Rodamco Europe Finance B.V.

Annual Report 2010

Contents

Report of the Management Board

Rodamco Europe Finance B.V. has acted throughout 2010 as a dedicated 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. Peter van Rossum and Mr. Ruud Vogelaar, both also being authorized representatives for Unibail-Rodamco's branch in The Netherlands. The Company had no employees in 2010. Management fees are cross charged through Group Service Charges and recognised as part of other administrative expenses.

The company continued to obtain a mix of debt from various banks during the year. Debt has been arranged to ensure an appropriate maturity profile and maintain short-term liquidity. The debt maturity profile has been managed by spreading repayment dates and extending credit facilities.

The company has used interest rate derivatives to manage and structure its interest rate exposures. Furthermore, the company has hedged translation risks of the group by entering into derivative instruments.

As indicated in the report over 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. In 2010, a further reduction of the activities of the company was implemented, accompanied by a repayment of share premium and retained earnings. This had a significant impact on the results for the year 2010.

The overall result of the company decreased from a positive result of €172.5 million in 2009 to a negative result of €57.1 million in 2010. The interest margin decreased by €115.2 million, whereas other financial expenses decreased by €1.0 million. The fair value result of derivative financial instruments had a less negative impact of €8.2 million, whereas foreign exchange result decreased with €21.6 million. Furthermore 2009 did have a one-off gain of €104.0 million related to the sale of a part of the loans.

The Company is considering the scope and extent of its activities for 2011. As a result thereof, there is a level of uncertainty which prevents Rodamco Europe Finance B.V. 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 Rodamco Europe Finance B.V. 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 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 year of Rodamco Europe Finance B.V. together with a description of the principal risks the issuer faces.

April 29, 2011

P.M. van Rossum

R. Vogelaar

Financial Statements

Statement of Income

For the year ended December 31, 2010

(in € thousands)	*Note*	**2010**	**2009**
Interest income	*3*	56,572	209,666
Interest expenses	*3*	(91,211)	(129,112)
Fair value gain / (loss) derivative financial instruments	*10*	(26,880)	(35,072)
Gain on sale of receivables from group companies at amortised cost	*3*	0	104,009
Other financial income / (expenses)	*3*	(1,974)	(2,941)
Net operating income		**(63,493)**	**146,550**
Administrative income / (expenses)	*4*	139	(1,926)
Foreign exchange gain / (loss)		6,219	27,847
Total operating expenses		**6,358**	**25,921**
Profit before taxation		**(57,135)**	**172,471**
Income tax income / (expense)	*2(m)*	0	0
Profit / (loss) for the year		**(57,135)**	**172,471**

Statement of Comprehensive Income
For the year ended December 31, 2010

(in € thousands)	**2010**	**2009**
Profit / (loss) for the year	(57,135)	172,471
Other comprehensive income, net of tax	0	0
Total comprehensive income for the year, net of tax	**(57,135)**	**172,471**

Statement of Financial Position

as at December 31, 2010

(Before appropriation of results)

(in € thousands)	*Note*	**2010**	**2009**
Assets			
Receivables from Group companies	*5*	68,256	299,979
Derivative financial instruments	*10*	26,183	13,563
Total financial non current assets		**94,439**	**313,542**
Total non current assets		**94,439**	**313,542**
Receivables from Group companies	*5*	3,571,448	5,149,912
Derivative financial instruments	*10*	25,010	31,360
Other receivables	*6*	0	3,057
Cash and bank balances	*7*	12,510	4,556
Total current assets		**3,608,968**	**5,188,885**
Total assets		**3,703,407**	**5,502,427**
Shareholders' equity			
Share Capital		350	350
Share Premium		2,354	1,432,354
Retained earnings		231,541	923,046
Unappropriated net profit for the year		(57,135)	172,471
Total shareholders' equity	*8*	**177,110**	**2,528,221**
Liabilities			
Bonds	*9*	996,803	995,609
Derivative financial instruments	*10*	0	20,308
Liabilities to Group companies	*5*	500,000	0
Total non current liabilities		**1,496,803**	**1,015,917**
Bonds	*9*	0	499,271
Interest-bearing loans and borrowings	*9*	539,724	118,853
Derivative financial instruments	*10*	75,573	24,615
Trade and other payables	*11*	5,876	17,806
Liabilities to Group companies	*5*	1,408,321	1,297,744
Total current liabilities		**2,029,494**	**1,958,289**
Total liabilities		**3,526,297**	**2,974,206**
Total equity and liabilities		**3,703,407**	**5,502,427**

Statement of Changes in Equity

For the year ended December 31, 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	-	-	-	172,471	172,471
Balance at December 31, 2009	**350**	**1,432,354**	**923,046**	**172,471**	**2,528,221**

(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 *	-	-	(863,976)	-	(863,976)
Total comprehensive income / (loss) for the year, net of tax	-	-	-	(57,135)	(57,135)
Balance at December 31, 2010	**350**	**2,354**	**231,541**	**(57,135)**	**177,110**

* see note 14

Statement of Cashflows

For the year ended December 31, 2010

(in € thousands)	*Note*	**2010**		**2009**	
Operating activities					
Profit/ (loss) before tax		**(57,135)**		**172,471**	
Adjustments to reconcile profit (loss) before tax to net cashflows					
Interest income		(56,572)		(209,666)	
Interest expenses		91,211		129,112	
Other adjustments					
Movement in trade and other receivables		3,056		2,315	
Movement in intercompany receivables and liabilities	*5*	126,035	**	(89,807)	*
Movement in trade and other payables		(17,707)		(22,385)	
Movement in derivative financial instruments		26,880		35,072	*
Other adjustments		1,790		(3,563)	
Interest paid		(85,434)		(111,360)	
Interest received		54,861		206,276	
Current income taxes paid		0		0	
Net cashflows from operating activities		**86,984**		**108,466**	
Financing activities					
Proceeds from bonds and interest-bearing loans and other borrowings		539,130		118,952	
Repayment of bonds and interest-bearing loans and other borrowings		(618,125)		(236,369)	
Net cashflows from (used in) financing activities		**(78,995)**		**(117,417)**	
Net increase/(decrease) in cash and bank balances		7,990		(8,951)	
Cash and bank balances at January 1		4,556		(47)	
Effect of exchange rate fluctuations on cash held		(36)		13,554	
Cash and bank balances at December 31	*7*	**12,510**		**4,556**	

* 2009 figures were restated to better reflect the transfer of fair value changes derivatives within the Group without impacting the net cashflows from operating activities

** Non-cash financing activities include the repayment of share premium (€1,430 thousand) and retained earnings (€864 thousand) which were excluded from the statement of cash flows under IAS 7. Please refer to note 14.

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 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 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 29, 2011 and will be proposed for adoption to the Annual General Meeting to be held on July 29, 2011.

As indicated in the management board report, a major part of the loan portfolio and the outstanding derivatives were transferred to another company within the Unibail-Rodamco Group in 2009. In 2010, a further reduction of the activities of the Company was implemented. We refer to note 14.

2 Significant Accounting Principles

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and its interpretations issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) per December 31, 2010.

(b) Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year, except that the Company has adopted the following, for these financial statements relevant, new and amended IFRS and IFRIC interpretations as of January 1, 2010:

- IAS 27 A : Consolidated and Separate Financial Statements
- IAS 39 A : Financial Instruments : Recognition and Measurement - Eligible Hedged Items
- IFRS 2 A: Group Cash Settled – Share Based Payment Transactions
- IFRS 3 R : Business Combinations
- IFRIC 9 & IAS 39 A : Reassessment of Embedded Derivatives
- Improvements of IFRS (April 2009)

These standards, amendments and interpretations do not have a significant impact on the Companies' accounts.

IFRS 3	Business Combinations (Revised)
IAS27	Consolidated and Separate Financial Statements (Amended)
IFRIC 16	Hedges of a Net Investment in a Foreign Operation

IFRS 3 (Revised) Business Combinations
IFRS 3 Revised introduces a number of changes in the accounting for business combinations that will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. The acquisition costs incurred are now booked as expenses. No business combination was accounted for in 2010.

IAS 27 (Amended) Consolidated and Separate Financial Statements
The amendment of IAS 27 requires that a change in the ownership interest in a subsidiary (without loss of control) be accounted for as an equity transaction. Therefore, such a transaction would no longer give rise to goodwill, nor give rise to gain or loss. The adoption of this amendment did not have any impact on the financial position or the performance of the Company.

IFRIC 16 (Amended) Hedges of a Net Investment in a Foreign Operation
IFRIC 16 provides guidance on the accounting for a hedge of a net investment. As such it provides guidance on identifying the foreign currency risks that qualify for hedge accounting in the hedge of a net investment, where within the group the hedging instruments can be held in the hedge of a net investment and how an entity should determine the amount of foreign currency gain or loss, relating to both the net investment and the hedging instrument, to be recycled on disposal of the net investment. The adoption of this interpretation will have no impact on the financial position or the performance of the Group.

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.

New standards and interpretations not applied.

The IASB and IFRIC have issued a number of standards and interpretations with an effective date after the date of these financial statements. The Group has decided against early adoption of such standards, amendments and interpretations. The Group have set out below only those which may have a material impact on the financial statements in future periods.

The following norms, interpretations, and amendments have been adopted by the European Union as at December 31, 2010 but with a later effective date of application and were not applied in advance:

- IAS 32 A : Classification of Rights Issues
- IFRIC 14 A : Prepayments of a Minimum Funding Requirement
- IFRIC 19 : Extinguishing Financial Liabilities with Equity Instruments
- IAS 24 R : Related Party Disclosures
- IFRS 1A : Limited Exemption from Comparative IFRS 7 Disclosures for First-Time Adopters

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

- Improvements of IFRS (May 2010)
- IFRS 7 A : Disclosures - Transfers of Financial Assets
- IFRS 1 A : Severe Hyperinflation and Removal of Fixed Dates for First Time Adopters
- IAS 12 A : Deferred Tax - Recovery of Underlying Assets
- IFRS 9: Financial instruments

Improvements of IFRS
The IASB published in May 2010 "Improvements of IFRS", the final version of the second annual IFRS improvement project. Unless a specific measure plans another date, amendments will come into force for the financial years opening on or after January 1, 2011, earlier application also being authorized. This project has been approved by the European Union in February 2011. The measurement of the potential impacts on the consolidated accounts of the Company is ongoing.

(c) Critical accounting judgements, estimates and assumptions

The preparation of the Companies' financial statements requires management to make judgements, 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 assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected.

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.

(d) 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.

(e) 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.

(f) Financial instruments – initial recognition and subsequent measurement

(i) 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.

(ii) 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.

(iii) 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 and foreign currency exchange rates. These derivative financial instruments include, but are not limited to, interest rate swaps, cross currency swaps and forward rate agreements. As the Company does not use the hedges for hedging its own exposure to interest rate risk and foreign exchange 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.

(iv) 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 'Interest income' in the income statement. The losses arising from impairment are also recognised in the income statement.

(v) 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 Group's cash management are included as a component of cash at banks for the purpose of the statement of cash flows.

(vi) 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.

(g) Derecognition of financial assets and financial liabilities

(i) 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.

(ii) 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.

(h) 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.

(i) 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.

(j) Equity

(i) 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.

(ii) Share premium
Share premium represents amounts realized after the legal merger of different companies into Rodamco Europe Finance B.V. in 2006. At the end of 2009 a major part of the loan portfolio and the outstanding derivatives were transferred to another group company within Unibail-Rodamco Group. Subsequently, in the first half year of 2010, part of the funds coming available as a result of this were paid to the shareholder, partly as repayment on equity, partly as dividend.

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

(iv) 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. Total dividend 2010 is €1,234 thousand per share.

(k) 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.

(l) 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.

(i) 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.

(m) Income tax

As reported 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 provided by the FBI regime for the Group's Dutch activities for the year 2010 onwards. In light of the significant Dutch tax loss carry forwards identified by Group's fiscal advisors in the Netherlands, this assumption should have no impact on the result for 2010 nor for the following years. Reference is made to the Rodamco Europe N.V. 2010 annual report.

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

3 Financial income and expense

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

(in € thousands)	**2010**	**2009**
Interest and similar income		
Receivables from Group companies	56,572	203,286
Cash and short term funds	0	6,380
Total	**56,572**	**209,666**
Interest and similar expense		
Bonds	(49,982)	(59,375)
Interest-bearing loans and borrowings	(26,678)	(17,816)
Liabilities to Group companies	(10,525)	(51,921)
Cash and short term funds	(4,026)	0
Total	**(91,211)**	**(129,112)**

In 2009 the gain on sale of receivables from Group companies at amortized cost in the statement of income, refers to the sale of a major part of the loan portfolio to another company within the Unibail-Rodamco Group. The receipt of this sale has been recorded as an intercompany receivable of €2.1 billion. In 2010, a further reduction of the activities of the company was implemented. For more details we refer to note 14.

Further, other financial income/(expense) mainly relates to amortization of capitalised borrowing costs.

4 Administrative expenses

(in € thousands)	**2010**	**2009**
Consultancy and advisory costs	(182)	(50)
Other administrative income / (expenses)	321	(1,876)
Gross administrative income / (expenses)	**139**	**(1,926)**

Other Administrative expenses mainly consist of reversed group service charges initially charged from the parent company of Rodamco Europe Finance B.V.
Consultancy and advisory costs include payable to the auditor in relation to the statutory audit of €57 thousand (2009: €34 thousand).

5 Other Receivables and liabilities Group Companies

This note provides information about the contractual terms of the Rodamco Europe Finance B.V.'s receivables from Group companies and liabilities to Group companies. For more information about Rodamco Europe Finance B.V.'s exposure to interest rate and currency risk, refer to note 12.

(in € thousands)	**2010**	**2009**
Non-current Receivables from Group companies	68,256	299,979
Current Receivables from Group companies	3,571,448	5,149,912
Total receivables from Group companies	**3,639,704**	**5,449,891**
Non-current Liabilities to Group companies	500,000	0
Current Liabilities to Group companies	1,408,321	1,297,744
Total liabilities from Group companies	**1,908,321**	**1,297,744**

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

(in € thousands)	**2010**	**2009**
Group company assets		
Balance at January 1	**5,449,891**	**5,555,425**
New loans	1,188,085	2,730,332
Redemptions	(2,733,944)	(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)	91	(4,398)
Balance at December 31	**3,639,704**	**5,449,891**
Group company liabilities		
Balance at January 1	**1,297,744**	**1,460,381**
New loans	902,131	639,244
Redemptions	(291,554)	(800,000)
Other movements (e.g. currency translation differences and amortization)	0	(1,881)
Balance at December 31	**1,908,321**	**1,297,744**

**) See note 14*

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

(in € thousands)		2010	2009
Group companies non-current assets			
Unibail-Rodamco Inversiones S.L.U. (till 2014), floating rate Euribor 3M + 3,75%	*EUR*	0	56,928
Other, average maturity 3 years and average interest rate 1.2% end of 2010	*EUR **	68,256	154,304
Sub-total		68,256	211,232
Development facilities to Group companies non current assets			
Other, average maturity 2 years and average interest rate 2,9% end of 2009	*CZK, EUR*	0	88,747
Total Group companies non-current assets		**68,256**	**299,979**

**) in 2009 also CZK/USD/HUF/SEK*

(in € thousands)		2010	2009
Group companies current assets			
Rodamco Europe Properties B.V., floating rate Euribor 1M + 1%	*EUR*	2,412,632	2,114,963
Unibail Rodamco S.E., other	*EUR*	249,677	644,605
Unibail Rodamco S.E., revolving credit facility, floating rate Euribor 1M+ 0.55%	*EUR*	500,000	0
Rodamco Europe Finance II B.V. *)	*EUR*	28,934	2,052,730
Rodamco France S.A.S.	*EUR*	0	125,720
Other current accounts	*EUR, PLN ***	380,204	211,894
Total Group companies current assets		**3,571,448**	**5,149,912**

**) see note 3*
***) in 2010 only EUR*

(in € thousands)		2010	2009
Group companies non-current liabilities			
Unibail Rodamco S.E. (till 2015), fixed rate 3.375%	*EUR*	500,000	0
Total Group companies non-current liabilities		**500,000**	**0**

(in € thousands)		2010	2009
Group companies current liabilities			
Unibail-Rodamco Nederland Winkels B.V.	*EUR*	935,926	1,227,480
Others	*EUR*	472,395	70,264
Total Group companies current liabilities		**1,408,321**	**1,297,744**

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 assets, weighted average fixed interest rates amount to 1.4%; floating interest rates are based on the major European interest rates including a margin between 1.0% and 2.9%.

6 Other receivables

Other receivables in 2009 are mainly interest invoices to group companies as well as prepaid interests for external loans, which are now recorded under receivables from Group Companies.

7 Cash at banks

There are no restrictions to the cash balances as at December 31, 2010 and December 31, 2009.

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, 2010, similar to 2009. The shares have a par value of €500 each. No movements occurred in 2010 and 2009.

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 Rodamco Europe Finance B.V. in 2006.

Subsequently, in the first half year of 2010, part of the funds available as a result of this were paid to the shareholder, partly as repayment on equity, partly as dividend.

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 Rodamco Europe Finance B.V.'s bonds, interest-bearing loans and borrowings. For more information about Rodamco Europe Finance B.V.'s exposure to interest rate and currency risk, refer to note 12.

(in € thousands)		**2010**	**2009**
Non-current liabilities			
Eurobond 7yr (till 2012), nominal € 500 mio, fixed rate 3.75 %	*EUR*	499,588	499,136
Eurobond 10yr (till 2014), nominal € 500 mio, fixed rate 4.375 %	*EUR*	497,215	496,473
		996,803	**995,609**
Current liabilities			
Eurobond 7yr (till 2010), nominal € 500 mio, fixed rate 3.75 %	*EUR*	0	499,271
Other (till 2010), fixed rates average 0,53%	*EUR*	0	118,853
Other (till 2011), fixed and floating rates average 0,91%	*EUR*	539,724	0
Total debt		**1,536,527**	**1,613,734**

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

(in € thousands)	**2010**	**2009**
Balance at January 1	**1,613,734**	**1,728,452**
New loans	540,000	118,000
Redemptions	(618,000)	(235,000)
Other movements (e.g. currency translation differences and amortization)	793	2,283
Balance at December 31	**1,536,527**	**1,613,734**

These bonds, loans and borrowings are not restricted by any 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.

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 and foreign currency risk of these group companies. No derivative financial instruments are used by the Company to hedge its own interest rate risk and foreign currency risk. From the Companies' 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 income statement as part of fair value result derivative financial instruments.

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

(in € thousands)	**2010**			**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	1	135,000	9,878	4	385,000	(11,956)
From 5 to 10 years	0	0	0	0	0	0
Cross currency swaps						
Up to 1 year	14	(47,807)	(47,691)	0	0	0
From 1 to 5 year	2	(16,212)	13,433	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
Transfer derivatives *)		0	0		(951,457)	31,360
Total	**17**	**70,981**	**(24,380)**	**13**	**0**	**0**
Derivatives non-current assets			26,183			13,563
Derivatives current assets			25,010			31,360
Swaps with a positive fair value			51,193			44,923
Derivatives non-current liabilities			0			(20,308)
Derivatives current liabilities			(75,573)			(24,615)
Swaps with a negative fair value			(75,573)			(44,923)

**) see note 14*

At December 31, 2009, the company beneficially assigned the benefits, risk and liabilities in respect of its external derivative financial instruments to a company within the Unibail-Rodamco Group. The transfers of the derivative financial instruments took place at their fair values based on latest December 30, 2009 values.

As the derecognition criteria of the external derivative financial instruments are not met, the external derivative financial instruments are still recorded in the statement of financial position of the company with valuation date December 31, 2009 (minus €31.4 million). The transferred derivative financial instruments have been recorded separately as opposite values, and therefore the net fair value movements after December 30, 2009 and until April 8, 2010 are zero.

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 (€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.

11 Trade and other payables

(in € thousands)	**2010**	**2009**
Accounts payable	0	2
Interest payable	5,822	17,754
Accrued and other liabilities	54	50
Total trade and other payables	**5,876**	**17,806**

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 and foreign currency risks. At April 8, 2010 , new internal swaps were entered into 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. Therefore the market risk exposure to these instruments on the Company level is very limited. See further note 14.

The main risks arising from these financial instruments are credit risk, interest rate risk, foreign currency 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 Rodamco Europe Finance B.V. 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.

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. Rodamco Europe Finance B.V. 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.

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 Rodamco Europe Finance this is not an issue as all non-derivative financial instruments are carried at amortised cost.

It is not part of Rodamco Europe Finance'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 Rodamco Europe Finance does not apply hedge accounting.

Since Rodamco Europe Finance has both fixed rate and floating rate non-derivative financial instruments and interest rate hedges 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 negative impact of €3.4 million (2009: €1.5) on net profit. Conversely, a 0.5% (50 basis points) drop in interest rates would also increase net profit by an estimated €3.4 million (2009: €2.2).

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's non-derivative financial instruments denominated in foreign currency and foreign currency hedges.

It is not part of Rodamco Europe Finance's operations to manage its own foreign currency 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 foreign currency risk on the hedged items of these Companies. As such Rodamco Europe Finance does not apply hedge accounting.

The Company has no significant exposure to currencies on its monetary assets and liabilities at December 31, 2010 other then the above described foreign exchange hedges.

Liquidity risk

The table below summarises the maturity profile of the Group's financial liabilities at December 31, 2010 and December 31, 2009 based on contractual undiscounted payments (including interest) 1)

(in € thousands)

At December 31, 2010	Less than 1 year	Between 1 - 5 years	Over 5 years	Total
Liabilities				
Bonds	40,625	1,078,057	0	1,118,682
Other Borrowings	543,873	0	0	543,873
Liabilities to Group companies	1,430,100	553,908	0	1,984,008
Derivative financial instruments *)	(3,594)	(11,013)	0	(14,607)
Trade and other payables	5,876	0	0	5,876
Total	**2,016,880**	**1,620,951**	**0**	**3,637,831**

*)
For the gross settled derivatives, contractual amounts receivable within 1 year and between 1-5 years are EUR 5.9 million and EUR 16.3 million respectively. Contractual amounts payable within 1 year and between 1-5 years amount to EUR 1.9 million and EUR 5.1

At December 31, 2009	Less than 1 year	Between 1 - 5 years	Over 5 years	Total
Liabilities				
Bonds	549,974	1,118,682	0	1,668,656
Other Borrowings	118,031	0	0	118,031
Liabilities to Group companies	1,297,744	0	0	1,297,744
Derivative financial instruments *)	6,017	5,314	0	11,331
Trade and other payables	17,806	0	0	17,806
Total	**1,989,573**	**1,123,996**	**0**	**3,113,569**

1) As the amounts included in the table are the contractual undiscounted cash flows, these amounts will not reconcile to the amounts disclosed on the balance sheet for borrowings, derivative financial instruments and trade and other payables. The differences comprise amongst others interest expenses.

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.

(in € thousands)	2010		2009	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets				
Receivables from Group companies	3,639,704	3,629,486	5,449,891	5,437,818
Other receivables	0	0	3,057	3,057
Cash and bank balances	12,510	12,510	4,556	4,556
Derivatives	51,193	51,193	44,923	44,923
Liabilities				
Bonds	996,803	1,044,057	1,494,881	1,531,747
Interest-bearing loans and borrowings	539,724	539,896	118,853	117,923
Liabilities to Group companies	1,908,321	1,897,352	1,297,744	1,297,744
Derivatives	75,573	75,573	44,923	44,923
Trade and other payables	5,876	5,876	17,806	17,806

Fair value hierarchy

As at December 31, 2010, the only financial instruments measured at fair value are the derivative financial instruments.

The Group 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, 2010 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).

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 2010 and 2009. 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.

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. Interest rates are determined at arm's length basis. We refer to note 5 on loans to and from Group companies for the contractual terms and outstanding balances. We refer to note 3 on interest income and expense for the interest income and expense relating to loans to and from Group companies.

The Company is charged for management fees by other companies belonging to the Unibail-Rodamco Group. These management fees are determined at arm's length basis. Please refer to note 4 administrative expenses – management fees for the management charges.

In 2010, a further reduction of the activities of the Company was implemented, accompanied by a repayment of share premium (€1,430 million) and retained earnings (€864 million).

Furthermore, at December 31, 2009, the company beneficially assigned the benefits, risk and liabilities in respect of its external derivative financial instruments to the same company within the Unibail-Rodamco Group. The transfers of the derivative financial instruments took place at their fair values based on latest December 30, 2009 values (minus €28.8 million). The fair value movements of the derivative financial instruments until December 30, 2009 amounted to minus €35.1 million and were recognised in the statement of income 2009.

As the derecognition criteria of the external derivative financial instruments are not met, the external derivative financial instruments are still recorded in the statement of financial position of the company with valuation date December 31, 2009 (minus €31.4 million). The transferred derivative financial instruments have been recorded separately as opposite values, and therefore the net fair value movements after December 30, 2009 and until April 8, 2010 are zero.

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 (€46.6 million). This also means that up to April 8, 2010, there was no impact in the statement of income of Rodamco Europe Finance B.V. due to fair value changes in the derivatives.

Luchthaven Schiphol, April 29, 2011

Management board :

P.M. van Rossum

R.Vogelaar

Other Information

Proposed profit appropriation

For the financial year 2010, the Management Board proposes to absorb the entire loss of €57.1 million in the retained earnings, in line with article 26 of the articles of association. This proposal has not yet been reflected in the annual accounts, pending approval by the Annual Shareholder's Meeting.

Subsequent Events

The Company is considering the scope and extent of its activities for 2011. As a result thereof, there is a level of uncertainty which prevents Rodamco Europe Finance B.V. from making a reliable outlook for its future results.

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

Auditor's report

Report on the financial statements

We have audited the accompanying financial statements 2010 of Rodamco Europe Finance B.V., Rotterdam, which comprise the statement of financial position as at December 31, 2010, 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 and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the management board report in accordance with Part 9 of Book 2 of the Dutch Civil Code . 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, 2010 and of its result for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the management board report , to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the management board report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Utrecht, April 29, 2011

Ernst & Young Accountants LLP

Signed by W.H. Kerst