

Rodamco Europe Finance B.V.

Interim Financial Statements

**First half year
June 30, 2013**

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Report of the Management Board

Rodamco Europe Finance B.V. (herein after ‘The Company’) has acted throughout the first half year of 2013 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.

On June 14, 2012 Mr. Peter van Rossum resigned as managing director and on June 14, 2012 Mr. Jaap Tonckens and Mr. John van Haaren were appointed as managing directors. The Management Board consists of Mr. Jaap Tonckens, Mr. Ruud Vogelaar and Mr. John van Haaren. Mr Tonckens and Mr Vogelaar are also authorized representatives for Unibail-Rodamco’s branch in The Netherlands.

The Company has used interest rate derivatives to manage and structure its interest rate exposures. Furthermore, the Company has hedged foreign currency translation risks of the Group by entering into derivative instruments. For more details, refer to note 6.

The overall result of the Company for the first half year decreased from a negative result of € 9.5 million in the first half year of 2012 with € 0.6 million to a negative result of € 10.1 million for the first half year of 2013. The interest expenses increased by € 2.5 million, whereas administrative expenses and other financial expenses decreased by € 0.3 million. The fair value result of derivative financial instruments decreased by € 1.5 million, whereas the foreign exchange result decreased by € 1.9 million to zero.

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 and the corporate guarantee granted to the Company by its (ultimate) shareholder.

The Management Board of the Company hereby states that, to the best of its knowledge:

- the interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- the Management Board report gives a true and fair view of the important events which occurred during the first six months of 2013 and their effect on the interim financial statements, as well as of the principal risks and uncertainties the issuer faces for the final six months of 2013 and the most important related party transactions.

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

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

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

The forward-looking statements speak only as of the date hereof.

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

August 30, 2013

J.L. Tonckens

R. Vogelaar

J.C. van Haaren

Unaudited Interim Financial Statements

Interim Statement of Income

For the six months ended June 30, 2013

<i>(in € thousands)</i>	<i>Notes</i>	30.06.2013	30.06.2012
Interest income		21.376	39.324
Interest expenses		(28.358)	(48.782)
Fair value gain / (loss) derivative financial instruments		(2.775)	(1.278)
Other financial income / (expenses)		(303)	(595)
Net operating income		(10.060)	(11.331)
Administrative income / (expenses)		(4)	(7)
Foreign exchange gain / (loss)		0	1.876
Total operating expenses		(4)	1.869
Profit before taxation		(10.064)	(9.462)
Income tax income / (expense)	3	0	0
Profit / (loss) for the year		(10.064)	(9.462)

Interim Statement of Comprehensive Income

For the six months ended June 30, 2013

<i>(in € thousands)</i>	30.06.2013	30.06.2012
Profit / (loss) for the year	(10.064)	(9.462)
Other comprehensive income, net of tax	0	0
Total comprehensive income for the year, net of tax	(10.064)	(9.462)

Interim Statement of Financial Position

at June 30, 2013

(in € thousands)

	Notes	30.06.2013	31.12.2012
Assets			
Receivables from Group companies	5	34.539	34.539
Derivative financial instruments	6	<u>6.098</u>	<u>8.874</u>
Total financial non current assets		40.637	43.413
Total non current assets		40.637	43.413
Receivables from Group companies	5	3.201.602	2.786.166
Other receivables		13	16
Cash and bank balances		<u>72.704</u>	<u>83.669</u>
Total current assets		3.274.319	2.869.852
Total assets		3.314.957	2.913.265
Shareholders' equity	4		
Share Capital		350	350
Share Premium		2.354	2.354
Retained earnings		176.639	200.978
Unappropriated net profit for the year		<u>(10.064)</u>	<u>(24.340)</u>
Total shareholders' equity		169.278	179.343
Liabilities			
Bonds	7	499.069	498.701
Liabilities to Group companies	5	<u>500.000</u>	<u>500.000</u>
Total non current liabilities		999.069	998.701
Interest-bearing loans and borrowings	7	165	19.230
Trade and other payables		12.164	4.253
Liabilities to Group companies	5	<u>2.134.281</u>	<u>1.711.738</u>
Total current liabilities		2.146.609	1.735.221
Total liabilities		3.145.678	2.733.923
Total equity and liabilities		3.314.957	2.913.265

Interim Statement of Changes in Equity

For the six months ended June 30, 2013

(in € thousands)

	Share Capital	Share Premium	Retained earnings	Unappropriated net profit for the year	Total
Opening balance at July 1, 2012	350	2.354	200.978	(9.462)	194.220
Total comprehensive income / (loss) for the year, net of tax	-	-	-	(14.878)	(14.878)
Balance at December 31, 2012	350	2.354	200.978	(24.340)	179.343

(in € thousands)

	Share Capital	Share Premium	Retained earnings	Unappropriated net profit for the year	Total
Opening balance at January 1, 2013	350	2.354	200.978	(24.340)	179.343
Appropriation of net result 2012	-	-	(24.340)	24.340	-
Total comprehensive income / (loss) for the year, net of tax	-	-	-	(10.064)	(10.064)
Balance at June 30, 2013	350	2.354	176.638	(10.064)	169.278

Interim Statement of Cashflows

For the six months ended June 30, 2013

(in € thousands)

Note

30.06.2013

30.06.2012

Operating activities

Profit/ (loss) before tax		(10.064)	(9.462)
Adjustments to reconcile profit (loss) before tax to net cashflows			
Interest income		(21.376)	(39.324)
Interest expenses		28.358	48.782
Other adjustments			
Movement in trade and other receivables		4	(5)
Movement in intercompany receivables and liabilities	5	7.107	(77.484)
Movement in trade and other payables		7.910	16.918
Interest expense accrued and not yet paid		(11.128)	(26.887)
Interest income accrued and not yet received		21.339	36.518
Movement in derivative financial instruments	6	2.776	15.614
Fair value adjustments and depreciations		1	(5)
Interest paid		(17.230)	(21.889)
Interest received		36	2.807
Net cashflows from operating activities		7.732	(54.418)
Financing activities			
Proceeds from bonds and interest-bearing loans and other borrowings		303	50.602
Repayment of bonds and interest-bearing loans and other borrowings		(19.000)	0
Net cashflows from (used in) financing activities		(18.697)	50.602
Net increase/(decrease) in cash and bank balances		(10.965)	(3.816)
Cash and bank balances at January 1		83.669	35.395
Cash and bank balances at June 30		72.704	31.579

Notes to the interim condensed financial statements

1 General Information

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

The Company is a dedicated finance company within the Unibail-Rodamco Group. Its objective is to borrow funds from third parties and to lend funds to companies within the Unibail-Rodamco Group, in particular to companies held (indirectly) by Rodamco Europe N.V.

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

The interim financial statements were authorized for issue by the Management Board on August 30, 2013.

2 Basis of preparation and accounting policies

(a) Basis of preparation

The interim financial statements for the six months ended 30 June 2013 have been prepared in accordance with IAS 34 "Interim financial reporting" of the International Financial Reporting Standards (IFRS) and are compliant with the EPRA best practices policy recommendations.

The interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at December 31, 2012.

(b) Significant accounting policies

The interim financial statements for the six months ended 30 June 2013 were prepared in accordance with IAS 34 "Interim financial reporting" and with International Financial Reporting Standards ("IFRS") as applicable in the European Union as at June 30, 2013.

Following their endorsement by the European Union on December 29, 2012, Unibail-Rodamco has adopted the following IFRS, with effect from January 1, 2013:

- IFRS 10 "Consolidated Financial Statements;"
- IFRS 11 "Joint arrangements;" and
- IFRS 12 "Disclosure of interests in other entities."

IFRS 13 "Fair value measurement" was also adopted with effect from January 1, 2013.

In connection with the early adoption of IFRS 10 and 11, the Group conducted a comprehensive analysis of all existing agreements with third party investors in its entities, in order to determine the control exercised by the Group over its assets and activities in this new framework.

These standards, amendments and interpretations do not have a significant impact on Rodamco Europe Finance B.V.'s accounts.

No other changes were made to the accounting principles with those applied for the year ended December 31, 2012.

3 Income tax

As reported in its press release of December 11, 2009, the Group expects that the Dutch tax authorities will deny the status of FBI (Fiscale Beleggings Instelling) in The Netherlands for the Group's Dutch activities for 2010 onwards. In light of the significant Dutch tax loss carry forwards identified by Group's fiscal advisors in the Netherlands, this should have no impact on the result for the first half year 2013 nor for the foreseeable future.

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

4 Shareholders' equity

The share capital consists of 3,500 authorized shares of which 700 shares are issued and fully paid up at June 30, 2013, identical to 2012. The shares have a par value of € 500 each. No movements occurred in the first half year 2013 and the full year 2012.

The share premium reserve relates to capital contributions on shares issued in excess of their par value as part of the legal merger of different companies into the Company in 2006.

5 Receivables and liabilities Group Companies

<i>(in € thousands)</i>	30.06.2013	31.12.2012
Non-current Receivables from Group companies	34.539	34.539
Current Receivables from Group companies	3.201.602	2.786.166
Total receivables from Group companies	3.236.141	2.820.706
Non-current Liabilities to Group companies	500.000	500.000
Current Liabilities to Group companies	2.134.281	1.711.738
Total liabilities to Group companies	2.634.281	2.211.738

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

<i>(in € thousands)</i>	30.06.2013	31.12.2012
Group company assets		
Balance at January 1	2.820.706	3.347.669
New loans	419.109	87.665
Redemptions	(3.675)	(614.949)
Other movements (e.g. currency translation differences and amortization)	1	321
Balance at period end	3.236.141	2.820.706
Group company liabilities		
Balance at January 1	2.211.738	2.201.613
New loans	442.986	126.458
Redemptions	(20.443)	(116.333)
Other movements (e.g. currency translation differences and amortization)	0	0
Balance at period end	2.634.281	2.211.738

Receivables from and liabilities to Group companies are receivables from and liabilities to companies part of the Unibail-Rodamco Group. Interest is calculated on loans and facilities to group companies. Interest is determined at an arm's length basis.

For the Group companies current assets, all interest rates are floating. Floating interest rates are based on the major European interest rates. These rates have been rather stable and resulting in an effective interest rate of around 1.2%.

6 Derivative Financial Instruments

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

(in € thousands)	30.06.2013			2012		
	Number of contracts	Notional in €	Fair value in €	Number of contracts	Notional in €	Fair value in €
Interest rate swaps						
Up to 1 year	0	0	0	0	0	0
From 1 to 5 year	1	135.000	6.098	1	135.000	8.874
From 5 to 10 years	0	0	0	0	0	0
Total	1	135.000	6.098	1	135.000	8.874
Derivatives non-current assets			6.098			8.874
Derivatives current assets			0			0
Swaps with a positive fair value			6.098			8.874
Derivatives non-current liabilities			0			0
Derivatives current liabilities			0			0
Swaps with a negative fair value			0			0

7 Bonds, interest-bearing loans and borrowings

<i>(in € thousands)</i>	30.06.2013	31.12.2012
Non-current liabilities		
Eurobond 10yr (Maturity October 2014), nominal € 500 mio, fixed rate 4.375 %	499.069	498.701
	499.069	498.701
Current liabilities		
Eurobond 7yr (Maturity December 2012), nominal € 500 mio, fixed rate 3.75 %	0	0
Other (including deferred expenses on currently non utilized facility)	165	19.230
	499.234	517.931
Total debt	499.234	517.931

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

<i>(in € thousands)</i>	30.06.2013	31.12.2012
Balance at January 1	517.931	997.780
New loans	-	19.000
Redemptions	(19.000)	(500.000)
Other movements (e.g. currency translation differences and amortization)	303	1.151
	499.234	517.931
Balance at period end	499.234	517.931

Luchthaven Schiphol, August 30, 2013

Management board :

J.L. Tonckens

R.Vogelaar

J.C. van Haaren