

Rodamco Europe Finance B.V.

Condensed Financial Statements

**First half year
June 30, 2010**

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Report of the Management Board

Rodamco Europe Finance B.V. has acted throughout the first half of 2010 as a dedicated finance company within the Unibail-Rodamco Group (the Group), with the objective to borrow funds from third parties and to lend funds to companies of the Unibail-Rodamco Group, in particular to companies held (indirectly) by Rodamco Europe N.V.. The management board consists of Mr. Peter van Rossum and Mr. Ruud Vogelaar.

The company continued to work with a mix of debt from various banks as well as bonds which were issued under the EMTN program. Debt has been arranged to ensure an appropriate maturity profile and maintain short-term liquidity. The debt maturity profile is managed by spreading repayment dates and extending credit facilities.

The company has, to the extent deemed appropriate, aimed at hedging interest rate and foreign exchange risks of the group by entering into derivative financial instruments. For more details we refer to note 6.

As indicated in the annual report on 2009, at the end of 2009 a major part of the loan portfolio and the outstanding derivatives were transferred to another company within the Unibail-Rodamco Group. Subsequently, in the first half of 2010, part of the funds coming available as a result of this were paid to the shareholder, partly as a repayment on equity, partly as a dividend.

As also referred to in the annual report on 2009, the financial position of the Company will be maintained in such a way that all its obligations will be safeguarded. In this respect, reference is made to the robust financial position of its (ultimate) shareholder.

The overall result of the company for the first half year decreased by EUR 31.1 million compared to prior half year. The interest margin decreased by EUR 60.1 million, whereas other financial expenses decreased by EUR 1.0 million. The fair value result of derivative financial instruments had a more positive impact of EUR 12.7 million, whereas foreign exchange result improved with EUR 15.3 million.

Rodamco Europe Finance B.V. is part of a fiscal unity in The Netherlands. As announced in its press release of December 11, 2009, the Group expects that it will not be able to use the benefit from the tax exemption of its Dutch activities provided by the FBI regime for the year 2010. If so, the future taxable income will be covered by significant Dutch tax-loss carry forwards, resulting from the decline in real estate values since the merger between Unibail Holding SA and Rodamco Europe NV.

The management board of Rodamco Europe Finance B.V. hereby states that, to the best of its knowledge:

- the interim financial statements give a true and fair view of the assets, liabilities, financial position and profit of Rodamco Europe Finance B.V.;
- the management report gives a true and fair view of the state of affairs as at the balance sheet date and of the course of business during the financial period of Rodamco Europe Finance B.V. together with a description of the principal risks the issuer faces.

August 31, 2010

P.M. van Rossum

R. Vogelaar

This report contains certain forward-looking which involves certain risks. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward-looking statements by terms such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "potential," "should," "will" and "would" or the negative of those terms or other comparable terminology. The forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to us or are within our control. If a change occurs, our business, financial condition, results of operations, liquidity, investments, share price and prospects may vary materially from those expressed in our forward-looking statements.

Some of the factors that could cause actual results to vary from those expressed in our forward-looking statements and other risks and uncertainties include, but are not limited to:

(i) general economic conditions, (ii) changes in the availability of, and costs associated with, sources of liquidity, as well as conditions in the credit markets generally, including changes in borrower and counterparty creditworthiness (iii) performance of financial markets, including developing markets, (iv) interest rate levels, (v) credit spread levels, (vi) currency exchange rates, (vii) general competitive factors, (viii) general changes in the valuation of assets (ix) changes in law and regulations, including taxes (x) changes in policies of governments and/or regulatory authorities, (xi) the results of our strategy and investment policies and objectives and (xii) the risks and uncertainties as addressed in this report, the occurrence of which could cause Rodamco Europe Finance B.V. actual results and/or performance to differ from those predicted in such forward-looking statements and from past results. The forward-looking statements speak only as of the date hereof.

The foregoing is not a comprehensive list of the risks and uncertainties to which we are subject. Except as required by applicable law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the events described by our forward-looking statements might not occur. Neither Rodamco Europe Finance B.V. nor any of its directors do make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario. We qualify any and all of our forward-looking statements by these cautionary factors. Please keep this cautionary note in mind as you read this report.

**Unaudited Interim
Condensed Financial Statements**

Interim Income Statement

For the six months ended June 30, 2010

<i>(in € thousands)</i>	<i>Note</i>	30.06.2010	30.06.2009
Interest income		38,251	112,910
Interest expenses		(55,046)	(69,564)
Fair value result derivative financial instruments	6	1,947	(10,800) *
Other financial income / (expenses)		(668)	(1,659) *
Net operating income		(15,515)	30,887
Administrative expenses		(182)	(225)
Foreign exchange result		4,329	(10,969)
Total operating expenses		4,146	(11,194)
Profit before taxation		(11,369)	19,693
Income tax income/(expense)	3	0	0
Profit / (loss) for the year		(11,369)	19,693

**) These items have been reclassified to net operating income*

Interim Statement of Comprehensive Income

For the six months ended June 30, 2010

<i>(in € thousands)</i>	30.06.2010	30.06.2009
Profit / (loss) for the year	(11,369)	19,693
Other comprehensive income, net of tax	0	0
Total comprehensive income for the year, net of tax	<u>(11,369)</u>	<u>19,693</u>

Interim Statement of Financial Position at June 30, 2010

<i>(in € thousands)</i>	<i>Note</i>	30.06.2010	31.12.2009 *)
Assets			
Receivables from Group companies	5	92,720	299,979
Derivative financial instruments	6	24,614	13,563
Derivative financial instruments Group companies	6	655	0
Total financial non current assets		117,988	313,542
Total non current assets		117,988	313,542
Receivables from Group companies	5	2,275,542	5,149,912
Derivative financial instruments Group companies	6	6,151	31,360
Other receivables		940	3,057
Cash and bank balances		(5,634)	4,556
Total current assets		2,276,999	5,188,885
Total assets		2,394,988	5,502,427
Shareholders' equity			
Share Capital		350	350
Share Premium		2,354	1,432,354
Retained earnings		237,757	923,046
Unappropriated net profit for the year		(11,369)	172,471
Total shareholders' equity	4	229,092	2,528,221
Liabilities			
Bonds	7	996,206	995,609
Derivative financial instruments	6	22,443	20,308
Total non current liabilities		1,018,649	1,015,917
Bonds	7	499,277	499,271
Interest-bearing loans and borrowings	7	30,821	118,853
Derivative financial instruments	6	53,652	24,615
Trade and other payables		44,052	17,806
Liabilities to Group companies	5	519,445	1,297,744
Total current liabilities		1,147,247	1,958,289
Total liabilities		2,165,895	2,974,206
Total equity and liabilities		2,394,988	5,502,427

*) *audited*

Interim Statement of Changes in Equity

For the six months ended June 30, 2010

(in € thousands)

	Share Capital	Share Premium	Retained earnings	Unappropriated net profit for the year	Total
Opening balance at January 1, 2009	350	1,432,354	777,020	146,026	2,355,750
Appropriation of net result 2008	-	-	146,026	(146,026)	-
Total comprehensive income / (loss) for the year, net of tax	-	-	-	19,693	19,693
Balance at June 30, 2009	350	1,432,354	923,046	19,693	2,375,443

(in € thousands)

	Share Capital	Share Premium	Retained earnings	Unappropriated net profit for the year	Total
Opening balance at January 1, 2010	350	1,432,354	923,046	172,471	2,528,221
Appropriation of net result 2009	-	-	172,471	(172,471)	-
Repayment equity	-	(1,430,000)	-	-	(1,430,000)
Dividend	-	-	(857,760)	-	(857,760)
Total comprehensive income / (loss) for the year, net of tax	-	-	-	(11,369)	(11,369)
Balance at June 30, 2010	350	2,354	237,757	(11,369)	229,092

Interim Statement of Cashflows

For the six months ended June 30, 2010

<i>(in € thousands)</i>	<i>Note</i>	30.06.2010	30.06.2009
Operating activities			
Profit/ (loss) before tax		(11,369)	19,693
Adjustments to reconcile profit (loss) before tax to net cashflows			
Interest income		(38,251)	(112,910)
Interest expenses		55,046	69,564
Other adjustments			
Movement in trade and other receivables		2,116	(82,283)
Movement in intercompany receivables and liabilities	5	2,305,653	(1,981)
Movement in trade and other payables		(17,465)	1,983
Movement in derivative financial instruments	6	44,676	15,422
Movement in intercompany derivative financial instruments			
Other adjustments		555	111
Interest paid		(11,335)	(41,198)
Interest received		35,891	110,929
Current income taxes paid		0	0
Net cashflows from operating activities		2,365,517	(20,671)
Financing activities			
Proceeds from bonds and interest-bearing loans and other borrowings		(88,000)	120,000
Repayment of bonds and interest-bearing loans and other borrowings		0	(80,000)
Repayment equity	4	(1,430,000)	0
Dividend	4	(857,760)	0
Net cashflows from (used in) financing activities		(2,375,760)	40,000
Net increase/(decrease) in cash and bank balances		(10,243)	19,329
Cash and bank balances at January 1		4,556	(47)
Effect of exchange rate fluctuations on cash held		53	1,202
Cash and bank balances at June 30		(5,634)	20,484

Notes to the interim condensed financial statements

1 General Information

Rodamco Europe Finance B.V. ('the Company') is a private limited liability company incorporated in the Netherlands with its statutory seat in Rotterdam and place of business at Schiphol Boulevard 371, Tower H, 1118 BJ Luchthaven Schiphol (Municipality of Haarlemmermeer), the Netherlands. The Company is part of the Unibail-Rodamco S.E. Group ('the Group'), a listed property investment company under European law. The company is a 100% subsidiary of Rodamco Europe Properties B.V., part of the same group.

Rodamco Europe Finance B.V. is a dedicated finance company within the Unibail-Rodamco Group. Its objective is to borrow funds from third parties and to lend funds to companies within the Unibail-Rodamco Group, in particular to companies held (indirectly) by Rodamco Europe N.V. The management board consists of Mr. Peter van Rossum and Mr. Ruud Vogelaar.

The interim condensed financial statements were authorized for issue by the management board on August 31, 2010.

2 Basis of preparation and accounting policies

(a) Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2010 have been prepared in accordance with IAS 34.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at December 31, 2009.

(b) Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended December 31, 2009, except for the adoption of new standards and interpretations effective as of January 1, 2010, noted below:

IFRS 3 (Revised) Business Combinations and IAS 27 (Amended) Consolidated and Separate Financial Statements

The revised standards are effective prospectively for business combinations affected in financial periods beginning on or after July 1, 2009. IFRS 3 Revised introduces a number of changes in the accounting for business combinations that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

IAS 27 requires that a change in the ownership interest of a subsidiary (without loss of control) to be accounted for as an equity transaction. Therefore, such a transaction would no longer give rise to goodwill, nor give rise to a gain or loss. The revised standard did not have an impact on the interim condensed financial statements as no relevant transactions occurred in the first half year of 2010.

Amendment to IAS 39 Financial Instruments:

Recognition and Measurement – Eligible Hedged Items

This amendment to IAS 39 was issued on July 31, 2008 and is applicable for annual periods beginning on or after 1 July 2009 with early application permitted. The amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation should be applied in particular situations. The revised standard did not have a material impact on the financial statements.

The other standards that became effective for periods beginning on or after January 1, 2010 did not have a material impact on the financial statements and/or were not applicable for the Company.

The Company has not early adopted any other standard, interpretation or amendment that was issued but not yet effective.

3 Income tax

As announced in its press release of December 11, 2009, the Group expects that it will not be able to use the benefit from the tax exemption of its Dutch activities provided by the FBI regime for the year 2010.

If so, the future taxable income will be covered by significant Dutch tax-loss carry forwards, resulting from the decline in real estate values since the merger between Unibail Holding SA and Rodamco Europe NV.

In line with this, no tax is shown in the income statement.

4 Shareholders' equity

During the period, the Company distributed its retained earnings as a dividend to its shareholder for a total amount of EUR 857.8 million. Furthermore the Company repaid part of its share premium for an amount of EUR 1,430.0 million.

5 Receivables and liabilities Group Companies

<i>(in € thousands)</i>	30.06.2010	31.12.2009
Non-current Receivables from Group companies	92,720	299,979
Current Receivables from Group companies	2,275,542	5,149,912
Total receivables from Group companies	2,368,262	5,449,891
Current Liabilities to Group companies	519,445	1,297,744
Total liabilities from Group companies	519,445	1,297,744

The movement in receivables from and liabilities to Group companies were:

<i>(in € thousands)</i>	30.06.2010	31.12.2009
Group company assets		
Balance at January 1	5,449,891	5,555,425
New loans	18,496	2,730,332
Redemptions	(2,839,311)	(861,455)
Loans sold to another company within the Unibail-Rodamco Group	(264,419)	(1,970,013)
Other movements (e.g. currency translation differences and amortization)	3,606	(4,398)
Balance at period end	2,368,262	5,449,891
Group company liabilities		
Balance at January 1	1,297,744	1,460,381
New loans	13,765	639,244
Redemptions	(792,065)	(800,000)
Other movements (e.g. currency translation differences and amortization)	0	(1,881)
Balance at period end	519,445	1,297,744

The loans sold to another company within the Unibail-Rodamco Group are part of the transaction as mentioned in the annual report 2009. In line with the character of this part in 2010, no sales result was recorded.

Furthermore, several current accounts with Group companies have been settled. The redemptions in the Group company assets are mainly caused by the reduced current accounts with Rodamco Europe Finance II B.V. (EUR 2.0 billion) and Unibail-Rodamco S.E. (EUR 0.6 billion). The redemption in the Group company liabilities is mainly caused by the reduced current account with Rodamco Nederland Winkels B.V. (EUR 0.8 billion).

6 Derivative Financial Instruments

The tables below summarize the number of contracts, notional amounts, duration and fair values of all outstanding derivative financial instruments.

(in € thousands)	30.06.2010			31.12.2009		
	Number of contracts	Notional in €	Fair value in €	Number of contracts	Notional in €	Fair value in €
Interest rate swaps						
Up to 1 year	0	0	0	0	0	0
From 1 to 5 year	4	385,000	(9,818)	4	385,000	(11,956)
From 5 to 10 years	0	0	0	0	0	0
Cross currency swaps						
Up to 1 year	7	396,276	(53,652)	0	0	0
From 1 to 5 year	1	140,000	11,988	8	536,276	(18,200)
From 5 to 10 years	0	0	0	0	0	0
Fx Swap						
Up to 1 year	0	0	0	1	30,181	(1,204)
From 1 to 5 year	0	0	0	0	0	0
From 5 to 10 years	0	0	0	0	0	0
Total external hedges	12	921,276	(51,482)	13	951,457	(31,360)
Transfer derivatives *)		0	0		(951,457)	31,360
Internal Cross currency swaps						
Up to 1 year	7	(444,083)	6,151	0	0	0
From 1 to 5 year	1	(156,212)	655	0	0	0
From 5 to 10 years	0	0	0	0	0	0
Total	20	320,981	(44,676)	13	0	0
Derivatives non-current assets			24,614			13,563
Derivatives non-current assets Group companies			655			0
Derivatives current assets Group companies			6,151			31,360
Swaps with a positive fair value			31,419			44,923
Derivatives non-current liabilities			(22,443)			(20,308)
Derivatives current liabilities			(53,652)			(24,615)
Swaps with a negative fair value			(76,095)			(44,923)

*) As mentioned in the annual report 2009, at December 31, 2009, the company beneficially assigned the benefits, risk and liabilities in respect of its external derivative financial instruments to another company within the Unibail-Rodamco Group. During 2010, it has been decided to end this assignment as per April 8, 2010, and to enter into new internal swaps with another company within the Unibail-Rodamco Group, only regarding the currency swaps. These internal swaps are set up as mirror for the external currency swaps to compensate for the financial impact of these external swaps.

This reversal took place at the fair values of the currency swaps based on latest April 8, 2010 values (EUR 46.6 million). This also means that up to April 8, 2010, there was no impact in the income statement of Rodamco Europe Finance B.V. due to fair value changes in the derivatives.

7 Bonds, interest-bearing loans and borrowings

<i>(in € thousands)</i>		30.06.2010	31.12.2009
Non-current liabilities			
Eurobond 7yr (till 2012), nominal € 500 mio, fixed rate 3.75 %	<i>EUR</i>	499,362	499,136
Eurobond 10yr (till 2014), nominal € 500 mio, fixed rate 4.375 %	<i>EUR</i>	496,844	496,473
		996,206	995,609
Current liabilities			
Eurobond 7yr (till 2010), nominal € 500 mio, fixed rate 3.75 %	<i>EUR</i>	499,277	499,271
Other, fixed rates average 0,53%	<i>EUR</i>	30,821	118,853
		1,526,304	1,613,734
Total debt		1,526,304	1,613,734

The movement in bonds, interest-bearing loans and borrowings during the year was:

<i>(in € thousands)</i>		30.06.2010	31.12.2009
Balance at January 1		1,613,734	1,728,452
New loans		30,000	118,000
Redemptions		(118,000)	(235,000)
Other movements (e.g. currency translation differences and amortization)		570	2,283
		1,526,304	1,613,734
Balance at period end		1,526,304	1,613,734

Luchthaven Schiphol, August 31, 2010

Management board :

P.M. van Rossum

R.Vogelaar