

Rodamco Europe Finance B.V.

Annual Report 2013

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Report of the Management Board

Rodamco Europe Finance B.V. ('the Company') has acted throughout 2013 as a finance company within the Unibail-Rodamco 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. J. Tonckens, Mr. R. Vogelaar and Mr. J. van Haaren. The Management Board consists of three men. At composition of the Management Board the most appropriate candidate is elected, with one of the considerations being the balanced division of seats between men and women. Mr. J. Tonckens and Mr. R. Vogelaar are also authorized representatives for Unibail-Rodamco's branch in The Netherlands.

The Company has used interest rate derivatives to manage and structure its interest rate exposures.

The overall result of the Company increased by EUR 4.6 million from a negative result of EUR 24.3 million in 2012 to a negative result of EUR 19.7 million in 2013. The interest margin increased by EUR 8.5 million, whereas administrative expenses and other financial expenses decreased by EUR 0.5 million. The fair value result of derivative financial instruments decreased by EUR 2.5 million, whereas foreign exchange result decreased with EUR 1.9 million.

Notable events in 2013 were:

- The Company has entered into an EUR 380 million Assignment Agreement based on which a receivable from Rodamco Central Europe B.V. on Unibail-Rodamco SE was assigned to the Company, resulting in the Company having a receivable on Unibail-Rodamco SE and a payable to Rodamco Central Europe B.V.
- The Company made an amount of EUR 243 million available to Unibail-Rodamco S.E. through the compensation of a receivable the Company has on Rodamco Europe Properties B.V. as partial repayment of an existing current account between these two companies.

The Company is considering the scope and extent of its activities. As a result thereof, there is a level of uncertainty which prevents the Company from making a reliable outlook for its future results. However, 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.

Given the character of the Company as a financing entity within the real estate industry, financial instruments as well as the way risks related to those are handled, are an important focus area. Reference is made to note 12 of the financial statements. Based on the company's activities, risks and uncertainties include:

- General economic conditions;
- Changes in the availability of, and costs associated with, financial resources;
- Interest rate levels;
- Changes in law and regulations, including taxes.

The management board of the Company hereby states that, to the best of its knowledge:

- the financial statements give a true and fair view of the assets, liabilities, financial position and results of the Company;
- the management report gives a fair view of the state of affairs as at the balance sheet date and of the course of business during the financial year of the Company together with a description of the principal risks the issuer faces.

April 28, 2014

J. Tonckens

R. Vogelaar

J. van Haaren

Financial Statements

Statement of Income

For the year ended 31 December 2013

<i>(in € thousands)</i>	<i>Note</i>	2013	2012
Interest income	3	43,589	65,204
Interest expenses	3	(57,540)	(87,702)
Fair value gain / (loss) derivative financial instruments	10	(5,129)	(2,591)
Other financial income / (expenses)		(659)	(1,146)
Net operating income		(19,739)	(26,235)
Administrative income / (expenses)	4	(9)	19
Foreign exchange gain / (loss)		0	1,876
Total operating expenses		(9)	1,895
Profit before taxation		(19,748)	(24,340)
Income tax income / (expense)	2.13	0	0
Profit / (loss) for the year		(19,748)	(24,340)

Statement of Comprehensive Income

For the year ended 31 December 2013

<i>(in € thousands)</i>	2013	2012
Profit / (loss) for the year	(19,748)	(24,340)
Other comprehensive income, net of tax	0	0
Total comprehensive income for the year, net of tax	(19,748)	(24,340)

Statement of Financial Position

as at 31 December 2013

(Before appropriation of results)

<i>(in € thousands)</i>	<i>Note</i>	2013	2012
Assets			
Receivables from Group companies	5	34,539	34,539
Derivative financial instruments	10	0	8,874
Total financial non current assets		34,539	43,413
Total non current assets		34,539	43,413
Receivables from Group companies	5	3,195,168	2,786,166
Derivative financial instruments	10	3,745	0
Other receivables	6	1	16
Cash and bank balances	7	72,664	83,669
Total current assets		3,271,578	2,869,852
Total assets		3,306,117	2,913,265
Shareholders' equity			
Share Capital		350	350
Share Premium		2,354	2,354
Retained earnings		176,638	200,978
Unappropriated net profit for the year		(19,748)	(24,340)
Total shareholders' equity	8	159,594	179,343
Liabilities			
Bonds	9	0	498,701
Liabilities to Group companies	5	500,000	500,000
Total non current liabilities		500,000	998,701
Bonds	9	499,443	0
Interest-bearing loans and borrowings	9	146	19,230
Trade and other payables	11	4,255	4,253
Liabilities to Group companies	5	2,142,679	1,711,738
Total current liabilities		2,646,523	1,735,221
Total liabilities		3,146,523	2,733,923
Total equity and liabilities		3,306,117	2,913,265

Statement of Changes in Equity

For the year ended 31 December 2013

(in € thousands)

	Share Capital	Share Premium	Retained earnings	Unappropriated net profit for the year	Total
Opening balance at January 1, 2012	350	2,354	202,071	(1,093)	203,682
Appropriation of net result 2011	-	-	(1,093)	1,093	-
Total comprehensive income / (loss) for the year, net of tax	-	-	-	(24,340)	(24,340)
Balance at December 31, 2012	350	2,354	200,978	(24,340)	179,343

(in € thousands)

	Share Capital	Share Premium	Retained earnings	Unappropriated net profit for the year	Total
Opening balance at January 1, 2013	350	2,354	200,978	(24,340)	179,343
Appropriation of net result 2012	-	-	(24,340)	24,340	-
Total comprehensive income / (loss) for the year, net of tax	-	-	-	(19,748)	(19,748)
Balance at December 31, 2013	350	2,354	176,638	(19,748)	159,594

Statement of Cash flows

For the year ended 31 December 2013

<i>(in € thousands)</i>	2013	2012
Operating activities		
Profit/ (loss) before tax	(19,748)	(24,340)
Adjustments to reconcile profit (loss) before tax to net cashflows		
Interest income	(43,589)	(65,204)
Interest expenses	57,540	87,702
Other adjustments		
Movement in trade and other receivables	15	(13)
Movement in intercompany receivables and liabilities	21,939	537,089
Movement in trade and other payables	2	(1,539)
Interest expense accrued and not yet paid	(18,029)	(21,492)
Interest income accrued and not yet received	37,618	53,521
Movement in derivative financial instruments	5,129	16,926
Other adjustments	658	1,151
Interest paid	(39,511)	(66,210)
Interest received	5,971	11,683
Net cashflows from operating activities	7,995	529,274
Financing activities		
Proceeds from bonds and interest-bearing loans and other borrowings	0	19,000
Repayment of bonds and interest-bearing loans and other borrowings	(19,000)	(500,000)
Net cashflows from (used in) financing activities	(19,000)	(481,000)
Net increase/(decrease) in cash and bank balances	(11,005)	48,274
Cash and bank balances at January 1	83,669	35,395
Effect of exchange rate fluctuations on cash held	0	0
Cash and bank balances at December 31	72,664	83,669

Notes to the 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 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.

The Company 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. J. Tonckens, Mr. R. Vogelaar and Mr. J. van Haaren. The Company as such does not have a Supervisory Board, or an Audit Committee. Governance however is exercised through its parent Rodamco Europe N.V. and the ultimate shareholder Unibail-Rodamco S.E. and its Boards and Audit Committee.

The financial statements were authorized for issue by the management board on April 28, 2014.

2 Accounting principles and consolidation methods

In accordance with EC regulation no. 1606/2002 of July 19, 2002, on the application of international accounting standards, the Company has prepared its financial statements for the financial year ending December 31, 2013 under International Financial Reporting Standards (IFRS) as adopted in the European Union and applicable at this date. These can be consulted on the website: http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.

2.1 IFRS basis adopted

The accounting principles and methods used are the same as those applied for the preparation of the annual financial statements as at December 31, 2012, except for the application of the new obligatory standards and interpretations described below.

Standards, amendments and interpretations effective as of January 1, 2013

- IAS 1 A: Presentation of financial statements – presentation of items of other comprehensive income;
- IFRS 7 A: Disclosures – Offsetting Financial Assets and Financial Liabilities;
- IFRS 13: Fair value measurement;
- Annual improvements to IFRS (the 2009-2011 cycle), which include amendments to the following standards:
 - IAS 1: *Presentation of Financial Statements*;
 - IAS 16: *Property, Plant and Equipment*;
 - IAS 32: *Financial Instruments – Presentation*;
 - IAS 34: *Interim Financial Reporting*.

These standards and amendments do not have a significant impact on the Company's accounts. The impacts of IFRS 13 are described in the note 2.2 "Impacts of new standards application".

Standards, amendments and interpretations not mandatorily applicable as of January 1, 2013

The following norms and amendments have been adopted by the European Union as at December 31, 2013 but with a later effective date of application and were not applied in advance:

- IAS 32 A: Offsetting Financial Assets and Financial Liabilities;
- IAS 39 & IFRS 9 A: Novation of derivatives and continuation of Hedge accounting.

The measurement of the potential impacts of these texts on the accounts of the Company is ongoing.

The following texts were published by the IASB but have not yet been adopted by the European Union:

- Improvements to IFRSs (2010-2012 cycle);
- Improvements to IFRSs (2011-2013 cycle);
- IFRS 9 A: Hedge accounting and amendments to IFRS 9, IFRS 7 and IAS 39.

2.2 Impacts of new standards application

IFRS 13

The adoption of IFRS 13 requires disclosure related to the valuation methods of the Company's assets (i.e. discount rate, exit cap rate, long-term growth rate, annual passing rent, etc.) and to the valuation of derivatives and financial instruments including counterparty risk.

Derivatives

The valuation of the derivatives as at December 31, 2013, was done taking into account the "Credit Valuation Adjustment" (CVA) and the "Debit Valuation Adjustment" (DVA) accordingly to IFRS 13.

The impact is a negative fair value adjustment of EUR 14 thousand in the result of the period.

The following notes were amended accordingly: note 2.6.c "Derivative financial instruments recorded at fair value through profit or loss" and note 10 "Derivative financial instruments".

2.3 Estimates and assumptions

The preparation of the Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgement is required to establish fair values.

Impairment losses on loans and receivables

The Company reviews its individually significant loans and receivables at each statement of financial position date to assess whether an impairment loss should be recorded in the income statement. In particular, judgement by management is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. In estimating these cash flows, the Company makes judgements about the borrower's financial situation and the net realisable value of collateral. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

Loans and receivables that have been assessed individually and found not to be impaired and all individually insignificant loans and advances are then assessed collectively, in groups of assets with similar risk characteristics, to determine whether provision should be made due to incurred loss events for which there is objective evidence but whose effects are not yet evident.

2.4 Basis of preparation

The financial statements of the Company have been prepared on the historical cost basis except for derivative financial instruments which are being measured at fair value.

Financial statements are presented in thousands of euros.

2.5 Foreign currency

The financial statements are presented in euros which is the functional currency of the Company. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to profit or loss.

2.6 Financial instruments – initial recognition and subsequent measurement

(a) Date of recognition

All financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument.

(b) Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on the purpose and the management's intention for which the financial instruments were acquired and their characteristics. All financial instruments are measured initially at their fair value plus transaction costs, except for derivative financial instruments recorded at fair value through profit or loss.

(c) Derivative financial instruments recorded at fair value through profit or loss

The Company uses derivative financial instruments on behalf of other Group companies of the Unibail-Rodamco Group for the purpose of hedging the exposure of these other Group companies to movements in interest rates. These derivative financial instruments include, but are not limited to, interest rate swaps and forward rate agreements. As the Company does not use the hedges for hedging its own exposure to interest rate risk no hedge accounting is applied by the Company. Therefore all changes in the fair value of derivative financial instruments are included in net operating income.

Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative.

The fair value of derivative financial instruments is determined by using appropriate valuation techniques. Valuation techniques include the discounted cash flow method, comparison to similar instruments for which market observable prices exist, options pricing models, credit models and other relevant valuation models.

Exposure to the credit risk of a particular counterparty

The Company, which holds a group of financial assets or financial liabilities, is exposed to market risks and credit risks of every single counterparty as defined in IFRS 7. The Company applies the exception provided by IFRS 13 (§ 48) which permits to measure the fair value of a group of financial assets or a group of financial liabilities on the basis of the price that would be received to sell or transfer a net position towards a particular risk in an orderly transaction between market participants at the measurement date under current market conditions.

To determine the net position, the Company takes into account existing arrangements to mitigate the credit risk exposure in the event of default (e.g. a master netting agreement with the counterparty). The

fair value measurement takes into consideration the likelihood that such an arrangement would be legally enforceable in the event of default.

Valuation of derivatives has to take into account the Credit Valuation Adjustment (CVA) and the Debit Valuation Adjustment (DVA).

CVA, calculated for a given counterparty, is the product of:

- a. the total mark-to-market the Company has with this counterparty, in case it is positive;
- b. the probability of default of this counterparty over the average maturity, weighted by the nominal of the derivatives booked with them. This probability of default is taken from the Bloomberg model, based on market data and derived from the Credit Default Swaps of the banks;
- c. and the loss given default set at 60 % following market standard.

DVA or Bilateral CVA, based on Unibail-Rodamco's credit risk, corresponds to the loss that the Group's counterparties may face in case of the Company's default. It is the product of:

- a. the total mark-to-market the Company has with a counterparty, in case it is negative;
- b. the probability of default of the Company over the average maturity, weighted by the nominal of the total portfolio of derivatives. The Company's probability of default is derived from the Credit Default Swaps of Rodamco Europe and taken from Bloomberg model;
- c. and the loss given default set at 60 % following market standard.

(d) Receivables from Group companies and other receivables

After initial measurement, receivables from Group companies and other receivables are subsequently measured at amortised cost using the Effective Interest Rate ("EIR"), less allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. The amortisation is included in "Other financial income / (expenses)" in the income statement. The losses arising from impairment are also recognised in the income statement.

(e) Cash at banks

Cash at banks comprises cash balances and call deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, with a maturity of 90 days or less and which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash at banks for the purpose of the statement of cash flows.

(f) Debt issued, other borrowed funds and other liabilities.

Debt issued, other borrowed funds and other liabilities comprise of bonds, interest bearing loans and borrowings, trade and other payables and liabilities to Group companies.

After initial measurement, debt issued, other borrowed funds and other liabilities are subsequently measured at amortised cost using the EIR. Amortised cost is calculated by taking into account any discount or premium on the issue and costs that are an integral part of the EIR.

2.7 Derecognition of financial assets and financial liabilities

(a) Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement;
and either:
 - the Company has transferred substantially all the risks and rewards of the asset, or

- the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Companies continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

(b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.8 Impairment of financial assets

The Company assesses at each statement of financial position date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred ‘loss event’) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, the probability that they will enter bankruptcy or other financial reorganisation, default or delinquency in interest or principal payments and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (such as amounts due from group companies and other receivables), the Company first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of ‘Interest income’. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to the income statement.

The present value of the estimated future cash flows is discounted at the financial asset's original EIR. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR.

Future cash flows on a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently. Estimates of changes in future cash flows reflect, and are directionally consistent with, changes in related observable data from year to year. The methodology and assumptions used for estimating future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

2.9 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, therefore, the related assets and liabilities are presented gross in the statement of financial position.

2.10 Equity

(a) Share capital

Ordinary shares are classified as equity. External costs directly attributable to the issuance of new shares, other than on a business combination, are shown as a deduction, net of tax, in equity from the proceeds. Share issue costs incurred directly in connection with a business combination are included in the cost of acquisition.

(b) Share premium

The share premium reserve relates to capital contributions on shares issued in excess of their par value as part of the legal merger of different companies into the Company.

(c) Retained earnings

Retained earnings are comprised of undistributed net profit / losses in the business year or in previous business years.

(d) Dividends

Dividends are recognized as a liability in the year in which they are declared. Dividends declared after the balance sheet date, are not recognized as a liability in the financial statements but are disclosed in the notes thereto.

2.11 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the income statement net of any reimbursement.

2.12 Recognition of income and expenses

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Interest and similar income and expense

For all financial instruments measured at amortised cost and financial instruments designated at fair value through profit or loss, interest income or expense is recorded using the EIR, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

2.13 Income tax

As reported in its press release of December 11, 2009, the Group expects that the Dutch tax authorities will deny the status of FBI (Fiscale Beleggings Instelling) in The Netherlands for the Group's Dutch activities for 2010 onwards. In light of the significant Dutch tax loss carry forwards identified by Group's fiscal advisors in the Netherlands, even though questioned by the Dutch tax authorities, this assumption had no impact on the result for 2013.

In line with this, the corporate income tax in the Statement of Income of the Company is nihil.

2.14 Segment information

The entity has a single reportable segment. The revenue of the entity comprises interest and similar income from Group companies and interest on cash and short term funds. Reference is made to the profit and loss account as well as to note 3 "Financial income and expenses". The Group companies are active within the real estate industry. No further separate operating segments have been identified to form the decision making.

2.15. Notes to the statement of cash flows

The cash flow statement is prepared using the indirect method.

Cash flow relating to the purchase or sale of derivative instruments and interest-bearing (non-intercompany) loans and other borrowings are classified as cash flow from financing activities.

Interests received or paid on loans, bonds and financial derivatives are classified in cash flow from operating activities.

3 Financial income and expense

The table below shows further details of the interest income and expense in the statement of income.

<i>(in € thousands)</i>	2013	2012
Interest and similar income		
Receivables from Group companies	37,618	55,337
Cash and short term funds	5,971	9,867
Total	43,589	65,204
Interest and similar expense		
Bonds	(21,875)	(39,615)
Interest-bearing loans and borrowings	(809)	(6,131)
Liabilities to Group companies	(34,856)	(41,956)
Total	(57,540)	(87,702)

Other financial income/(expense) mainly relates to amortization of deferred borrowing costs.

4 Administrative income and expenses

<i>(in € thousands)</i>	2013	2012
Consultancy and advisory costs	(48)	(49)
Other administrative income / (expenses)	39	68
Gross administrative income / (expenses)	(9)	19

Included in consultancy and advisory costs are auditor's fees of EUR 32 thousand (2012: EUR 26 thousand) for the financial statements audit in accordance with Section 382a of Book 2 of the Dutch Civil Code. Fees for non-audit services amounted to EUR 15 thousand (2012: EUR 13 thousand).

Other administrative income mainly consist of Group service charges initially charged to the parent company of the Company.

5 Receivables and liabilities Group Companies

This note provides information about the contractual terms of the Company's receivables from Group companies and liabilities to Group companies. For more information about the Company's exposure to interest rate and currency risk, refer to note 12 "Financial risk management objectives and policies".

<i>(in € thousands)</i>	2013	2012
Non-current Receivables from Group companies	34,539	34,539
Current Receivables from Group companies	3,195,168	2,786,166
Total receivables from Group companies	3,229,707	2,820,706
Non-current Liabilities to Group companies	500,000	500,000
Current Liabilities to Group companies	2,142,679	1,711,738
Total liabilities from Group companies	2,642,679	2,211,738

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

<i>(in € thousands)</i>	2013	2012
Group company assets		
Balance at January 1	2,820,706	3,347,669
New loans	635,583	87,665
Redemptions	(226,582)	(614,949)
Other movements (e.g. currency translation differences and amortization)	0	321
Balance at December 31	3,229,707	2,820,706
Group company liabilities		
Balance at January 1	2,211,738	2,201,613
New loans	469,794	126,458
Redemptions	(38,853)	(116,333)
Balance at December 31	2,642,679	2,211,738

In the next overviews details of the receivables from and liabilities to Group companies are presented.

<i>(in € thousands)</i>		2013	2012
Group companies non-current assets			
Cijferzwaan B.V. (till 2032), fixed rate 5.58%	EUR	34,539	34,539
Total Group companies non-current assets		34,539	34,539

<i>(in € thousands)</i>		2013	2012
Group companies current assets			
Rodamco Europe Properties B.V., floating rate Euribor 3M + 1%	EUR	2,054,976	2,269,534
Unibail Rodamco S.E., floating rate Euribor 3M + 1%	EUR	913,528	300,612
Other current accounts	EUR	226,664	216,021
Total Group companies current assets		3,195,168	2,786,167

The decrease in the receivable on Rodamco Europe Properties B.V. could be mainly explained by a partial repayment of EUR 243 million of the existing current account between Rodamco Europe Properties B.V. and the Company.

The Company made an amount of EUR 243 million available to Unibail-Rodamco S.E through the compensation as partial repayment which has been described in the paragraph above. The movement in the receivable on Unibail-Rodamco S.E. is also caused by an assignment of a receivable of EUR 380 million on Unibail-Rodamco S.E. from Rodamco Central Europe B.V. to the Company, resulting in a receivable on Unibail-Rodamco S.E.

<i>(in € thousands)</i>		2013	2012
Group companies non-current liabilities			
Unibail Rodamco S.E. (till 2015), fixed rate 3.375%	EUR	500,000	500,000
Total Group companies non-current liabilities		500,000	500,000

<i>(in € thousands)</i>		2013	2012
Group companies current liabilities			
Unibail-Rodamco Nederland Winkels B.V., floating rate Euribor 3M + 1%	EUR	1,510,932	1,439,020
Others	EUR	631,747	272,718
Total Group companies current liabilities		2,142,679	1,711,738

The movement in 'others' is mainly caused by an assignment of a receivable of EUR 380 million on Unibail-Rodamco S.E. from Rodamco Central Europe B.V. to the Company, resulting in a payable to Rodamco Central Europe B.V.

Receivables from and liabilities to Group companies are receivables from and liabilities to companies part of the Unibail-Rodamco Group. Interest is calculated on all loans and facilities to Group companies. Interest is determined at an arm's length basis. For the Group companies current accounts, all interest rates are floating. Floating interest rates are based on the major European interest rates resulting in an effective interest rate of around 1.2%.

6 Other receivables

Other receivables comprises prepaid expenses.

7 Cash at banks

There are no restrictions to the cash balances as at December 31, 2013 and December 31, 2012.

8 Shareholders' equity

Share capital and share premium

The share capital consists of 3,500 authorized shares of which 700 shares are issued and fully paid up at December 31, 2013, similar to 2012. The shares have a par value of EUR 500 each. No movements occurred in 2013 and 2012.

The share premium reserve relates to capital contributions on shares issued in excess of their par value as part of the legal merger of different companies into the Company.

Retained earnings

Retained earnings are comprised of undistributed net profit / losses in the business year or in previous business years and are freely distributable.

9 Bonds, interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's bonds, interest-bearing loans and borrowings. For more information about the Company's exposure to interest rate risk, refer to note 12 "Financial risk management objectives and policies".

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

<i>(in € thousands)</i>		2013	2012
Non-current liabilities			
Eurobond 10yr (till 2014), nominal € 500 mio, fixed rate 4.375 %	<i>EUR</i>	0	498,701
		<u>0</u>	<u>498,701</u>
Current liabilities			
Eurobond 10yr (till 2014), nominal € 500 mio, fixed rate 4.375 %	<i>EUR</i>	499,443	0
Other (including deferred expenses on currently non utilized facility)	<i>EUR</i>	0	19,230
Total debt		<u>499,443</u>	<u>517,931</u>
 <i>(in € thousands)</i>		 2013	 2012
Balance at January 1		517,931	997,780
New loans		0	19,000
Redemptions		(19,230)	(500,000)
Other movements (e.g. currency translation differences and amortization)		742	1,151
Balance at December 31		<u>499,443</u>	<u>517,931</u>

The bond which matures in 2014 includes a restriction of the amount of indebtedness at subsidiary level of Rodamco Europe N.V., which cannot exceed in aggregate 30% of Total Group Assets. At December 31, 2013, this threshold is respected.

These bonds, loans and borrowings are not restricted by any other covenant based on financial ratios which can lead to an early repayment of debt.

For the maturity schedule of the financial liabilities, we refer to note 12 “Financial risk management objectives and policies”.

10 Derivative Financial Instruments

The Company enters into derivative financial instruments which relate to Group companies. The derivative financial instruments are used to hedge the interest rate risk of these Group companies. No derivative financial instruments are used by the Company to hedge its own interest rate risk. From the Company’s perspective these derivative financial instruments therefore do not qualify as hedging instruments and therefore no hedge accounting is applied. Therefore all changes in the fair value are immediately recognized in the Statement of Income as part of fair value result derivative financial instruments.

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

<i>(in € thousands)</i>	2013			2012		
	Number of contracts	Notional in €	Fair value in €	Number of contracts	Notional in €	Fair value in €
Interest rate swaps						
Up to 1 year	1	135,000	3,745	0	0	0
From 1 to 5 year	0	0	0	1	135,000	8,874
From 5 to 10 years	0	0	0	0	0	0
Total	1	135,000	3,745	1	135,000	8,874
Derivatives non-current assets			0			8,874
Derivatives current assets			3,745			0
Swaps with a positive fair value			3,745			8,874
Derivatives non-current liabilities			0			0
Derivatives current liabilities			0			0
Swaps with a negative fair value			0			0

Due to its use of derivatives, the Company is exposed to potential counterparty defaults. The counterparty risk is the risk of replacing the derivative transactions at current market rates in the case of default. The Company implemented IFRS 13 for the mark-to-market calculations of its derivative transactions based on a calculation on a Credit Valuation Adjustment (CVA) and a Debit Valuation Adjustment (DVA) (see note 2.2 “Impacts of new standards application” and note 2.6.c. “Derivative financial instruments recorded at fair value through profit or loss”).

The first application has a negative impact on the net result of the period for EUR 14 thousand with a counterpart on derivatives with a positive fair value in the statement of financial position.

<i>(in € thousands)</i>	31/12/2012	Amounts recognised in the Statement of Income			31/12/2013
		Net financing costs	Fair value adjustments of derivatives and debts	Other comprehensive income	
Assets					
Derivatives at fair value	8,874	-	(5,129)	-	3,745
	8,874	-	(5,129)	-	3,745

11 Trade and other payables

<i>(in € thousands)</i>	2013	2012
Interest payable	4,230	4,228
Accrued and other liabilities	25	26
Total trade and other payables	4,255	4,253

12 Financial risk management objectives and policies

The Company's principal financial instruments comprise of receivables from and liabilities to Group companies, bonds and other interest bearing loans and borrowings, derivative financial instruments and other receivables/payables. The main purpose of these financial instruments is to raise finance and hedge interest rate risk.

The main risks arising from these financial instruments are credit risk, interest rate risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

These risks are systematically identified and regularly compiled into reviews of the various risks to the Company's portfolio and activities in developing and managing it. Risk management at the Company is closely linked to the corporate objectives of the Unibail-Rodamco Group and the critical success factors required to achieve these objectives. Appropriate and intelligent risk management is an integral part of the business, whereby success relies on optimizing the trade-off between risk and reward.

In basic terms, the Company's risk management goals are: no material surprises, no uninformed decisions and no major missed opportunities.

12.1 Credit risk

Credit risk is the risk that that a counterparty will not meet its obligations under a financial instrument, leading to a financial loss. The Company is exposed to credit risk from its financing activities relating to receivables from Group companies, other receivables and cash and bank balances.

The Company only issues loans to Group companies of Unibail-Rodamco S.E. Management believes that the risk of incurring losses as a result of default of one of the Group companies is remote.

Cash transactions are limited to high-credit-quality financial institutions. A large number of major international financial institutions are counterparties to the deposits transacted by the Group.

The maximum exposure to credit risk at the reporting date is the carrying value of receivables from Group companies, derivative financial instruments (with a positive fair value), other receivables and cash and bank balances and totals EUR 3,306 million (2012: EUR 2,913 million).

12.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to long-term receivables from and liabilities to Group companies with floating interest rates. The Bonds and Interest bearing loans and borrowings have a fixed interest rate and therefore do not bear (cash flow) interest rate risk.

Changes in the market interest rates of non-derivative financial instruments with fixed interest rates only affect income if these are measured at their fair value. For the Company this is not an issue as all non-derivative financial instruments are carried at amortised cost.

It is not part of the Company's operations to manage its own interest rate risk by using derivatives as hedging instruments. Derivatives held by the Company are entered into as being related to Group companies of the Unibail-Rodamco Group, to hedge the interest rate risk on the hedged items of these Companies. As such the Company does not apply hedge accounting.

Since the Company has both fixed rate and floating rate non-derivative financial instruments and interest rate swaps an increase/decrease of market interest rates could result in an increase/decrease of interest expense and increase/decrease of the fair value result on derivative financial instruments.

The analysis below is performed for reasonably possible movements in floating interest rates with all other variables held constant, showing the impact on profit before tax and equity. It should be noted that the impact of movement in the variable is not necessarily linear.

If interest rates (Euribor) were to rise by an average of 0.5% (50 basis points), the resulting increase of interest income and interest expenses would have an estimated net positive impact of EUR 6.6 million (2012: EUR 5.8 million) on net profit, based on the outstanding balances as per December 31, 2013. Conversely, a 0.5% (50 basis points) drop in interest rates would decrease net profit by an estimated EUR 6.6 million (2012: EUR 5.8 million), based on the outstanding balances as per December 31, 2013.

If interest rates (Euribor) were to rise by an average of 0.5% (50 basis points), this would have a negative effect of EUR 0.4 million on the fair value of the interest rate swap. Conversely a 0.5 % (50 basis points) drop in interest rate would have a positive effect of EUR 0.4 million on the fair value of the interest rate swap.

12.3 Liquidity risk

The table below summarises the maturity profile of the Group's financial liabilities at December 31, 2013 and December 31, 2012 based on contractual undiscounted payments (including interest).

(in € thousands)

At December 31, 2013	Less than 1 year	Between 1 - 5 years	Over 5 years	Total
Liabilities				
Bonds	516,421	0	0	516,421
Liabilities to Group companies	2,159,554	503,236	0	2,662,790
Derivative financial instruments	(673)	0	0	(673)
Trade and other payables	4,255	0	0	4,255
Total	2,679,557	503,236	0	3,182,793

(in € thousands)

At December 31, 2012	Less than 1 year	Between 1 - 5 years	Over 5 years	Total
Liabilities				
Bonds	21,875	516,421	0	538,296
Liabilities to Group companies	1,728,613	520,111	0	2,248,724
Interest-bearing loans and borrowings	19,000	0	0	19,000
Derivative financial instruments	(767)	(576)	0	(1,342)
Trade and other payables	4,253	0	0	4,253
Total	1,772,975	1,035,957	0	2,808,932

12.4 Fair values

The carrying amounts of current assets and current liabilities (excluding derivative financial instruments which are already measured at fair value) approximate their fair value due to the short-term nature of these instruments.

The fair value of long-term debt is estimated using discounted cash flow analysis based on the effective interest rate method using market interest rates from similar types of borrowing arrangements or at quoted market prices, where applicable.

The fair value of derivative financial instruments is determined by using appropriate valuation techniques. Valuation techniques include the discounted cash flow method, comparison to similar instruments for which market observable prices exist, options pricing models, credit models and other relevant valuation models.

Set out below is a comparison by class of the carrying amounts and fair value of the company financial instruments that are carried in the financial statements.

L&R: Loans and Receivables

AfS: Available for Sale financial assets

FAFVPL: Financial Assets at Fair Value through Profit and Loss

FLAC: Financial Liabilities measured At Cost

FLFVPL: Financial Liabilities at Fair Value through Profit and Loss

31/12/2013		Amounts recognised in statement of financial position according to IAS 39				
		Categories in accordance with IAS 39	Carrying Amount 31/12/2013	Amortised Costs	Fair value recognised in equity	Fair value recognised in profit & loss
Assets						
Receivables from Group companies	L&R	3,229,707	3,229,707	-	-	3,234,762
Other receivables	L&R	1	1	-	-	1
Cash and bank balances	FAFVPL	72,664	-	-	72,664	72,664
Derivatives	FAFVPL	3,745	-	-	3,745	3,745
		3,306,117	3,229,708	-	76,409	3,311,172
Liabilities						
Bonds	FLAC	499,443	499,443	-	-	514,426
Interest-bearing loans and borrowings	FLAC	146	146	-	-	146
Liabilities to Group companies	FLAC	2,642,679	2,642,679	-	-	2,656,636
Trade and other payables	FLAC	4,255	4,255	-	-	4,255
		3,146,523	3,146,523	-	-	3,175,463

31/12/2012		Amounts recognised in statement of financial position according to IAS 39				
		Categories in accordance with IAS 39	Carrying Amount 31/12/2012	Amortised Costs	Fair value recognised in equity	Fair value recognised in profit & loss
Assets						
Receivables from Group companies	L&R	2,820,706	2,820,706	-	-	2,828,168
Other receivables	L&R	16	16	-	-	16
Cash and bank balances	FAFVPL	83,669	-	-	83,669	83,669
Derivatives	FAFVPL	8,874	-	-	8,874	8,874
		2,913,265	2,820,722	-	92,543	2,920,728
Liabilities						
Bonds	FLAC	498,701	498,701	-	-	529,370
Interest-bearing loans and borrowings	FLAC	19,230	19,230	-	-	19,230
Liabilities to Group companies	FLAC	2,211,738	2,211,738	-	-	2,227,154
Trade and other payables	FLAC	4,253	4,253	-	-	4,253
		2,733,923	2,733,923	-	-	2,780,008

Fair value hierarchy

As at December 31, 2013, the only financial instruments measured at fair value are the derivative financial instruments.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at December 31, 2013 the fair value of all derivative financial instruments were determined using a technique whereby all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly (Level 2).

12.5 Capital management

The Company's capital is managed as part of the overall objective to safeguard the Unibail-Rodamco Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may, on behalf of the Unibail-Rodamco Group, issue new debt or buy back existing outstanding debt.

13 Personnel

The Company had no employees in 2013 and 2012. Management fees are not directly paid by the Company, but by other Group entities and cross charged through Group Service Charges and recognised as part of other administrative expenses. The Group services charges cannot directly be allocated to the remuneration of the board of directors paid by the Group taken into account their limited level of activities for the Company.

14 Related parties

Due to the nature of the Company it enters into related party transactions with a large number of Group companies of the Unibail-Rodamco Group of which the Company is also part.

Most transactions relate to the issuance of loans to and from Group companies and derivative financial instruments with Group companies. Interest rates are determined at arm's length basis. We refer to note 5 "Receivables and liabilities Group Companies" for the contractual terms and outstanding balances. We refer to note 3 "Financial income and expense" for the interest income and expense relating to loans to and from Group companies.

The Company is charged for Group Service Charges by other companies belonging to the Unibail-Rodamco Group. These charges are determined at arm's length basis. Please refer to note 4 "Administrative income and expenses".

15 Subsequent events

The Company is considering the scope and extent of its activities for 2014. As a result thereof, there is a level of uncertainty which prevents the Company from making a reliable outlook for its future results.

Schiphol, April 28, 2014

Management board :

J. Tonckens

R. Vogelaar

J. van Haaren

Other Information

Proposed profit appropriation

For the financial year 2013, the Management Board proposes to absorb the entire loss of EUR 19.7 million in the retained earnings. This proposal has not yet been reflected in the annual accounts, pending approval by the Annual Shareholder's Meeting. This is in line with article 26 of the articles of association. Article 26.4 of the articles of association mentions "losses arising can only be absorbed in the legal reserves as far as the law allows the company to do so."

Subsequent events

The Company is considering the scope and extent of its activities for 2014. As a result thereof, there is a level of uncertainty which prevents the Company from making a reliable outlook for its future results.

Independent auditor's report

To: the management board of Rodamco Europe Finance B.V.

We have audited the accompanying financial statements 2013 of Rodamco Europe Finance B.V., Rotterdam, which comprise the statement of financial position as at December 31, 2013, the statements of income, comprehensive income, changes in equity and cash flows for the year then ended and notes, comprising a summary of the significant accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Rodamco Europe Finance B.V. as at December 31, 2013 and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Utrecht, April 28, 2014

Ernst & Young Accountants LLP

Signed by W.H. Kerst
