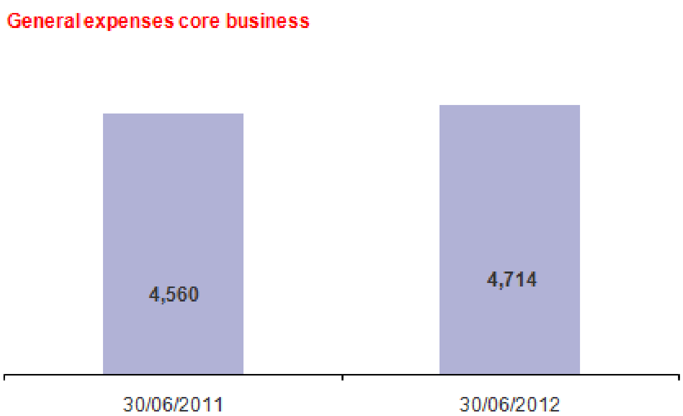
The changes in the components of total EBITDA during first half 2012 are shown below.



Direct costs, pertaining to the core business and including direct personnel expenses, amounted to €13,701 thousand, an increase of 24.06% with respect to the same period in the prior year. This change is explained primarily by the increase in property taxes – IMU (which substituted ICI) which represents about 25% of total direct costs, as well as by provisions for doubtful accounts, condominium fees and maintenance. These costs represent 22.26% of core business revenue.

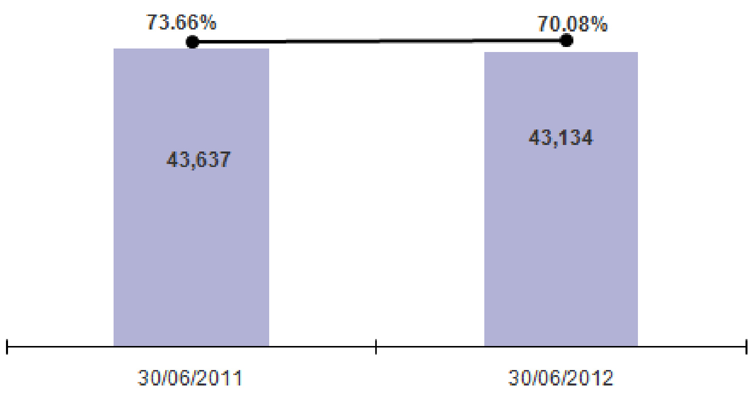


General expenses for the core business, including payroll costs at headquarters, amounted to €4,714 thousand, compared to €4,560 at 30 June 2011. The increase of 3.38% is less than proportionate to growth in revenue. These costs represent 7.66% of core business revenue, in line with the prior year.



The **EBITDA margin** for the core business came in at 70.08%, down with respect to the same period in the prior year, due to the more than proportional increase in direct costs with respect to revenue as examined above.

Ebitda and Ebitda Margin core business



EBIT

EBIT amounted to €30,842 thousand, a drop of 45.13% explained by writedowns and the change in fair value which had a total negative impact of some €11,346 thousand versus a positive impact of €12,636 thousand in the same period of the prior year.

Net financial income (charges)

Net financial charges increased from €20,270 thousand in June 2011 to €24,025 thousand in the first six months of 2012. Net of exchange losses this item increased by approximately €3,914 thousand due in part to the increase in net debt to support the Group's development, which rose from €1,063,726 thousand at 30 June 2011 to €1,095,313 thousand at 30 June 2012, and in part to a modest rise in the average cost of debt which rose from 3.87% to 4.33% and, in part to the new forward IRS contracts stipulated in 2011, but effective 1 January 2012. 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	30/06/2012	30/06/2011	*Changes*
(financial income)	(85)	(204)	119
financial charges	24,151	20,354	3,797
exchange (gains)/losses	(117)	42	(159)
interest capitalized	0	0	0
charges	76	78	(2)
Net financial income	**24,025**	**20,270**	**3,755**

Tax

The tax burden, current and deferred, at 30 June 2012 amounted to €1,735 thousand positive and is primarily attributable to the effect of the fair value adjustments which resulted in the recognition of deferred tax assets and the reversal of deferred tax liabilities which had a positive impact on the total tax rate of

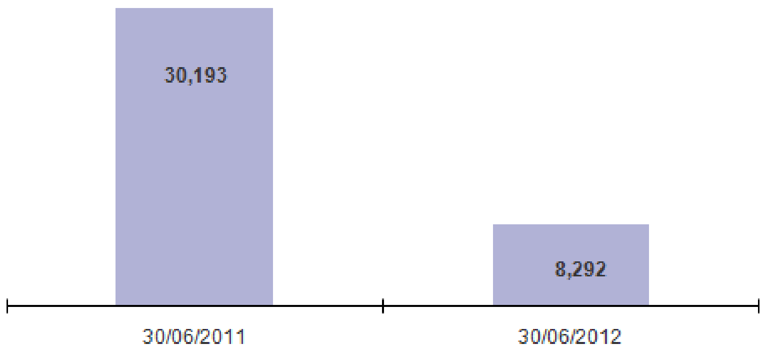
27.69%. Net of the fair value effect the tax rate reaches 8.29%, basically in line with the 8.43% recorded in the same period of the prior year.

Income tax	30/06/2012	30/06/2011	Change
Current taxes	744	756	(12)
Deferred tax liabilities	(1,189)	3,506	(4,695)
Deferred tax assets	(1,288)	1,152	(2,440)
Out-of-period income/charges	(2)	(322)	320
Total	**(1,735)**	**5,092**	**(6,827)**

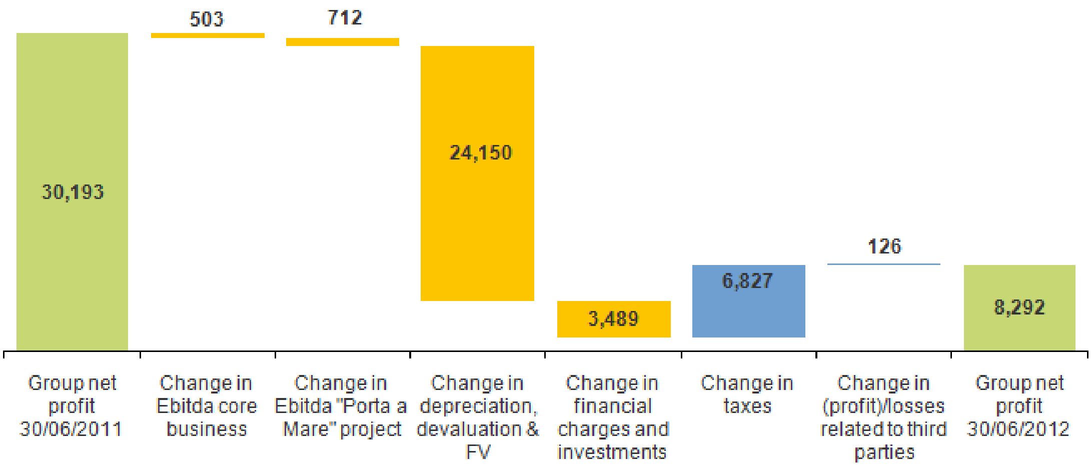
Net profit

The impact of the writedowns and the fair value adjustments on EBIT, as well as the impact of the financial charges, resulted in a drop in net profit of 72.54%.

Group net profit

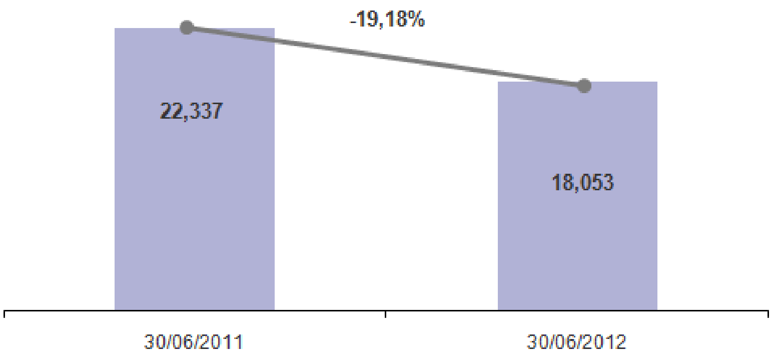


The change in net profit with respect to the same period in the prior year is shown below.



The **Funds from Operations** (FFO), an indicator used widely in the real estate sector (REITs), defines the cash flow generated by a company's core business by adjusting pre-tax profit by non-monetary items (deferred tax, writedowns, fair value adjustments, amortization, depreciation and other), as well as the impact of income from equity investments and revenue from property sales. FFO fell with respect to the same period in the prior year by -19.18%. Through 31 December 2011 this figure included the extraordinary items and the gains from disposals, while in 2012 these items were excluded in order to highlight the revenue generated by the core business (which generates primarily the income used to pay dividends). The figure for first half 2011 was also adjusted.

FFO



STATEMENT OF FINANCIAL POSITION AND FINANCIAL REVIEW

The IGD Group's statement of financial position at 30 June 2012 can be summarized as follows:

SOURCE/USE OF FUNDS	30-Jun-12	31-Dec-11	Δ	%
Fixed assets	1,893,088	1,897,756	(4,668)	(0.25%)
NWC	73,406	68,909	4,497	6.53%
Other non-current liabilities	(69,462)	(70,644)	1,182	(1.67%)
TOTAL USE OF FUNDS	**1,897,032**	**1,896,021**	**1,011**	**0.05%**
Equity	756,152	767,053	(10,901)	(1.42%)
Net (assets) and liabilities for instruments	45,567	34,571	10,996	31.81%
Net debt	1,095,313	1,094,397	916	0.08%
TOTAL SOURCE OF FUNDING	**1,897,032**	**1,896,021**	**1,011**	**0.05%**

The principal changes in first half 2012, compared to 31 December 2011, are summarized below:

- ✓ **Fixed assets** fell from the €1,897,756 thousand recorded at 31 December 2011 to €1,893,088 thousand at 30 June 2012; the change of -€4,668 thousand is explained by increases and decreases in:
  - ✓ **Investment property** (-€10,420 thousand). The net change is attributable to the fair value adjustments of the investment property.
  - ✓ **Assets under construction** (+€2,659 thousand). The increase is explained primarily by:
    - ➢ for about €2,482 thousand, progress with the investment in the multi-purpose center in Livorno (retail sector only);
    - ➢ for about €498 thousand, progress on the urbanization works relative to the future retail park in Chioggia;
    - ➢ for €123 thousand and €180 thousand, respectively, progress on the expansion of the ESP and Abruzzo shopping center;
    - ➢ for about €548 thousand, extraordinary maintenance at a few of the Romanian shopping centers which has yet to be completed.

  The decrease is explained primarily by:
  - ✓ for about €423 thousand, an impairment loss charged on land and construction in progress to reflect the difference between cost and appraised fair value;
  - ✓ for about €646 thousand, completion of works at a few shopping centers which were then reclassified as investment property.

  - ✓ **Deferred tax assets** (+€4,169 thousand). The change is explained primarily by:
    - ➢ 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 please refer to Note 18.
  - ✓ **Miscellaneous receivables and other non-current assets** (-€945 thousand). The change is due primarily to:
    - ➢ 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** (+€4,497 thousand). The change is due primarily to:
    - ➢ for +€3,231 thousand to the inventories for construction in progress and down payments relative to the progress on works at the Piazza Mazzini site in Livorno and writedowns. Please refer to Note 22 for movements in this item;

- ➢ for +€124 thousand to the increase in third party and related party trade receivables, net of the provisions for doubtful accounts;
- ➢ for -€7,400 thousand to current assets; the decrease is primarily attributable to the use of VAT credits totalling approximately €4.6 million and the reclassification of €2.8 million of same, following the issue of a surety, under current financial receivables;
- ➢ for +€3,786 thousand to a decrease in third party and related party trade payables;
- ➢ for +€4,347 thousand to a decrease in current tax liabilities relative primarily to the payment of the last instalment of the SIIQ substitute tax of around €6,159 thousand, excluding interest, partially offset by the recognition of the withholding on the dividends paid by the Parent Company in July;
- ➢ for +€410 thousand to other current liabilities, which fell substantially following the repayment of security deposits which were substituted by guarantees.

✓ **Other non-current liabilities** (+€1,182 thousand). The change is primarily attributable to:

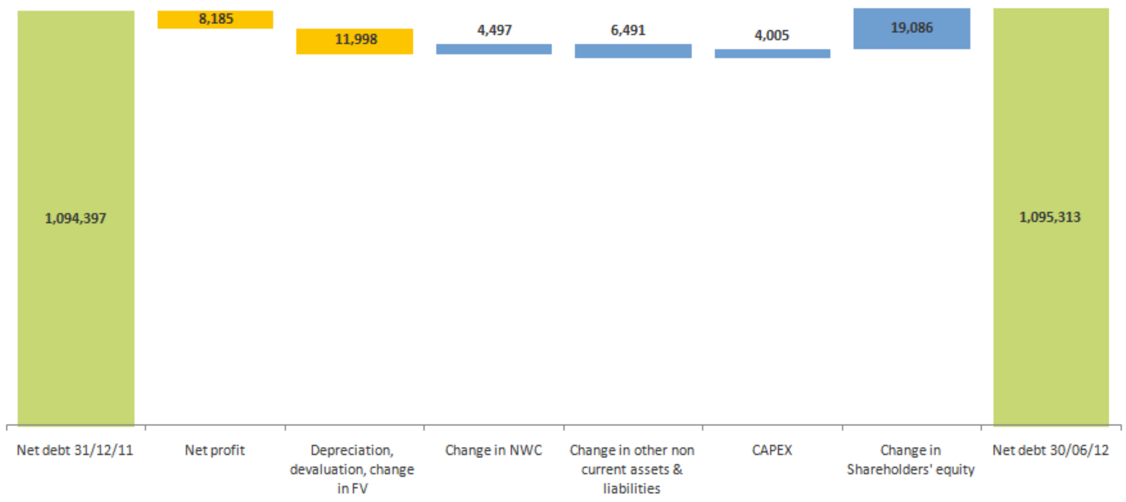
- ➢ the change in deferred tax liabilities of +€990 thousand linked primarily to fair value adjustments of investment property;

✓ **Equity:** at 30 June 2012, amounted to €756,152 thousand. The change of -€10,901 thousand is explained primarily by:

- ➢ for €13,296 thousand, the increase in share capital;
- ➢ for €577 thousand, the decrease following recognition of ancillary costs relating to the capital increase, net of the tax effect;
- ➢ for €23,862 thousand, the distribution of the 2011 profit;
- ➢ for -€6,818 thousand and -€738 thousand, the decrease in the derivatives accounted for using the cash flow hedge method relative to, respectively, the Parent Company and its subsidiary;
- ➢ for about -€392 thousand, changes in the translation reserve for the translation of foreign currency financial statements;
- ➢ for €8,292 thousand, the Parent Company's portion of net profit;
- ➢ for €107 thousand, the minorities' portion of the net loss;
- ➢ for about +€5 thousand, adjustment of the deferred tax relative to the convertible bond.

✓ **Interest rate swaps - net assets/(liabilities):** the fair value measurement of hedging instruments at 30/06/2012 which dropped by €10,996 thousand with respect to the prior year.

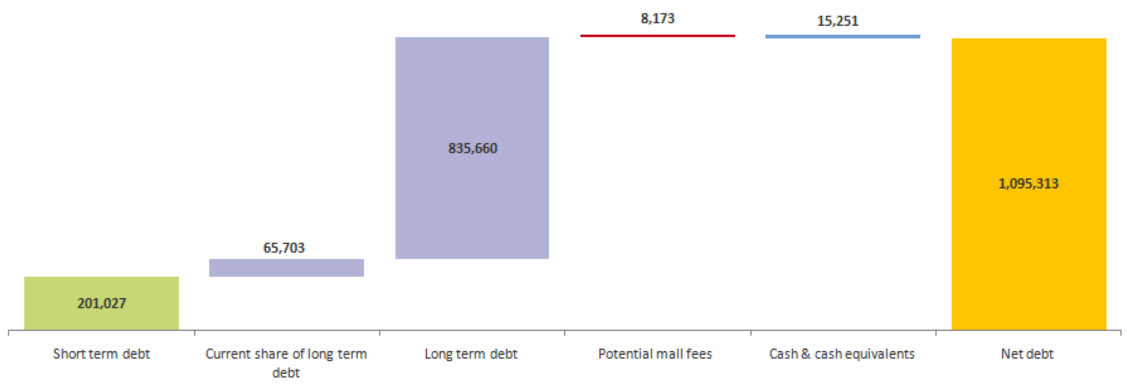
✓ **Net financial position** at 30/06/2012, largely unchanged with respect to the prior year, rose €916 thousand. The changes are shown below:



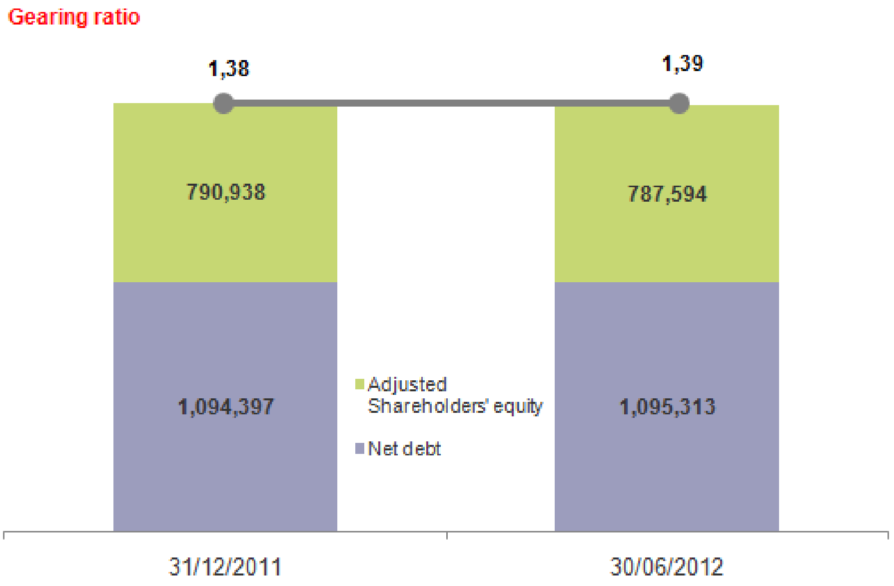
The net financial position, and the comparison figures, do not reflect the measurement of hedging instruments.

NET FINANCIAL POSITION		
	30/06/2012	31/12/2011
Cash and cash equivalents	(10,854)	(14,433)
Financial receivables and other current financial assets w. related parties	(1,494)	(1,426)
Financial receivables and other current financial assets	(2,903)	(278)
LIQUIDITY	**(15,251)**	**(16,137)**
Current financial liabilities w. related parties	50,054	50,469
Current financial liabilities	150,974	146,841
Mortgage loans - current portion	65,389	35,398
Leasing – current portion	270	2,142
Convertible bond loan - current portion	44	66
CURRENT DEBT	**266,731**	**234,916**
CURRENT NET DEBT	**251,480**	**218,778**
Non-current financial assets	(24)	(41)
Non-current financial liabilities due to other sources of finance	8,173	25,170
Leasing – non-current portion	5,582	5,719
Non-current financial liabilities	593,112	610,304
Non-current financial liabilities w. related parties	15,000	15,000
Convertible bond loan	221,990	219,466
NON-CURRENT DEBT	**843,833**	**875,618**
NET FINANCIAL POSITION	**1,095,313**	**1,094,397**

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



The gearing ratio reflects the debt to equity ratio, but does not include the accounting (non-monetary) effects of the CFH reserves.



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

- a 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.

At 30 June 2012 the debt/equity ratio was largely in line with the figure recorded at 31 December 2011.
Currently 78.09% of the long term debt (including the bond) is hedged against interest rate risk while 63.84% of the net debt is covered, in line with the 2009-2013 Business Plan which called for coverage of approximately 60%.
The average cost of debt reached 4.33%, higher than the 3.87% recorded in first half 2011. This increase (concentrated primarily in the current year) is attributable to the new forward IRS contracts stipulated in 2011 but effective 1.1.2012 and to the increase in short term spreads which was partially offset by Euribor which fell from the 1.499 (monthly average) recorded at June 2011 to 0.669 (monthly average) at June 2012.
The bank credit facilities amounted to €291.5 million at 30/06/2012 and the unutilized portion to €92.70 million.

SUBSEQUENT EVENTS

Winmarkt, the Group's Romanian subsidiary, reached an agreement with Hennes & Mauritz for the opening in spring 2013 of an H&M store in its freehold shopping center located in the main square of the city of Buzau. The store, spread out over two floors, will cover a total area of 1,510 m^2. The agreement marks the first step toward possible future collaborative efforts to introduce the successful international fashion brand in the historical hearts of the different midsize Romanian cities where the Winmarkt Shopping Centers are located.

OUTLOOK

Based on the results reported at 30 June 2012, the performance of the core business which is in line with targets and despite the complexity of the current phase which is characterized by a significant drop in consumption, as well as substantial financial stress due to elevated spreads, the IGD Group expects to see core business revenue and profitability in line with the trend reported in the first half.

No new investments are forecast, other than those already in the pipeline, given the high financing costs and the goal to not increase the current gearing in 2012.

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 42 of the Notes to the Interim Condensed Consolidated Financial Statements.

Treasury Shares

At 30 June 2012 the company possessed 10,976,592 ordinary shares or 3.33 % of the share capital for a total of €22,141,778.

Research and Development

Due to the typology of activity carried out, IGD SIIQ and the companies of the Group do not perform research and development activities.

Significant Transactions

During the period ended 30 June 2012, 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.

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IGD GROUP

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AT 30 JUNE 2012

Consolidated income statement

Consolidated income statement	Note	30/06/2012	30/06/2011	Change
(€/000)		(A)	(B)	(A-B)
Revenue:	1	**58,974**	**57,349**	**1,625**
- from third parties		41,025	41,597	(572)
- from related parties		17,949	15,752	2,197
Other income:	2	**4,708**	**5,715**	**(1,007)**
- other income		3,933	5,082	(1,149)
- from related parties		775	633	142
Total revenue and operating income		**63,682**	**63,064**	**618**
Revenue from property sales	3	**0**	**1,726**	**(1,726)**
Change in work in progress inventory	4	3,555	3,416	139
Total revenue and change in inventory		**67,237**	**68,206**	**(969)**
Cost of work in progress	4	3,536	4,411	(875)
Material and service costs	5	11,663	11,705	(42)
- third parties		9,987	10,018	(31)
- related parties		1,676	1,687	(11)
Cost of labour	6	4,027	3,899	128
Other operating costs	7	4,011	2,759	1,252
Total operating costs		**23,237**	**22,774**	**463**
(Depreciation, amortization and provisions)		(1,888)	(1,939)	51
(Impairment losses)/Reversals on work in progress and goodwill		(423)	(140)	(283)
Change in fair value - increases / (decreases)		(10,923)	12,776	(23,699)
Total depreciation, amortization, provisions, impairment and change in fair value	8	**(13,234)**	**10,697**	**(23,931)**
EBIT		**30,766**	**56,129**	**(25,363)**
Income/(loss) from equity investments		**(367)**	**(633)**	**266**
Income/(loss) from equity investments		(367)	(633)	266
Financial income:		**227**	**397**	**(170)**
- third parties		219	380	(161)
- related parties		8	17	(9)
Financial charges:		**24,176**	**20,589**	**3,587**
- third parties		22,938	20,247	2,691
- related parties		1,238	342	896
Net financial income (charges)	9	**(23,949)**	**(20,192)**	**(3,757)**
PRE-TAX PROFIT		**6,450**	**35,304**	**(28,854)**
Income taxes	10	(1,735)	5,092	(6,827)
NET PROFIT FOR THE PERIOD		**8,185**	**30,212**	**(22,027)**
Minority interests in net (profit)/loss		107	(19)	126
Parent Company's portion of net profit		**8,292**	**30,193**	**(21,901)**
- basic earnings per share	11	0.028	0.101	
- diluted earnings per share	11	0.038	0.096	

Consolidated statement of comprehensive income

Consolidated Statement of comprehensive income (in €/000))	30/06/2012 (A)	30/06/2011 (B)
NET PROFIT	**8,185**	**30,212**
Other comprehensive income		
Impact of hedge derivatives on equity	(10,422)	5,713
Tax effect of hedge derivatives on equity	2,866	(1,571)
Other effects on income statement components	(964)	203
Other components of comprehensive income, net of tax effects	**(8,520)**	**4,345**
Total comprehensive income	**(335)**	**34,557**
Non-controlling interests in net (profit)/loss	**107**	**(19)**
IGD SIIQ S.p.A. share of net profit	**(228)**	**34,538**

Consolidated statement of financial position

Consolidated statement of financial position (€/000)	Note	30/06/2012 (A)	31/12/2011 (B)	Change (A-B)
NON-CURRENT ASSETS				
Intangible assets				
Intangible assets with finite useful lives	12	83	78	5
Goodwill	13	11,427	11,427	0
		11,510	**11,505**	**5**
Property, plant, and equipment				
Investment property	15	1,769,025	1,779,445	(10,420)
Buildings	14	9,471	9,592	(121)
Plant and machinery	16	1,461	1,388	73
Equipment and other assets	16	2,329	2,467	(138)
Leasehold improvements	16	1,410	1,460	(50)
Assets under construction	17	72,493	69,834	2,659
		1,856,189	**1,864,186**	**(7,997)**
Other non-current assets				
Deferred tax assets	18	24,057	19,888	4,169
Sundry receivables and other non-current assets	19	1,020	1,965	(945)
Equity investments	20	312	212	100
Non-current financial assets	21	24	41	(17)
Derivatives - assets	44	176	202	(26)
		25,589	**22,308**	**3,281**
TOTAL NON-CURRENT ASSETS (A)		**1,893,288**	**1,897,999**	**(4,711)**
CURRENT ASSETS:				
Work in progress inventory and advances	22	74,383	71,152	3,231
Inventory		6	7	(1)
Trade and other receivables	23	13,556	13,101	455
Related party trade and other receivables	24	652	983	(331)
Other current assets	25	3,993	11,393	(7,400)
Related party financial receivables and other current financial assets	26	1,494	1,426	68
Financial receivables and other current financial assets	26	2,903	278	2,625
Cash and cash equivalents	27	10,854	14,433	(3,579)
TOTAL CURRENT ASSETS (B)		**107,841**	**112,773**	**(4,932)**
TOTAL ASSETS (A + B)		**2,001,129**	**2,010,772**	**(9,643)**
NET EQUITY:				
Share capital		311,569	298,273	13,296
Share premium reserve		147,730	147,730	0
Other reserves		246,491	252,347	(5,856)
Group profit		38,657	56,891	(18,234)
Total Group net equity		**744,447**	**755,241**	**(10,794)**
Portion pertaining to minorities		11,705	11,812	(107)
TOTAL NET EQUITY (C)	28	**756,152**	**767,053**	**(10,901)**
NON-CURRENT LIABILITIES:				
Derivatives - liabilities	44	45,743	34,773	10,970
Non-current financial liabilities	29	828,857	860,659	(31,802)
Related party non-current financial liabilities	29	15,000	15,000	0
Provision for employee severance indemnities	30	897	796	101
Deferred tax liabilities	18	47,376	48,366	(990)
Provisions for risks and future charges	31	939	1,386	(447)
Sundry payables and other non-current liabilities	32	7,444	7,325	119
Related party sundry payables and other non-current liabilities	33	12,806	12,771	35
TOTAL NON-CURRENT LIABILITIES (D)		**959,062**	**981,076**	**(22,014)**
CURRENT LIABILITIES:				
Current financial liabilities	34	216,677	184,447	32,230
Related party current financial liabilities	34	50,054	50,469	(415)
Trade and other payables	36	8,495	11,215	(2,720)
Related party trade and other payables	37	1,577	2,643	(1,066)
Current tax liabilities	38	3,522	7,869	(4,347)
Other current liabilities	39	5,572	5,982	(410)
Related party other current liabilities	40	18	18	0
TOTAL CURRENT LIABILITIES (E)		**285,915**	**262,643**	**23,272**
TOTAL LIABILITIES (F=D + E)		**1,244,977**	**1,243,719**	**1,258**
TOTAL NET EQUITY AND LIABILITIES (C + F)		**2,001,129**	**2,010,772**	**(9,643)**

Consolidated statement of changes in equity

	Share capital	Share premium reserve	Other reserves	Group profit	Group net equity	Non controlling interests	Total net equity
Balance at 01/01/2011	**298,273**	**147,730**	**259,870**	**55,731**	**761,603**	**11,851**	**773,454**
Profit for the year				30,193	30,193	19	30,212
Valuation of cash flow hedge derivatives			4,142		4,142		4,142
Other comprehensive income (losses)			203		203		203
Total comprehensive income (losses)	**0**	**0**	**4,345**	**30,193**	**34,538**	**19**	**34,557**
Allocation of 2010 profit							
- to dividends paid				(22,370)	(22,370)		(22,370)
- 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**	**270,742**	**57,027**	**773,771**	**11,870**	**785,641**

	Share capital	Share premium reserve	Other reserves	Group profit	Group net equity	Non controlling interests	Total net equity
Balance at 01/01/2012	**298,273**	**147,730**	**252,347**	**56,891**	**755,241**	**11,812**	**767,053**
Profit for the year				8,292	8,292	(107)	8,185
Valuation of cash flow hedge derivatives			(7,556)		(7,556)		(7,556)
Other comprehensive income (losses)			(964)		(964)		(964)
Total comprehensive income (losses)	**0**	**0**	**(8,520)**	**8,292**	**(228)**	**(107)**	**(335)**
Allocation of 2010 profit							
- to dividends paid				(23,862)	(23,862)		(23,862)
- to share capital increase	13,296				13,296		13,296
- to legal reserve			1,437	(1,437)	0		0
- to other reserves			1,227	(1,227)	0		0
Balance at 30 June 2012	**311,569**	**147,730**	**246,491**	**38,657**	**744,447**	**11,705**	**756,152**

Consolidated statement of cash flows

CONSOLIDATED STATEMENT OF CASH FLOWS	30/06/2012	30/06/2011
(€/000)		
CASH FLOW FROM OPERATING ACTIVITIES:		
Pre-tax profit for the period	**6,450**	**35,304**
(Capital gains) capital losses and other non-monetary items	3,425	2,048
Depreciation, amortization and provisions	1,888	1,939
(Impairment)/reversal of assets under construction and goodw ill	423	140
(w ritedow ns of inventories for construction in progress)	348	0
Change in fair value of investment property	10,923	(12,776)
Writedow ns of equity investments	8	415
CASH FLOW FROM OPERATING ACTIVITIES	**23,465**	**27,070**
Income tax	(742)	(334)
CASH FLOW FROM OPERTING ACTIVITIES NET OF TAX	**22,723**	**26,736**
Change in inventories	(3,578)	(3,102)
Net change in current assets and liabilities	(1,825)	17,213
Net change in current assets and liabilities w . related parties	(735)	(1,834)
Net change in non-current assets and liabilities	714	(5,389)
Net change in non-current assets and liabilities w . related parties	35	21
CASH FLOW FROM OPERATING ACTIVITIES (a)	**17,335**	**33,645**
Investments in fixed assets	(6,000)	(72,279)
Divestments of fixed assets e	240	182
Equity investments in subsidiaries	(108)	0
CASH FLOW FROM INVESTING ACTIVITIES (b)	**(5,868)**	**(72,097)**
Change in non-current financial assets	16	0
Change in financial receivables and other current financial assets	(2,625)	(21,469)
Change in financial receivables and other current financial assets w . related parties	(68)	431
Dividend reinvestment option	12,714	0
Payment of dividends	(23,862)	(22,370)
Change in current debt	31,902	40,504
Change in current debt w . related parties	(415)	21,198
Change in non-current debt	(32,657)	(6,738)
CASH FLOW FROM FINANCING ACTIVITIES (c)	**(14,995)**	**11,556**
Difference in translation of liqudity	(51)	18
NET INCREASE (DECREASE) IN CASH BALANCE	**(3,579)**	**(26,878)**
CASH BALANCE AT BEGINNING OF THE PERIOD	**14,433**	**32,264**
CASH BALANCE AT END OF THE PERIOD	**10,854**	**5,386**

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 2012 were approved and authorized for publication by the Board of Directors on 28 August 2012. The IGD SIIQ S.p.A. Group belong to Gruppo Coop Adriatica Società Cooperativa a.r.l.

Preparation criteria

The interim condensed consolidated financial statements at 30 June 2012 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 2011.

In order to provide a better presentation the following items are also shown in the financial statements: equity investments, assets and liabilities pertaining to derivative instruments, share capital, share premium reserve, other reserves and Group profits.

Significant accounting standards

The accounting standards used to prepare the interim condensed consolidated financial statements are the same as those employed in the Group's annual financial statements for the year ended 31 December 2011, with the exception of the following new standards and interpretations applicable from 1 January 2012:

IFRS 7 *Financial instruments – disclosures*

The amendment aims to improve the understanding of transactions involving the transfer of financial assets (derecognition), including the understanding of any risk that may have been transferred (for example in securitization transactions). The amendment also requires more information in the event a disproportionate amount of these transactions were completed near the end o fan accounting period. transferred The amendment has had no impact on the Group's financial position or performance.

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 2012, 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 2011.

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
Capogruppo								
IGD SIIQ S.p.A.	Ravenna via agro pontino 13	Italy	322,545,915.08	Eur				Shopping center management
Subsidiaries consolidated on a line-by-line basis								
IGD Management 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%	IGD Management s.r.l.	80%	Construction company
Win Magazin S.A.	Bucharest	Romania	113,715.30	Ron	100.00%	IGD Management s.r.l. 99,9%	100.00%	Shopping center management
						IGD SIIQ S.p.A. 0,1%		
Winmarkt management s.r.l.	Bucharest	Romania	1,001,000	Ron	100,00%	Win Magazin S.A.	100,00%	Shopping center management and 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	67,180	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 n.175	Italy	10,000.00	Eur		Millennium Gallery s.r.l	35.40%	Shopping center promotion and management of common areas
Altre imprese valutate al costo								
Iniziative Bologna Nord	Casalecchio di Reno (Bologna) via Isonzo n. 67	Italy	430,000.00	Eur		IGD Management s.r.l.	15.00%	Real estate development

**** in liquidation as of '8 February 2012.***

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, in accordance with IFRS 8, followed by a geographical breakdown of revenue from freehold properties.

€/1000	30/06/2012	30/06/2011	30/06/2012	30/06/2011	30/06/2012	30/06/2011	30/06/2012	30/06/2011	30/06/2012	30/06/2011
INCOME STATEMENT	**PROPERTIES**		**SERVICES**		**"PORTA A MARE" PROJECT**		**SHARED**		**TOTAL**	
REVENUE	**60,996**	**60,206**	**2,686**	**2,858**	**0**	**1,726**			**63,682**	**64,790**
CHANGE IN INVENTORY					*3,555*	*3,416*			*3,555*	*3,416*
DIRECT COSTS	*-13,496*	*-12,552*	*-2,338*	*-2,315*	*-3,665*	*-4,498*			*-19,499*	*-19,365*
GROSS MARGIN	**47,500**	**47,654**	**348**	**543**	**-110**	**644**	**0**	**0**	**47,738**	**48,841**
SHARED COSTS							*-4,974*	*-4,864*	*-4,974*	*-4,864*
EBITDA	**47,500**	**47,654**	**348**	**543**	**-110**	**644**	**-4,974**	**-4,864**	**42,764**	**43,977**
IMPAIRMENT/ DEP.& AMORT	*-11,789*	*12,315*	*-1*	*-3*	*-6*	*-6*	*-202*	*-154*	*-11,998*	*12,152*
EBIT	**35,711**	**59,969**	**347**	**540**	**-116**	**638**	**-5,176**	**-5,018**	**30,766**	**56,129**
NET FINANCIAL INCOME (CHARGES)							**-23,949**	**-20,192**	**-23,949**	**-20,192**
NET INCOME (LOSS) FROM EQUITY INVESTMENTS							**-367**	**-633**	**-367**	**-633**
TAXES							**1,735**	**-5,092**	**1,735**	**-5,092**
NET PROFIT									**8,185**	**30,212**
NON-CONTROLLING INTERESTS IN (PROFIT)/LOSS							107	-19	107	-19
GROUP NET PROFIT									***8.292***	***30.193***

€/1000	30/06/2012	FY 2011	30/06/2012	FY 2011	30/06/2012	FY 2011	30/06/2012	FY 2011	30/06/2012	FY 2011
STATEMENT OF FINANCIAL POSITION	**PROPERTIES**		**SERVICES**		**"PORTA A MARE" PROJECT**		**SHARED**		**TOTAL**	
TANGIBLES ASSETS	*1,774,215*	*1,784,750*	*0*	*0*	*9*	*10*	*9,471*	*9,592*	*1,783,695*	*1,794,352*
INTANGIBLES ASSETS AND OTHE NON-CURRENT ASSETS	*0*	*0*	*0*	*0*	*118*	*14*	*36,781*	*33,556*	*36,899*	*33,570*
CURRENT INVESTMENTS	*72,493*	*69,834*	*0*	*0*	*0*	*0*	*0*	*0*	*72,493*	*69,834*
NET WORKING CAPITAL	*(2,266)*	*(486)*	*2,234*	*96*	*73,437*	*95,239*	*0*	*(25,940)*	*73,406*	*68,909*
OTHER NON-CURRENT LIABILITIES	*(48,588)*	*(53,405)*	*(442)*	*(2,283)*	*(20,432)*	*(14,956)*	*0*	*0*	*(69,462)*	*(70,644)*
TOTAL USE OF FUNDS	**1,795,854**	**1,800,693**	**1,792**	**(2,187)**	**53,133**	**80,307**	**46,252**	**17,208**	**1,897,032**	**1,896,021**
NET DEBT	*1,027,894*	*1,061,495*	*0*	*(5,554)*	*21,166*	*21,248*	*46,252*	*17,208*	*1,095,313*	*1,094,397*
NET (ASSETS) AND LIABILITIES FOR DERIVATIVE INSTRUMENTS	*45,567*	*34,571*							*45,567*	*34,571*
EQUITY	*722,393*	*704,627*	*1,792*	*3,367*	*31,967*	*59,059*	*0*	*0*	*756,152*	*767,053*
TOTAL SOURCES	**1,795,854**	**1,800,693**	**1,792**	**(2,187)**	**53,133**	**80,307**	**46,252**	**17,208**	**1,897,032**	**1,896,021**

€/1000	30/06/2012	30/06/2011	30/06/2012	30/06/2011	30/06/2012	30/06/2011	30/06/2012	30/06/2011
REVENUE FROM FREEHOLD PROPERTIES	**NORTHERN ITALY**		**CENTRAL/SOUTHERN ITALY & ISLANDS**		**ABROAD**		**TOTAL**	
LEASE & RENTAL INCOME	*24,132*	*22,750*	*23,741*	*22,538*	*5,570*	*5,862*	*53,443*	*51,150*
ONE-OFF REVENUE	*1*	*18*	*13*	*21*	*0*	*0*	*14*	*39*
TEMPORARY LOCATION RENTALS	*656*	*654*	*463*	*465*	*0*	*0*	*1,119*	*1,119*
OTHER RENTAL INCOME	*69*	*57*	*20*	*20*	*19*	*30*	*108*	*107*
TOTAL	**24,858**	**23,479**	**24,237**	**23,044**	**5,589**	**5,892**	**54,684**	**52,415**

Note 1) Revenue

Revenue	30/06/2012	30/06/2011	Change
Freehold hypermarkets	**16,875**	**14,752**	***2,123***
Rent and business lease	**16,875**	**14,752**	***2,123***
Related parties	16,875	14,752	2,123
Third parties	0	0	0
Leasehold hypermarkets	**56**	**55**	***1***
Rent	**0**	**0**	***0***
Related parties	0	0	0
Third parties	0	0	0
Business lease	**56**	**55**	**1**
Related parties	56	55	1
Freehold supermarket	**189**	**185**	***4***
Rent	**189**	**185**	***4***
Related parties	189	185	4
TOTAL HYPERMARKETS/SUPERMARKETS	**17,120**	**14,992**	**2,128**
Freehold malls, offices and city center properties	**36,503**	**37,038**	***(535)***
Rent	**10,217**	**11,507**	***(1,290)***
Related parties	196	151	45
Third parties	10,021	11,356	(1,335)
Business lease	**26,286**	**25,531**	***755***
Related parties	223	204	19
Third parties	26,063	25,327	736
Leasehold malls	**3,951**	**3,889**	***62***
Rent	**163**	**160**	***3***
Related parties	41	40	1
Third parties	122	120	2
Business lease	**3,788**	**3,729**	***59***
Related parties	95	85	10
Third parties	3,693	3,644	49
Other contracts	**552**	**565**	**(13)**
Other contracts and temporary rent at leasehold malls	531	547	(16)
Other contracts and temporary rent at leasehold malls - related parties	21	18	3
Temporary rent at freehold malls	**848**	**865**	**(17)**
Related parties	253	262	(9)
Third parties	595	603	(8)
TOTAL MALLS	**41,854**	**42,357**	**(503)**
GRAND TOTAL	**58,974**	**57,349**	**1,625**
of which related parties	17,949	15,752	2,197
of which third parties	41,025	41,597	(572)

Revenue at 30 June 2012 increased on the previous year, due to the new openings made in 2011 (two floors of the office building where the Group's headquarters are located, Via Rizzoli "City Center" and hypermarkets in Palermo and Conegliano), as well as like-for-like contract renewals.

The drop in the rental income from third parties is explained primarily by the drop in revenue in Romania, as well as the different accounting, with respect to 2011, of the provisions for the Darsena shopping center which were offset directly against revenue.

The like-for-like comparison is shown below:

	30/06/2012	30/06/2011	Change
Total revenue	**58,974**	**56,606**	**2,368**

The 2011 figure in the Directors' report was reclassified for the sake of comparison.

Nota 2) Other income

Other income	30/06/2012	30/06/2011	*Variazione*
Refund condominium expenses and different refunds	21	0	21
Insurance refunds	4	0	4
Out-of-period income (charges)	22	6	16
Facility management revenues	1,776	1,913	(137)
Cost charge-backs	2,006	2,988	(982)
Pilotage and construction revenues	59	44	15
Marketing revenues	0	11	(11)
Other	45	120	(75)
Total other income from third parties	**3,933**	**5,082**	**(1,149)**
Refund of other charges - related parties	17	0	17
Facility management revenues - related parties	685	532	153
Cost charge-backs - related parties	12	12	0
Portfolio management and rent management revenues - related parties	31	32	(1)
Marketing revenues - related parties	30	57	(27)
Total other income from related parties	**775**	**633**	**142**
Total	**4,708**	**5,715**	**(1,007)**

Other income consists mainly of facility management revenues and facility management fees charged back to the relative consortiums.

Note 3) Revenue from poperty sales

The change in the "Revenue from property sales" is explained by the sale of a portion of an office building for €1,726 thousand in the prior period.

Note 4) Change in construction in progress inventory and charges

Change in inventories for construction in progress	30/06/2012	30/06/2011	*Change*
Construction costs of the period	3,536	4,411	(874)
Capitalized interests	367	233	134
Inventory w ritedow ns	(348)	0	(348)
Scarico Rimanenze per Vendita	0	(1,228)	1,228
Change in inventories for construction in progress	**3,555**	**3,416**	**139**

The change in inventories for construction in progress is attributable to, for €3,536 thousand, the advancement of works at Piazza Mazzini and Palazzo Orlando in Livorno.

Financial charges of €367 thousand were capitalized. An impairment loss of €348 thousand was charged to reflect the difference between cost and the appraised fair value at 30 June 2012.

Note 5) Service costs

Service costs	30/06/2012	30/06/2011	Change
Service costs to third parties	**9,987**	**10,018**	**(31)**
Rent paid	3,414	3,398	16
Rented vehicles	102	93	9
Utilities	66	33	33
Advertisements, listings, advertising & promotions	222	203	19
Facility management costs	976	797	179
Facility management administration costs	326	298	28
Professional fees	113	130	(17)
Directors' and statutory auditors' fees	405	355	50
External auditing fees	81	80	1
Investor relations, CONSOB, Monte Titoli costs	170	168	2
Recruitment, training and other personnel costs	240	255	(15)
Travel and accomodation	69	67	2
Shopping center pilotage and construction costs	21	6	15
Consulting	543	637	(94)
Charge-backs	2,018	3,000	(982)
Mantenance, repairs and insurance	819	215	604
Bank fees and commissions	76	78	(2)
Cleaning, porterage and security	109	93	16
Other	217	112	105
Service costs to related parties	**1,676**	**1,687**	**(11)**
Rent paid	930	912	18
Service	127	156	(29)
Facility management costs	502	454	48
Insurance	32	32	0
Directors' and statutory auditors' fees	59	83	(24)
Consulting	6	0	6
Other	20	50	(30)
Total	**11,663**	**11,705**	**(42)**

The costs at 30 June 2012 listed above are largely in line with the same period of the prior year. Please refer to the Directors’ report for more information.

Note 6) Cost of labor

Cost of labor	30/06/2012	30/06/2011	Change
Wages and salaries	2,977	2,812	165
Social security	870	825	45
Severance pay	147	139	8
Other costs	33	123	(90)
TOTAL	**4,027**	**3,899**	**128**

The cost of labor is basically unchanged with respect to the same period of the prior year.

Note 7) Other operating costs

Other operating costs	30/06/2012	30/06/2011	*Change*
Taxes	3,488	2,288	1,200
Contract registration	181	156	25
Capital losses	0	0	0
Out-of-period (income)/charges	52	15	37
Membership fees	41	33	8
Losses on receivables	6	100	(94)
Sundry penalties	10	5	5
Fuel and tolls	84	65	19
Magazine subscriptions, office supplies, forms	28	34	(6)
Other operating costs	121	63	58
TOTAL	**4,011**	**2,759**	**1,252**

The change in other operating costs is primarily attributable to the new property tax IMU which substitutes ICI and was recognized based on the municipalities' assessments and, where no assessment exists, on the advances paid.

Note 8) Depreciation & amortization, provisions, impairment and change in fair value

Depreciation, amortization and provisions	30/06/2012	30/06/2011	*Change*
Amortization	(11)	(14)	3
Depreciation	(641)	(470)	(171)
Allocation to provision for doubtful accounts	(1,236)	(1,455)	219
Total depreciation, amortization and provisions	**(1,888)**	**(1,939)**	**51**
Impairment losses/reversals of assets under construction and start-up	(423)	(140)	(283)
Change in fair value	(10,923)	12,776	(23,699)
Total depreciation & amortization, provisions, impairment and change in fair value	**(13,234)**	**10,697**	**(23,931)**

This item covers the adjustment to fair value of the investment property discussed in Note 15 and the impairment losses discussed in Note 17. Net revaluations for the adjustment of investment property to fair value amounted to €10,923 thousand for the first half of the year. The heading "Impairment losses/reversals" includes an impairment loss on a direct development initiative (€423K) 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 9) Financial income and charges

Financial income	30/06/2012	30/06/2011	*Change*
Bank interest income	54	101	(47)
Other interest income and equivalent	9	19	(10)
Interest on repurchase agreement	0	35	(35)
Income from repurchase agreement	0	8	(8)
Interest on Time deposit	14	24	(10)
Exchange gains	142	193	(51)
Total third parties	**219**	**380**	**(161)**
Interest income from related parties	8	8	0
Interest income fromCoop Adriatica account	0	9	(9)
Total related parties	**8**	**17**	**(9)**
Total financial income	**227**	**397**	**(170)**

Financial income decreased due mainly to the drop in exchange gains on financial income from Romania, which came to €142 thousand at 30 June 2012, with respect to €193 thousand in the same period of the prior year. Interest income from related parties is described in Note 42.

Financial charges	30/06/2012	30/06/2011	*Change*
Interest expense on security deposits	152	85	67
Interest expense on Coop Adriatica account	1,086	257	829
Total related parties	**1,238**	**342**	**896**
Interest expense to banks	2,390	905	1,485
Other interest and charges	565	822	(257)
Exchange losses	25	235	(210)
Mortgage loan interest	8,094	7,085	1,009
Financial charges on leasing	97	113	(16)
Bond interest and charges	6,527	6,348	179
IRS spread	5,240	4,739	501
Total third parties	**22,938**	**20,247**	**2,691**
Total financial charges	**24,176**	**20,589**	**3,587**

Financial charges, net of exchange losses and interest capitalized, increased by €3,797 thousand. This is due in part to the growth of net debt in support of the Group's development, from €1,063,726 thousand at 30 June 2011 to €1,095,313 thousand at 30 June 2012 and, in part, to a rise in the average cost of debt, from 3.87% to 4.33%.

Bond interest and charges, at €6,527 thousand, 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% = €2,060 thousand
- higher financial charges due to use of amortized cost method = €464 thousand (rate increase of 0.48%)

The effective interest rate is 6.05%.

Note 10) Income taxes

Income tax	30/06/2012	30/06/2011	Change
Current taxes	744	756	(12)
Deferred tax liabilities	(1,189)	3,506	(4,695)
Deferred tax assets	(1,288)	1,152	(2,440)
Out-of-period income/charges	(2)	(322)	320
Total	**(1,735)**	**5,092**	**(6,827)**

The tax burden, current and deferred, at 30 June 2012 amounted to €1,735 thousand positive and is primarily attributable to the effect of the fair value adjustments which resulted in the recognition of deferred tax assets and the reversal of deferred tax liabilities which had a positive impact on the total tax rate of 27.69%. Net of the fair value effect the tax rate reaches 8.29%, basically in line with the 8.43% recorded in the same period
of the prior year.

Note 11) 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	30/06/2012	30/06/2011
Net profit attributable to IGD SIIQ S.p.A. shareholders	8,292	30,193
Diluted net profit attributable to IGD SIIQ S.p.A. shareholders	14,753	36,480
Weighted average number of ordinary shares for purposes of basic earnings per share	300,109,223	298,272,669
Weighted average number of ordinary shares for purposes of diluted earnings per share	383,811,499	381,909,033
Basic earnings per share	0.028	0.101
Diluted earnings per share	0.038	0.096

Note 12) Intangible assets with finite useful lives

Intangibles assets with finite useful lives 2011	Balance at 01/01/2011	Increases	Decreases	Amortization	Reclassifications	Change in scope of consolidation	Currency translation Gain/loss	Balance at 31/12/2011
Intangible assets with finite useful lives	69	36	0	(27)	0	0	0	78
useful lives under development	0	0	0	0	0	0	0	0
Totale attività immateriali a vita definita	**69**	**36**	**0**	**(27)**	**0**	**0**	**0**	**78**

Intangibles assets with finite useful lives 2012	Balance at 01/01/2012	Increases	Decreases	Amortization	Reclassifications	Change in scope of consolidation	Currency translation Gain/loss	Balance at 30/06/2012
Intangible assets with finite useful lives	78	3	0	(11)	0	0	0	70
useful lives under development	0	13	0	0	0	0	0	13
Totale attività immateriali a vita definita	**78**	**16**	**0**	**(11)**	**0**	**0**	**0**	**83**

The increase in intangible assets with finite lives under development reflects the acquisition of software licenses. At 30 June the project has yet to be completed.

Note 13) Goodwill

Goodwill 2011	Balance at 01/01/2011	Increases	Decreases	Reclassifications	(Impairment losses)/ Reversals	Change in scope of consolidation	Balance at 31/12/2011
Goodwill	11,427						11,427

Goodwill 2012	Balance at 01/01/2012	Increases	Decreases	Reclassifications	(Impairment losses)/ Reversals	Change in scope of consolidation	Balance at 30/06/12
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 2012:

Goodwill	31/12/2011	30/06/2012
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
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 15). 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 2012 suggesting the need for fresh impairment testing.

Note 14) Headquarters

Building 2011	Balance at 01/01/2011	Increases	Decreases	Depreciation	Reclassification	Change in scope of consolidation	Currency translation gain/loss	Balance at 31/12/2011
Historical cost	7,988	2,126						10,114
Accumulated depreciation	(320)			(202)				(522)
Net carrying value	**7,668**	**2,126**	**0**	**(202)**	**0**	**0**	**0**	**9,592**

Building 2012	Balance at 01/01/2012	Increases	Decreases	Depreciation	Reclassification	Change in scope of consolidation	Currency translation gain/loss	Balance at 30/06/2012
Historical cost	10,114							10,114
Accumulated depreciation	(522)			(121)				(643)
Net carrying value	**9,592**	**0**	**0**	**(121)**	**0**	**0**	**0**	**9,471**

This item refers to the portion of the building where IGD's headquarters are located not leased to third parties.

Note 15) 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.

Investment property 2011	Balance at 01/01/2011	Increases	Decreases	Revaluations	Writedowns	Reclassifications	Change in scope of consolidation	Balance at 31/12/2011
Investment property	1,666,630	104,979	(1,022)	18,576	(32,726)	23,008	0	1,779,445

Investment property 2012	Balance at 01/01/2012	Increases	Decreases	Revaluations	Writedowns	Reclassifications	Change in scope of consolidation	Balance at 30/06/2012
Investment property	1,779,445	1,637	(1,679)	7,223	(18,146)	545		1,769,025

The increases refer to completion of the restyling at the Esp Shopping Center and extraordinary maintenance involving primarily the Afragola, Crema and Conegliano centers.

Revaluations and writedowns refer to the adjustment of investment property to fair value at 30 June 2012.

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 2012 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 shopping malls, city center and offices: discounted cash flow projections based on net rental income for the n number of 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 n number of 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 remaining property classes: the comparative method or the market and the income method.
- see the interim directors' report for an analysis of the real estate portfolio.

Note 16) Plant and machinery, equipment, and leasehold improvements

Plant and machinery 2011	Balance at 01/01/2011	Increases	Decreases	Depreciation	Reclassifications	Change in scope of consolidation	Currency translation gain/loss	Balance at 31/12/2011
Historical cost	2,404	543						2,947
Accumulated depreciation	(1,274)			(285)				(1,559)
Net carrying value	**1,130**	**543**	**0**	**(285)**	**0**	**0**	**0**	**1,388**

Plant and machinery 2012	Balance at 01/01/2012	Increases	Decreases	Depreciation	Reclassifications	Change in scope of consolidation	Currency translation gain/loss	Balance at 30/06/2012
Historical cost	2,947	245						3,192
Accumulated depreciation	(1,559)			(172)				(1,731)
Net carrying value	**1,388**	**245**	**0**	**(172)**	**0**	**0**	**0**	**1,461**

Equipment 2011	Balance at 01/01/2011	Increases	Decreases	Depreciation	Reclassifications	Change in scope of consolidation	Currency translation gain/loss	Balance at 31/12/2011
Historical cost	2,723	1,316	(7)		17			4,049
Accumulated depreciation	(1,174)		3	(415)			4	(1,582)
Net carrying value	**1,549**	**1,316**	**(4)**	**(415)**	**17**	**0**	**4**	**2,467**

Equipment 2012	Balance at 01/01/2012	Increases	Decreases	Depreciation	Reclassifications	Change in scope of consolidation	Currency translation gain/loss	Balance at 30/06/2012
Historical cost	4,049	120						4,169
Accumulated depreciation	(1,582)			(258)				(1,840)
Net carrying value	**2,467**	**120**	**0**	**(258)**	**0**	**0**	**0**	**2,329**

Leasehold improvements 2011	Balance at 01/01/2011	Increases	Decreases	Depreciation	Reclassifications	Change in scope of consolidation	Currency translation gain/loss	Balance at 31/12/2011
Net carrying value	**1,640**			**(180)**				**1,460**

Leasehold improvements 2012	Balance at 01/01/2012	Increases	Decreases	Depreciation	Reclassifications	Change in scope of consolidation	Currency translation gain/loss	Balance at 30/06/2012
Net carrying value	**1,460**			**(90)**	**40**			**1,410**

The increases in the half are attributable primarily to the extraordinary maintenance of systems at the Città delle Stelle Shopping Center in Ascoli and purchase of equipment for the Sarca Shopping Center.

Note 17) Assets under construction

Assets under construction 2011	Balance at 01/01/2011	Increases	Decreases	Reclassifications	(Impairment losses)/ Reversals	Change in scope of consolidation	Currency translation gain/loss	Balance at 31/12/2011
Assets under construction	74,291	18,905	(378)	(23,025)	28	0	13	69,834

Assets under construction 2012	Balance at 01/01/2012	Increases	Decreases	Reclassifications	(Impairment losses)/ Reversals	Change in scope of consolidation	Currency translation gain/loss	Balance at 30/06/2012
Assets under construction	69,834	3,982	(230)	(646)	(423)		(24)	72,493

The change on the previous year is explained by:

- for about €2,482 thousand, progress with the investment in the multipurpose center in Livorno (retail sector only);
- for about €498 thousand, progress on the urbanization works relative to the future retail park in Chioggia;
- for €123 thousand and €180 thousand, respectively, progress on the expansion of the ESP and Abruzzo shopping center;
- for about €548 thousand, extraordinary maintenance at a few of the Romanian shopping centers which has yet to be completed.

The decrease is explained primarily by:

- ✓ for about €423 thousand, an impairment loss charged on land and construction in progress to reflect the difference between cost and appraised fair value;
- ✓ for about €646 thousand, completion of works at a few shopping centers which were then reclassified as investment property.

Note 18) Deferred tax assets and deferred tax liabilities

Deferred tax assets and liabilities consist mainly of the tax effect on the fair value adjustment of property investments and interest rate swaps.

Deferred tax assets and deferred tax liabilities	30/06/2012	31/12/2011	Change
Deferred tax assets	24,057	19,888	4,169
Deferred tax liabilities	(47,376)	(48,366)	990

The items are shown in detail below:

Deferred tax assets	30/06/2012	31/12/2011	Change
Amortization reversal	8	14	(6)
Capital increase	5	0	5
Goodwill amortization for tax purposes	12	12	0
Taxed provisions	307	287	20
Bonus provision	39	72	(33)
IAS 40	10,095	9,236	859
Higher land value for tax purposes	752	752	0
IAS 19	1	1	0
Interest rate swaps	11,926	9,060	2,866
Impairment losses on land and construction in progress	396	169	227
Loss from tax consolidation	516	285	231
Total deferred tax assets	**24,057**	**19,888**	**4,169**

Deferred tax assets relate to:

- 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 of land;
- the recognition of deferred tax assets on mortgage hedging instruments (IRS).

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	30/06/2012	31/12/2011	Change
Depreciation and amortization fot tax purposes	3	3	0
Capital gains in installments	3	4	(1)
Tax effect on amortization reversal	80	71	9
Tax effect on fair value of properties	44,437	45,573	(1,136)
Tax effect on post-employment benefits per IAS 19	18	15	3
Tax effect on convertible bond	66	92	(26)
Tax effect on leasing	2,686	2,542	144
Tax effect on put option	83	66	17
Total deferred tax liabilities	**47,376**	**48,366**	**(990)**

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

The decrease stems primarily from the writedowns of investment property recognized in the half.

Note 19) Sundry receivables and other non-current assets

Sundry receivables and other non-current assets	30/06/2012	31/12/2011	Change
Tax credit	4	4	0
Beneficial interest	959	1,907	(948)
Security deposit	57	53	4
Total	**1,020**	**1,965**	**(944)**

"Beneficial interest" pertains to the cost incurred to ensure the real right of enjoyment of the mall at Citta delle Stelle Shopping Center. Recognition of the portion pertaining to first half 2012 caused the decrease in this item for the year.

Note 20) Equity investments

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

Equity investments	31/12/2011	increases	decreases	writedowns	30/06/2012
Consorzio Forte di Brondolo	55				55
Iniziative Bologna Nord	88			(8)	80
Consorzio Proprietari C.C.Leonardo	52				52
Consorzio C.C. i Bricchi	4				4
Other	13	108			121
Total	**212**	**108**	**0**	**(8)**	**312**

Note 21) Non-current financial assets

Non-current financial assets	30/06/2012	31/12/2011	Change
Non-current financial assets	24	41	(17)

Note 22) Work in progress inventory and advances

Work in progress inventory and advances	31/12/2011	Increases	Interest capitalized	Decreases	Writedowns	30/06/2012
Multifunctional complex	69,845	3,536	367		(348)	73,400
Advances	1,307			(324)		983
Total work in progress	**71,152**	**3,536**	**367**	**(324)**	**(348)**	**74,383**

Work in progress inventory relating to the land, buildings, and urban infrastructures of the multi-purpose complex in Livorno increased by €3,536 thousand due to the advancement of works. Financial charges of €367 thousand were capitalized in the half. An impairment loss of €348 thousand was charged to reflect the difference between cost and the appraised fair value at 30 June 2012.

Nota 23) Trade and other receivables

Trade and other receivables	30/06/2012	31/12/2011	Change
Trade and other receivables - third parties	24,739	22,290	2,448
Provision for doubtful accounts	(11,182)	(9,189)	(1,993)
Total	**13,556**	**13,101**	**455**

Trade payables are basically unchanged with respect to 31 December 2011. 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 provision for doubtful accounts	31/12/2011	Change in scope of consolidation	Translation effect	Utilizations	Writedown of delinquent interest	Allocations	30/06/2012
Provision for doubtful accounts	9,189	0	(53)	(108)	(10)	2,164	11,182
Total provision for doubtful accounts	**9,189**	**0**	**(53)**	**(108)**	**(10)**	**2,164**	**11,182**

Note 24) Related party trade and other receivables

Related party trade and other receivables	30/06/2012	31/12/2011	Change
Parent	41	40	1
Total parent	**41**	**40**	**1**
Consorzio dei proprietari Centro Leonardo	0	2	(2)
Consorzio C.C. i Bricchi	32	29	4
Ipercoop Sicilia	0	23	(23)
Ipercoop Tirreno	13	13	0
Vignale Comunicazioni srl	108	116	(8)
Unicoop Tirreno scarl	104	95	10
Librerie Coop spa	11	16	(4)
Robintur spa	1	1	(1)
Consorzio La Torre	114	165	(52)
Consorzio Crema	35	1	35
Consorzio Forte di Brondolo	2	2	0
Consorzio Katanè	178	58	119
Consorzio Lame	1	1	0
Consorzio Coné	0	3	(2)
Consorzio Sarca	12	418	(407)
Other related parties	**611**	**943**	**(332)**
Total related parties	**652**	**983**	**(331)**

See Note 42 for comments.

Note 25) Other current assets

Other current assets	30/06/2012	31/12/2011	*Change*
Tax credit			
VAT credits	1,800	9,213	(7,413)
IRES credits	402	906	(504)
IRAP credits	66	107	(41)
Due from others			
Advances paid to suppliers	23	40	(17)
Due from insurers	0	1	(1)
Accrued income and prepayments	1,171	513	658
Deferred costs	203	201	2
Other	328	412	(84)
Total other current assets	**3,993**	**11,393**	**(7,400)**

Other current assets decreased since the previous year due mainly to a reduction in VAT credits of approximately €4.6 million and VAT credit of €2.8 million awaiting refund which was reclassified to current financial receivables and against which a surety has already been issued.

Note 26) Current financial receivables and other current financial assets

Current financial assets	30/06/2012	31/12/2011	Change
Other financial assets	2,903	278	2,625
Total due from third parties	**2,903**	**278**	**2,625**
Other related parties	1,494	1,426	68
Total due from related parties	**1,494**	**1,426**	**68**

This item increased for the reason explained in the previous note.

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 27) Cash and cash equivalents

Cash and cash equivalents	30/06/2012	31/12/2011	Change
Cash and cash equivalents at banks, financial institutions and post offices	10,738	14,313	(3,575)
Cash on hand	116	120	(4)
Total cash and cash equivalents	**10,854**	**14,433**	**(3,579)**

Cash and cash equivalents at 30/06/2012 consisted mainly of current account balances at banks.

Note 28) Net equity

Consolidated net equity can be broken down as follows:

Net equity	30/06/2012	31/12/2011	Change
Share capital	311,569	298,273	13,296
Share premium reserve	147,730	147,730	0
Total other reserves	**246,491**	**252,347**	**(5,856)**
Legal reserves	10,440	9,003	1,437
Euro conversion reserve	23	23	0
Merger surplus	13,736	13,736	0
Reserve for treasury shares	(11,276)	(11,276)	0
Cash Flow Hedge reserve	(22,382)	(15,564)	(6,818)
Cash Flow Hedge reserve - subsidiaries	(9,061)	(8,323)	(738)
Bond issue reserve	29,798	29,793	5
Capital increase reserve	(577)	0	(577)
Fair Value reserve	240,127	238,900	1,227
Translation reserve	(4,337)	(3,945)	(392)
Total Group profit	**38,657**	**56,891**	**(18,234)**
Group profit (losses) carried forward	30,365	26,834	3,531
Group profit (losses) carried forward for the period	8,292	30,057	(21,765)
Group net equity	**744,447**	**755,241**	**(10,794)**
Minorities' portion of capital and reserves	11,812	11,851	(39)
Minorities' portion of profit/(loss)	(107)	(39)	(68)
Group net equity	**11,705**	**11,812**	**(107)**
Consolidated net equity	**756,152**	**767,053**	**(10,901)**

Movements in net equity are explained by:

- for €13,296 thousand, the increase in share capital;
- for -€6,818 thousand and -€738 thousand, the decrease in the derivatives accounted for using the cash flow hedge method relative to, respectively, the Parent Company and its subsidiary;
- for about +€5 thousand, adjustment of the deferred tax relative to the convertible bond;
- for €577 thousand, the decrease following recognition of ancillary costs relating to the capital increase, net of the tax effect;
- for about -€392 thousand, changes in the translation reserve for the translation of foreign currency financial statements;
- for €23,862 thousand, the distribution of the 2011 profit;
- for €8,292 thousand, the Parent Company's portion of net profit;
- for €107 thousand, the minorities' portion of the net loss.

Note 29) Non-current financial liabilities

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

Non-current financial liabilities	Duration	30/06/2012	31/12/2011	Change
Mortgage loans with banks		**593,112**	**610,304**	**(17,192)**
BNL - Rimini mortgage loan	6/9/2006 - 6/10/2016	15,965	16,884	(919)
Interbanca spa	25/9/2006 - 5/10/2021	111,774	117,304	(5,530)
Banca bre Mondovi' mortgage loan	23/11/2006 - 10/01/2023	10,587	10,974	(387)
Carisbo Guidonia mortgage loan	27/03/2009 - 27/09/2013	66,402	68,452	(2,050)
Unipol lungo savio	31/12/2008 - 31/12/2023	10,084	10,316	(232)
Unipol merchant	10/04/2007 - 06/04/2027	81,802	83,295	(1,493)
Carige	17/12/2008 - 30/03/2024	25,827	26,359	(532)
Cassa risp veneto Mondovi mortgage loan	08/10/2009 - 01/11/2024	26,576	27,396	(820)
Cr siciliano mediocreval catania	23/12/2009 - 30/03/2024	15,141	15,846	(705)
Mediocredito italiano Faenza	05/10/2009 - 30/06/2029	44,910	46,314	(1,404)
Mps palermo	21/12/2010 - 30/11/2025	31,609	32,462	(853)
Carige Palermo Iper	12/07/11 - 30/06/2027	23,576	24,292	(716)
Centrobanca Conegliano	22/12/2010 - 31/12/2025	42,634	43,944	(1,310)
Centrobanca Conegliano Iper	30/06/2011 - 30/06/2016	14,318	14,708	(390)
Centrobanca Livorno	01/02/2010 - 15/06/2013	0	10,925	(10,925)
Banca Popolare di Verona	27/07/2011-25/07/2026	4,252	4,250	2
Cassa risp Firenze	20/12/2011 - 19/12/2016	39,903	39,892	11
Intesa	16/03/2012 - 16/03/2017	27,752	0	27,752
Mps	30/11/2007 - 30/11/2012	0	16,691	(16,691)
Convertible Bond	28/6/2007-28/12/2013	**221,990**	**219,466**	**2,524**
Due to other sources of finance		**13,755**	**30,889**	**(17,134)**
Contingent liability for mall and business division		8,173	10,217	(2,044)
Options on equity investments	03/04/2012	0	14,953	(14,953)
Sardaleasing for Bologna office	30/04/2009 - 30/04/2027	5,582	5,719	(137)
Total financial liabilities with third parties		**828,857**	**860,659**	**(31,802)**
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:

- the signing, in March 2012, of a €30 million loan agreement with Intesa San Paolo S.p.A., which took effect immediately. More in detail, the agreement is for a 5 year collateralized mortgage line of credit indexed to the three month Euribor with a spread of 310 bps loan. This line of credit made it possible to reduce short term exposure;
- the decrease in existing mortgage loans with respect to 31/12/2011 due for the portion relating to 2013 reclassified to current financial liabilities;
- recalculation of the contingent consideration on a mall;
- the exercise of 3 April of the call for the purchase of the minority interest (20%) held by Cooperare Spa in the subsidiary Porta Medicea s.r.l. for €15,190 thousand.

Mortgage loans are secured by properties.

Covenants

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

- ✓ Article 5 of the contract with BNL - Banca Nazionale del Lavoro S.p.A. signed on 7 August 2006 states that the bank can terminate the contract if, from 31/12/2006 through maturity, IGD Group's debt-to-equity ratio (including receivables and payables for interest rate swaps) exceeds 2.0. At 30/06/2012 the ratio, including derivatives, came to 1.27;
- ✓ Art. 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 (including receivables and payables for interest rate swaps) exceeds 2.3. At 30/06/2012 the ratio, including derivatives, came to 1.51;
- ✓ 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 through maturity, the IGD Group's debt-to-equity ratio exceeds 1.6. At 30/06/2012 the debt-to-equity ratio (including derivatives) came to 1.51.
- ✓ Art. 87 of the contract with Cassa di Risparmio del Veneto S.p.A. 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 (including receivables and payables for interest rate swaps) of more than 1.6. At 30/06/2012 the ratio, including derivatives, came to 1.51;
- ✓ Art. 13.1.7 of the contract with Mediocreval S.p.A. signed on 23 December 2009 states that the bank may 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 31 30/06/2012 the debt-to-equity ratio came to 1.39 and the loan-to-value to 42.60%;
- ✓ Art. 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 for any financial year show a ratio of net external debt to equity plus intercompany financing of more than 2.70; at 30 June 2012 the ratio was 1.09;
- ✓ Art. 2 of the contract with Monte dei Paschi di Siena S.p.A. signed on 21 December 2010 states that the bank can call in the loan if the debt/equity ratio exceeds 1.7 (including receivables and payables for interest rate swaps) and the loan-to-value ratio exceeds 70%; at 30/06/2012 the debt-to-equity ratio (including derivatives) came to 1.51 and the loan-to-value to 59.62%;
- ✓ Art. 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 (including receivables and payables for interest rate swaps) exceeds 2; at 30/06/2012 the debt-to-equity ratio (including derivatives) came to 1.51;
- ✓ Art. 10.1 of the contract with Centrobanca S.p.A. signed on 30 June 2011 states that: (i) the bank can call in the loan if the debt/equity ratio (including receivables and payables for interest rate swaps) exceeds 2.0; (ii) the bank can curtail the loan by an amount at its discretion, if the loan-to-value ratio exceeds 66.40%, such that this ratio is restored. At 30/06/2012 the debt-to-equity ratio (including derivatives) came to 1.51 and the loan-to-value to 62.22%;
- ✓ Art. 14 of the contract with Banca Popolare di Verona - S. Geminiano e S. Prospero S.p.A. signed on 25 July 2011 requires the borrower to maintain the debt-to-equity ratio of its subsidiary Porta

Medicea S.r.l. below 1.0, equity of at least €55 million, and a loan-to-value ratio of 65% or less; at 30/06/2012 the debt-to-equity ratio came to 0.36, equity to €58.8 million and the loan-to-value to 20.83%;

- ✓ Art. 8 (3) of the contract with Cassa di Risparmio di Firenze S.p.A. signed on 19 December 2011 gives the bank the right to terminate the loan unless the borrower maintains the following ratios: (i) EBITDA/financial charges > 1.5; (ii) debt/equity (including receivables and payables for interest rate swaps) = 1.60 or less; (iii) debt/total value of properties (per certified annual appraisals attached to IGD's consolidated financial statements) = 0.65 or less. At 30/06/2012 EBITDA/financial charges ratio amounted to 1.78, the debt-to-equity ratio (including derivatives) to 1.51, the debt/total value of properties to 59.62%;
- ✓ Art. 8 of the contract with Intesa San Paolo signed on 16 March 2012 states that the bank can gives the bank the right to terminate the loan unless the borrower maintains the following ratios: EBITDA/financial charges > 1.5; debt/equity (including receivables and payables for interest rate swaps) 1.60 or less; debt/total value of properties (per certified annual appraisals attached to IGD's consolidated financial statements) = 0.65 or less. At 30/06/2012 il EBITDA/financial charges ratio amounted to 1.78, the debt-to-equity ratio (including derivatives) to 1.51, the debt/total value of properties to 59.62%.

The table below shows the amount of loans directly allocable to investment property at 30/06/2012 and the average maturity:

Project/asset	Carrying value of asset	Direct financial debt	Form	Average maturity
Investment property	1,769,025	535,313	Mortgage loans, finance leases and bullet loans	9.85

Note 30) Provision for employee severance indemnities

Movements in the provision for employee severance indemnities are shown below:

Provision for employee severance indemnities	Balance at 31/12/10	Transfer	Utilization	Allocation	Financial charges - IAS 19	Balance at 31/12/2011
Provision for employee severance indemnities	612	0	(82)	235	31	796

Provision for employee severance indemnities	Balance at 31/12/11	Transfer	Utilization	Allocation	Financial charges - IAS 19	Balance at 30/06/2012
Provision for employee severance indemnities	796		(29)	111	19	897

Recalculation of employee severance indemnity provision in accordance with IAS 19	2012	2011
BALANCE AT 1/01	**796**	**612**
Current cost of service	92	172
Financial charges	19	31
Actuarial (gains)/losses	0	32
(benefits paid)	(10)	(51)
BALANCE AT 30/06	**897**	**796**

Note 31) Provisions for risks and charges

General provisions	31/12/2011	Utilizations	Allocations	30/06/2012
Provision for taxation	355	(147)		208
Bonus provision	652	(652)	361	361
Other general provisions	295	(9)		286
Provision for Guidonia penalties	84			84
Total	**1,386**	**(808)**	**361**	**939**

Provision for taxation

This provision covers the liabilities likely to arise from assessments pending before the tax commission. The allocation refers to an ICI (local property tax) dispute.

Bonus provision

The bonus provision relates to the variable compensation that will be paid to employees in 2013 on the basis of the Group's 2012 estimated results. The utilization refers to the payment made in 2012.

Other general provisions

This amount covers liabilities deemed likely to arise from lawsuits with third parties.

Provision for Guidonia penalties

This contains the rest of the funds set aside in 2008 to cover risks and charges stemming from the delayed opening of the Guidonia Shopping Center.

Note 32) Sundry payables and other non-current liabilities

Sundry payables and other non-current liabilities	30/06/2012	31/12/2011	Change
Deferred income	7,266	7,266	0
Other liabilities	178	59	119
Total	**7,444**	**7,325**	**119**

Note 33) Related party sundry payables and other non-current liabilities

Related party sundry payables and other non-current liabilities	30/06/2012	31/12/2011	Change
Parent	**9,322**	**9,322**	**0**
Security deposit from Coop Adriatica	9,322	9,322	0
Other related parties	**3,484**	**3,449**	**35**
Security deposits from Ipercoop Tirreno S.p.A	1,117	1,105	12
Security deposits from Unicoop Tirreno	2,342	2,319	23
Security deposit from Vignale Comunicazione	25	25	0
Total	**12,806**	**12,771**	**35**

Security deposits refer to the sums advanced on the leasing of hypermarkets and malls.

Note 34) Current financial liabilities

Current financial liabilities	Duration	30/06/2012	31/12/2011	Change
Banca Pop. Emilia Romagna - Hot Money	25/06/2012 - 25/07/2012	15,000	8,000	7,000
Unicredit - Hot Money	18/05/2012 - 18/06/2012	0	10,002	(10,002)
Carisbo - Hot Money	15/06/12 - 06/07/12	10,013	10,001	12
Cassa Risparmio PD RO	13/06/12 - 04/07/12	10,015	10,000	15
Banca Pop. Emilia Romagna - Hot Money	22/06/12 - 23/07/12	11,500	0	11,500
Unipol Banca - Hot Money	22/06/12 - 06/07/12	6,505	0	6,505
Unipol Banca - Hot Money	20/06/12 - 05/07/12	6,506	0	6,506
Banca popolare di Verona hot money	03/04/12 - 18/05/12	0	6,000	(6,000)
Bnl - Bologna	09/06/2012 - 09/07/2012	15,000	20,000	(5,000)
Cassa risp. Firenze hot money	18/06/12 - 10/07/2012	8,008	15,011	(7,003)
Bnl - Bologna	a revoca	10,013	10,014	(1)
Cassa Risparmio del Veneto- Hot Money	28/06/12-19/07/12	13,502	20,016	(6,514)
Cassa Risparmio del Veneto- Hot Money	29/06/12-23/07/12	3,000	0	3,000
Banca Pop. Emilia Romagna		1,308	125	1,183
Cassa Risparmio Firenze c/c 5260		58	0	58
Mps c/c 195923		39,446	36,922	2,524
Total due to banks		**149,874**	**146,091**	**3,783**
BNL - Rimini mortgage loan	6/9/2006 - 6/10/2016	1,895	1,934	(39)
Banca Bre Mondovi' mortgage loan	23/11/06 - 10/01/23	875	885	(10)
Unipol lungo savio	31/12/08 - 31/12/23	459	446	13
Interbanca loan	25/09/06-05/10/2021	11,470	11,537	(67)
Carisbo Guidonia mortgage loan	27/03/2009 - 27/09/2013	4,476	4,146	330
Unipol Merchant	10/04/2007 - 06/04/2027	3,255	3,435	(180)
Carige	17/12/2008 - 30/03/2024	1,058	1,024	34
Cassa risp veneto Mondovi mortgage loan	08/10/2009 - 01/11/2024	1,764	1,801	(37)
Cr siciliano mediocreval catania	23/12/09 - 30/03/24	1,429	1,429	0
Mediocredito italiano Faenza	05/10/2009 - 30/06/2029	2,824	2,825	(1)
Mps Palermo	21/12/2010 - 30/11/2025	1,775	1,782	(7)
Carige Palermo Iper	12/07/11 - 30/06/2027	1,424	708	716
Centrobanca Conegliano	22/12/2010 - 31/12/2025	2,643	2,644	(1)
Centrobanca Conegliano Iper	30/06/2011 - 30/06/2016	801	802	(1)
Centrobanca Livorno	01/02/2010 - 15/06/2013	10,950	0	10,950
Mps	30/11/2007 - 30/11/2012	16,691	0	16,691
Intesa	16/03/2012 - 16/03/2017	1,600	0	1,600
Total mortgage loans with banks		**65,389**	**35,398**	**29,991**
Hypo Tirol leasing Spa	01/04/2004-01/07/2012	0	1,876	(1,876)
Leasing for IGD HQ	30/04/2009 - 30/04/2027	270	266	4
Other financial liabilities		1,100	750	350
Convertible Bond	28/6/2007-28/12/2013	44	66	(22)
Total due to other sources of finance		**1,414**	**2,958**	**(1,544)**
Total current financial liabilities with third parties		**216,677**	**184,447**	**32,230**
Coop pooled account		49,796	49,469	327
Coop price adjustment Le Maioliche	21/02/2012	0	1,000	(1,000)
Coop loan Le Maioliche	31/12/2019	258	0	258
Total due from related parties		**50,054**	**50,469**	**(415)**
Total current financial liabilities with related parties		**50,054**	**50,469**	**(415)**

The changes in financial liabilities with third parties relate primarily to new hot money loans and repayments and to the current portion of mortgage loans with Intesa, Centrobanca Livorno and MPS ipotecario. The change in the bond loan is due to the installment accrued at 30.06.2012.

The amount owed Hypo Tirol leasing Spa fell following exercise of the lease purchase option provided for in the leases relative to the shopping mall in Rovereto

Note 35) Net financial position

The net financial position at 30 June 2012 and at 31 December 2011 is shown below. The net financial position, and the comparison figures, do not reflect the measurement of hedging instruments.

For more information refer to Notes 21, 26, 27, 29, 34 and the section "Statement of Financial Position and Financial Review" of the Directors' report.

Credit lines with banks amount to €291.5 million, of which €92.7 million was unutilized at 30/06/2012. See the section "Statement of Financial Position and Financial Review" for comments.

NET FINANCIAL POSITION	30/06/2012	31/12/2011
Cash and cash equivalents	(10,854)	(14,433)
Financial receivables and other current financial assets w. related parties	(1,494)	(1,426)
Financial receivables and other current financial assets	(2,903)	(278)
LIQUIDITY	**(15,251)**	**(16,137)**
Current financial liabilities w. related parties	50,054	50,469
Current financial liabilities	150,974	146,841
Mortgage loans - current portion	65,389	35,398
Leasing – current portion	270	2,142
Convertible bond loan - current portion	44	66
CURRENT DEBT	**266,731**	**234,916**
CURRENT NET DEBT	**251,480**	**218,778**
Non-current financial assets	(24)	(41)
Non-current financial liabilities due to other sources of finance	8,173	25,170
Leasing – non-current portion	5,582	5,719
Non-current financial liabilities	593,112	610,304
Non-current financial liabilities w. related parties	15,000	15,000
Convertible bond loan	221,990	219,466
NON-CURRENT DEBT	**843,833**	**875,618**
NET FINANCIAL POSITION	**1,095,313**	**1,094,397**

Note 36) Trade and other payables

Trade and other payables	30/06/2012	31/12/2011	Change
Trade payables	8,495	11,215	(2,720)

The decrease in trade payables is due to payments made for construction and contract work on the investments in Ravenna (restyling ESP) and Livorno (multipurpose center).

Note 37) Related party trade and other payables

Related party trade and other payables	30/06/2012	31/12/2011	Change
Parent	914	1,855	(941)
Other related parties:	663	788	(125)
Consorzio Lame	75	58	17
Consorzio La Torre - PA	33	114	(81)
Consorzio Conè	0	60	(60)
Consorzio Forte di Brondolo	235	317	(82)
Consorzio Katanè	162	27	135
Consorzio Proprietari Leonardo	15	10	5
Consorzio I Bricchi	40	201	(161)
Unicoop Tirreno	59	0	59
Consorzio Crema	44	0	44
Librerie Coop	0	1	(1)
Total related parties	**1,577**	**2,643**	**(1,066)**

See Note 42 for comments.

Note 38) Current tax liabilities

Current tax liabilities	30/06/2012	31/12/2011	Change
IRPEF incl. Regional and municipal surtax	516	470	46
IRAP	38	47	(9)
IRES	258	201	57
VAT	155	158	(3)
City of Ferrara	0	252	(252)
Other taxes	500	17	483
Withholding tax on dividends	2,055	0	2,055
Substitute tax for SIIQ status	0	6,724	(6,724)
Total current tax lialibilities	**3,522**	**7,869**	**(4,347)**

Most of the change is due to the increase in withholding tax taken by the parent company for the payment of dividends, to IMU owed in excess of the advances paid at June 2012 (IRAP) and to income tax at the Romanian companies.

The decreases refer to a payment made to the municipality of Ferrara for a concession and to the payment, on 16 June 2012, of the last of the five yearly instalments of the SIIQ regime entry tax.

Note 39) Other current liabilities

Other current liabilities	30/06/2012	31/12/2011	Change
Social security	312	329	(17)
Accrued liabilities and deferred income	884	923	(39)
Insurance	23	22	1
Due to employees	719	706	13
Security deposits received	2,668	2,839	(171)
Unclaimed dividends	1	1	0
Advances received, due w ithin one year	921	920	1
Other liabilities	44	242	(198)
Total other liabilities	**5,572**	**5,982**	**(410)**

Note 40) Related party other current liabilities

Related party other current liabilities	30/06/2012	31/12/2011	Change
Other payables	18	18	0
Total other liabilities with related parties	**18**	**18**	**0**

See Note 42.

Note 41) Dividends

During the year, further to the shareholders' resolution of 190 April 2012 (the AGM that approved the 2011 financial statements), a dividend of €0.08 was paid for each of the 298,272,669 shares outstanding, for a total of €23,861,814.

Note 42) Related party disclosures

Below is the information required by paragraph 18 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 scarl	41	0	914	9,322	65,054	940	59	0
Robintur spa	1	0	0	0	0	0	0	0
Librerie.Coop spa	11	0	0	0	0	0	0	0
Unicoop Tirreno scarl	104	0	74	2,342	0	0	0	10
Vignale Comunicazione srl	108	0	0	25	0	0	0	0
Ipercoop Tirreno spa	13	0	0	1,117	0	0	0	0
Ipercoop Sicilia	0	0	3	0	0	0	0	0
Cons.Forte di Brondolo	2	0	235	0	0	0	197	0
Cons. Proprietari Leonardo	0	0	15	0	0	0	3	0
Consorzio Bricchi	32	0	40	0	0	0	0	0
Consorzio Lame	1	0	75	0	0	0	18	0
Consorzio Katanè	178	0	162	0	0	0	0	0
Consorzio Conegliano	0	0	0	0	0	0	0	0
Consorzio Palermo	114	0	33	0	0	0	0	0
Consorzio Crema	35	0	44	0	0	0	41	0
Consorzio Sarca	12	0	0	0	0	0	0	0
Iniziative Bologna Nord	0	1,494	0	0	0	0	0	0
Total	**652**	**1,494**	**1,595**	**12,806**	**65,054**	**940**	**319**	**10**
Amount reported	**92,590**	**4,397**	**15,662**	**20,250**	**1,110,588**	**25,589**		
Total increase/decrease for the year							**6,000**	**240**
% of total	**0.70%**	**33.98%**	**10.19%**	**63.24%**	**5.86%**	**3.67%**	**5.31%**	**4.17%**

Related party disclosure	Revenue - other income	Financial income	Costs	Financial charges
Coop Adriatica scarl	11,304	0	1,102	1,202
Robintur spa	129	0	19	0
Librerie.Coop spa	364	0	0	0
Unicoop Tirreno scarl	2,652	0	50	0
Vignale Comunicazione srl	253	0	0	0
Ipercoop Tirreno spa	1,061	0	0	36
Ipercoop Sicilia	2,266	0	0	0
Cons.Forte di Brondolo	0	0	0	0
Cons. Proprietari Leonardo	111	0	5	0
Consorzio Bricchi	55	0	265	0
Consorzio Lame	87	0	1	0
Consorzio Katanè	97	0	88	0
Consorzio Conegliano	79	0	87	0
Consorzio Palermo	96	0	57	0
Consorzio Crema	49	0	2	0
Consorzio Sarca	121	0	0	0
Iniziative Bologna Nord	0	8	0	0
Total	**18,724**	**8**	**1,676**	**1,238**
Amount reported	**63,682**	**227**	**23,237**	**24,176**
% of total	**29.40%**	**3.74%**	**7.21%**	**5.12%**

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 and recognized at face value.

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 the Parent Company;
- payables and costs for the Parent Company's supply of services in the areas of: treasury and EDP;
- capitalized costs for services in connection with various real estate initiatives;
- security deposits received on leases;
- establishing credit.

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, as well as the lease of a portion of the third floor of the office building where IGD's headquarters are located.

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 two rental agreements with Vignale Comunicazione, for the malls in Mondovì and Asti (valid from 1 January 2012 to 31 December 2014).

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.

Note 43) 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 70.63% 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 €581.22 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 29.40% 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 Ron could lead to the writedown of properties held or to the unsustainability of contractual obligations for tenants in Romania, where rent is denominated in Ron 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 2012 was 1.39%, basically in line with the figure recorded at 31 December 2011;

2- keeping the loan-to-value ratio under 60% (it was 57.24% at 30 June 2012).

Note 44) 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	30/06/2012	31/12/2011	Change	Level
Interest rate swaps - receivables	176	202	(26)	2
Interest rate swaps - payables	(45,743)	34,773	(10,970)	2
Interest rate swaps - net effect	**(45,567)**	**(34,571)**	**(10,996)**	

The contracts are detailed below:

In detail contracts	Monte Paschi Finance 4	Aletti Interbanca	Bnp Interbanca	Mps 10198433 (now Banca CRF)	Mps 10201705 (now Banca CRF)	Carisbo 902160165	Carisbo 910270202	BNP Paribas
Nominal amount	17,846,154	20,671,942	20,671,942	20,671,942	20,671,942	11,350,007	20,671,942	85,000,000
Inception date	06/10/2006	10/06/2009	10/06/2009	11/06/2009	12/06/2009	12/02/2009	28/10/2009	06/10/2007
Maturity	06/10/2016	05/10/2021	05/10/2021	05/10/2021	05/10/2021	10/01/2023	05/10/2021	06/10/2017
IRS frequency	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Half-yearly	Quarterly	Quarterly
Bank rate	3-month Euribor	3-month Euribor	3-month Euribor	3-month Euribor	3-month Euribor	6-month Euribor	3-month Euribor	3-month Euribor
Customer rate	3.84%	3.42%	3.44%	3.44%	3.42%	3.35%	3.18%	4.38%

In detail contracts	Mps 87065 (now Banca CRF)	Aletti Asti	Aletti Guidonia	Carisbo 100540011	Carisbo 1004290251	Mps 92285	Mps Guidonia
Nominal amount	20,671,942	8,099,223	17,695,750	10,798,964	10,566,060	8,099,223	17,695,750
Inception date	28/10/2009	28/04/2010	27/08/2010	28/04/2010	28/04/2010	28/04/2010	27/08/2010
Maturity	05/10/2021	31/03/2024	27/03/2024	28/03/2024	29/12/2023	28/03/2024	27/03/2024
IRS frequency	Quarterly	Quarterly	Quarterly	Quarterly	Half-yearly	Quarterly	Quarterly
Bank rate	3-month Euribor	3-month Euribor	3-month Euribor	3-month Euribor	6-month Euribor	3-month Euribor	3-month Euribor
Customer rate	3.18%	3.29%	2.30%	3.27%	3.41%	3.25%	2.30%

In detail contracts	Carisbo Guidonia 1008270304	Carisbo Guidonia 1008300079	MPS 2011 ON MEDIOCREVAL LOAN N. 2711	CARISBO 2011 ON CRVENETO MONDOVI LOAN N. 28559790	CARISBO 2011 ON CONE' MALL LOAN N. 29024749	CARISBO 2011 ON CONE' MALL LOAN N. 29024753	ALETTI ON CONE' MALL LOAN 2011	CASSA RISP FIRENZE NEW MORTGAGE LOAN
Nominal amount	17,695,750	17,695,750	16,785,714	28,350,000	22,770,000	9,108,000	13,662,000	40,000,000
Inception date	27/08/2010	27/08/2010	12/07/2011	12/07/2011	12/09/2011	12/09/2011	12/09/2011	22/12/2011
Maturity	27/03/2024	27/03/2024	31/03/2024	01/11/2024	31/12/2025	31/12/2025	31/12/2025	30/09/2016
IRS frequency	Quarterly	Quarterly	Quarterly	Half-yearly	Quarterly	Quarterly	Quarterly	Quarterly
Bank rate	3-month Euribor	3-month Euribor	3-month Euribor	6-month Euribor	3-month Euribor	3-month Euribor	3-month Euribor	3-month Euribor
Customer rate	2.30%	2.29%	2.80%	3.25%	2.43%	2.43%	2.43%	2.45%

Note 45) 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 46) Commitments and risks

At 30 June 2012 the Group had the following purchase commitments:

- 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.

Note 47) Disputes

Due to the dissolution of the joint venture with Beni Stabili (resulting in the sale of 50% of RGD S.r.l. by Immobiliare Larice) and the joint purchase of the Darsena City shopping center, the IGD Group has a commitment with RGD S.r.l. 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.r.l. on 29 March 2007, following the property's change of ownership on 9 March 2007.

The companies Partxco S.p.A., Magazzini Darsena S.p.A. and Darsena F.M. S.r.l., the Group's counterparties in the above transaction, are currently facing financial difficulties. Together with RGD S.r.l. (now Beni Stabili SIIQ S.p.A.), the Group has come up with options to protect the parties' mutual interests given the complexity of the agreements and of the receivables outstanding.

As part of the litigation strategy, also taking account of the Mascellani Group's current insolvency, the following steps have been taken:

- regarding recovery of the rent due on the building leased to Magazzini Darsena:

i. Beni Stabili (formerly RGD), in the interests of both shareholders, has acted to enforce the rental guarantee on that property in the amount of €3,640 thousand. Likewise, on the entire amount of the unpaid rent, Beni Stabili obtained a payment order that was later contested, but reinstated by the court of first instance. The court of appeals then ruled definitively against a challenge to the lower court's ruling and a request to suspend the provisional enforcement of the payment order. On 13 February 2012 Magazzini Darsena appealed the ruling. Beni Stabili presented its defence in time, on 27 July 2012, requesting that Magazzini Darsena's appeal be rejected, that the order issued by the court of first instance be reinstated and that the other party pay its expenses.

ii. The Court of Ferrara is hearing two separate complaints per Art. 447 *bis* of the Code of Civil Procedure, aimed at forcing Magazzini Darsena S.p.A. and Darsena F.M. S.r.l. to pay, respectively, the rent and the sublease rent on the Centro di Vicinato Darsena City until transfer of the relevant share of the building to IGD. In June 2012 the Court of Ferrara found in favor of Beni Stabili in first instance and ordered Magazzini Darsena to pay the rent owed for the period beginning with the second quarter of 2010 through 4 April 2012 in the amount of € 5,229,122.72 plus VAT, penalties and taxes; no findings were made with regard to the amount owed by Darsena F.M. s.r.l. for the sublease rent pending determination of the exact amount not paid by Darsena F.M. s.r.l..

iii. RGD has obtained authorization to seize all of Magazzini Darsena's and Darsena F.M.'s movable property, real estate and receivables, including from third parties. This interim relief was sought as instrumental to the pending action on the merits for the recognition of claims under the related contracts. Magazzini Darsena and Darsena F.M. made an unsuccessful appeal against the seizure ruling.

iv. IGD has filed a complaint per Art. 447 *bis* of the Code of Civil Procedure with the Court of Ferrara, demanding payment of unpaid rent accrued from 1 January 2011 to the present (as specified in the notes). The case is pending.

v. IGD SIIQ S.p.A. and Beni Stabili, given the ongoing insolvency of the seller Magazzini Darsena, have petitioned the bankruptcy section of the Court of Ferrara (each with respect to its own credit position) to declare the bankruptcy of Magazzini Darsena S.p.A. and Darsena F.M. It was declared that it was impossible to proceed with the instances of bankruptcy due to the request filed by the above mentioned companies to enter into an agreement with the creditors. Subsequently, in a decree issued 15 May 2012, the Court of Ferrara declared the procedures relative to Darsena FM and Magazzini Darsena open and called the meeting of the creditors

- regarding the preliminary and definitive contracts left with RGD, due in part to the dissolution of the JV:

vi. RGD, now Beni Stabili SIIQ S.p.A., has resorted to the arbitration process provided for in the related contracts, notifying a request for arbitration against Magazzini Darsena, Darsena F.M. and Partxco S.p.A. on 30 May 2011. The purpose of the arbitration is to determine the legitimacy of the price adjustment clause in the contract for the purchase of the Darsena City Shopping Centerand 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. The arbitration board was formed on 13 December 2011 and the deadline for the filing of the arbitration award was 12 November 2012 and was subsequently extended through 15 May 2013 in light of the technical assistance needed to determine the extent to which area "B" of the shopping center had been completed

- regarding the price adjustment clause in the contract for the purchase of the shopping center:

vii. on 16 May 2012, Darsena, RGD (Beni Stabili Siiq S.p.A.), filed to receive the bank guarantee of € 2,500 thousand issued by Unicredit to guarantee any amount adjustment owed by Magazzini Darsena based on the shopping centers' earnings. Magazzini Darsena then filed request for an injunction pursuant to Art. 700 of the Code for Civil Procedure to prevent Unicredit from paying Beni Stabili SiiQ S.p.a. The injunction was granted temporarily but subsequently the Court of Verona revoked the injunction rejecting Magazzini Darsena in an order dated 3 August 2012. Magazzini Darsena appealed this order and the first hearing is to be held in September 2012.

Note 48) Tax litigation

Following the tax audit concluded on 11 September 2008, the audit report was delivered without significant findings; as mentioned in earlier reports, one recommendation of the auditors was to revalue closing inventories for about €645 thousand.
With regard to that assessment, claiming that IGD had mistakenly interpreted the type of contract (sale of a future asset rather than a commissioned job) and therefore misclassified 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.
In September 2011 the Company appealed the lower commission's decision and requested a public hearing with the Regional Tax Commission, asking it to declare the assessment null and void.

Certification pursuant to Art. 154 *bis* of Legislative Decree 58/98 and Art. 81 *ter* of Consob Regulation 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 58/98:
   - 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 interim condensed consolidated financial statements for the first half of 2012.

2. We also confirm that:

   2.1 the interim condensed consolidated financial statements:

   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 S.p.A. and of the companies included in the consolidation;

   2.2 the interim directors' report contains a reliable analysis of the key events that took place during the first six months of the year and their impact on the interim condensed consolidated 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 related party transactions.

Bologna, 28 August 2012

Claudio Albertini	Grazia Margherita Piolanti
Chief Executive Officer	Financial Reporting Officer

External Auditors' Report

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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 income statement, the statement of comprehensive income, the statement of changes in equity and the statement of 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, 2012. 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 23, 2012 and on August 26, 2011, 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, 2012 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 28, 2012

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

GLOSSARY

AGENCY MANAGEMENT

Activities aimed at finding the most profitable tenant mix and negotiating leases for stores at malls.

DEVELOPMENT PIPELINE

Program of investments in development.

DIRECT COSTS

Costs directly attributable to the shopping centers.

DIVIDEND YIELD

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

EBITDA

EBITDA, or Earnings Before Interest, Taxes, Depreciation & Amortization, is the most significant measure of a company's operating performance as it indicates earnings regardless of the company's means of financing, taxes or 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, differs from EBITDA in that it includes information on amortization, depreciation, and changes in the fair value of properties held. In the case of IGD, which follows International Accounting Standards (IAS), amortization and depreciation are not overly significant as the value of the freehold properties is updated every six months, based on an independent appraisal; properties are recognized at market value in the balance sheet, while the difference in fair value is shown in the income statement between EBITDA and EBIT.

EPRA

European Public Real Estate Association.

EPS / EARNINGS PER SHARE

Net profit divided by the average number of shares outstanding in the year.

ESTIMATED RENTAL VALUE / ERV

The estimated value at market rates for rentable space, according to an independent appraisal based on similar properties in comparable areas.

FACILITY MANAGEMENT

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

FFO / FUNDS FROM OPERATIONS

Pre-tax profit adjusted by non-monetary items (deferred tax, writedowns, fair value adjustments, amortization, depreciation and other) as well as the impact of income from equity investments and revenue from property sales.. This is the indicator most commonly used to evaluate a REIT's performance.

GENERAL EXPENSES

Corporate costs not attributable to the individual shopping center.

GROSS LEASABLE AREA (GLA)

The total floor area designed for tenant occupancy.

GROSS MARGIN

The result obtained by subtracting direct costs from revenues.

GROSS SURFACE AREA

Floor area which includes outside walls.

HEDGING

The total amount of mortgage loans hedged with interest rate swaps and bonds divided by the total amount of mortgage loans and bonds.

HYPERMARKET

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

INITIAL YIELD

The annualized rental income from a property as a percentage of its valuation at the time of purchase.

INTEREST RATE SWAPS / IRS

Financial instrument whereby two parties agree to exchange a certain interest rate stream on a pre-established date. Used to convert floating rate debt into fixed rate debt.

IPD

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

LIKE-FOR-LIKE PORTFOLIO

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

LTV / LOAN TO VALUE

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

MALL / SHOPPING MALL

Property comprised of many stores plus the common spaces around which they are situated.

MARKET VALUE (FAIR VALUE)

The estimated amount for which a property could be exchanged as of the valuation date, between a buyer and seller each acting prudently and with knowledge of all the facts.

The definition of market value used by the appraiser is as follows:

“Pursuant to the 6th and latest 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 knowledgeably, prudently, and without compulsion”.

MIDSIZE STORE

A property with a sales floor of 250 to 2,500 m^2 used for the retail sale of non-food consumer goods.

NAV / NET ASSET VALUE

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

OCCUPANCY RATE

Gross let surface area as a percentage of properties' total surface area.

OVER-RENTED

Space rented for an amount exceeding its ERV.

PRE-LET

Lease signed by a tenant before development of the property has been completed.

REAL ESTATE PORTFOLIO

The portfolio of freehold and leasehold properties rented out by the IGD Group.

REIT

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

RETAIL PARK

Group of three or more complexes with a combined area of more than 4,500 m^2 and shared parking.

REVERSIONARY POTENTIAL YIELD

The net annual rent that a property would generate if it were fully let at going market rates, as a percentage of the property's value.

ROACE / RETURN ON AVERAGE CAPITAL EMPLOYED

Operating income divided by average capital employed in the year.

ROE

Net profit divided by net equity after dividends.

SHOPPING CENTER

Real estate complex comprised of a hypermarket and a shopping mall, featuring common areas and services located in a covered area with heating and air conditioning.

SIIQ

Società di Investimento Immobiliare Quotata. Real estate investment model comparable to a REIT. SIIQ rules allow income tax exemptions for publicly held listed companies whose prevalent activity is the rental of properties and the equivalent, provided they meet a series of earnings and balance sheet requirements.

STORE

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

SUPERMARKET

A property with a sales floor of 250 to 2,500 m^2 used for the retail sale of food and non-food products.

TENANT MIX

Set of store operators and brands found within a mall.

UNDER-RENTED

Space rented for an amount less than its ERV.

WACC / WEIGHTED AVERAGE COST OF CAPITAL

The weighted average cost of debt and all other sources of capital, used to calculate the expected return on investments.