Rodamco Europe Finance B.V.

Annual Report 2009

Contents

Report of the Management Board

Rodamco Europe Finance B.V. has acted throughout 2009 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.

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

The company has aimed at hedging interest rate and foreign exchange risks of the group by entering into derivative financial instruments.

After the increase in interest rates that happened in 2008, due to the economic crisis that started in that year, base rates decreased significantly again in 2009, following unprecedented government interventions in the money markets. This had a material negative effect on the interest income, whereas the corresponding effect on the interest payment was much less, as the interest on a substantial part of the debt is fixed. The main consequence of this was a decrease of the interest margin, which was more than off-set by the result on the sale of part of the loans to a group company. For more details on the sale we refer to note 14.

The overall result of the company increased by EUR 26.5 million compared to prior year. The interest margin decreased by EUR 71.7 million, whereas other financial expenses decreased by EUR 2.1 million. The fair value result of derivative financial instruments had a more negative impact of EUR 32.7 million, but foreign exchange result improved with EUR 24.2 million. The sale of part of the loans provided for a gain of EUR 104.0 million.

As indicated, 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. It is expected that the activities of the company will be further reduced in 2010. As the extent of this reduction is as yet undecided, it prevents Rodamco Europe Finance B.V. from making a reliable outlook for its future results. Obviously, 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, sources of liquidity
- 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 30, 2010

P.M. van Rossum

R. Vogelaar

Financial Statements

Income Statement
For the year ended December 31, 2009

(in € thousands)	*Note*	**2009**	**2008**
Interest income	*3*	209,666	315,423
Interest expenses	*3*	(129,112)	(163,141)
Fair value result derivative financial instruments	*10*	(35,072)	(2,366) *
Gain on sale of receivables from group companies at amortised cost	*3*	104,009	0
Other financial income / (expenses)	*3*	(2,941)	(5,087) *
Net operating income		**146,550**	**144,829**
Administrative expenses	*4*	(1,926)	(2,443)
Foreign exchange result		27,847	3,640
Total operating expenses		**25,921**	**1,197**
Profit before taxation		**172,471**	**146,026**
Income tax income/(expense)	*2(m)*	0	0
Profit / (loss) for the year		**172,471**	**146,026**

**) These items have been reclassified to net operating income, see note 2(b)*

Statement of Comprehensive Income
For the year ended December 31, 2009

(in € thousands)	**2009**	**2008**
Profit / (loss) for the year	172,471	146,026
Other comprehensive income, net of tax	0	0
Total comprehensive income for the year, net of tax	**172,471**	**146,026**

Statement of Financial Position

For the year ended December 31, 2009

(Before appropriation of results)

(in € thousands)	*Note*	**2009**	**2008**
Assets			
Receivables from Group companies	*5*	299,979	2,180,313
Derivative financial instruments	*10*	13,563	7,921
Total financial non current assets		**313,542**	**2,188,234**
Total non current assets		**313,542**	**2,188,234**
Receivables from Group companies	*5*	5,149,912	3,375,112
Derivative financial instruments	*10*	31,360	15,465
Other receivables	*6*	3,057	5,372
Cash and bank balances	*7*	4,556	(47)
Total current assets		**5,188,885**	**3,395,901**
Total assets		**5,502,427**	**5,584,135**
Shareholders' equity			
Share Capital		350	350
Share Premium		1,432,354	1,432,354
Retained earnings		923,046	777,020
Unappropriated net profit for the year		172,471	146,026
Total shareholders' equity	*8*	**2,528,221**	**2,355,750**
Liabilities			
Bonds	*9*	995,609	1,492,083
Interest-bearing loans and borrowings	*9*	0	236,369
Derivative financial instruments	*10*	20,308	17,114
Liabilities to Group companies	*5*	0	800,000
Total non current liabilities		**1,015,917**	**2,545,566**
Bonds	*9*	499,271	0
Interest-bearing loans and borrowings	*9*	118,853	0
Derivative financial instruments	*10*	24,615	0
Trade and other payables	*11*	17,806	22,438
Liabilities to Group companies	*5*	1,297,744	660,381
Total current liabilities		**1,958,289**	**682,819**
Total liabilities		**2,974,206**	**3,228,385**
Total equity and liabilities		**5,502,427**	**5,584,135**

Statement of Changes in Equity

For the year ended December 31, 2009

(in € thousands)	Share Capital	Share Premium	Retained earnings	Unappropriated net profit for the year	Total
Opening balance at January 1, 2008	**350**	**1,432,354**	**632,525**	**144,495**	**2,209,724**
Appropriation of net result 2007	-	-	144,495	(144,495)	-
Total comprehensive income / (loss) for the year, net of tax	-	-	-	146,026	146,026
Balance at December 31, 2008	**350**	**1,432,354**	**777,020**	**146,026**	**2,355,750**

(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**

Statement of Cashflows

For the year ended December 31, 2009

(in € thousands)	*Note*	**2009**	**2008**
Operating activities			
Profit/ (loss) before tax		**172,471**	**146,026**
Adjustments to reconcile profit (loss) before tax to net cashflows			
Interest income		(209,666)	(315,423)
Interest expenses		129,112	163,141
Other adjustments			
Movement in trade and other receivables		2,315	(4,752)
Movement in intercompany receivables and liabilities	*3*	(61,006)	254,347
Movement in trade and other payables		(22,385)	(161)
Movement in derivative financial instruments		6,271	(8,175)
Other adjustments		(3,563)	(3,422)
Interest paid		(111,360)	(160,179)
Interest received		206,276	316,915
Current income taxes paid		0	0
Net cashflows from operating activities		**108,466**	**388,317**
Financing activities			
Proceeds from bonds and interest-bearing loans and other borrowings		118,952	1,461,924
Repayment of bonds and interest-bearing loans and other borrowings		(236,369)	(1,875,392)
Net cashflows from (used in) financing activities		**(117,417)**	**(413,468)**
Net increase/(decrease) in cash and bank balances		(8,951)	(25,151)
Cash and bank balances at January 1		(47)	19,098
Effect of exchange rate fluctuations on cash held		13,554	6,006
Cash and bank balances at December 31	*7*	**4,556**	**(47)**

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 financial statements were authorized for issue by the management board on April 30, 2010 and will be proposed for adoption to the Annual General Meeting to be held on July 30, 2010.

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. 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, 2009.

(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, 2009:

IAS 1	Presentation of Financial Statements (Revised)
IFRS 7	Amendment to IFRS 7 Financial Instruments: Disclosures
IFRIC 16	Hedges of a net investment in a foreign operation

As of January 1, 2009 the company opted to classify fair value result on derivative financial instruments and other financial income and expense as part of operating income as management is of the opinion that this classification better reflects the operating results on its primary activities being a group finance company. The 2008 comparatives have been restated accordingly.

IAS 1 Presentation of Financial Statements (Revised)

The standard separates owner and non-owner changes in equity. The statement of changes in equity will include only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, companies have an option to continue presenting a ‘traditional’ income statement complemented by a second statement, the statement of comprehensive income (SOCI), or to present a single statement, also named ‘statement of comprehensive income’, that includes both elements. The Company has taken the option of presenting an income statement complemented by the statement of comprehensive income.

Amendments to IFRS 7 Financial Instruments: Disclosures
The amendments to IFRS 7 were issued in March 2009 to enhance fair value and liquidity disclosures. With respect to fair value, the amendments require disclosure of a three-level fair value hierarchy, by class, for all financial instruments recognised at fair value and specific disclosures related to the transfers between levels in the hierarchy and detailed disclosures related to level 3 of the fair value hierarchy. In addition, the amendments modify the required liquidity disclosures with respect to derivative transactions and assets used for liquidity management.

IFRIC 16 Hedges of a Net Investment in a Foreign Operation
IFRIC 16 is effective for accounting periods beginning on or after October 1, 2008. The Interpretation applies to an entity that hedges the foreign currency risk arising from its net investments in foreign operations and wishes to qualify for hedge accounting in accordance with IAS 39. This interpretation did not have an effect on the Company’s financial statements since the Company itself does not investments in foreign operations itself.

The other standards that became effective for periods beginning on or after January 1, 2009 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.

IFRS 3 (Revised) Business Combinations and IAS 27 (Amended) Consolidated and Separate Financial Statements
The revised standards are effective prospectively for business combinations affected in financial periods beginning on or after July 1, 2009. IFRS 3 Revised introduces a number of changes in the accounting for business combinations that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.
IAS 27 requires that a change in the ownership interest of a subsidiary (without loss of control) to be accounted for as an equity transaction. Therefore, such a transaction would no longer give rise to goodwill, nor give rise to a gain or loss.

Amendment to IAS 39 Financial Instruments:
Recognition and Measurement – Eligible Hedged Items
This amendment to IAS 39 was issued on July 31, 2008 and is applicable for annual periods beginning on or after July 1, 2009 with early application permitted. The amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation should be applied in particular situations. The Company does not expect the effect of the revised standard to be material for its financial statements.

(c) Critical accounting judgements, estimates and assumptions

The preparation of the Group's 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 Company's 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.

(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.

(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

Rodamco Europe Finance B.V. is part of a tax group together with a number of other subsidiaries belonging to the Unibail-Rodamco Group. Up to and including 2009, this tax group qualifies as a FBI under Dutch law, therefore the company pays a corporate income tax at a rate of 0%, if at the level of the tax group certain conditions are fulfilled. As reported in its press release of December 11, 2009, Rodamco Europe expects to lose its status as an FBI in 2010. See further section other information, subsequent events.

3 Financial income and expense

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

(in € thousands)	**2009**	**2008**
Interest and similar income		
Receivables from Group companies	203,286	292,441
Cash and short term funds	6,380	22,982
Total	**209,666**	**315,423**
Interest and similar expense		
Bonds	(59,375)	(59,390)
Interest-bearing loans and borrowings	(17,816)	(38,233)
Liabilities to Group companies	(51,921)	(65,518)
Total	**(129,112)**	**(163,141)**

The gain on sale of receivables from group companies at amortised cost in the income statement, refers to the sale of a major part of the loan portfolio to another company within the Unibail-Rodamco Group at the end of 2009. Please note that there was no cash receipt of this sale. The receipt of this sale has been recorded as an intercompany receivable of EUR 2.1 billion. 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)	**2009**	**2008**
Consultancy and advisory costs	50	31
Other administrative expenses	1,876	2,412
Gross administrative expenses	**1,926**	**2,443**

Other Administrative expenses mainly consist of group service charges charged from the parent company of Rodamco Europe Finance B.V.

5 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)	**2009**	**2008**
Non-current Receivables from Group companies	299,979	2,180,313
Current Receivables from Group companies	5,149,912	3,375,112
Total receivables from Group companies	**5,449,891**	**5,555,425**
Non-current Liabilities to Group companies	0	800,000
Current Liabilities to Group companies	1,297,744	660,381
Total liabilities from Group companies	**1,297,744**	**1,460,381**

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

(in € thousands)	**2009**	**2008**
Group company assets		
Balance at January 1	**5,555,425**	**5,198,184**
New loans	2,730,332	1,160,562
Redemptions	(861,455)	(797,900)
Loans sold to another company within the Unibail-Rodamco Group	(1,970,013) *	0
Other movements (e.g. currency translation differences and amortization)	(4,398)	(5,422)
Balance at December 31	**5,449,891**	**5,555,425**
Group company liabilities		
Balance at January 1	**1,460,381**	**848,793**
New loans	639,244	662,255
Redemptions	(800,000)	(48,657)
Other movements (e.g. currency translation differences and amortization)	(1,881)	(2,010)
Balance at December 31	**1,297,744**	**1,460,381**

*) See note 14

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

(in € thousands)		**2009**	**2008**
Group companies non-current assets			
Unibail-Rodamco Inversiones S.L.U. (till 2014), floating rate Euribor 3M + 3,75%	*EUR*	56,928	0
Other, average maturity 11 years and average interest rate 5,7% end of 2009	*Various *)*	154,304	2,110,054
Sub-total		211,232	2,110,054
Development facilities to Group companies non current assets			
Other, average maturity 2 years and average interest rate 2,9%	*CZK, EUR*	88,747	70,259
Total Group companies non-current assets		**299,979**	**2,180,313**

**) EUR/CZK/USD/HUF/SEK*

Group companies current assets			
Rodamco Europe Properties B.V.	*EUR*	2,114,963	2,818,963
Rodamco Europe Finance II B.V. *)	*EUR*	2,052,730	0
Unibail-Rodamco S.E.	*EUR*	644,605	213,927
Rodamco France S.A.S.	*EUR*	125,720	68,973
Other current accounts	*EUR, PLN*	211,894	273,249
Total Group companies current assets		**5,149,912**	**3,375,112**

**) see note 3*

Group companies non-current liabilities			
Rodamco Europe Properties B.V.	*EUR*	0	800,000
Total Group companies non-current liabilities		**0**	**800,000**

Group companies current liabilities			
Unibail-Rodamco Nederland Winkels BV	*EUR*	1,227,480	658,500
Others	*EUR*	70,264	1,881
Total Group companies current liabilities		**1,297,744**	**660,381**

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 1.5%; floating interest rates are based on the major European interest rates including a margin between 1% and 2.9%.

6 Other receivables

Other receivables are mainly interest invoices to group companies as well as prepaid interests for external loans.

7 Cash at banks

There are no restrictions to the cash balances as at December 31, 2009 and December 31, 2008.

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, 2009, similar to 2008. The shares have a par value of EUR 500 each. No movements occurred in 2009 and 2008.

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.

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)		**2009**	**2008**
Non-current liabilities			
Eurobond 7yr (till 2012), nominal € 500 mio, fixed rate 3.75 %	*EUR*	499,136	498,941
Eurobond 7yr (till 2010), nominal € 500 mio, fixed rate 3.75 %	*EUR*	0	497,814
Eurobond 10yr (till 2014), nominal € 500 mio, fixed rate 4.375 %	*EUR*	496,473	495,328
Other	*EUR*	0	236,369
		995,609	**1,728,452**
Current liabilities			
Eurobond 7yr (till 2010), nominal € 500 mio, fixed rate 3.75 %	*EUR*	499,271	0
Other (till 2010), fixed rates average 0,53%	*EUR*	118,853	0
Total debt		**1,613,734**	**1,728,452**

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

(in € thousands)	**2009**	**2008**
Balance at January 1	**1,728,452**	**2,139,335**
New loans	118,000	1,461,924
Redemptions	(235,000)	(1,875,393)
Other movements (e.g. currency translation differences and amortization)	2,283	2,585
Balance at December 31	**1,613,734**	**1,728,452**

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 Unibail-Rodamco S.E. and its 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.

	2009			2008		
(in € thousands)	Number of contracts	Notional in €	Fair value in €	Number of contracts	Notional in €	Fair value in €
Interest rate swaps						
Up to 1 year	0	0	0	0	0	0
From 1 to 5 year	4	385,000	(11,956)	3	250,000	(17,114)
From 5 to 10 years	0	0	0	1	135,000	4,531
Cross currency swaps						
Up to 1 year	0	0	0	0	0	0
From 1 to 5 year	8	536,276	(18,200)	1	140,000	3,390
From 5 to 10 years	0	0	0	0	0	0
Fx Swap						
Up to 1 year	1	30,181	(1,204)	1	98,069	15,465
From 1 to 5 year	0	0	0	0	0	0
From 5 to 10 years	0	0	0	0	0	0
Transfer derivatives *)		(951,457)	31,360			
Total	**13**	**0**	**0**	**6**	**623,069**	**6,272**

	2009	2008
Derivatives non-current assets	13,563	7,921
Derivatives current assets	31,360	15,465
Swaps with a positive fair value	44,923	23,386
Derivatives non-current liabilities	(20,308)	(17,114)
Derivatives current liabilities	(24,615)	0
Swaps with a negative fair value	(44,923)	(17,114)

**) see note 14*

11 Trade and other payables

(in € thousands)	**2009**	**2008**
Accounts payable	2	0
Interest payable	17,754	22,438
Accrued and other liabilities	50	0
Total trade and other payables	**17,806**	**22,438**

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 year end 2009 the derivatives were beneficially assigned to another party within the Unibail-Rodamco Group. Therefore the market risk exposure to these instruments on the Company level diminished. 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, Stibor, Wibor or Pribor) 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 EUR 1.5 million on net profit. Conversely, a 0.5% (50 basis points) drop in interest rates would also decrease net profit by an estimated EUR 2.2 million.

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 table on the next page indicates the currencies to which the Company had significant exposure at December 31, 2009, on its monetary assets and liabilities and foreign currency hedges. The analysis calculates the effect of a reasonably possible movement of the currency rate against the Euro, with all other variables held constant, on the income statement and equity . A negative amount in the table reflects a potential net reduction in income statement or equity, while a positive amount reflects a net potential increase. An equivalent decrease in each of the below currencies against the Euro would have resulted in an equivalent but opposite impact.

Currency	2009 Change in currency rate	2009 Effect on profit before tax € mln	2009 Effect on Equity € mln	2008 Change in currency rate	2008 Effect on profit before tax € mln	2008 Effect on Equity € mln
USD	10%	0.1	0.1	10%	0.1	0.1
HUF	10%	0.3	0.3	10%	0.5	0.5
SEK	10%	0.0	0.0	10%	2.4	2.4
PLN	10%	0.0	0.0	10%	0.0	0.0
CZK	10%	0.2	0.2	10%	0.0	0.0

Liquidity risk

The table below summarises the maturity profile of the Group's financial liabilities at December 31, 2009 and December 31, 2008 based on contractual undiscounted payments (including interest) 1)

(in € thousands)

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**

***)**
For the gross settled derivatives, contractual amounts receivable within 1 year and between 1-5 years are EUR 6.4 million and EUR 23.2 million respectively. Contractual amounts payable within 1 year and between 1-5 years amount to EUR 3.4 million and EUR 9.5 million respectively.

At December 31, 2008	Less than 1 year	Between 1 - 5 years	Over 5 years	Total
Liabilities				
Bonds	59,375	1,159,255	517,203	1,735,833
Other Borrowings	7,453	254,888	0	262,341
Liabilities to Group companies	660,381	947,600	0	1,607,981
Derivative financial instruments	14,638	29,354	(1,278)	42,714
Trade & other payables	22,438	0	0	22,438
Total	**764,285**	**2,391,097**	**515,925**	**3,671,307**

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)	2009		2008	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets				
Receivables from Group companies	5,449,891	5,437,818	5,555,425	5,555,425
Other receivables	3,057	3,057	5,372	5,372
Cash and bank balances	4,556	4,556	(47)	(47)
Derivatives	44,923	44,923	23,385	23,385
Liabilities				
Bonds	1,494,881	1,531,747	1,492,083	1,379,558
Interest-bearing loans and borrowings	118,853	117,923	236,369	236,369
Liabilities to Group companies	1,297,744	1,297,744	1,460,381	1,460,381
Derivatives	44,923	44,923	17,114	17,114
Trade and other payables	17,806	17,806	22,438	22,438

Fair value hierarchy

As at December 31, 2009, 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, 2009 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 2009 and 2008. Management fees are 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 relates 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.

At December 31, 2009, a major part of the loan portfolio in the amount of EUR 2.074 thousand was sold and assigned to another company within the Unibail-Rodamco Group. The carrying value, based on latest December 30, 2009 values, was EUR 1,970 thousand. The resulting gain on sale of these receivables in the amount of EUR 104.0 million is recognized in the income statement. The fair value of the loans was determined with a detailed mark-to-market calculation, using contractual information and independent market parameters.

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 EUR 28.8 million). The fair value movements of the derivative financial instruments until December 30, 2009 amount to minus EUR 35.1 million and are recognised in the income statement.
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 EUR 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 are zero.

Luchthaven Schiphol, April 30, 2010

Management board :

P.M. van Rossum

R.Vogelaar

Other Information

Proposed profit appropriation

For the financial year 2009, the Management Board proposes to add the entire profit of EUR 172.5 million to the retained earnings. This proposal has not yet been reflected in the annual accounts, pending approval by the Annual Shareholder's Meeting.

Subsequent Events

As reported in its press release of December 11, 2009, Rodamco Europe expects to lose its status as an FBI in 2010. The company expects that this development will have no material impact on its recurring results for the foreseeable future.

It is expected that the activities of the company will be further reduced in 2010. As the extent of this reduction is as yet undecided, it 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 2009 of Rodamco Europe Finance B.V., Rotterdam, which comprise the statement of financial position as at December 31, 2009, the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility
Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the management board report in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility
Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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, 2009, 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 and with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part f of the Netherlands Civil Code, we report, to the extent of our competence, that the management board report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Amsterdam, April 30, 2010

Ernst & Young Accountants LLP

/s/ A.J. Buisman