CONSOLIDATED QUARTERLY REPORT AS AT 31/03/2007

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PRELIMINARY INFORMATION

The Quarterly Report of Gruppo Immobiliare Grande Distribuzione S.p.A. (IGD S.p.A. in brief) as at 31.03.2007, and of the comparable periods, was prepared according to the International Financial Reporting Standards (IFRS). The Quarterly Report and the accompanying Notes consolidate the economic and balance sheet results of IGD S.p.a., Immobiliare Larice srl, Consorzio Forte di Brondolo and Millennium Gallery srl, whose full ownership was acquired by IGD on 28 February 2007, while as to the company RGD srl, controlled with 50% of the share capital as of 30 March 2007, only the balance sheet situation was consolidated with the proportional method.

The IGD Group carries out a property management and leasing activity with the objective of enhancing the value of its real estate portfolio through, on one hand, the acquisition, development and leasing of commercial buildings (Shopping Centres, Hypermarkets, Supermarkets and Malls) and, on the other hand, the maximisation of the yield of its real estate portfolio. Furthermore, the IGD Group supplies a wide range of agency and facility management services aimed to both freehold and leasehold properties .

CORPORATE BODIES

Board of Directors:

1. Gilberto Coffari – Chairman
2. Filippo Maria Carbonari – Chief Executive Officer
3. Sergio Costalli – Vice Chairman
4. Mauro Bini - Member
5. Aristide Canosani - Member
6. Leonardo Caporioni - Member
7. Fernando Pellegrini - Member
8. Fabio Carpanelli - Member
9. Massimo Franzoni - Member
10. Roberto Zamboni - Member
11. Francesco Gentili - Member
12. Stefano Pozzoli - Member
13. Sergio Santi - Member
14. Claudio Albertini - Member
15. Riccardo Sabadini – Member

Board of Statutory Auditors

1. Romano Conti - Chairman
2. Roberto Chiusoli – Auditor
3. Franco Gargani – Auditor

Internal Audit Committee:

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

Supervisory Board:

1. Carpanelli Fabio – Chairman
2. Santi Sergio
3. Gentile Francesco

Auditing Firm: The General Shareholders' Meeting dated 23 April 2007 extended from 2007 to 2012 the appointment of Reconta Ernst &Young S.p.A. as Auditors.

REAL ESTATE MARKET TRENDS

During the first quarter of 2007, the international real estate market was characterised by two key events: the sub-prime mortgages crisis in the US and the Spanish real estate market crisis.
In the US, a few listed sub-prime mortgages lenders faced serious financial troubles due to the insolvency of a significant part of their clients.
The crisis in this sector did not extend to the whole real estate sector, or to the banking sector, or in general, to the whole economy, as it was initially feared.

We should not fear insolvency risks for the Italian banking client base, mainly for the following reasons:

a) the house prices increase in Italy has been less dramatic than in other countries and therefore the level of borrowing required to buy a flat is more sustainable in our country;
b) the debt/wealth ratio of the Italian family is very low as Italians own significant wealth, mostly represented by real estate assets;
c) the growth of the debt stock of Italian families was very sharp over the last few years, but this is due to the fact that the starting level was very low;
d) the percentage of families in financial default is at a very low level, both in absolute terms and in comparison with international scenarios.

Furthermore, with reference to mortgages, we note that, despite the recent increases in interest rates, demand continues to be strong. The needs of the borrowers start to diversify as well as the supply from the banking system.

The issues in Spain are different. Even if the prices of real estate stocks experienced a sharp fall, it is not a real estate market crisis, but rather a slow-down. In fact the sell-off of stocks in this sector was the news that in the first quarter of 2007 house prices rose only by 7.2%. Therefore a slower growth, than measured in the previous comparable periods, but still sustained.
In this case as well, the crisis did not spread internationally also because its causes appear to be entirely of domestic nature. House-builders lamented an excess of supply due to the need of providing “environmentally compatible” houses which remained unsold.

Therefore, despite those two significant events, there was no international crisis that could be labelled as a burst of the real estate market bubble, which existence starts to become questionable.

In the Retail segment of the commercial sector many positive signals are still present. This segment continued to be one of the most attractive in terms of both yields and growth. In terms of growth, we note that in the course of last year the gap between the office and the retail segments was significantly reduced in favour of the latter. Furthermore, an additional development of 3.5 millions of new GLA is estimated in the forthcoming years (source: CBRE)

Despite the significant size of new GLA supply, yields are, and will most likely continue to be, low. This is mainly driven by the high flow of capitals which still characterises the whole sector.
It should be remembered, however, that when evaluating the profitability of a real estate investment, yields only represent one component. The increase in the capital value, following the decrease of the level of capitalisation rates, needs to be added.

With reference to fiscal matters, the predominant theme remains the introduction of the SIIQs. Further clarifications making this instrument fully operational are currently expected from the regulators. The complete coming into force is estimated for 2008.

MANAGEMENT REVIEW

INVESTMENTS

During Q1 2007, the IGD Group continued its real estate development activity, in line with the announced business plan.

- On 8 January 2007, it was signed a preliminary contract with the company Sviluppo Trapani, an unrelated party, for the acquisition of a shopping mall in Trapani. The mall will cover a GLA surface of 14,409 sq.m. and will host 65 shops and 5 medium sized surfaces, in addition to one hypermarket of 8,250 sq.m. sale surface, owned by Ipercoop Sicilia. The commencement of works is expected in June 2008, while the opening is scheduled by the end of 2009. The investment, of a total amount of € 54.670 millions, falls within the industrial plan presented to the financial community in October 2005.

- On 28 February 2007, it was signed a contract with Santoni Costruzioni spa, an unrelated party, for the acquisition of 100% of the company Millenium Gallery srl, which owns part of the shopping mall of the Millenium Center shopping centre in Rovereto (Trento), precisely 32 shops, including one mid-size surface and two warehouses. The investment of a total amount of € 21 millions falls within the industrial plan presented to the financial community in October 2005 and represents the first acquisition in Trentino Alto Adige.

- On 9 March 2007, Immobiliare Grande Distribuzione spa and Beni Stabili spa have executed and gave actual start to a 50/50 Joint Venture called RGD – Riqualificazione Grande Distribuzione, as it was outlined in the cooperation memorandum signed on last 14 November by the two real estate companies.
RGD srl owned 50% by IGD and 50% by Beni Stabili has an initial portfolio represented by 2 shopping centres, located in Ferrara and Nerviano for a total value of approximately € 113.2 millions. The shareholding of IGD spa into RGD srl (formerly Commerciale Prima) was implemented through the conferral in kind of the real estate assets in Ferrara, denominated Darsena City, for € 26,000.00 as capital increase and € 56,574,000.00 as share premium, effective as of 30 March 2007.

CORPORATE EVENTS

At the beginning of March, the Italian Stock Exchange notified that, following the half year 2006/2007 review, the ordinary shares issued by Igd, traded on the Star segment of the Mercato Telematico Azionario have reached a market capitalisation in excess of the threshold relevant for the classification of shares in the Blue Chip segment and the other segments. Therefore, as of 19 March 2007, the Igd financial instruments were transferred to the Blue Chip segment, pursuant to art. IA.4.1.4 of Regulations of the Exchanges organised and managed by Borsa Italiana.

On 23 April, the ordinary and extraordinary shareholders' meetings of IGD were held. In addition to approving the financial statements, the ordinary shareholders' meeting resolved, following a recommendation from the Board of Statutory Auditors, to extend the auditing engagement of Reconta Ernst & Young until the 2012 financial year and appointed Dr. Andrea Parenti as Deputy Auditor, replacing the Deputy Auditor Andrea De Lucia, who resigned in September 2006.
The Extraordinary Shareholders' Meeting approved the amendment of Articles 3, 6, 12, 18, 22, 23, 26 e 27 of the Corporate By-Laws, also with the objective to comply with the provisions of Law 28.12.2005 n. 262 and Law Decree 29.12.2006 n. 303.

FINANCIAL HIGHLIGHTS

The 1Q 07 results confirm the positive performance obtained during last periods and the following shooting of the targets the Group settled above all in terms of: profitability; growth; amount of managed real estate assets.

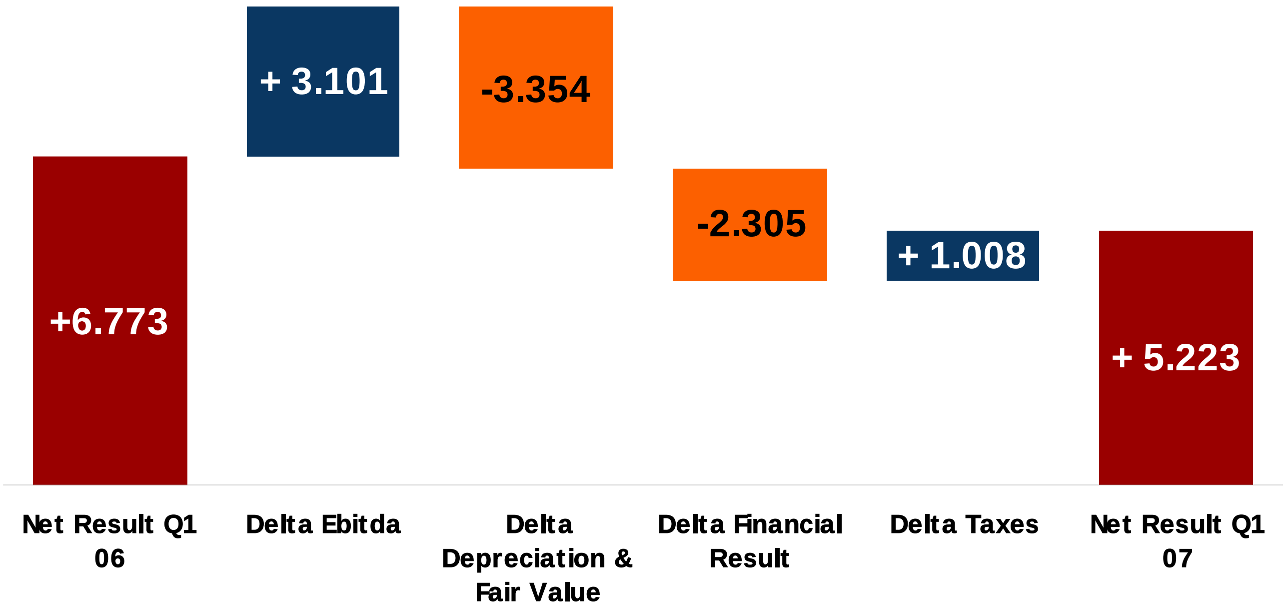
INCOME STATEMENT REVIEW

The financial results of the IGD Group for the first quarter of 2007, and for the period showed as comparison, have been prepared according to the IAS/IFRS principles, issued by IASB and ratified by the European Union, in compliance with art. 81 of the CONSOB Issuers' Rules, no. 11971 of 14 May 1999 and subsequent modifications.

CONSOLIDATED INCOME STATEMENT

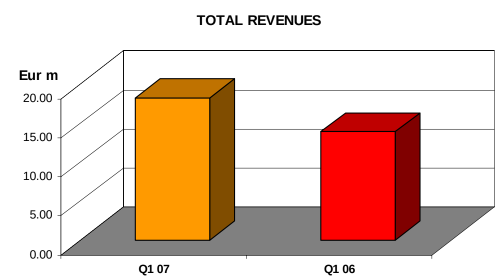
	Q1 07	Q1 06	Δ	Δ
Revenues from Freehold	13,443,044.94	9,940,552.00	3,502,492.94	35.23%
Revenues from Leasehold	3,229,383.21	3,196,928.00	32,455.21	1.02%
Revenues from Services	619,282.05	755,423.00	-136,140.95	-18.02%
Other Revenues	1,046,735.80	44,696.00	1,002,039.80	2241.90%
TOTAL REVENUES	**18,338,446.00**	**13,937,599.00**	**4,400,847.00**	**31.58%**
Purchases of Material and Outsourced Services	4,863,910.00	10,525,267.00	-5,661,357.00	-53.79%
Staff Costs	680,644.00	572,872.00	107,772.00	18.81%
Other Operating Costs	838,795.00	765,155.00	73,640.00	9.62%
Changes in Inventory	0.00	-6,779,687.00	6,779,687.00	-100.00%
EBITDA	**11,955,097.00**	**8,853,992.00**	**3,101,105.00**	**35.02%**
Depreciation and Amortisation	82,864.00	77,082.00	5,782.00	7.50%
Change in Fair Value	-36,733.00	3,311,821.00	-3,348,554.00	-101.11%
EBIT	**11,835,500.00**	**12,088,731.00**	**-253,231.00**	**-2.09%**
Net financial result	**-3,434,380.00**	**-1,129,244.00**	**-2,305,136.00**	**204.13%**
Financial income	1,704,677.00	1,367,136.00	337,541.00	24.69%
Financial expenses	5,139,057.00	2,496,380.00	2,642,677.00	105.86%
PROFIT BEFORE TAX	**8,401,120.00**	**10,959,487.00**	**-2,558,367.00**	**-23.34%**
Income taxes for the period	3,178,126.00	4,186,220.00	-1,008,094.00	-24.08%
NET INCOME	**5,222,994.00**	**6,773,267.00**	**-1,550,273.00**	**-22.89%**

The consolidated financial statements at 31 March 200t shows a net income result of **Eur 5.22** millions, with a decrease of **Eur 1.55** millions, with respect to the net consolidated income at 31 March 2006, explained by the revaluation made in January 2006 of the real estate assets acquired through the purchase of going concerns that accounted for a capital gain in the 2006 result.



In the first quarter 2007 revenues amounted to € 18,338,446, up 31.58% if compared to the same period of the previous year:

- ✓ Increase in rents, related to the existing portfolio at the same date of the previous year, 4.24%, compared with an ISTAT inflation adjustment of the value of the contracts below 2%, thanks to:
  - o Positive rent income trend, up 40.78% on a like-for-like basis
  - o the re-negotiation of certain contracts during the second half of 2006
- ✓ The purchase of the Centro Sarca mall, contributing for 3 months in 2007
- ✓ The purchase of the Darsena Shopping Centre, made in May 2006, to be conferred to the RGD joint venture over 2007
- ✓ The purchase of the Millennium Gallery mall
- ✓ The decrease in revenues from services is due to the recognition in the first quarter 2006 of the agency revenues from the Minganti shopping centre in Bologna, which in 2007 will only be recognised in the second half of the year.



The margins of each strategic business units show growth if compared to the first quarter of 2006, with the exception of the margin on the services activity, as the revenues in this SBU originate partly facility management, recognised on an ongoing basis, and partly from the agency business, whereby revenues are recognised only on completion and opening of the commercial centre; in the first quarter 2007 there were no new openings of commercial centres, all scheduled in the second half of the year.

CONSOLIDATED INCOME STATEMENT

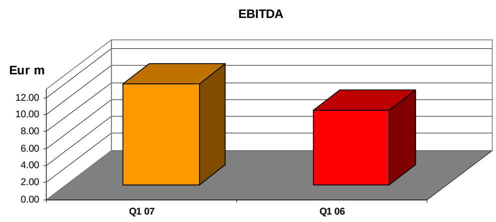
	Q1 07	Q1 06	Δ	Δ
Margin from Leasehold	12,665,170.57	9,285,755.00	3,379,415.57	36.39%
Margin from Freehold	425,064.37	213,414.00	211,650.37	99.17%
Margin from Services	120,246.95	522,890.00	-402,643.05	-77.00%
DIVISIONAL GROSS MARGIN	**13,210,481.89**	**10,022,059.00**	**3,188,422.89**	**31.81%**
Headquarters Staff Costs	449,904.79	363,290.97	86,613.82	23.84%
General Expense	805,480.15	804,776.03	704.12	0.09%
EBITDA	**11,955,096.95**	**8,853,992.00**	**3,101,104.95**	**35.02%**
Depreciation & Amortisation	82,863.54	77,082.00	5,781.54	7.50%
Change in Fair Value	-36,733.00	3,311,821.00	-3,348,554.00	-101.11%
EBIT	**11,835,500.41**	**12,088,731.00**	**-253,230.59**	**-2.09%**
Net Financial Result	-3,434,381.45	-1,129,242.41	-2,305,139.04	204.13%
PRE-TAX INCOME	**8,401,118.96**	**10,959,488.59**	**-2,558,369.63**	**-23.34%**
Income Taxes for the Period	-3,178,126.26	-4,186,220.00	1,008,093.74	-24.08%
NET INCOME	**5,222,992.70**	**6,773,268.59**	**-1,550,275.89**	**-22.89%**

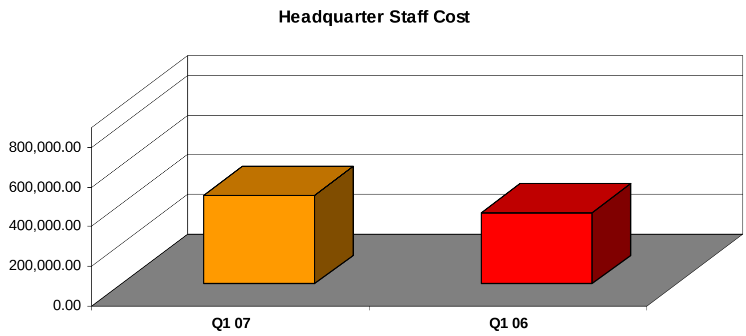
- ✓ **SBU 1 – Real Estate Leasing: Margin on Freehold Assets:** this margin stood at € 12.66 millions during Q1 2007, as compared to € 9.29 millions during the same period of the previous year, a 36.39% increase. The positive change of €3.38 millions is due as to 18.23% by like-for-like growth and as to approximately 83% by the new acquisitions made in the second half of 2006 and in the first months of 2007. The profitability ratio on this activity amounted to 94.21% vs. 93.41% in the 1st quarter 2006.

- ✓ **SBU 1 – Real Estate Leasing: Margin on Leasehold Assets:** this margin recorded an increase of € 211,000 due to the sale of Centro Leonardo shopping centre which over the previous year recorded a sharp negative margin due to the closing of shops for the extension works at the shopping centre. The profitability ratio stood at 13.16%.

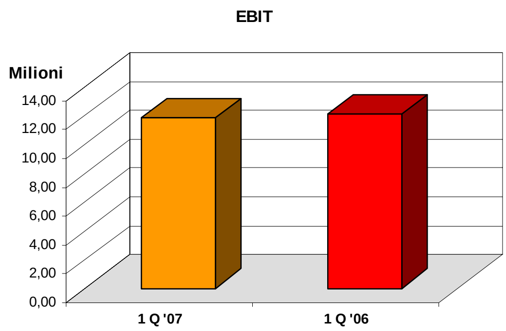
- ✓ **SBU 2 – Services Activity: Margin from Agency and Facility Management:** margin amounted to approximately € 120,000. In the 1st quarter of the current year, the ongoing marketing activities (Agency), will only be recognised in revenue terms upon their completion.

- **Ebitda** amounted to € 11.955.097 up 35.02% with respect to the same period of the previous year; in fact the increase in revenues was accompanied by an increase of operating costs, in line with the operational guidelines of the IGD Group, targeted to business development and the related implementation of its internal organisation. Due to the nature of its business and the type of real estate assets, for each new investment, the organisation structure starts to operate 18 – 24 months before the opening; therefore the Group organisation structure needs to be in line with the above time horizon. As a result, the cost item that showed the highest growth has been that of headquarter staff costs: in the first quarter of 2007 it increased by 23.84%. General expense stood at approximately € 805,500 in line with the previous year. It is worth noting however that the weight of these costs as a percentage of revenues decreased from 5.77% of 2006 to 4.39% this year. Good profitability is ensured with Ebitda margin of 65.19%.

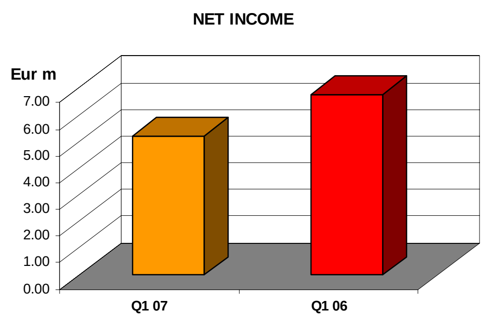




- The decrease in **Ebit,** of approximately € 253,000, is explained by the capital gain of the 1st quarter 2006 (nearly € 3.3 millions) related to the purchase of the business divisions of four shopping malls. The valuation of the real estate assets of the Group will be made upon drafting of the 2007 half yearly report.



- **Net income** totalled € 5,222,994, down 23% for the reasons previously discussed in addition to an increase of interest expense by € 2,305,139 due to the increase of the net financial debt position, which is described in the balance sheet review.



BALANCE SHEET AND FINANCIAL REVIEW

The balance sheet and financial situation of the IGD Group as at 31 March 2007, compared with data as at 31 December 2006, can be summarised as follows:

SOURCES - USES OF FUNDS

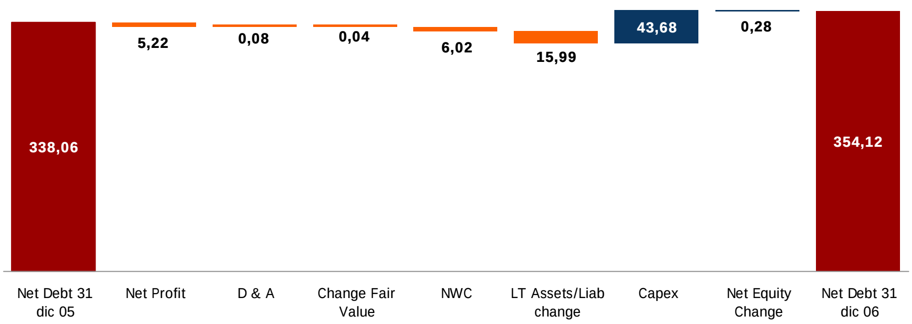
	31-Dec-06	31-Mar-07	Δ	%
Fixed Assets	969,336,184.00	1,012,901,468.00	43,565,284.00	4.49%
Net Working Capital	10,064,295.00	4,048,590.00	-6,015,705.00	-59.77%
Other L/T Assets and Liabilities	-61,002,758.00	-76,990,127.00	-15,987,369.00	26.21%
TOTAL USES	**918,397,721.00**	**939,959,931.00**	**21,562,210.00**	**2.35%**
Net Equity	580,338,534.00	585,840,102.00	5,501,568.00	0.95%
Net Financial Position	338,059,187.00	354,119,829.00	16,060,642.00	4.75%
TOTAL SOURCES	**918,397,721.00**	**939,959,931.00**	**21,562,210.00**	**2.35%**

The main variations are the following:

- ✓ **Fixed Assets** went from € 969.33 millions to € 1,012.90 millions in the first quarter 2007; the € 43.56 million change is due to:
  - o Intangible Assets:
    - Goodwill related to the purchase of the equity stakes in the Millennium Gallery and RGD
  - o Real Estate Assets:
    - Additions to single units
    - Millennium real estate assets and 50% of the Nerviano asset. For further details we refer to the notes to the financial statements
  - o Work in Progress:
    - Decrease due to the "Darsena City" shopping centre in Ferrara, conferred to RGD (for further information we refer to the notes to the financial statements)
    - Increase due to the payment of the confirmatory deposit related to the development of a shopping mall in Trapani and advance payments on land.

- ✓ **Net Equity** at 31 March 2007 amounted to € 585.84 millions; for the review of the changes we refer to the Notes.

- ✓ **Net financial position:** during the first quarter of 2007 it showed a change of € 16.00 millions, in fact, in line with its business plan the group has pursued a clear strategy of growth and development, signing a number of preliminary contracts which required the use of external financing in addition to the cash resources generated from ongoing operations. The target level of financial leverage for the company is represented by 60% debt and 40% equity, that is a gearing ratio of 1.5x. Currently the gearing ratio of the Group is 0,60x.



NET FINANCIAL POSITION

	cons FY 06	cons Q1 07
Cash & Banks	20,492,172	1,410,085
Marketable Securities	7,069	186,378
TCA Balance	0	0
TOTAL FINANCIAL ASSETS	**20,499,241**	**1,596,463**
Cash Flow Hedge	-3,441,200	-4,668,238
S/T Bank Liabilities	163,430,675	155,159,303
Mortgages	198,476,050	205,225,227
TCA Loans	92,903	0
Advances on Mortgages	0	0
TOTAL FINANCIAL LIABILITIES	**358,558,428**	**355,716,292**
NET FINANCIAL POSITION	**338,059,187**	**354,119,829**

SEGMENT INFORMATION

Below we present the income and balance sheet statements reclassified by single business unit.

BALANCE SHEET	31-Mar-07	31-Dec-06	31-Mar-07	31-Dec-06	31-Mar-07	31-Dec-06
	LEASING		SERVICES		TOTAL	
REAL ESTATE PORTFOLIO	853,762,547	802,084,092	0	0	853,762,547	802,084,092
INVESTMENTS	132,567,096	145,607,470	0	0	132,567,096	145,607,470
NET WORKING CAPITAL	-989,866	-6,098,516	391,175	368,504	-598,691	-5,730,012
OTHER L/T LIABILITIES	-83,417,898	-73,927,318	-189,476	-196,275	-83,607,374	-74,123,593
OTHER ASSETS (UNDIVIDED)					37,836,354	-10,892,785
TOTAL ASSETS	**901,921,879**	**867,665,728**	**201,699**	**172,229**	**939,959,932**	**856,945,172**
NET FINANCIAL POSITION	319,010,978	290,228,887	-2,727,502	-2,729,464	316,283,476	287,499,423
NET EQUITY	582,910,901	577,436,841	2,929,201	2,901,693	585,840,102	580,338,534
OTHER LIABILITIES (UNDIVIDED)					37,836,354	-10,892,785
TOTAL LIABILITIES & EQUITY	**901,921,879**	**867,665,728**	**201,699**	**172,229**	**939,959,932**	**856,945,172**

INCOME STATEMENT	31-Mar-07	31-Mar-06	31-Mar-07	31-Mar-06	31-Mar-07	31-Mar-06
	LEASING		SERVICES		TOTAL	
SALES	**16,880,525**	**13,188,461**	**620,874**	**749,139**	**17,501,399**	**13,937,600**
DIRECT COSTS	3,790,290	3,631,760	500,627	260,012	4,290,917	3,891,772
DIVISIONAL GROSS MARGIN	**13,090,235**	**9,556,701**	**120,247**	**489,127**	**13,210,482**	**10,045,828**
OTHER COSTS (UNDIVIDED)					1,255,385	1,191,834
EBITDA	**13,090,235**	**9,556,701**	**120,247**	**489,127**	**11,955,097**	**8,853,994**
REVALUATION, DEPR. & AMORT:	- 117,137	3,234,739	- 2,460		- 119,597	3,234,739
EBIT	**12,973,098**	**12,791,440**	**117,787**	**489,127**	**11,835,500**	**12,088,733**
NET INCOME					**5,222,993**	**6,773,267**

SUBSEQUENT EVENTS

On 26 March 2007 a financing contracts was executed with Unipol Merchant and Unipol Banca for a total amount of Eur 100 millions, granted as of 10 April 2007, with the purpose of supporting the investment programme. Such contract is assisted by mortgages and has a maturity of 20 years.

We enclose below the Reconciliation Statement between Net Equity and Net Result of the Parent Company and the Net Equity and Net Result for the Consolidated Statements.

Values in Euros	Net equity at 31.03.2007	Net Income 31.03.2007
Net Equity and Net Income reported on the Financial Statements of the Parent Company	583,334,326	3,902,815
Write-off of the Book Value of the Consolidated Investments		
- Difference between Book Value and Fair Value, pro-rata, of the Net Equity of the Investments	(22,842,108)	
- Equity Earnings, on a pro-rata basis.	1,320,179	1,320,179
Revaluation of Net Assets of Investments		
Consolidation Adjustments	24,019,991	0
Dividend De-recognition	0	0
Group Companies accounted with the Equity Method	0	0
Parent Company Net Equity and Earnings	585,832,388	5,222,994
Minority Interest and Earnings	7,714	
Net Equity and Net Income reported on the Consolidated Financial Statements	585,840,102	5,222,994

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

	Notes	31-Mar-07 (a)	31-Dec-06 (b)	Changes (a-b)
NON CURRENT ASSETS:				
Intangible Assets:				
- Intangible Assets with a defined life		7,650	8,009	(359)
- Goodwill	**6)**	26,564,175	21,636,613	4,927,562
		26,571,825	21,644,622	4,927,203
Tangible Assets				
- Real Estate Assets	**7)**	853,102,102	801,357,000	51,745,102
- Plant & Machinery		313,786	345,821	(32,035)
- Equipment		152,262	151,788	474
- Leasehold Improvements		194,397	229,483	(35,086)
- Assets under Construction	**8)**	132,567,096	145,607,470	(13,040,374)
		986,329,643	947,691,562	38,638,081
Other non current assets				
- Prepaid Taxes		2,392,005	2,527,106	(135,101)
- Miscellaneous Receivables and Other Non Current Assets		4,225,242	10,593,729	(6,368,487)
- Non Current Financial Assets		4,668,238	3,441,200	1,227,038
		11,285,485	16,562,035	(5,276,550)
TOTAL NON CURRENT ASSETS (A)		**1,024,186,953**	**985,898,219**	**38,288,734**
CURRENT ASSETS:				
Trade and Other Receivables		7,542,735	7,132,193	410,542
Trade and Other Receivables from Affiliates		1,939,189	3,173,411	(1,234,222)
Other Current Assets		8,417,028	16,894,679	(8,477,651)
Financial Receivables and Other Curr. Fin. Receivables from Affiliates		186,378	7,069	179,309
Cash and Cash Equivalents		1,410,085	20,492,172	(19,082,087)
TOTAL CURRENT ASSETS (B)		**19,495,415**	**47,699,524**	**(28,204,109)**
TOTAL ASSETS (A + B)		**1,043,682,368**	**1,033,597,743**	**10,084,625**
NET EQUITY:				
Parent Company Interest	**9)**	585,832,388	580,330,820	5,501,568
Minority Interest	**9)**	7,714	7,714	0
TOTAL NET EQUITY (C)		**585,840,102**	**580,338,534**	**5,501,568**
NON CURRENT LIABILITIES				
Non Current Financial Liabilities		186,274,326	179,063,610	7,210,716
Severance Indemnity Fund (TFR)		275,783	285,678	(9,895)
Deferred Tax Liabilities		71,069,923	61,541,143	9,528,780
Provision for Risks and Deferred Charges		502,184	502,184	0
Misc. Payables and Other Non Current Liabilities		120,926	173,933	(53,007)
Misc. Payables and Oth. Non Current Liabilities vs. Affiliates		11,638,558	11,620,655	17,903
TOTAL NON CURRENT LIABILITIES (D)		**269,881,700**	**253,187,203**	**16,694,497**
CURRENT LIABILITIES				
Current Financial Liabilities		173,944,580	182,838,098	(8,893,518)
Current Financial Liabilities vs. Affiliates		165,624	97,920	67,704
Trade and Other Payables		7,109,012	12,620,136	(5,511,124)
Trade and Other Payables vs. Affiliates		1,183,127	2,057,524	(874,397)
Current Tax Liabilities		3,769,747	1,100,372	2,669,375
Other Current Liabilities		1,788,476	1,357,956	430,520
TOTAL CURRENT LIABILITIES (E)		**187,960,566**	**200,072,006**	**(12,111,440)**
TOTAL LIABILITIES (F=D + E)		**457,842,266**	**453,259,209**	**4,583,057**
TOTAL NET EQUITY AND LIABILITIES (C + F)		**1,043,682,368**	**1,033,597,743**	**10,084,625**

CONSOLIDATED INCOME STATEMENT

	Notes	31-Mar-07 (a)	31-Mar-06 (b)	Changes (a-b)
Revenues:		16,795,637	13,156,473	3,639,164
- Revenues vs. Affiliates		7,153,431	6,629,437	523,994
- Revenues vs. Third Parties		9,642,206	6,527,036	3,115,170
Other Revenues:		1,542,809	781,126	761,683
- Other Revenues		1,542,809	781,126	761,683
Total Sales and Operating Revenues		**18,338,446**	**13,937,599**	**4,400,847**
Purchases of Materials and Outsourced Services:		4,863,910	10,525,267	(5,661,357)
- Purchases of Materials Centro Leonardo		0	6,779,687	(6,779,687)
- Purchases of Materials and Outsourced Services		4,079,344	2,967,244	1,112,100
- Purchases of Materials and Outsourced Services from Affiliates		784,566	778,336	6,230
Personnel Costs		680,644	572,872	107,772
Other Operating Costs		838,795	765,155	73,640
Change in Inventory:		0	(6,779,687)	6,779,687
- Change in Inventory Centro Leonardo		0	(6,779,687)	6,779,687
EARNINGS BEFORE DEPRECIATION, AMORTISATION GAIN/LOSS ON DISPOSALS, REVERSALS/WRITE-OFFS OF NON CURRENT ASSETS (EBITDA)		**11,955,097**	**8,853,992**	**3,101,105**
Depreciation and Amortisation		82,864	77,082	5,782
Change in fair Value		(36,733)	3,311,821	(3,348,554)
OPERATING INCOME (EBIT)		**11,835,500**	**12,088,731**	**(253,231)**
Financial Income		1,704,677	1,367,136	337,541
Financial Expense		5,139,057	2,496,380	2,642,677
EARNINGS BEFORE TAX (EBT)		**8,401,120**	**10,959,487**	**(2,558,367)**
Income Tax for the Period	**10)**	3,178,126	4,186,220	(1,008,094)
NET INCOME		**5,222,994**	**6,773,267**	**(1,550,273)**
Attributable to:				
* Parent Company Interest		5,222,994	6,773,267	
* Minority Interest		0	0	
Earnings per Share				
- Base calculated on Income for the Period	**36)**	0.076	0.098	
- Diluted calculated on Income for the Period	**36)**	0.076	0.098	

STATEMENT OF CHANGES IN NET EQUITY

STATEMENT OF CHANGES IN NET EQUITY IN THE FIRST QUARTER 2006

	Share Capital	Share Premium Reserves	Legal Reserve	Other Reserves	Retained Earnings (Losses)	Net Income for the period	Total Net Equity
Balance at 31 December 2005 - IAS/IFRS	282,249,261	76,180,288	998,720	83,040,202	3,099,717	81,665,847	527,234,035
Distribution of 2005 earnings					81,665,847	(81,665,847)	0
Unrealised gains (losses) arising from the fair value assessment of derivative hedge instruments				(970,473)			(970,473)
Income taxes				352,595			352,595
Net income (loss) for the period						6,773,267	6,773,267
Balance at 31 March 2006 - IAS/IFRS	282,249,261	76,180,288	998,720	82,422,324	84,765,564	6,773,267	533,389,424

STATEMENT OF CHANGES IN NET EQUITY IN THE FIRST QUARTER 2007

	Share Capital	Share Premium Reserves	Legal Reserve	Other Reserves	Retained Earnings (Losses)	Net Income for the period	Net Consolidated Equity	Minority Interest	Consolidated Group Equity
Balance at 31 December 2006 - IAS/IFRS	282,249,261	76,180,288	1,357,917	161,480,451	2,382,935	56,679,968	580,330,820	7,714	580,338,534
Distribution of 2006 earnings				0	56,679,968	(56,679,968)	0	0	0
Unrealised gains (losses) arising from the fair value assessment of derivative hedge instruments				496,336			496,336	0	496,336
Income taxes				(217,762)			(217,762)	0	(217,762)
Net income (loss) for the period						5,222,994	5,222,994	0	5,222,994
Balance at 31 March 2007 - IAS/IFRS	282,249,261	76,180,288	1,357,917	161,759,025	59,062,903	5,222,994	585,832,388	7,714	585,840,102

CONSOLIDATED CASH FLOWS STATEMENT

CASH FLOWS STATEMENT FOR THE PERIOD ENDED	31/03/2007	31/03/2006
(in Euros)		
CASH FLOWS FROM OPERATIONS		
Net Income for the Period	**5,222,994**	**6,773,267**
Reconciliation of the income for the period with the cash flows generated (used) for the operating activity:		
Depreciation and Amortisation	82,864	77,082
Net Change in Deferred Tax (assets) and liabilities for (prepaid) deferred taxes	2,844,359	2,817,768
Change in the Fair Value of Real Estate Assets	36,733	(3,311,821)
Change in Inventory	0	(6,779,688)
Net Change in current assets and liabilities	4,404,762	9,162,954
Net Change in current assets and liabilities vs. Affiliates	359,825	(1,953,903)
Net Change in non current assets and liabilities	6,587,389	(623,473)
Net Change in non current assets and liabilities vs. Affiliates	17,903	322,988
CASH FLOWS FROM OPERATIONS (a)	**19,556,829**	**6,485,174**
Investments in Fixed Assets	42,453,284	(13,714,155)
Investments in Intangibles	0	0
Investments in Consolidated Subsidiaries	(70,913,025)	0
CASH FLOW USED FOR INVESTMENTS (b)	**(28,459,741)**	**(13,714,155)**
Purchase of non current financial assets	(1,227,038)	0
Change in financial receivables and other current receivables	0	(5,041,141)
Change in financial receivables and other current receivables vs. Affiliates	(179,309)	(1,258,002)
Change in current financial liabilities	(8,893,518)	16,001,513
Change in current financial liabilities vs. Affiliates	67,704	(5,076,638)
Change in non current financial liabilities	(533,443)	(4,453,914)
CASH FLOWS GENERATED FROM FINANCING ACTIVITIES (c)	**(10,765,604)**	**171,818**
NET INCREASE (DECREASE) OF CASH ASSETS FOR THE PERIOD	**(19,668,517)**	**(7,057,163)**
BALANCE OF CASH ASSETS AT THE START OF THE PERIOD	**20,492,172**	**25,434,209**
CASH ASSETS ACQUIRED THROUGH ACQUISITION OF CONSOLIDATED SUBSIDIARIES	**586,430**	**0**
BALANCE OF CASH ASSETS AT THE END OF THE PERIOD	**1,410,085**	**18,377,046**

NOTES TO THE QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS

Note 1) Corporate Information

Immobiliare Grande Distribuzione S.p.A. (IGD S.p.A.) is a corporation headquartered via Agro Pontino n. 13, Ravenna, which shares are listed on Mercato Telematico of Borsa Italiana – Blue Chip Segment.
The publication of these quarterly consolidated financial statements was authorised with a resolution of the Board of Directors, dated 7 May 2007.

Note 2) Preparation Criteria and Accounting Principles

The consolidated quarterly report of Gruppo Immobiliare Grande Distribuzione at 31 March 2007, consisting of the consolidated balance sheet, the consolidated income statement, the consolidated cash flows statement, the statement of changes in consolidated net equity and the notes to the consolidated quarterly report have been prepared according to IAS 34 – Interim Reports and applying the same accounting principles used for the preparation of the consolidated financial statements at 31 December 2006, that is the International Financial Reporting Standards (hereinafter "IFRS" or "International accounting principles") as issued by the International Accounting Standards Board ("IASB") and adopted by the European Union. As IFRS we refer also to all the revised International accounting standards ("IAS"), all the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) including the ones previously issued by the Standing Interpretation Committee (SIC).

The criteria of consolidation, accounting principles and criteria and principles for estimates and valuations are homogeneous with the ones adopted for the preparation of the consolidated financial statements at 31 December 2006, which we refer to, with the exclusion of the following criteria:

Leasing

Assets owned pursuant to financial lease contracts, characterised by the transfer to the Company of all the risks and benefits deriving from the ownership of the leased assets, are recognised among fixed assets as of the start date of the leasing contract at the fair value of the leased asset or, if lower, at the net present value of the minimum lease payments, including the price of the final purchase option.
The related liability is recognised among financial debts. The leasing instalments are reclassified between capital portion and interest portions to obtain the application of a constant interest rate on the residual balance (capital portion). The interest expense is recognised to the income statement.
The capitalised leased assets, related to an asset recognised as real estate assets, are accounted at the fair value, as in the case of all the other freehold real estate assets.

The newly issued or amended IFRS, and the interpretations effective as of 1 January 2007, have not had any meaningful impact on the consolidated quarterly report of the Group at 31 March 2007.

Note 3) Area of Consolidation

During the first quarter 2007, the companies Millennium Gallery srl and Riqualificazione Grande Distribuzione – RGD srl were included in the area of consolidation. The related data are provided in the following table, showing the list of all the companies included in the consolidation area at 31/03/2007:

Company	% of shareholding	Headquarters	Share Capital (Eur)	Consolidation method	Activity
Immobiliare Larice srl	100	Ravenna - Via Villa Glori 4	74,500,000.00	Full	Management of Shopping Centres
Consorzio Forte di Brondolo	86.08	Castenaso (Bologna) Via Villanova 29/7	-	Full	Urbanisation Consortium
Millennium Gallery srl	100	Ravenna - Via Villa Glori 4	100,000.00	Full	Development and Management of Shopping Centres
Riqualificazione Grande Distribuzione RGD srl	50	Milano - Via Venezia	52,000.00	Proportional	Acquisition and Disposal of Real Estate

On 28 February 2007, it was acquired 100% of the share capital of the company Millenium Gallery srl, which owns part of the shopping mall of the Millenium Center shopping centre in Rovereto (Trento), more precisely 32 shops including one mid-size surface and two warehouses. The investment of a total amount of € 22 millions falls within the industrial plan presented to the financial community in October 2005 and represents the first acquisition in Trentino Alto Adige.

On 9 March 2007, with effect as of 30 March 2007, Immobiliare Grande Distribuzione spa and Beni Stabili spa have executed and gave actual start a 50/50 Joint Venture, established as a jointly owned corporate entity, called RGD – Riqualificazione Grande Distribuzione, as it was provided in the cooperation memorandum signed on last 14 November by the two real estate companies.
RGD srl owned 50% by IGD and 50% by Beni Stabili has an initial portfolio represented by 2 shopping centres, located in Ferrara and Nerviano for a total value of approximately € 113.2 millions. The shareholding of IGD spa into RGD srl (formerly Commerciale Prima) was implemented through the conferral in kind of the real estate assets in Ferrara, denominated Darsena City, for € 26,000.00 as capital increase and € 56,574,000.00 as share premium.
The joint venture company has been consolidated using the proportional method. The application of this method implies that the balance sheet of the shareholding company includes its share of the assets that it jointly controls and of liabilities for which it is jointly responsible. The income statement of the shareholding company recognises its share of revenues and costs of the jointly controlled company.
The reporting scheme adopted for the proportional consolidation consisted of adding the share of each asset, liability, revenue and cost of the jointly controlled entity to the respective item of the financial statements of IGD, line by line.

Note 4) Seasonality

The business carried out by the company is not affected by trends deriving from cyclical or seasonal factors.

Note 5) Segment Information

As to the information required by IAS 14, we refer to the Management Review.

Note 6) Goodwill

Corporate aggregation

Acquisition of Millennium Gallery S.r.l.

On 28 February 2007, the Group acquired 100% of the company “Millennium Gallery S.r.l.”. The company owns part of the shopping mall of the Millennium Center shopping centre in Rovereto (Trento). The acquisition of this shareholding was accounted with the purchase method, which requires the recognition, on the date of the acquisition, at the fair value of the measurable assets (including any intangibles previously not recognised) and measurable liabilities (including contingent liabilities and excluding future restructurings) of the acquired company. The difference between the acquisition cost

and the net fair value of the measured assets, liabilities and contingent liabilities of the acquired companies was recognised as goodwill.
The acquisition had a total cost of Eur 14,313,025. In particular, the fair value of real estate assets refers to the fair value measurement at the date of the acquisition of the shopping mall in the Millennium Center shopping centre.
The comparison between the fair value and the book value (according to IAS/IFRS of the measurable assets and liabilities of Millennium Gallery srl at the date of the acquisition) is shown in the following table:

	BOOK VALUE	FAIR VALUE
NON CURRENT ASSETS		
Intangible Assets	0.00	0.00
Fixed Assets	22,015,855.00	22,015,855.00
Other Non Current Assets	10,519.00	10,519.00
TOTAL NON CURRENT ASSETS	***22,026,374.00***	***22,026,374.00***
CURRENT ASSETS		
Inventory	0.00	0.00
Trade receivables	276,119.00	276,119.00
Other Current Assets	303,813.00	303,813.00
TOTAL CURRENT ASSETS	***579,932.00***	***579,932.00***
TOTAL ASSETS	**22,606,306.00**	**22,606,306.00**
NON CURRENT LIABILITIES		
Non current financial liabilities	6,609,851.00	6,609,851.00
Deferred Tax Liabilities	4,495,944.00	4,495,944.00
TOTAL NON CURRENT LIABILITIES	***11,105,795.00***	***11,105,795.00***
CURRENT LIABILITIES		
Trade payables	930,000.00	930,000.00
Other current liabilities	209,509.00	209,509.00
TOTAL CURRENT LIABILITIES	***1,139,509.00***	***1,139,509.00***
TOTAL LIABILITIES	**12,245,304.00**	**12,245,304.00**
NET ASSETS	**10,361,002.00**	**10,361,002.00**
GOODWILL		**3,952,023.00**
ACQUISITION COST		**14,313,025.00**

The balance between the acquisition cost and the fair value of net assets of Millennium Gallery srl outlined above, equal to Eur 3,952,023 was recognised as Goodwill.

We outline that the income statement of the controlled company included in the consolidated financial statements of the Group at the date of acquisition showed net loss of Eur 16,916.

Acquisition of Riqualificazione Grande Distribuzione RGD S.r.l.

On 9 March 2007, with effects as of 30 march 2007, Immobiliare Grande Distribuzione spa and Beni Stabili spa gave operational start to the 50/50 Joint Venture denominated RGD – Riqualificazione Grande Distribuzione, as provided in the cooperation memorandum signed on last 14 November by the two real estate companies.
RGD srl owned 50% by IGD and 50% by Beni Stabili has an initial portfolio represented by 2 shopping centres, located in Ferrara and Nerviano. The acquisition of this shareholding, which was made by way of a conferral in kind of a real estate asset with commercial use, was accounted with the purchase method, which requires the recognition, on the date of the acquisition, at the fair value of the measurable assets (including any intangibles previously not recognised) and measurable liabilities (including contingent liabilities and excluding future restructurings) of the acquired company. The difference between the acquisition cost and the net fair value of the measured assets, liabilities and contingent liabilities of the acquired companies was recognised as goodwill.

The conferral had a total cost of Eur 56,600,000. In particular, the fair value of real estate assets refers to the fair value measurement at the date of the acquisition of the shopping mall in the Darsena City Center shopping centre.
The comparison between the fair value and the book value (according to IAS/IFRS of the measurable assets and liabilities of RGS srl at the date of the acquisition) is shown in the following table:

	BOOK VALUE	FAIR VALUE
NON CURRENT ASSETS		
Intangible Assets	0.00	0.00
Fixed Assets	59,184,102.00	59,184,102.00
Other Non Current Assets	0.00	0.00
TOTAL NON CURRENT ASSETS	***59,184,102.00***	***59,184,102.00***
CURRENT ASSETS		
Inventory	0.00	0.00
Trade receivables	10,111.00	10,111.00
Other Current Assets	6,217,613.00	6,217,613.00
TOTAL CURRENT ASSETS	***6,227,724.00***	***6,227,724.00***
TOTAL ASSETS	**65,411,826.00**	**65,411,826.00**
NON CURRENT LIABILITIES		
Non current financial liabilities	1,134,308.00	1,134,308.00
Deferred Tax Liabilities	2,330,867.00	2,330,867.00
TOTAL NON CURRENT LIABILITIES	***3,465,175.00***	***3,465,175.00***
CURRENT LIABILITIES		
Trade payables	5,723,707.00	5,723,707.00
Other current liabilities	598,483.00	598,483.00
TOTAL CURRENT LIABILITIES	***6,322,190.00***	***6,322,190.00***
TOTAL LIABILITIES	**9,787,365.00**	**9,787,365.00**
	0.00	***0.00***
NET ASSETS	**55,624,461.00**	**55,624,461.00**
GOODWILL		**975,539.00**
ACQUISITION COST		**56,600,000.00**

The balance between the acquisition cost and the fair value of net assets of RGD srl outlined above, equal to Eur 975,539 was recognised as Goodwill.

We outline that the income statement of the controlled company included in the consolidated financial statements of the Group at the date of acquisition showed net income of Eur 224,845.

<u>Changes in the item Goodwill as at 31 March 2007:</u>

	Goodwill
Book value at 31/12/06	**21,636,613**
Increase due to Acquisitions	0
Increase due to Changes in Consolidation Area	4,927,562
Book Value at 31/03/07	**26,564,175**

The increase in the period refers to the acquisition of the companies Millennium Gallery srl and Riqualificazione Grande Distribuzione srl, previously discussed above.
Below we show the break-down of Goodwill by CGU at 31 March 2007.

Goodwill	
Immobiliare Larice (Centro Sarca)	19,092,429
Centro Nova	545,625
Città delle Stelle	64,828
Lungo Savio	416,625
San Donà	448,444
San Ruffillo	62,636
Gescom Service	1,006,026
Millennium Center	3,952,023
RGD	975,539
Total	26,564,175

Note 7) Real Estate Investments

As required by IAS 40, below we provide a reconciliation statement between the values at the beginning and end of the period, with separate indication of increases and decreases due to sale or to fair value valuation.

	Real Estate Assets measured at Fair Value
Book Value at 31/12/06	**801,357,000**
Increase due to Acquisitions	36,733
Increase due to Change in Cons. Area	51,745,102
Changes in Fair Value	-36,733
Book Value at 31/03/07	**853,102,102**

The increase is explained by the purchase of the Millennium Gallery mall, of the 50% of the Nerviano shopping centre, owned by the company RGD srl and by minor additions in Esp, Borgo, Abruzzo and Casilino centres. The revaluation to fair value refers to the value of the Real Estate Investments at 31 March 2007.

Note 8) Assets under Construction

ASSETS UNDER CONSTRUCTION	
Book Value at 31/12/06	**145,607,470**
Increase due to Acquisitions	13,854,393
Increase due to Changes in Consol. Area	(26,894,767)
Book Value at 31/03/07	**132,567,096**

The increase is mainly due to the advance confirmatory payments for the purchase of new shopping centres, land (See Note 18, Contingencies and Risk) and for extension work at the Mondovì, "Centro d'Abruzzo", Guidonia, Palermo, Livorno and Afragola shopping centres. The decrease refers to the conferral of Darsena to the company RGD.

Note 9) Net Equity

Share capital as at 31 March 2007 is made up of 282,249,261 shares with a par value of €1 each. Shares are fully paid up and there are no rights, privileges, or restrictions attached to them in either the distribution of dividends or the repayment of capital. The Group does not hold any of its own shares at the date of these quarterly financial statements.

Below we show the detail of the item Other Reserves at 31 March 2006 and 31 March 2007:

OTHER RESERVES BREAK-DOWN	First-time adoption IAS/IFRS Reserve	Euro translation reserve	Goodwill Reserve	Income (Losses) directly posted to net equity	Fair Value Reserve	Total Other Reserves
Balance at 31 December 2005	(36,696,658)	23,113	13,735,610	(5,203,499)	111,181,636	83,040,202
Unrealised gain (losses) from measurement to Fair Value						
of financial hedge derivatives instrument				(970,473)		(970,473)
Income Taxes				352,595		352,595
Balance at 31 March 2006	(36,696,658)	23,113	13,735,610	(5,821,377)	111,181,636	82,422,324

OTHER RESERVES BREAK-DOWN	First-time adoption IAS/IFRS Reserve	Euro translation reserve	Goodwill Reserve	Income (Losses) directly posted to net equity	Fair Value Reserve	Total Other Reserves
Balance at 31 December 2006	(1,191,950)	23,113	13,735,610	(2,577,198)	151,490,876	161,480,451
Unrealised gain (losses) from measurement to Fair Value						
of financial hedge derivatives instrument				496,336		496,336
Items directly recognised to net equity						0
Income Taxes				(217,762)		(217,762)
Balance at 31 March 2007	(1,191,950)	23,113	13,735,610	(2,298,624)	151,490,876	161,759,025

The reserve "Gains (losses) directly posted to net equity" is formed by unrealised gains and losses (net of taxes), which derive from the revaluation of a financial instrument aimed at hedging cash flows (cash flow hedge), and also by the listing costs (net of related taxes).
The "Reserve for the first-time adoption of IAS/IFRS" offsets entries made for the adaptation of the financial statement prepared according to Italian Civil Law, to the one prepared according to IAS/IFRS principles, as at 1 January 2004.

Note 10) Income Taxes

The main items forming income taxes for the periods ending 31 March 2007 and 31 March 2006 are the following:

INCOME TAXES	31/03/2007	31/03/2006	Variazione
Current Taxes	552,535	1,368,452	(815,917)
Deferred/Prepaid Taxes	2,625,591	2,817,768	(192,177)
TOTAL	**3,178,126**	**4,186,220**	**(1,008,094)**

Note 11) Dividends

No dividends were paid on ordinary shares during the first quarter 2007.

Note 12) Net financial position

The net financial position of the Group is the following

	31/03/2007	31/12/2006
CASH AND OTHER CASH EQUIVALENTS	1,410,085	20,492,172
FINANCIAL RECEIVABLES AND OTHER CURRENT ASSETS	186,378	7,069
LIQUID ASSETS	**1,596,463**	**20,499,241**
CURRENT FINANCIAL LIABILITIES	174,110,204	182,936,018
CURRENT FINANCIAL DEBT	**174,110,204**	**182,936,018**
NET CURRENT FINANCIAL DEBT	**172,513,741**	**162,436,777**
NON CURRENT FINANCIAL ASSETS	4,668,238	3,441,200
NON CURRENT FINANCIAL LIABILITIES	186,274,326	179,063,610
NET NON CURRENT FINANCIAL DEBT	**181,606,088**	**175,622,410**
NET FINANCIAL DEBT	**354,119,829**	**338,059,187**

Note 13) Disclosure on Related Parties

Below we supply information required by IAS 24 par. 17.

	RECEIVABLES	PAYABLES	REVENUES/OTH. INCOME	FINANCIAL COSTS/EXP	TOTAL
Coop Adriatica Soc. Coop	1,492,203	9,388,678	5,357,303	856,730	17,094,914
Robintur Spa	0	17,203	58,726	18,839	94,768
Sageco Spa	17,526	0	87,630	973	106,129
Tca Srl	186,379	165,824	7,366	973	360,542
Librerie.Coop Spa	35,429	0	21,176	170,373	226,978
Unicoop Tirreno Scarl	17,946	0	7,053	15,818	40,817
Vignale Immobiliare Spa	37,323	295,245	39,297	0	371,865
Vignale Comunicazione Srl	21,000	0	105,000	0	126,000
Ipercoop Tirreno Spa	323,436	3,126,233	1,487,179	24,538	4,961,386
TOTALE	2,131,242	12,993,183	7,170,730	1,088,244	23,383,399
TOTAL FINANCIAL STATEMENTS	19,495,415	457,842,266	18,338,446	11,522,406	
WEIGHT%	10.9%	2.8%	39.1%	9.4%	

The Group has financial and economic relationships with its parent company Coop Adriatica, with other companies of the Coop Adriatica Group (Sageco S.p.A., Robintur S.p.A., Librerie Coop spa and TCA S.r.l.) and with some companies of the Unicoop Tirreno Group (Vignale Immobiliare, Vignale Comunicazioni and Ipercoop Tirreno). Transactions with related parties take place at normal market conditions and are accounted at nominal value.
The transactions carried out with the parent company Coop Adriatica are related to:

- financial and economic dealings regarding the leasing (as lessor) of properties intended for use as hypermarkets, one of which is also for use as a mall;
- financial and economic dealings regarding the leasing (as lessee) of properties intended for use as malls, invoiced by the parent company;
- financial and economic dealings regarding services supplied by the parent company in the following areas: Taxes, Equity, Payroll and EDP.
- capitalised costs related to the assignment of services for the development of real estate projects.

Operations with TCA S.r.l. exclusively regard financial transactions of collection and payment. TCA S.r.l. is the corporate treasurer of the Coop Adriatica group.
Transactions carried out with Sageco S.p.A. are related to financial and economic dealings regarding the leasing (as lessor) of a property intended for use as a supermarket.

Transactions carried out with Robintur S.p.A. are related to the rental of a shop belonging to the group in the mall of the Miralfiore shopping centre.
Operations with Vignale Immobiliare refers to liabilities for security deposits on leasing contracts;
Transactions with Ipercoop Tirreno refer to:

- liabilities for security deposits on leasing contracts;
- financial and economic dealings related to the leasing (as lessor) of real estate for use as Hypermarket;

Operations with Librerie Coop S.p.A. refer to financial and economic dealings related to the leasing (as lessor) of real estate units inside shopping centres.

Note 15) Management of Financial Risk

The Group financial instruments, which are not derivatives, include bank loans, bank call and short term deposits. Such instruments are intended to finance the Group's operating activities. The Group has several other kinds of financial instruments in place, such as trade receivables and payables, which derive from its operations. The Group has also carried out derivative interest rate transactions. Their aim is to manage the interest rate risk generated by the group operations and their sources of financing. The main risks generated by the financial instruments of the Group are interest rate risk, liquidity risk, and credit risk. The Board of Directors reviews and decides on policies to manage these risks, as summarised below. The Group also controls the market price risk generated by the financial instruments. The accounting standards adopted by the Group for hedging derivatives are indicated in the following Note.

Interest Rate Risk
The Group's exposure to market risk for interest rate variations affects long term loans taken out with banks, which terms and maturity dates are presented in the Consolidated Financial Statements as at 31 December 2006. In order to manage this risk efficiently, the Group executes IRS (interest rate swap) contracts, whereby, at specific maturities, it agrees to exchange the difference calculated between fixed-rate and variable-rate interest, referring to a predefined notional capital. The swaps are assigned to hedge the underlying liabilities.

Currency Risk
The Group uses the Euro as the currency for all its acquisitions and disposals.

Market Risk
The Group's exposure to market price risk is minimal, given that revenues and costs are agreed over long-term contracts.

Credit Risk
The Group deals only with well-known, reliable customers, and approximately 39.1% of its revenues are sourced from affiliates.

Equity management
The main objective of the Group's equity management activity is to ensure that a solid credit rating and adequate capital ratios are maintained in order to support operations and to maximise shareholders' value.
The Group manages and changes its capital structure according to changes in economic conditions. To maintain or adjust its capital structure, the group can adjust the level of dividends paid, reimburse capital or issue new shares.
No changes to objectives, policies and procedures was made during the first quarter 2007.

	31/03/2007	31/12/2006
Interest bearing loans	360,384,530	361,999,628
Trade debt and other payables	10,080,615	16,035,616
Cahs and cash equivalents	-1,596,463	-20,499,241
Net debt	368,868,682	357,536,003
Equity	585,832,388	580,330,820
Retained earnings	-9,878,725	-9,878,725
Total capital	575,953,663	570,452,095
Capital and net debt	**944,822,345**	**927,988,098**
Debt/Capital ratio	39.04%	38.53%

The Group monitors its equity measuring the debt/capital ratio, that is comparing net debt to the total of equity plus net debt. The group includes in the net debt calculation, interest bearing financing, trade payables and other debts, net of liquid assets and cash equivalents. Equity includes the equity attributable to shareholders net of retained earnings.

Note 15) Derivative Instruments

The Group has executed financial derivative contracts for the use of structured products called *interest rate swaps*; these contracts fall into the scope of the operating activity of interest rate risk management, and have been signed with the aim of reducing the level of interest rate risk on outstanding loans. Under these contracts, the parties agree to pay or collect certain sums at pre-established maturities, calculated on the basis of the spread between different interest rates.
No new derivative transactions have been made during the first quarter 2007, as compared with the end of the previous financial year.

Note 16) Commitments and Risks

- agreement for the purchase, from an unrelated party, of the retail park at the "Mondovicino shopping centre and recreational park" located in Mondovi; more precisely, the purchase, for a sum of 39.5 million Euros, consist of the building housing the retail park and the company MV S.r.l., which will develop the mall next to the retail park;
- preliminary agreement for the acquisition, from an unrelated party, of a shopping centre located in Guidonia with approximately 53,000 sq.m. of gross useable area. The overall investment will amount to approximately 101.5 million Euros;
- preliminary agreement for the purchase from an unrelated party of a land area of 82,000 sq.m. in Conegliano (Treviso) for the development of a Shopping Centre, at the total value of 43 million Euros;
- preliminary agreement for the purchase, from an unrelated party, of a Shopping Mall measuring approximately 14,000 sq.m. of GLA in Palermo, for the total amount of approximately 45.5 million Euros;
- preliminary agreement for the purchase of a Shopping Mall of 14,919 sq.m. of GLA located in Catania (Gravina) for a total consideration of approximately 53 millions Euros;
- preliminary agreement for the purchase of a land area of 15,000 sq.m. in Conegliano Veneto (Treviso), from an unrelated party, for a consideration of 6.437 million euros. This piece of land is located next to the area of the preliminary contract dated October 2005 where both a Shopping Centre and mid-size shop surfaces are going to be developed;
- the real estate transaction "Darsena City", located in Ferrara, which, even if having one single objective, is structured over two separate time stages and several contracts, including:
    a. the purchase of a Shopping Centre with GLA of 16,368 sq.m., and additional Shopping Mall and parking lot, for a consideration of approximately 56 million Euros, subject to possible future adjustment, with 6-year lease contract and future extension;

b. preliminary contract for the purchase of a future building, under construction and adjacent to the one mentioned above, with an area of 10,500 sq.m., a further GLA of approximately 3,960 sq.m., and for a consideration of around 19,9 million Euros, subject to eventual adjustment;
c. preliminary company acquisition contract for the whole complex, to be exercised jointly with the contract for the real estate asset under construction, at the provisional price of 1 million Euros, subject to price adjustment, based on the level of revenues of the company at the time of final completion;
d. agreement defining the contractual links among the various contracts and setting the definitive criteria for the determination of the final price for the sale of the business and of the building under construction and the possible adjustment in the price of the asset initially sold, with assignment to the seller of the option to terminate the preliminary contracts should the total consideration of the transaction fall below 70.7 million Euros, subject to the condition that the seller repurchases the building at point a).

- preliminary contract for the acquisition, from an unrelated party, of a Shopping Mall in Trapani for a total investment of approximately Eur 54.67 millions, of which Eur 5.46 million paid as confirmatory advance payment upon execution of the contract.

Furthermore, the Group has outstanding mortgages on own assets for an amount of approximately 699.080 million Euros pledged as guarantee on loans from the banking system, and has given guarantees to third parties as performance commitment on various developments under construction and for the payment of rents on real estate. As required by IAS 38, we note that, as of 31 March 2007, the Group has no undertakings for the acquisition of intangible assets, and that there are no restrictions on the use of the rights accounted for as intangible assets.