

This Offer Document  
is dated 18 May 2007

Last day of Acceptance is  
20 June 2007, unless extended

## Offer Document

regarding the

## Exchange Offer

by



unibail

### Unibail Holding S.A.

a limited liability company (*société anonyme*)  
incorporated under French law  
with its registered office in Paris, France

for

all issued and outstanding ordinary shares  
with a nominal value of EUR 8  
in the capital of



Rodamco Europe

### Rodamco Europe N.V.

a public company with limited liability (*naamloze vennootschap*)  
incorporated under Dutch law  
with its registered office in Rotterdam, the Netherlands

The Exchange Offer intends to achieve a combination between Unibail and Rodamco  
to create the leading pan-European real estate company.

This Offer Document contains the information required by article 9(i) and 9(n) of the Dutch Securities Market Supervision Decree 1995 (*Besluit toezicht effectenverkeer 1995*) in connection with the Exchange Offer. In relation to the shares and *Obligations Remboursable en Actions* to be issued by Unibail pursuant to the Exchange Offer, reference is made to the prospectus that received visa No. 07-152 dated 18 May 2007 from the AMF, consisting of (i) the registration document (*document de référence*) and (ii) the securities note (*note d'opération*), including a summary of the Prospectus.

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## **I RESTRICTIONS**

Capitalised terms used herein have the meanings ascribed to them in Chapter 1 (Definitions).

### **I.1 General**

The distribution of this Offer Document and any separate documentation regarding the Exchange Offer, the making of the Exchange Offer and the issuance and offering of Unibail Shares and Unibail ORAs may, in some jurisdictions, be restricted by law. This Exchange Offer is not being made, directly or indirectly, in or into, and may not be accepted from within, any jurisdiction other than the Netherlands, France, Belgium, Germany and the United Kingdom in which the making of this Exchange Offer or the Acceptance would not be in compliance with the laws of that jurisdiction. However, Acceptances by Rodamco Shareholders not resident in the Netherlands, France, Belgium, Germany or the United Kingdom will be accepted by Unibail if such Acceptances comply with the Acceptance procedure and requirements set out in this Offer Document (reference is made to Paragraph 3.2). Persons who come into possession of this Offer Document should inform themselves of and observe any of these restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of that jurisdiction. Neither Unibail nor any of its advisers assumes any responsibility for any violation by any person of any of these restrictions. Any Rodamco Shareholder who is in any doubt as to his position should consult an appropriate professional adviser without delay.

With respect to the restrictions applicable to the issuance and listing of the Unibail Shares and Unibail ORAs, reference is made to the Prospectus.

### **I.2 France**

In application of the EU Directive No. 2004/25/CE dated 21 April 2004 on takeover bids and article 231-25 of the *règlement general of the Autorité des Marchés Financiers* ("AMF"), this Offer Document is being translated into French for the purposes of the Exchange Offer in France. Such translation, completed by a document setting forth the procedure to be followed to tender the Rodamco Shares listed on Euronext Paris and French tax rules in connection with shares tendered by French residents, will be submitted to the visa of the AMF.

For purposes of the listing of the Unibail Shares and Unibail ORAs on Euronext Paris, a Prospectus, that received visa No. 07-152 dated 18 May from the AMF, has been prepared in the French language, consisting of the *Document de référence* filed under No. D. 07-0169 with the AMF on 13 March 2007 and the *Note d'opération*.

### **I.3 United Kingdom**

This Offer Document must be read in conjunction with the Prospectus which has been approved and granted a visa by the AMF and passported into the United Kingdom by the UK Financial Services Authority in accordance with the provisions of section 87H of the UK Financial Services and Markets Act 2000. Notwithstanding the other conditions to acceptance set out in this Offer Document, the Exchange Offer is not being made and cannot be accepted by or for the account of any resident in the United Kingdom unless and until the Prospectus has been validly issued and/or passported into the United Kingdom.

### **I.4 United States of America**

The Exchange Offer is not being made, directly or indirectly, into the United States of America or to any person in the United States of America and may not be accepted in or from the United States of America by use or means of the interstate or foreign commerce or of any facility of a securities exchange in these jurisdictions including, but without limitation, electronic mail, post, facsimile transmission, telex and telephone. This Offer Document has not been submitted to or reviewed by the United States Securities and Exchange Commission ("SEC") or any state securities commission and neither the SEC nor any such state securities commission has approved or disapproved the Unibail Shares or Unibail ORAs to be issued and delivered in the Settlement or determined whether this Offer Document is truthful or complete. **Any representation to the contrary is a criminal offence in the United States of America.**

The Unibail Shares and Unibail ORAs to be issued and delivered in the Settlement have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and, as a result, may not be offered for sale or exchange or sold or exchanged in the United States of America except pursuant to a valid exemption from the registration requirements of the Securities Act. The Unibail Shares and Unibail ORAs to be issued and delivered in the Settlement are being offered and exchanged outside the United States of America in reliance on, and in accordance with, Regulation S under the Securities Act.

Each holder of Rodamco Shares who tenders Rodamco Shares into the Exchange Offer shall be deemed to have represented, agreed and acknowledged that it has received a copy of this Offer Document and that: (1) such tendering holder is outside the United States of America and was outside the United States of America at the time it gave instructions to tender its Rodamco Shares; (2) such tendering holder is aware that the Unibail Shares and Unibail ORAs to be issued and delivered in the Settlement have not been and shall not be registered under the Securities Act and that such Unibail Shares and Unibail ORAs are being offered and exchanged outside the United States of America in reliance on Regulation S under the Securities Act; (3) the Unibail Shares and Unibail ORAs may not be resold in the United States of America except pursuant to a valid exemption from the registration requirements of the Securities Act; and (4) Unibail, the Exchange and Listing Agent and their respective affiliates may rely on the foregoing representations, agreements and acknowledgements.

**This Offer Document is not being and should not be mailed or otherwise distributed or sent in or into the United States of America.**

### **I.5 Canada, Australia and Japan**

The Exchange Offer and any solicitation in respect thereof is not being made, directly or indirectly, in or into Canada, Australia or Japan, or by use of the mails, or by any means or instrumentality of interstate or foreign commerce, or any facilities of a national securities exchange, of Canada, Australia or Japan. This includes, but is not limited to, post, facsimile transmission, telex or any other electronic form of transmission and telephone. Accordingly, copies of this Offer Document and any related press announcements, acceptance forms and other documents are not being sent and must not be mailed or otherwise distributed or sent in, into or from Canada, Australia or Japan or, in their capacities as such, to custodians, nominees or trustees holding Rodamco Shares for persons residing in Canada, Australia or Japan. Persons receiving this Offer Document and/or such other documents must not distribute or send them in, into or from Canada, Australia or Japan, or use such mails or any such means, instrumentality or facilities for any purpose in connection with the Exchange Offer; so doing will invalidate any purported acceptance of the Exchange Offer. Unibail will not accept any tender by any such use, means, instrumentality or facility from within Australia, Japan or Canada.

Tender and delivery of Rodamco Shares constitutes a representation and warranty that the person tendering the shares (i) has not received or sent copies of this Offer Document or any related documents in, into or from Canada, Australia or Japan; (ii) has not otherwise utilised in connection with the Exchange Offer, directly or indirectly, the mails or any means or instrumentality including, without limitation, facsimile transmission, telex and telephone of interstate or foreign commerce, or any facility of a national securities exchange of, Canada, Australia or Japan; and (iii) is accepting the Exchange Offer from outside Canada, Australia or Japan. Unibail reserves the right to refuse to accept any purported Acceptance that does not comply with the foregoing restrictions, and any such purported Acceptance will be null, void and without effect.

## II IMPORTANT INFORMATION

Capitalised terms have the meanings as ascribed to them in Chapter 1 (Definitions).

Rodamco Shareholders are advised to study this Offer Document carefully and to seek independent advice where appropriate in order to reach a balanced judgement with respect to the Exchange Offer and the contents of this Offer Document.

With respect to the issuance of the Unibail Shares and Unibail ORAs which are offered in exchange for the Rodamco Shares in accordance with the terms and conditions of the Exchange Offer, reference is made to the Prospectus. Rodamco Shareholders are advised to study the Prospectus carefully and to seek independent advice where appropriate in order to reach a balanced judgement of the issuance of the Unibail Shares and Unibail ORAs and the contents of the Prospectus.

The information contained in this Offer Document is furnished solely for the purpose of the Exchange Offer and may not be relied upon for any other purposes. The information contained in this Offer Document speaks only as of the date of this Offer Document and neither of Unibail or Rodamco does undertake any obligation to update or revise any such information, whether as a result of new information, future events or otherwise, except to the extent legally required.

The information included in Chapters I, 7, 11, 12 (subparagraphs 2, 3 and 4), and Paragraphs 2.1, 2.2, 2.3, 2.6, 2.7, 2.8, 2.9, 2.10, 2.11, 2.12, 2.15, 2.16, 2.17, 2.18, 3.1, 3.2, 3.4, 3.5, 3.6, 3.7, 3.8, 3.9, 3.10, 3.11, 3.12, 3.13, 3.14, 4.3 (first paragraph), 4.4.1, 4.4.2, 4.4.3, 4.4.4, 4.4.5, 4.5, 4.10, 4.11.1, 4.13, 16.1, 16.2 and 16.3 has solely been provided by Unibail.

The information included in Chapters 5, 8, 10 and 12 (subparagraph 1, 5 up to and including 8) and Paragraphs 2.4, 4.6 (third paragraph), 15.1, 15.2 and 15.4.1 up to and including 15.4.6 has solely been provided by Rodamco.

The information included in Chapters II, 1, 9, 13, 14, 17, 18 and Paragraphs 2.5, 2.13, 2.14, 2.19, 2.20, 2.21, 2.22, 3.3, 3.15, 4.1, 4.2, 4.3 (second, third and fourth paragraph), 4.4.6, 4.4.7, 4.4.8, 4.6, 4.7, 4.8, 4.9, 4.11.2, 4.11.3, 4.12 has been provided by Unibail and Rodamco jointly.

The fairness opinion included in Paragraph 6.1 has been provided by UBS Limited. The fairness opinion included in Paragraph 6.2 has been provided by Goldman Sachs International. The information included in Paragraphs 15.3 and 15.4.7 has been provided by PricewaterhouseCoopers Accountants N.V. ("PwC").

Unibail and Rodamco are exclusively responsible for the accuracy and completeness of the information provided in this Offer Document, each with respect to such information as it has provided, and together with respect to the information they have provided jointly, except for information that has not been provided by either of them (which includes the fairness opinion in Paragraph 6.1, for which UBS Limited is responsible, the fairness opinion in Paragraph 6.2, for which Goldman Sachs International is responsible, and the information included in Paragraphs 15.3 and 15.4.7, for which PwC is responsible).

Each of Unibail and Rodamco confirms, with respect to the information it has provided in this Offer Document, that to the best of its knowledge and belief as of the date of publication of this Offer Document, the information is, in all material respects, true and accurate and that no facts have been omitted, the inclusion of which would change the meaning of this Offer Document in any material respect.

Rodamco confirms, with respect to the the fairness opinion in Paragraph 6.1 (for which UBS Limited is responsible), the fairness opinion in Paragraph 6.2 (for which Goldman Sachs International is responsible) and the information included in Paragraphs 15.3 and 15.4.7 (for which PwC is responsible), that to the best of its knowledge and belief as of the date of publication of this Offer Document, those fairness opinions and information are identical to the fairness opinion and the information as provided by UBS Limited, Goldman Sachs International and PwC, respectively.

The issuance and distribution of this Offer Document does not imply in any respect that the information contained herein will continue to be correct and complete after the date of publication of this Offer Document. The foregoing does not affect the obligation of both Unibail and Rodamco to make a public announcement pursuant to the Decree and/or the Act, if applicable, and any other applicable law or regulation.

This Offer Document includes forward-looking statements. Forward-looking statements include, but are not limited to, statements about the expected future business of Unibail and Rodamco resulting from the completion of the Exchange Offer. Forward-looking statements are not historical facts and they involve risks and uncertainty. The expectations and projections reflected in such forward-looking statements are based on information currently available to Unibail and Rodamco and are subject to various assumptions, as well as risks and uncertainties many of



which are difficult to predict and are generally beyond the control of Unibail and Rodamco. Although each of Unibail and Rodamco, each with respect to the statements it has provided, believes the expectations reflected in such forward-looking statements are based on reasonable assumptions and are, to the best of their knowledge, true and accurate on the date of this Offer Document, no assurance can be given that such expectations and projections will be fulfilled, and no representations are made as to the future accuracy and completeness of the forward-looking statements. Any forward-looking statements must be considered bearing in mind that actual events or results may vary materially from such predictions due to, among other things, political, economic or legal changes in the markets and environments in which Unibail and Rodamco conduct their respective businesses, and competitive developments or risks inherent to each of Unibail's and Rodamco's businesses.

With the exception of Unibail and Rodamco and the Exchange and Listing Agent, and notwithstanding the auditors' opinions of Ernst & Young and PwC included in this Offer Document, no individual is authorised to provide any information or to make any statements on behalf of Unibail or Rodamco in connection with the Exchange Offer or the information contained in this Offer Document. If any such information or statement is provided or made by parties other than Unibail or Rodamco, or ABN AMRO Bank N.V. in its capacity as Exchange and Listing Agent on behalf of Unibail, such information or statements should not be relied upon as having been provided by or made by or on behalf of Unibail and/or Rodamco.

Figures contained in this Offer Document may have been rounded up or down and should therefore not be regarded as exact.

This Offer Document and the Exchange Offer are, and any tender, purchase or delivery of Rodamco Shares and/or Unibail Shares or Unibail ORAs shall be, governed by and construed in accordance with Dutch law. The District Court of Amsterdam (*Rechtbank Amsterdam*) and its appellate courts have exclusive jurisdiction to settle any disputes which might arise out of or in connection with this Offer Document, the Exchange Offer and/or any tender, purchase, exchange or delivery of Rodamco Shares and/or Unibail Shares or Unibail ORAs. Accordingly, any legal action or proceedings arising out of or in connection with this Offer Document, the Exchange Offer and/or any tender, purchase, exchange or delivery of Rodamco Shares and/or Unibail Shares or Unibail ORAs may be brought exclusively in such courts.

This Offer Document has been approved by the AFM in accordance with the provisions of, *inter alia*, article 6a of the Act, 9i and 9n of the Decree and article 5 of the Temporary Regulation.

This Offer Document is published in English and includes a Dutch summary (*Nederlandse samenvatting*) in Chapter 13. In the event of differences, whether or not in interpretation, between the English text of this Offer Document and the Dutch summary, the English text shall prevail.

For the purpose of publication of this Offer Document in France, this Offer Document has been translated into the French language, which translation has been combined with a French complementary document in the French language. For the purpose of publication in Belgium, the Dutch summary of this Offer Document has been translated into the French language. In the event of any differences, whether or not in interpretation, between the English text of this Offer Document and these translations, the English text shall prevail.

ABN AMRO Bank N.V. has been appointed as Exchange and Listing Agent in the context of the Exchange Offer.

Copies of this Offer Document (and the relevant translations mentioned above) and the Prospectus are available free of charge at the offices of Unibail, Rodamco and the Exchange and Listing Agent and can be obtained by contacting Unibail, Rodamco or the Exchange and Listing Agent at the addresses below.

Unibail Holding S.A.

Address: 5 Boulevard Malesherbes, F-75802 Paris Cedex 08, France

Telephone: +33 1 53 43 74 37

Fax: +33 1 53 43 74 38

Rodamco Europe N.V.

Address: Hofplein 20, 3032 AC Rotterdam, the Netherlands

Telephone: +31 10 2176400

Fax: +31 10 2176401

Email: [investors@rodamco.com](mailto:investors@rodamco.com)

ABN AMRO Bank N.V.

Address: Kemelstede 2, 4817 ST Breda, the Netherlands

Telephone: +800 2222 0024 or +31 76 579 9455

Fax: +31 76 579 9643

Email: [SO.Servicedesk.C&CC@nl.abnamro.com](mailto:SO.Servicedesk.C&CC@nl.abnamro.com)

For copies of this Offer Document (and the relevant translations mentioned above) and the Prospectus, reference is also made to the website of Unibail ([www.unibail.com](http://www.unibail.com)) and for copies of this Offer Document, reference is also made to the website of Rodamco ([www.rodamco.com](http://www.rodamco.com)).

For copies of the Unibail Articles of Association, the financial information of Unibail relating to the annual financial statements of Unibail for the financial year 2006 ended on 31 December 2006, the financial year 2005 ended on 31 December 2005 and the financial year 2004 ended on 31 December 2004, reference is made to the website of Unibail ([www.unibail.com](http://www.unibail.com)). Such copies are available free of charge at the offices of Unibail and can be obtained by contacting Unibail at the address mentioned above.

Copies of the Rodamco Articles of Association, the financial information of Rodamco relating to the annual financial statements (*jaarrekening*) of Rodamco for the financial years 2006 ended on 31 December 2006, the financial year 2005 ended on 31 December 2005, the financial year 2004 ended on 31 December 2004 are available free of charge at the offices of Rodamco and can be obtained by contacting Rodamco at the address mentioned above.

The Prospectus, consisting of the Registration Document (which is equal to Unibail's 2006 annual report) and the Securities Note, and the Unibail Articles of Association are incorporated by reference in this Offer Document. The information incorporated by reference is an important part of this Offer Document and is deemed to constitute a part of this Offer Document as if such information were expressly included herein. Accordingly, all information appearing in this Offer Document is qualified in its entirety by the information and financial statements, including the notes thereto, contained in the documents incorporated by reference.

As you read any document that is incorporated by reference herein, you may find inconsistencies in information from one document to another or with this Offer Document. If you find inconsistencies you should rely on the statements made in the most recent document or made with respect to the most recent period referred to in any document. The information included in the Offer Document is the most recent or as recent as (*e.g.* the Securities Note) compared with the documents and information which are incorporated by reference.

Any statement contained in any document incorporated by reference in this Offer Document in respect of which more recent information is included in this Offer Document or in any document incorporated by reference, shall be deemed to be modified or superseded for the purposes of this Offer Document by such more recent information (*e.g.* annual accounts relating to the financial year 2006 supersede annual accounts relating to the financial year 2005). Any statement incorporated by reference so modified or superseded shall not be deemed to constitute a part of this Offer Document.

Morgan Stanley & Co. Limited is acting as financial adviser exclusively to Unibail and to no one else in connection with the Exchange Offer and will not regard any other person (whether or not a recipient of this Offer Document) as a client in relation to the Exchange Offer and will not be responsible to anyone other than Unibail for providing the protections afforded to the clients of Morgan Stanley & Co. Limited or for providing advice in relation to the Exchange Offer.

ABN AMRO Bank N.V. is acting as financial adviser exclusively to Unibail and to no one else in connection with the Exchange Offer and will not be responsible to anyone other than Unibail for providing the protections afforded to their clients and or for providing advice in relation to the Exchange Offer.

UBS Limited is acting as financial adviser exclusively to Rodamco and to no one else in connection with the Exchange Offer and will not be responsible to anyone other than Rodamco for providing the protections afforded to its clients or for providing advice in relation to the Exchange Offer.

Goldman Sachs International, which is authorized and regulated in the United Kingdom by the Financial Services Authority, is acting as financial adviser exclusively to Rodamco and to no one else in connection with the Exchange Offer and will not be responsible to anyone other than Rodamco for providing the protections afforded to its clients or for providing advice in relation to the Exchange Offer.

18 May 2007

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## 1. DEFINITIONS

<b>Accelerated Redemption</b>	has the meaning ascribed thereto in Paragraph 11.8.10
<b>Acceptance</b>	the tender of Rodamco Shares by the Rodamco Shareholders in acceptance of the Exchange Offer
<b>Acceptance Closing Date</b>	the date and time on which the Exchange Offer expires, being at 15.00 hours CEST, on 20 June 2007 or, if the Acceptance Period is extended, the latest date and time to which the Acceptance Period has been so extended
<b>Acceptance Period</b>	the period during which Rodamco Shareholders can tender their Rodamco Shares to Unibail, which begins on 22 May 2007 and ends on the Acceptance Closing Date
<b>Accrual Period</b>	has the meaning ascribed thereto in Paragraph 11.8.9
<b>Accrued Interest</b>	has the meaning ascribed thereto in Paragraph 9.3.3.2
<b>Act</b>	the Dutch Securities Market Supervision Act 1995 ( <i>Wet toezicht effectenverkeer 1995</i> ), as amended from time to time
<b>Adjusted Share Prices</b>	has the meaning ascribed thereto in Paragraph 4.5.3
<b>Admitted Institutions</b>	the institutions admitted to Euronext
<b>AFM</b>	the Netherlands Authority for Financial Markets ( <i>Autoriteit Financiële Markten</i> )
<b>AMF</b>	the French Authority for Financial Markets ( <i>Autorité des Marchés Financiers</i> )
<b>Business Day</b>	a day on which banks are generally open in the Netherlands and France
<b>Cash Amount</b>	has the meaning ascribed thereto in Paragraph 11.8.9
<b>CBD</b>	Central Business District
<b>CCIP</b>	Paris Chamber of Commerce and Industry ( <i>Chambre de commerce et d'industrie de Paris</i> )
<b>CEST</b>	Central European Summer Time
<b>Chapter</b>	any chapter of this Offer Document
<b>CITA</b>	the Dutch Corporate Income Tax Act ( <i>Wet op de vennootschapsbelasting 1969</i> )
<b>Combined Entity</b>	the combination of Unibail and Rodamco after the consummation of the Exchange Offer
<b>Consideration</b>	the Share Consideration and/or the ORA Consideration, as the context requires
<b>Daily Official List</b>	the Daily Official List ( <i>Officiële Prijscourant</i> ) of Euronext
<b>DCC</b>	the Dutch Civil Code ( <i>Burgerlijk Wetboek</i> )
<b>Decree</b>	the Dutch Securities Market Supervision Decree 1995 ( <i>Besluit toezicht effectenverkeer 1995</i> ), as amended from time to time
<b>Deferred Cash Amount</b>	has the meaning ascribed thereto in Paragraph 11.8.9
<b>Development Pipeline</b>	Properties that are being (or will be) constructed or developed for future use as an investment property
<b>DNB</b>	the Dutch Central Bank ( <i>De Nederlandsche Bank</i> )
<b>Dutch GAAP</b>	Generally Accepted Accounting Principles in the Netherlands

<b>Dutch Investment Institution License</b>	the license required to offer shares in an investment institution in the Netherlands pursuant to article 2:65 paragraph 1 sub a of the Financial Supervision Act
<b>Dutch Market Abuse Rules</b>	the Dutch Rules to avoid market abuse and for acting on markets in financial instruments ( <i>Regels ter voorkoming van marktmisbruik en voor het optreden op markten in financiële instrumenten</i> ) of Chapter 5.4 of the Financial Supervision Act
<b>EGM Unibail</b>	the extraordinary general meeting of Unibail Shareholders to be held on 21 May 2007, or any adjournment or second call thereof, in connection with, <i>inter alia</i> , the authorization of the Unibail Shares and the Unibail ORAs to be issued pursuant to the Exchange Offer
<b>EGM Rodamco</b>	the extraordinary general meeting of Rodamco Shareholders, to be held on 6 June 2007, or any adjournment thereof, at which, <i>inter alia</i> , the Exchange Offer will be discussed in accordance with article 9q of the Decree
<b>EUR, euro or €</b>	Euro, the legal currency of the European Monetary Union
<b>Euroclear Belgium</b>	C.I.K. S.A./N.V., the Belgian depositary and settlement institute
<b>Euroclear France</b>	Euroclear France S.A., the French depositary and settlement institute
<b>Euroclear Nederland</b>	Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V., the Dutch depositary and settlement institute, a subsidiary of Euroclear Bank S.A./N.V., operator of the Euroclear system
<b>Eurolist by Euronext</b>	regulated stock exchange of the Euronext
<b>Euronext Amsterdam</b>	Euronext Amsterdam N.V. or Eurolist by Euronext Amsterdam, depending on the context
<b>Euronext Brussels</b>	Euronext Brussels or Eurolist by Euronext Brussels, depending on the context
<b>Euronext Paris</b>	Euronext Paris or Eurolist by Euronext Paris, depending on the context
<b>Euronext Trading Day</b>	a day on which Euronext Amsterdam is open for trading
<b>Exchange and Listing Agent</b>	ABN AMRO Bank N.V., acting as exchange and listing agent
<b>Exchange Offer</b>	the public offer made by Unibail for all outstanding Rodamco Shares in exchange for Unibail Shares and/or, at the election of each Rodamco Shareholder, Unibail ORAs, in accordance with the terms and conditions set forth in this Offer Document
<b>Exchange Ratio</b>	the Share Exchange Ratio and/or the ORA Exchange Ratio, as the context requires
<b>Exceptional Dividend</b>	has the meaning ascribed thereto in Paragraph 11.8.11
<b>FBI</b>	a fiscal investment institution ( <i>fiscale beleggingsinstelling</i> ) according to Dutch tax law
<b>FBI Regime</b>	has the meaning ascribed thereto in Paragraph 10.12
<b>Final Cash Amount</b>	has the meaning ascribed thereto in Paragraph 11.8.9
<b>Final Cash Amount Payment Date</b>	has the meaning ascribed thereto in Paragraph 11.8.9
<b>Final Dividend</b>	has the meaning ascribed thereto in Paragraph 11.8.9
<b>Financial Supervision Act</b>	the Dutch Financial Supervision Act ( <i>Wet op het financieel toezicht</i> )
<b>French-Belgian Treaty</b>	has the meaning ascribed thereto in Paragraph 9.5.1.1
<b>French-Dutch Treaty</b>	has the meaning ascribed thereto in Paragraph 9.5.1.1
<b>French-English Treaty</b>	has the meaning ascribed thereto in Paragraph 9.5.1.1

<b>French-German Treaty</b>	has the meaning ascribed thereto in Paragraph 9.5.1.1
<b>French GAAP</b>	Generally Accepted Accounting Principles in France
<b>German Shareholder</b>	has the meaning ascribed thereto in Paragraph 9.3.1
<b>GLA</b>	Gross Lettable Area
<b>Group</b>	has the meaning ascribed thereto in Paragraph 11.8.13
<b>IASB</b>	International Accounting Standards Board
<b>IFRS</b>	International Financial Reporting Standards
<b>Initial Exchange Ratio</b>	the Initial Share Exchange Ratio and/or the Initial ORA Exchange Ratio, as the context requires
<b>Initial ORA Exchange Ratio</b>	0.5300 of a Unibail ORA to be exchanged for each Rodamco Share in respect of which the ORA Consideration applies, validly tendered (or defectively tendered provided that such defect has been waived by Unibail) and delivered ( <i>geleverd</i> ) for acceptance under the terms of the Exchange Offer
<b>Initial Share Exchange Ratio</b>	0.5300 of a Unibail Share to be exchanged for each Rodamco Share in respect of which the Share Consideration applies, validly tendered (or defectively tendered provided that such defect has been waived by Unibail) and delivered ( <i>geleverd</i> ) for acceptance under the terms of the Exchange Offer
<b>Interim Cash Amount</b>	has the meaning ascribed thereto in Paragraph 11.8.9
<b>Interim Cash Amount Payment Date</b>	has the meaning ascribed thereto in Paragraph 11.8.9
<b>Interim Dividend</b>	has the meaning ascribed thereto in Paragraph 11.8.9
<b>ISIN</b>	International Security Identification Number
<b>Issuer Call Option</b>	has the meaning ascribed thereto in Paragraph 11.8.10
<b>Management Board</b>	the management board ( <i>raad van bestuur</i> ) of Rodamco
<b>Material Adverse Change Relating to Unibail</b>	has the meaning ascribed thereto in Paragraph 4.2
<b>Material Adverse Change Relating to Rodamco</b>	has the meaning ascribed thereto in Paragraph 4.2
<b>Maximum Cash Amount</b>	has the meaning ascribed thereto in Paragraph 11.8.9
<b>Merger Protocol</b>	the merger protocol agreed between Unibail and Rodamco
<b>Minimum Acceptance Condition</b>	has the meaning ascribed thereto in Paragraph 4.2
<b>Minimum Cash Amount</b>	has the meaning ascribed thereto in Paragraph 11.8.9
<b>NNNAV</b>	triple net asset value
<b>Offer Conditions</b>	the conditions to the Exchange Offer as set forth in Paragraph 4.2
<b>Offer Document</b>	this Offer Document relating to the Exchange Offer, as and when approved by the AFM, and all documents incorporated by reference herein
<b>ORA Consideration</b>	the Unibail ORAs to be delivered to a Rodamco Shareholder who elected to receive Unibail ORAs in respect of all or a portion of the Rodamco Shares he has validly tendered (or defectively tendered provided that such defect has been waived by Unibail) under the terms of the Exchange Offer, in a number determined on the basis of the ORA Exchange Ratio
<b>ORA Exchange Ratio</b>	0.5223 of a Unibail ORA to be exchanged for each Rodamco Share in respect of which the ORA Consideration applies, validly tendered (or

	defectively tendered provided that such defect has been waived by Unibail) and delivered ( <i>geleverd</i> ) for acceptance under the terms of the Exchange Offer
<b>Paying Agent</b>	has the meaning ascribed thereto in Paragraph 11.8.6
<b>Paragraph</b>	any paragraph of this Offer Document
<b>PGGM</b>	Stichting Pensioenfonds voor de gezondheid, geestelijke en maatschappelijke belangen
<b>Pro Forma Financial Information</b>	the consolidated pro forma financial information of Unibail after giving effect to the combination of Unibail and Rodamco, prepared in compliance with IFRS, referred to in Chapter 14
<b>Proration Factor</b>	has the meaning ascribed thereto in Paragraph 3.1.2
<b>Prospectus</b>	the prospectus in relation to the issuance and listing on Euronext Amsterdam and Euronext Paris of a maximum number of 46,818,602 (forty six million eight hundred and eighteen thousand six hundred and two) Unibail Shares and 9,363,720 (nine million three hundred sixty three thousand seven hundred twenty) Unibail ORAs that received <i>visa</i> No. 07-152 dated 18 May 2007 from the AMF, consisting of (i) the Registration Document and (ii) the Securities Note
<b>PSP Compensation</b>	has the meaning ascribed thereto in Paragraph 4.9
<b>PSP Rights</b>	has the meaning ascribed thereto in Paragraph 4.9
<b>PwC</b>	PricewaterhouseCoopers Accountants N.V.
<b>Redemption Right</b>	has the meaning ascribed thereto in Paragraph 11.8.10
<b>Registration Document</b>	the <i>document de référence</i> filed by Unibail under No. D. 07-0169 with the AMF on March 13, 2007, forming part of the Prospectus that received <i>visa</i> No. 07-152 dated 18 May 2007 from the AMF
<b>Redemption Ratio</b>	has the meaning ascribed thereto in Paragraph 11.8.2
<b>Rodamco</b>	Rodamco Europe N.V., a public company with limited liability ( <i>naamloze vennootschap</i> ) incorporated under Dutch law, with registered office in Rotterdam and, depending on the context, also including its group companies (as defined in article 2:24b DCC) and any affiliate, partnership, company, or other entity, in which Rodamco and/or any of its group companies has a significant economic interest
<b>Rodamco 2006 Final Dividend</b>	an amount of EUR 2.34 (two euros and thirty four cents) of final dividend in respect of the Rodamco Shares for the financial year 2006 paid to the Rodamco Shareholders on 8 May 2007
<b>Rodamco Articles of Association</b>	the articles of association of Rodamco, most recently amended on 23 August 2004
<b>Rodamco Shareholders</b>	holders of Rodamco Shares, at the relevant time
<b>Rodamco Shares</b>	all issued and outstanding ordinary shares with a nominal value of eight euros each, in the share capital of Rodamco
<b>SEC</b>	United States Securities and Exchange Commission
<b>Second EGM Rodamco</b>	has the meaning ascribed thereto in Paragraph 4.7.2
<b>Securities Act</b>	United States Securities Act of 1933
<b>Securities Note</b>	the <i>note d'opération</i> issued by Unibail, forming part of the Prospectus that received <i>visa</i> No. 07-152 dated 16 May 2007 from the AMF, including a summary of the Prospectus
<b>Settlement</b>	the transfer ( <i>overdracht</i> ), in accordance with the terms and conditions of the Exchange Offer, of such number of Unibail Shares and Unibail

	ORAs to the Rodamco Shareholders who have tendered and delivered their Rodamco Shares, in exchange for the transfer of such Rodamco Shares, as corresponds to the relevant Consideration
<b>Settlement Date</b>	the date on which Settlement with respect to the Rodamco Shares tendered in the Acceptance Period occurs, being no later than three Business Days after the Unconditional Date, provided that in case of unforeseen circumstances ( <i>e.g.</i> in the event of <i>force majeure</i> ) Settlement will occur as soon as those circumstances permit
<b>Share Consideration</b>	the Unibail Shares to be delivered to a Rodamco Shareholder who elected to receive Unibail Shares in respect of all or a portion of the Rodamco Shares he has validly tendered (or defectively tendered provided that such defect has been waived by Unibail) under the terms of the Exchange Offer, in a number determined on the basis of the Share Exchange Ratio
<b>Share Exchange Ratio</b>	0.5223 of a Unibail Share to be exchanged for each Rodamco Share in respect of which the Share Consideration applies, validly tendered (or defectively tendered provided that such defect has been waived by Unibail) and delivered ( <i>geleverd</i> ) for acceptance under the terms of the Exchange Offer
<b>SIIC</b>	has the meaning ascribed thereto in Paragraph 11.6
<b>SIIC Regime</b>	has the meaning ascribed thereto in Paragraph 11.6
<b>Subsequent Acceptance Period</b>	the period from the Unconditional Date up to 15 Euronext Trading Days thereafter, as will be announced by Unibail on the Unconditional Date provided that the Exchange Offer is declared unconditional at such date, which period is expected to run up to and including 10 July 2007 assuming that the Acceptance period has not been previously extended and assuming a Subsequent Acceptance Period of 13 Euronext Trading Days
<b>SPP</b>	the Rodamco Share Purchase Plan referred to in Paragraph 10.10
<b>Supervisory Board</b>	the supervisory board ( <i>raad van commissarissen</i> ) of Rodamco
<b>Temporary Regulation</b>	the Dutch Temporary Exemption Regulation on Public Takeovers ( <i>Tijdelijke Vrijstellingsregeling Overnamebiedingen</i> )
<b>Total Annual Dividend</b>	has the meaning ascribed thereto in Paragraph 11.8.11
<b>UK</b>	United Kingdom
<b>Unconditional Date</b>	the date on which Unibail shall announce publicly whether the Exchange Offer is declared unconditional ( <i>gestand wordt gedaan</i> ), being no later than the fifth Euronext Trading Day after the Acceptance Closing Date
<b>Unibail</b>	Unibail Holding S.A., a limited liability company ( <i>société anonyme</i> ) incorporated under French law with its registered office in Paris and, depending on the context, also including its subsidiaries ( <i>filiale</i> as defined in article L. 233 — 1 of the French commercial code) and any affiliate, partnership, company, or other entity, in which Unibail and/or any of its group companies has a significant economic interest
<b>Unibail 2006 Interim Dividend</b>	an amount of EUR 1.00 (one euro) of interim dividend in respect of the Unibail Shares paid to the Unibail Shareholders on 16 April 2007
<b>Unibail 2006 Final Dividend</b>	an amount of EUR 2.00 (two euros) of Unibail final dividend for the financial year 2006 to be paid to Unibail Shareholders on 16 July 2007
<b>Unibail Articles of Association</b>	the articles of association of Unibail, most recently amended on 31 January 2007

**Unibail ORAholders**

the holders of Unibail ORAs, at the relevant time

**Unibail ORAs**

the securities (*Obligations Remboursable en Actions*), which are convertible and redeemable in Unibail Shares in accordance with their terms, to be issued by Unibail pursuant to the Exchange Offer

**Unibail Shareholders**

holders of Unibail Shares, at the relevant time

**Unibail Shares**

the issued and outstanding ordinary shares of Unibail, with a nominal value of five euros per share and/or the ordinary shares of Unibail with nominal value of five euros per share, to be issued pursuant to the Exchange Offer and/or pursuant to the terms and conditions of the Unibail ORAs, as the context requires

**Withholding Tax**

has the meaning ascribed thereto in Paragraph 11.8.10

**Withholding Tax Option**

has the meaning ascribed thereto in Paragraph 11.8.10

## 2. SUMMARY

*This summary is qualified in its entirety by the remainder of this Offer Document and is subject to the detailed conditions set forth herein. This summary is not exhaustive and does not contain all information which may be of importance to the reader. This summary should in no way be considered as a substitute for reading this Offer Document in its entirety. Rodamco Shareholders are advised to review this Offer Document (including all documents incorporated by reference therein) thoroughly and completely and to seek independent advice where appropriate in order to reach a balanced judgement with respect to the Exchange Offer and the contents of this Offer Document. With respect to the issuance and listing on Euronext Amsterdam and Euronext Paris of the Unibail Shares and Unibail ORAs, reference is made to chapters 4, 5 and 6 of the Securities Note. Reference is also made to Chapter I (Restrictions), to Chapter II (Important information) of this Offer Document and to chapter 2 of the Securities Note (dealing with the risks specific to the issuance of the Unibail Shares and Unibail ORAs).*

### 2.1 The Exchange Offer

The Exchange Offer is subject to certain conditions and restrictions. Reference is made to Chapter 3 (Invitation to Rodamco Shareholders) and Chapter 4 (The Exchange Offer).

On 10 April 2007 Unibail and Rodamco jointly announced their intention to combine both companies and Unibail's intention to offer, in exchange for each Rodamco Share validly tendered within the Acceptance Period (or defectively tendered provided that such defect has been waived by Unibail) and delivered (*geleverd*), 0.5300 of a Unibail Share (the "Initial Share Exchange Ratio"). In addition, each Rodamco Shareholder will be entitled, with respect to all or a portion of such Rodamco Shares, to elect to receive, in lieu of Unibail Shares and subject to the limits and proration procedures described in Paragraph 3.1.2, 0.5300 of a Unibail ORA (the "Initial ORA Exchange Ratio" and, together with the Initial Share Exchange Ratio, the "Initial Exchange Ratio"), subject to the assumption set forth in Paragraph 3.1.1.

The Initial Exchange Ratio has been adjusted to 0.5223 of a Unibail Share (the "Share Exchange Ratio") and/or, at the election of the tendering Rodamco Shareholder and subject to the limits and proration procedures described in Paragraph 3.1.2, 0.5223 of a Unibail ORA (the "ORA Exchange Ratio" and, together with the Share Exchange Ratio, the "Exchange Ratio"), in order to reflect the financial impact of the Rodamco 2006 Final Dividend (as defined in Paragraph 3.1.1) and the Unibail 2006 Interim Dividend (as defined in Paragraph 3.1.1), which have been paid to the Rodamco Shareholders and the Unibail Shareholders, respectively.

The Exchange Ratio was calculated under the assumptions that the Settlement Date will occur before the ex dividend date relating to Unibail 2006 Final Dividend (as defined in Paragraph 3.1.1), and without Rodamco and/or Unibail having paid or declared any exceptional dividend or other distribution to their respective shareholders and without Rodamco and/or Unibail having implemented, or resolved or otherwise agreed to implement, any changes in its share capital affecting the value of the Consideration.

If any of the assumptions referred above in this Paragraph 2.1, that the Settlement Date will occur before the ex dividend date (expected on 16 July 2007) relating to the Unibail 2006 Final Dividend and without payment of any exceptional dividend or other distribution, proves to be incorrect, the Exchange Ratio of 0.5223 will be recalculated, as set forth in Paragraph 3.12.

The value of (the part of) a Unibail Share offered under the terms of the Exchange Offer for each Rodamco Share equals, at the Settlement Date, the value of (the part of) a Unibail ORA offered under the terms of the Exchange Offer for each Rodamco Share.

Based on Unibail's closing share price of EUR 235.50 per Unibail Share as of 5 April 2007 (the last business day prior to the initial announcement of Unibail's intention to make the Exchange Offer), the Initial Exchange Ratio of 0.5300 of a Unibail Share or Unibail ORA for each Rodamco Share values each Rodamco Share at EUR 124.82, representing:

- a 15.1% premium based on Unibail's and Rodamco's closing share prices as of 5 April 2007;
- a 15.1% premium based on Unibail's and Rodamco's volume weighted average closing share prices over the month ending 5 April 2007;
- a 8.2% premium based on Unibail's and Rodamco's volume weighted average closing share prices over the three month period ending 5 April 2007.

Based on Unibail's closing share price of EUR 235.50 per Unibail Share as of 5 April 2007 (the last business day prior to the initial announcement of Unibail's intention to make the Exchange Offer) adjusted for the Unibail 2006

Interim Dividend, the Exchange Ratio of 0.5223 of a Unibail Share or ORA for each Rodamco Share values each Rodamco Share at EUR 122.48 after payment of the Rodamco 2006 Final Dividend, resulting in a total consideration of EUR 124.82.

The Exchange Ratio represents:

- a 15.4% premium based on Unibail's and Rodamco's closing share prices as of 5 April 2007, adjusted for Unibail 2006 Interim Dividend and Rodamco 2006 Final Dividend;
- a 15.5% premium based on Unibail's and Rodamco's volume weighted average closing share prices over the month ending 5 April 2007, adjusted for Unibail 2006 Interim Dividend and Rodamco 2006 Final Dividend;
- a 8.5% premium based on Unibail's and Rodamco's volume weighted average closing share prices over the three month period ending 5 April 2007, adjusted for Unibail 2006 Interim Dividend and Rodamco 2006 Final Dividend.

Reference is made to Paragraph 3.1.1 for the explanation of the adjustment of the Initial Exchange ratio into the Exchange Ratio, and to Paragraph 4.5 for a financial analysis of the Exchange Ratio.

## **2.2 Election between Share Consideration and ORA Consideration**

### ***Election***

Subject to the limitations and proration and allocation adjustments described below, in lieu of receiving the Share Consideration, Rodamco Shareholders may elect, in accordance with the procedure described in Paragraph 3.2, to receive the ORA Consideration in respect of all or a portion of the Rodamco Shares they tender. Rodamco Shareholders tendering their Rodamco Shares without making such election will be deemed to have chosen the Share Consideration only. A Rodamco Shareholder does not need to tender Rodamco Shares in lots exactly divisible by the Exchange Ratio (reference is made to Paragraph 3.10).

### ***Maximum number of Unibail ORAs***

A maximum of 9,363,720 (nine million three hundred sixty three thousand seven hundred and twenty) Unibail ORAs will be available for issue under the ORA Consideration, being 20% of the Consideration offered in exchange for all Rodamco Shares.

If and to the extent that the ORA Consideration is oversubscribed by Rodamco Shareholders (*i.e.* the aggregate number of Unibail ORAs that would be issued in exchange for Rodamco Shares in respect of which a valid election to receive the ORA Consideration has been made would exceed 9,363,720 Unibail ORAs), then the Unibail ORAs will be allocated among the Rodamco Shareholders electing the ORA Consideration on a pro rata basis according to the number of Rodamco Shares tendered by such Rodamco Shareholders, in respect of which a valid election to receive the ORA Consideration has been made (rounded downwards to the nearest whole number). In respect of the remaining tendered Rodamco Shares not exchanged for Unibail ORAs, such Rodamco Shareholders will receive the Share Consideration.

If and to the extent that Unibail ORAs have been allocated at Settlement among Rodamco Shareholders that have tendered Rodamco Shares during the Acceptance Period and elected to receive the ORA Consideration, such Unibail ORAs shall no longer be available under the ORA Consideration to the Rodamco Shareholders that tender their Rodamco Shares during the Subsequent Acceptance Period (*na-aanmeldingstermijn*). Therefore, Rodamco Shareholders that do not tender their Rodamco Shares into the Exchange Offer during the Acceptance Period should be aware of the risk that they may not be able to obtain Unibail ORAs in the Subsequent Acceptance Period.

### ***Dilution***

In the event that all Rodamco Shares are tendered into the Exchange Offer and that all Rodamco Shareholders elect the Share Consideration and no election has been made for the ORA Consideration, a total of 46,818,602 (forty six million eight hundred eighteen thousand six hundred and two) Unibail Shares will be issued upon Settlement. In that event, the number of Unibail Shares issued will increase from 46,146,016 to 92,964,618 and the outstanding nominal share capital of Unibail will increase by EUR 234,093,010, from EUR 230,730,080 to EUR 464,823,090.

In this scenario, the maximum of 46,818,602 Unibail Shares issued to Rodamco Shareholders at Settlement would represent approximately 50.4% of the nominal share capital and voting rights of Unibail as at the Settlement Date.

In the event that all Rodamco Shares are tendered into the Exchange Offer and that a sufficient number of Rodamco Shareholders elect to receive the ORA Consideration such that the maximum of 9,363,720 Unibail ORAs are issued



in connection with the Exchange Offer, a total of 37,454,882 Unibail Shares will be issued upon Settlement. In that event, the number of Unibail Shares issued will increase from 46,146,016 to 83,600,898 and the outstanding nominal share capital of Unibail will increase by EUR 187,274,410 from EUR 230,730,080 to EUR 418,004,490. In this scenario, the 37,454,882 Unibail Shares issued to Rodamco Shareholders at Settlement would represent approximately 44.8% of the nominal share capital and voting rights of Unibail on the Settlement Date. Accordingly, on a diluted basis, *i.e.* after subsequent conversion of all such Unibail ORAs into the number of Unibail Shares implied by the initial Redemption Ratio (one Unibail Share for one Unibail ORA, see Paragraph 11.8.2) (but excluding any other existing options on Unibail Shares), the nominal share capital would increase to the same number as described above in this Paragraph in respect of the scenario that all Rodamco Shares are tendered into the Exchange Offer and that all Rodamco Shareholders elect the Share Consideration, being an additional EUR 46,818,600 (increasing Unibail's outstanding nominal share capital from EUR 418,004,490 to EUR 464,823,090) and the Unibail Shares to be issued in such conversion would represent approximately 10.1% of the nominal share capital and voting rights of Unibail.

## 2.3 Rationale for the Exchange Offer

### *Creating the leading pan-European commercial property company*

The combination of Unibail and Rodamco after the consummation of the Exchange Offer (the "Combined Entity") will be the leading pan-European commercial property company with a total pro forma portfolio of approximately EUR 22 billion<sup>1</sup> in property value and EUR 974 million in net rental income.<sup>2</sup>

The Combined Entity will be predominantly retail focussed with 73% of its portfolio property value in shopping centres. The Combined Entity's office assets (20% of the portfolio), primarily located in the Paris market, and the convention and exhibition activities (7% of the portfolio, including hotels and logistics accounting for 1% of the combined portfolio value) will further support the value creation potential of the Combined Entity.

The Combined Entity will benefit from:

- A unique network of 95 prime shopping centres totalling 3.3 million square metres of retail space and EUR 15.9 billion<sup>1</sup> of appraised property value, with a leading position in key European retail markets, especially France, the Netherlands, Spain and Sweden complemented by strong positions in high growth emerging markets (Central Europe and Russia);
- A prime quality office portfolio of 628,378 square metres and EUR 4.5 billion<sup>1</sup> of property value, as at 31 December 2006, predominantly in Paris, historically one of the most resilient markets in Europe and one with significant further growth potential, as well as attractive development projects in La Défense;
- A highly visible retail and office Development Pipeline of over 1.5 million square metres representing approximately EUR 6.1 billion in investment expenditure (of which 72% retail and 28% mainly office); and
- The network of key convention and exhibition centre sites operated by Unibail in the Paris region, under the name of Paris Expo, providing the Combined Entity with additional growth opportunities. The contemplated merger between Unibail's and the CCIP's convention and exhibition businesses may further enhance the potential of this business.

### *Significant value creation potential*

The Combined Entity will develop a single marketing and retail management strategy for its entire pan-European retail portfolio. Key value creation drivers include (i) implementing a pan-European marketing and retail management approach to drive traffic and sales to extract more like-for-like rental growth on the existing retail portfolio; and (ii) leveraging an unrivalled footfall of over 700 million visits per year to drive marketing revenues (e.g. kiosks, poster-based advertising, vending machines, and promotional campaigns).

Synergies based on those levers on the existing portfolio are expected to generate an increase in a net rental income of EUR 40 million to EUR 65 million annually, by 2012.

Furthermore the Combined Entity will leverage Unibail's demonstrated in-house development expertise with Rodamco's extensive pan-European network in leading shopping centres, thereby accelerating pipeline growth and optimising development capital expenditure. Furthermore, through sharing of best practices, the Combined Entity will generate even more value across the entire Developer — Investor — Manager value chain.

<sup>1</sup> Based on appraisal values of Unibail and of Rodamco (including transfer taxes, based on internal estimates for Rodamco). Including Development Pipeline valued at cost on balance sheet as at 31 December 2006.

<sup>2</sup> Based on Pro Forma Financial Information for the year ending 31 December 2006.

Reference is made to Paragraph 4.4 for the analysis of the background and the reasons for the Exchange Offer.

## **2.4 Recommendation of the Supervisory Board and the Management Board of Rodamco**

The Supervisory Board and Management Board unanimously support and recommend the Share Consideration to Rodamco Shareholders for acceptance (with the exception of Mr K. Terry Dornbush who has resigned from the Supervisory Board for personal reasons and abstained from voting during the Supervisory Board meeting of 9 April 2006). Neither the recommendation by the Supervisory Board and the Management Board nor the fairness opinions rendered by UBS Limited and Goldman Sachs International (which are included in Paragraph 6.1 and 6.2 of this Offer Document, respectively) cover the ORA Consideration. The Unibail ORAs are financial instruments tailored to the specific needs of certain investors. Rodamco Shareholders are recommended to obtain their own financial advice with respect to the ORA Consideration.

Reference is made to Chapter 5.

## **2.5 Offer Conditions**

The Exchange Offer shall be declared unconditional (*gestand gedaan*) if the Offer Conditions set out in Paragraph 4.2, including, but not limited to the Minimum Acceptance Condition, are fulfilled or, if permitted by applicable law and as set forth in that Paragraph, waived.

## **2.6 Committed Rodamco Shares**

Subject to the Exchange Offer being made, a number of Rodamco Shareholders, PGGM holding 24.42% of the outstanding Rodamco Shares and certain members of the Rodamco Management Board and Supervisory Board holding Rodamco Shares, committed towards Unibail to tender their Rodamco Shares under the same terms and conditions of the Exchange Offer as described in this Offer Document. Reference is made to Paragraph 4.3.

## **2.7 Acceptance Period**

The Acceptance Period begins on 22 May 2007 and ends, subject to extension in accordance with article 9o paragraph 5 of the Decree and article 6 paragraph 1 sub d of the Temporary Regulation, on 20 June 2007 at 15.00 hours CEST.

If one or more of the Offer Conditions set forth in Paragraph 4.2 is not fulfilled, Unibail may in certain events, depending on the circumstances, with the consent of Rodamco extend the Acceptance Period until all Offer Conditions have been fulfilled or waived. During an extension of the Acceptance Period, any Rodamco Shares previously tendered and not withdrawn will remain subject to the Exchange Offer, subject to the right of each Rodamco Shareholder to withdraw the Rodamco Shares he has already tendered.

If all Offer Conditions are fulfilled or, where appropriate, waived, Unibail will accept all Rodamco Shares that have been validly tendered (or defectively tendered provided that such defect has been waived by Unibail) in accordance with the procedures set forth in Paragraph 3.2.

## **2.8 Acceptance procedure**

Rodamco Shareholders are requested to make their Acceptance known, through their bank or stockbroker, to the Exchange and Listing Agent by no later than 20 June 2007 at 15.00 hours CEST, unless the Acceptance Period has been extended in accordance with article 9o paragraph 5 of the Decree and article 6 paragraph 1 sub d of the Temporary Regulation. The relevant bank or stockbroker may set an earlier deadline for communication by Rodamco Shareholders in order to permit the bank or stockbroker to communicate Acceptances to the Exchange and Listing Agent in a timely manner.

The relevant Admitted Institutions may submit the Acceptances only to the Exchange and Listing Agent and only in writing. In submitting the Acceptances, each Admitted Institution is required to (a) indicate the number of Rodamco Shares tendered, (b) indicate the number of tendered Rodamco Shares in respect of which the ORA Consideration is elected (if any) and (c) declare that: (i) it has the tendered Rodamco Shares in its administration; (ii) each accepting Rodamco Shareholder irrevocably represents and warrants that he has full power and authority to tender, sell and deliver, and has not entered into any other agreement to tender, sell or deliver the Rodamco Shares stated to have been tendered to any party other than Unibail, (iii) each accepting Rodamco Shareholder irrevocably represents and warrants that he complies with the restrictions outlined in this Offer Document and in the Prospectus and those pursuant to securities and other applicable laws or regulations of the jurisdiction in which such Rodamco Shareholder is located and no registration, approval or filing with any regulatory authority of such jurisdiction

is required in connection with the tendering of such Rodamco Shares; and (iv) each accepting Rodamco Shareholder undertakes to transfer these Rodamco Shares free and clear of any rights of pledge or usufruct, liens or attachments or similar charges to Unibail via the Exchange and Listing Agent on the Settlement Date, provided the Exchange Offer has been declared unconditional (*gestand gedaan*).

## **2.9 Declaring the Exchange Offer unconditional (*gestanddoening*)**

As soon as possible after the Acceptance Closing Date (whether or not the Acceptance Period has been extended), but no later than the fifth Euronext Trading Day thereafter, Unibail will announce whether (i) the Exchange Offer is declared unconditional, (ii) there is still uncertainty as to the fulfilment of any of the Offer Conditions, or (iii) the Exchange Offer is terminated, as a result of the Offer Conditions not having been fulfilled or waived by Unibail, all in accordance with article 9t, paragraph 4 of the Decree.

## **2.10 Extension of the Acceptance Period**

Unibail may extend the Acceptance Period. If the Acceptance Period is extended such that the obligation pursuant to article 9t of the Decree, to announce whether the Exchange Offer has been declared unconditional (*gestand wordt gedaan*) is postponed, a public announcement to that effect shall be made no later than on the third Euronext Trading Day following the initial Acceptance Closing Date or any later date and time to which the Acceptance Period has been extended.

## **2.11 Subsequent Acceptance Period (*na-aanmeldingstermijn*)**

If the Exchange Offer is declared unconditional (*gestand wordt gedaan*) on the Unconditional Date, which is expected to occur on 21 June 2007 if the Acceptance Period is not extended, Unibail will announce a Subsequent Acceptance Period of up to 15 Euronext Trading Days. Any Subsequent Acceptance Period is expected to run from the first Euronext Trading Day after the expected Unconditional Date referred to above up to and including 10 July 2007 assuming the Acceptance Period has not been previously extended and assuming a Subsequent Acceptance Period of 13 Euronext Trading Days.

During the Subsequent Acceptance Period, neither Rodamco Shareholders who tendered Rodamco Shares during the Acceptance Period, if such Rodamco Shares were accepted pursuant to the Exchange Offer, nor Rodamco Shareholders who tender Rodamco Shares during a Subsequent Acceptance Period, shall have any right to withdraw such Rodamco Shares from the Exchange Offer.

If and to the extent that Unibail ORAs have been allocated at Settlement among Rodamco Shareholders that have tendered Rodamco Shares during the Acceptance Period and elected to receive the ORA Consideration, such Unibail ORAs shall no longer be available under the ORA Consideration to the Rodamco Shareholders that tender their Rodamco Shares during the Subsequent Acceptance Period (*na-aanmeldingstermijn*). Therefore, Rodamco Shareholders that do not tender their Rodamco Shares into the Exchange Offer during the Acceptance Period should be aware of the risk that they may not be able to obtain Unibail ORAs in the Subsequent Acceptance Period.

If and to the extent that the ORA Consideration available during the Subsequent Acceptance Period is oversubscribed by Rodamco Shareholders tendering Rodamco Shares during the Subsequent Acceptance Period (i.e. the aggregate number of Unibail ORAs that would be issued in exchange for Rodamco Shares in respect of which a valid election to receive the ORA Consideration has been made during the Subsequent Acceptance Period, would exceed the number of Unibail ORAs still available in the Subsequent Acceptance Period), then the Unibail ORAs will be allocated among the Rodamco Shareholders electing the ORA Consideration during the Subsequent Acceptance Period on a pro rata basis according to the number of Rodamco Shares tendered by such Rodamco Shareholders in the Subsequent Acceptance Period in respect of which a valid election to receive the ORA Consideration has been made (rounded downwards to the nearest whole number). In respect of the Rodamco Shares tendered by Rodamco Shareholders during the Subsequent Acceptance Period and not exchanged for Unibail ORAs following such pro ration procedure, the Rodamco Shareholders will receive the Share Consideration.

## **2.12 Settlement**

On the Settlement Date, being no later than three Euronext Trading Days after the Unconditional Date, provided that in case of unforeseen circumstances (e.g. in the event of *force majeure*) Settlement will occur as soon as those circumstances permit, such number of Unibail Shares and Unibail ORAs shall be transferred, in accordance with the terms and conditions of the Exchange Offer, to the Rodamco Shareholders who have validly tendered (or defectively tendered, provided that such defect has been waived by Unibail) and delivered (*geleverd*) their

Rodamco Shares during the Acceptance Period, as corresponds to the Exchange Ratio and to the Proration Factor for the relevant tendered and delivered Rodamco Shares.

No later than three Euronext Trading Days after the end of the Subsequent Acceptance Period, such number of Unibail Shares and Unibail ORAs shall be transferred, in accordance with the terms and conditions of the Exchange Offer, to the Rodamco Shareholders who have validly tendered (or defectively tendered, provided that such defect has been waived by Unibail) and delivered their Rodamco Shares during the Subsequent Acceptance Period, as corresponds to the Exchange Ratio and to the Proration Factor for the relevant tendered and delivered Rodamco Shares.

The new Unibail Shares and Unibail ORAs will be deposited in the book-entry facilities of Euroclear France. The delivery of the new Unibail Shares and the Unibail ORAs will take place through the book-entry facilities of Euroclear France, Euroclear Nederland and Euroclear Belgium.

Dissolution or annulment of the Acceptances, the agreement to exchange Rodamco Shares pursuant to the Exchange Offer, delivery (*levering*) of Rodamco Shares or Settlement is not permitted.

### **2.13 EGM Unibail and EGM Rodamco**

The EGM Unibail will be held on 21 May 2007. The agenda for this meeting will include such resolutions necessary to authorize the capital increase of Unibail through the issuance of Unibail Shares, to authorize the issuance of the Unibail ORAs and to adopt the governance structure set forth in Paragraph 4.7.

The EGM Unibail of 21 May 2007 requires a quorum of one fourth of Unibail's outstanding share capital. If that quorum is not met, a second EGM Unibail shall be convened and held at the earliest possible date following the first meeting, at least six days following publication of the second convening notice. Such second EGM Unibail would require a quorum of one fifth of Unibail's outstanding share capital.

The EGM Rodamco is expected to be held on 6 June 2007. The agenda for this meeting will include discussion of the Exchange Offer in accordance with article 9q of the Decree and certain proposed resolutions on the future governance structure of Rodamco.

### **2.14 Announcements**

Any announcement in relation to the Exchange Offer will be made, to the extent required by applicable laws and regulations, by means of a press release and an advertisement in the Daily Official List (*Officiële Prijscourant*), at least one Dutch national newspaper (*Het Financieele Dagblad* and/or the *NRC Handelsblad*), one French national newspaper (*La Tribune*), two Belgian newspapers (*L'Echo* and *De Tijd*) and/or one German national newspaper (*Frankfurter Allgemeine Zeitung*).

### **2.15 Commission**

Delivery (*levering*) of Rodamco Shares by Rodamco Shareholders to Unibail as well as delivery of Unibail Shares and Unibail ORAs by Unibail to Rodamco Shareholders will in principle be made without cost to Rodamco Shareholders (although Unibail cannot exclude that Admitted Institutions charge costs). Admitted Institutions will receive from the Exchange and Listing Agent on behalf of Unibail a commission of EUR 0.0422, in respect of each Rodamco Share validly tendered (or defectively tendered, provided that such defect has been waived by Unibail) and delivered (*geleverd*) up to a maximum of EUR 1,000 per Shareholder, as well as an additional compensation of EUR 2.50 per deposit client for rounding-off of fractions of Unibail Shares or Unibail ORAs. The commission per Rodamco Share must be claimed from Unibail through the Exchange and Listing Agent within 30 days of the Unconditional Date.

### **2.16 Restrictions**

The Exchange Offer is being made with due observance of such statements, conditions and restrictions as are included in this Offer Document. Unibail reserves the right to accept any tender made under the Exchange Offer, by or on behalf of a Rodamco Shareholder, even if such tender has not been effectuated in the manner set out above.

### **2.17 Listing of Unibail Shares and Unibail ORAs**

The Unibail Shares are listed on Euronext Paris under the symbol "UL". Unibail has applied, subject to the Exchange Offer being declared unconditional (*gestanddoening*), to list the Unibail Shares and Unibail ORAs to be issued in connection with the Exchange Offer on Euronext Paris. The Unibail ORAs will be listed on Euronext Paris under the symbol "ULO". Subject to the Exchange Offer being declared unconditional, trading with respect to such

Unibail Shares and Unibail ORAs on Euronext Paris is expected to commence on or about the Settlement Date, provided that in case of unforeseen circumstances (*e.g. in the event of force majeure*) trading will commence as soon as those circumstances permit.

Unibail has applied, subject to the Exchange Offer being declared unconditional, to list the Unibail Shares and the Unibail ORAs on Euronext Amsterdam. The Unibail Shares will be listed on Euronext Amsterdam under the symbol “ULA”. The Unibail ORAs will be listed on Euronext Amsterdam under the symbol “ULO”. Subject to the Exchange Offer being declared unconditional, trading with respect to all Unibail Shares and Unibail ORAs on Euronext Amsterdam is expected to commence on or about the Settlement Date, provided that in case of unforeseen circumstances (*e.g. in the event of force majeure*) trading will commence as soon as those circumstances permit.

## 2.18 Identification numbers Unibail Shares and Unibail ORAs

### *Unibail Shares*

ISIN: FR0000124711

Euronext Amsterdam Security Code Number: 87132

### *Unibail ORAs*

ISIN: FR0010474056

Euronext Amsterdam Security Code Number: 87131

## 2.19 Delisting Rodamco Shares

If the Exchange Offer will be declared unconditional (*gestand wordt gedaan*), Unibail and Rodamco intend to delist as soon as reasonably practicable the Rodamco Shares from the Frankfurt Stock Exchange, Euronext Paris, Euronext Brussels and Euronext Amsterdam in accordance with the applicable stock exchange rules and regulations. As a policy rule, in case of a public offer Euronext does not permit delisting until at least 95% of the listed shares is held by a single entity or group controlled by a single entity. Unibail and Rodamco expect, subject to applicable stock exchange rules and policies and legal requirements, to delist the Rodamco Shares from the stock exchanges mentioned above as soon as possible after the settlement of the Rodamco shares tendered in the Subsequent Acceptance Period (*na-aanmeldingstermijn*). The termination of one or more of these listings may adversely affect the liquidity of Rodamco Shares following Settlement and delisting.

## 2.20 Legal structure of Rodamco following the Exchange Offer

For the purpose of effectuating a reorganisation that allows Unibail and Rodamco to fully align their respective interests, achieve the expected synergies and other benefits of their combination and to avoid the costs and burdens that may result from continuing separate listings of securities issued by them, Unibail and Rodamco intend to, subject to applicable legal and regulatory requirements, effectuate statutory squeeze out proceedings (*uitkoop*) or a cross border or other legal merger (*juridische fusie*) and/or the incorporation of and/or merger of Unibail and/or Rodamco into a European company (*Societas Europaea*) or other appropriate legal restructurings as soon as possible following the Settlement Date.

## 2.21 Employee consultation

On 10 April 2007, Unibail and Rodamco informed the Socio-Economic Council (*Sociaal-Economische Raad*) and satisfied all its obligations pursuant to the 2000 Socio-Economic Council Merger Regulation for the protection of employees (*SER-Besluit Fusiegedragsregels 2000 ter bescherming van de belangen van werknemers*).

## 2.22 Indicative timetable of the Exchange Offer

21 May 2007	Advertisement announcing (i) the availability of the Offer Document and the Prospectus per 21 May 2007 and (ii) the commencement of the Exchange Offer per 22 May 2007
	Availability of the Offer Document and the Prospectus, launch of the Exchange Offer
21 May 2007	EGM Unibail
22 May 2007	First day of the Acceptance Period
6 June 2007	EGM Rodamco
20 June 2007, 15.00 hours CEST	End of the Acceptance Period (subject to extension)

21 June 2007 (subject to extension of the Acceptance Period)	Unconditional Date: announcement whether the Exchange Offer is declared unconditional ( <i>gestand wordt gedaan</i> )
22 June 2007 (subject to extension of the Acceptance Period)	First day of the Subsequent Acceptance Period ( <i>na-aanmeldingstermijn</i> ), assuming 21 June 2007 as the Unconditional Date
22 June 2007, 9.00 hours CEST (subject to extension of the Acceptance Period)	Expected date of listing and time of start of trading of the Unibail Shares and Unibail ORAs on Euronext Paris and Euronext Amsterdam, assuming 21 June 2007 as the Unconditional Date
25 June 2007 (subject to extension of the Acceptance Period)	Settlement Date
10 July 2007 (subject to extension of the Acceptance Period)	Last day of the Subsequent Acceptance Period, assuming 21 June 2007 as the Unconditional Date and a Subsequent Acceptance Period of 13 Euronext Trading Days

### 3. INVITATION TO RODAMCO SHAREHOLDERS

*With reference to the statements and restrictions set out in this Offer Document, all Rodamco Shareholders are hereby invited to tender their Rodamco Shares in the manner and under the terms and conditions set out below.*

*Rodamco Shareholders are advised to review this Offer Document thoroughly and completely and to seek independent advice where appropriate in order to reach a balanced judgement with respect of the Exchange Offer itself and the contents of this Offer Document. With respect to the issuance of the Unibail Shares and Unibail ORAs, reference is made to the Prospectus.*

*See this Chapter 3 (Invitation to Rodamco Shareholders) for detailed information about fractions, Acceptance, withdrawal rights, the Acceptance Period and extension thereof, declaring the Exchange Offer unconditional (gestanddoening), the Subsequent Acceptance Period (na-aanmeldingstermijn), Settlement, fractional Unibail Shares and Unibail ORAs, the listing of Unibail Shares and Unibail ORAs, commission, restrictions and an indicative timetable of the Exchange Offer.*

*See Chapter 4 (The Exchange Offer) for detailed information about the Exchange Offer, including Paragraph 4.2 for a description of the Exchange Offer Conditions.*

#### 3.1 The Consideration offered

##### 3.1.1 Share Exchange Ratio and ORA Exchange Ratio

On 10 April 2007 Unibail and Rodamco jointly announced their intention to combine both companies and Unibail's intention to offer, in exchange for each Rodamco Share validly tendered within the Acceptance Period (or defectively tendered provided that such defect has been waived by Unibail) and delivered (*geleverd*), 0.5300 of a Unibail Share (the "Initial Share Exchange Ratio"). In addition, each Rodamco Shareholder will be entitled, with respect to all or a portion of such Rodamco Shares, to elect to receive, in lieu of Unibail Shares and subject to the limits and proration procedures described in Paragraph 3.1.2, 0.5300 of a Unibail ORA (the "Initial ORA Exchange Ratio" and, together with the Initial Share Exchange Ratio, the "Initial Exchange Ratio"), subject to the assumption set forth below.

The Initial Exchange Ratio was calculated under the assumption that Settlement would occur:

- (i) before the ex dividend date relating to an amount of EUR 1.00 (one euro) of interim dividend in respect of the Unibail Shares paid on 16 April 2007 to the Unibail Shareholders (the "Unibail 2006 Interim Dividend")
- (ii) before the ex dividend date relating to an amount of EUR 2.34 (two euros and thirty four cents) of final dividend in respect of the Rodamco Shares paid on 8 May 2007 to the Rodamco Shareholders (the "Rodamco 2006 Final Dividend");
- (iii) before the ex dividend date (expected in July 2007) relating to an amount of EUR 2 (two euros) of Unibail final dividend for the financial year 2006 (the "Unibail 2006 Final Dividend"), and
- (iv) without Rodamco and/or Unibail having paid or declared any exceptional dividend or other distribution to the Rodamco and/or Unibail Shareholders and without Rodamco and/or Unibail having implemented, or resolved or otherwise agreed to implement, any changes in its share capital affecting the value of the Consideration. Rodamco and Unibail have agreed in the Merger Protocol to refrain from making such exceptional dividends, distributions or share capital changes.

As set forth in Paragraph 3.12.1, the Initial Exchange Ratio has been adjusted to 0.5223 of a Unibail Share (the "Share Exchange Ratio") and/or, at the election of the tendering Rodamco Shareholder and subject to the limits and proration procedures described in Paragraph 3.1.2, 0.5223 of a Unibail ORA (the "ORA Exchange Ratio" and, together with the Share Exchange Ratio, the "Exchange Ratio"), in order to reflect the financial impact of the Rodamco 2006 Final Dividend and the Unibail 2006 Interim Dividend, which have been paid to the Rodamco Shareholders and the Unibail Shareholders, respectively.

If any of the assumptions referred to under (iii) and (iv) above in this Paragraph 3.1.1, that Settlement will occur before the ex dividend date (expected on 16 July 2007) relating to the Unibail 2006 Final Dividend and without payment of any exceptional dividend or other distribution, proves to be incorrect, the Exchange Ratio of 0.5223 will be recalculated, as set forth in Paragraph 3.12.1.

There are differences between the rights of a holder of shares issued by Rodamco, a Dutch public limited liability company, and the rights of a holder of shares or ORAs (*Obligation Remboursable en Actions*, or bonds redeemable for shares) issued by Unibail, a French public limited liability company. For a description and detailed information on Rodamco, please refer to Chapter 10 (Information on Rodamco). For a description and detailed information on

Unibail, the principal rights attached to Unibail Shares and the principle terms of the Unibail ORAs, please refer to Chapter 11 (Information on Unibail). In connection with the issuance of the new Unibail Shares and the Unibail ORAs, reference is particularly made to the Prospectus.

The value of (the part of) a Unibail Share offered under the terms of the Exchange Offer for each Rodamco Share equals, at the Settlement Date, the value of (the part of) a Unibail ORA offered under the terms of the Exchange Offer for each Rodamco Share.

The adjustment of the Initial Exchange Ratio of 0.5300 to the Exchange Ratio of 0.5223 maintains the value received by a Rodamco Shareholder tendering to the Exchange Offer, based on Unibail Share price of EUR 235.50 as at 5 April 2007 (the last business day prior to the initial announcement of Unibail's intention to make the Exchange Offer) as explained below.

Based on Unibail's closing share price of EUR 235.50 per Unibail Share as of 5 April 2007, the Initial Exchange Ratio of 0.5300 of a Unibail Share or ORA for each Rodamco Share values each Rodamco Share at EUR 124.82, representing:

- a 15.1% premium based on Unibail's and Rodamco's closing share prices as of 5 April 2007;
- a 15.1% premium based on Unibail's and Rodamco's volume weighted average closing share prices over the month ending 5 April 2007;
- a 8.2% premium based on Unibail's and Rodamco's volume weighted average closing share prices over the three month period ending 5 April 2007.

Based on Unibail's closing share price of EUR 235.50 per Unibail Share as of 5 April 2007 adjusted for Unibail interim dividend of EUR 1.00 per Unibail Share paid on 16 April 2007, the Exchange Ratio of 0.5223 of a Unibail Share or ORA for each Rodamco Share values each Rodamco Share at EUR 122.48 after payment of Rodamco final dividend relating to fiscal year 2006 of EUR 2.34 per Share paid on 8 May 2007, resulting in a total consideration of EUR 124.82.

The Exchange Ratio represents:

- a 15.4% premium based on Unibail's and Rodamco's closing share prices as of 5 April 2007, adjusted for Unibail 2006 Interim Dividend and Rodamco 2006 Final Dividend;
- a 15.5% premium based on Unibail's and Rodamco's volume weighted average closing share prices over the month ending 5 April 2007, adjusted for Unibail 2006 Interim Dividend and Rodamco 2006 Final Dividend;
- a 8.5% premium based on Unibail's and Rodamco's volume weighted average closing share prices over the three month period ending 5 April 2007, adjusted for Unibail 2006 Interim Dividend and Rodamco 2006 Final Dividend.

### **3.1.2 Consideration**

#### *Election*

Subject to the limitations and proration and allocation adjustments described below, in lieu of receiving the Share Consideration, Rodamco Shareholders may elect, in accordance with the procedure described in Paragraph 3.2, to receive the ORA Consideration in respect of all or a portion of the Rodamco Shares they tender. Rodamco Shareholders tendering their Rodamco Shares without making such election will be deemed to have chosen the Share Consideration only. A Rodamco Shareholder does not need to tender Rodamco Shares in lots exactly divisible by the Exchange Ratio (reference is made to Paragraph 3.10).

#### *Maximum number of Unibail ORAs*

A maximum of 9,363,720 (nine million three hundred sixty three thousand seven hundred and twenty) Unibail ORAs will be available for issue under the ORA Consideration, being 20% of the Consideration offered in exchange for all Rodamco Shares.

If and to the extent that the ORA Consideration is oversubscribed by Rodamco Shareholders (*i.e.* the aggregate number of Unibail ORAs that would be issued in exchange for Rodamco Shares in respect of which a valid election to receive the ORA Consideration has been made would exceed 9,363,720 Unibail ORAs), then the Unibail ORAs will be allocated among the Rodamco Shareholders electing the ORA Consideration on a pro rata basis according to the number of Rodamco Shares tendered by such Rodamco Shareholders, in respect of which a valid election to receive the ORA Consideration has been made (rounded downwards to the nearest whole number). In respect of the



remaining tendered Rodamco Shares not exchanged for Unibail ORAs, such Rodamco Shareholders will receive the Share Consideration.

If and to the extent that Unibail ORAs have been allocated at Settlement among Rodamco Shareholders that have tendered Rodamco Shares during the Acceptance Period and elected to receive the ORA Consideration, such Unibail ORAs shall no longer be available under the ORA Consideration to the Rodamco Shareholders that tender their Rodamco Shares during the Subsequent Acceptance Period (*na-aanmeldingstermijn*). Therefore, Rodamco Shareholders that do not tender their Rodamco Shares into the Exchange Offer during the Acceptance Period should be aware of the risk that they may not be able to obtain Unibail ORAs in the Subsequent Acceptance Period.

### *Dilution*

In the event that all Rodamco Shares are tendered into the Exchange Offer and that all Rodamco Shareholders elect the Share Consideration and no election has been made for the ORA Consideration, a total of 46,818,602 (forty six million eight hundred eighteen thousand six hundred and two) Unibail Shares will be issued upon Settlement. In that event, the number of Unibail Shares issued will increase from 46,146,016 to 92,964,618 and the outstanding nominal share capital of Unibail will increase by EUR 234,093,010, from EUR 230,730,080 to EUR 464,823,090. In this scenario, the maximum of 46,818,602 Unibail Shares issued to Rodamco Shareholders at Settlement would represent approximately 50.4% of the nominal share capital and voting rights of Unibail as at the Settlement Date.

In the event that all Rodamco Shares are tendered into the Exchange Offer and that a sufficient number of Rodamco Shareholders elect to receive the ORA Consideration such that the maximum of 9,363,720 Unibail ORAs are issued in connection with the Exchange Offer, a total of 37,454,882 Unibail Shares will be issued upon Settlement. In that event, the number of Unibail Shares issued will increase from 46,146,016 to 83,600,898 and the outstanding nominal share capital of Unibail will increase by EUR 187,274,410 from EUR 230,730,080 to EUR 418,004,490. In this scenario, the 37,454,882 Unibail Shares issued to Rodamco Shareholders at Settlement would represent approximately 44.8% of the nominal share capital and voting rights of Unibail on the Settlement Date. Accordingly, on a diluted basis, *i.e.* after subsequent conversion of all such Unibail ORAs into the number of Unibail Shares implied by the initial Redemption Ratio (one Unibail Share for one Unibail ORA, see Paragraph 11.8.2) (but excluding any other existing options on Unibail Shares), the nominal share capital would increase to the same number as described above in this Paragraph in respect of the scenario that all Rodamco Shares are tendered into the Exchange Offer and that all Rodamco Shareholders elect the Share Consideration, being an additional EUR 46,818,600 (increasing Unibail's outstanding nominal share capital from EUR 418,004,490 to EUR 464,823,090) and the Unibail Shares to be issued in such conversion would represent approximately 10.1% of the nominal share capital and voting rights of Unibail.

### *Illustrative example of proration and allocation procedure in case of oversubscription of the ORA Consideration*

For the purpose of the proration procedure, the "Proration Factor" will be calculated as the ratio of:

- The total number of Rodamco Shares tendered in exchange of the ORA Consideration *multiplied* by the ORA Exchange Ratio; and
- The maximum number of 9,363,720 Unibail ORAs to be issued (as defined above).

The following example illustrates the proration and allocation procedure in the event that the ORA Consideration is oversubscribed (*i.e.* the aggregate number of Unibail ORAs that would be issued in exchange for Rodamco Shares in respect of which a valid election to receive the ORA Consideration has been made would exceed 9,363,720 Unibail ORAs).

For purposes of this example, it is assumed that Settlement occurs on the basis of the following:

- The Share Exchange Ratio is 0.5223 of a Unibail Share for 1 Rodamco Share;
- The ORA Exchange Ratio is 0.5223 of a Unibail ORA for 1 Rodamco Share;
- The maximum number of Unibail ORAs to be issued is 9,363,720;
- All Rodamco Shares (*i.e.*, 89,639,292 shares) have been validly tendered (or defectively tendered, provided that such defect has been waived by Unibail) into the Exchange Offer, pursuant to the following elections:
  - the holders of 30,000,000 Rodamco Shares have elected the Share Consideration;
  - the holders of 50,000,000 Rodamco Shares have elected the ORA Consideration; and

— the holders of 9,639,292 Rodamco Shares have not made any election, and will therefore receive the Share Consideration;

- Shareholder A tendered 1,000 Rodamco Shares pursuant to a valid election to receive the ORA Consideration;
- Shareholder B tendered 500 Rodamco Shares pursuant to a valid election to receive the Share Consideration and 500 Rodamco Shares pursuant to a valid election to receive the ORA Consideration;
- Shareholder C tendered 1,000 Rodamco Shares pursuant to a valid election to receive the Share Consideration; and
- Shareholder D tendered 1,000 Rodamco Shares pursuant without making any election.

In this example, the total number of Rodamco Shares tendered pursuant to a valid election to receive the ORA Consideration multiplied by the ORA Exchange Ratio exceeds the maximum number of Unibail ORAs available for issue (26,115,000 vs. a maximum of 9,363,720 Unibail ORAs). Therefore, proration and adjustments will be required, based on a Proration Factor of 2.789, calculated as 50,000,000 (being the total number of Rodamco Shares tendered pursuant to a valid election to receive the ORA Consideration) *multiplied* by the ORA Exchange Ratio and *divided* by 9,363,720 (the maximum number of ORA to be issued).

After applying the Proration Factor and allocation procedures, the shareholders receive the following consideration:

- *Shareholder A.* Of the 1,000 Rodamco Shares tendered by Shareholder A pursuant to a valid election to receive ORA Consideration, 358 Rodamco Shares (which is 1,000 divided by the Proration Factor of 2.789, rounded down to the nearest whole number) would be exchanged for the ORA Consideration and 642 Rodamco Shares would be exchanged for the Share Consideration. As a result, Shareholder A would receive 186 Unibail ORAs (which is 358 Rodamco Shares *multiplied* by the ORA Exchange Ratio of 0.5223, rounded down to the nearest whole number) plus cash in lieu of the fractional Unibail ORA and 335 or 336 Unibail Shares (642 Rodamco Shares *multiplied* by the Share Exchange Ratio of 0.5223, rounded down or up, at the election of the holder, to the nearest whole number) plus cash (or after paying cash) in lieu of fractional Unibail Share that would otherwise have been issued, in each case, in application of the procedures for avoiding the issuance of fractional Unibail Shares and fractional Unibail ORAs set forth in Paragraph 3.10.
- *Shareholder B.* Of the 500 Rodamco Shares tendered by Shareholder B pursuant to a valid election to receive ORA Consideration, 179 Rodamco Shares (which is 500 divided by the Proration Factor of 2.789, rounded down to the nearest whole number) would be exchanged for the ORA Consideration and 321 Rodamco Shares would be exchanged for the Share Consideration. As a result, Shareholder B would receive 93 Unibail ORAs (which is 179 Rodamco Shares *multiplied* by the ORA Exchange Ratio of 0.5223, rounded down to the nearest whole number) plus cash in lieu of the fractional Unibail ORA and 167 or 168 Unibail Shares (321 Rodamco Shares *multiplied* by the Share Exchange Ratio of 0.5223, rounded down or up, at the election of the holder, to the nearest whole number) plus cash (or after paying cash) in lieu of fractional Unibail Share that would otherwise have been issued, in each case, in application of the procedures for avoiding the issuance of fractional Unibail Shares and fractional Unibail ORAs set forth in Paragraph 3.10.

In exchange for the 500 Rodamco Shares tendered by Shareholder B pursuant to a valid election to receive the Share Consideration, Shareholder B would receive 261 or 262 Unibail Shares (which is 500 *multiplied* by the Share Exchange Ratio of 0.5223, rounded down or up, at the election of the holder, to the nearest whole number) plus cash (or after paying cash) in lieu of fractional Unibail Share that would otherwise have been issued, in each case, in application of the procedures for avoiding the issuance of fractional Unibail Shares and fractional Unibail ORAs set forth in Paragraph 3.10.

As a result, Shareholder B would receive a total of 428 or 429 Unibail Shares and 93 Unibail ORAs, plus cash (or after paying cash) in lieu of fractional Unibail Share and ORA that would otherwise have been issued, in each case, in application of the procedures for avoiding the issuance of fractional Unibail Shares and fractional Unibail ORAs set forth in Paragraph 3.10.

- *Shareholder C.* Because shareholder C elected to receive the Share Consideration in respect of the 1,000 Rodamco Shares tendered, no proration nor adjustment would be required: in exchange for the 1000 Rodamco Shares tendered, shareholder C would receive 522 or 523 Unibail Shares (which is 1000 *multiplied* by the Share Exchange Ratio of 0.5223, rounded down or up, at the election of the holder, to the nearest whole number) plus cash (or after paying cash) in lieu of fractional Unibail Share that would otherwise have been issued, in each case, in application of the procedures for avoiding the issuance of fractional Unibail Shares and fractional Unibail ORAs set forth in Paragraph 3.10.

- *Shareholder D.* Because shareholder D made no election, shareholder D will be deemed to have elected to receive the Share Consideration in respect of the 1,000 Rodamco Shares tendered. As a result, shareholder D will be treated in the same manner as Shareholder C and, in exchange for the 1000 Rodamco Shares tendered, shareholder D would receive 522 or 523 Unibail Shares plus cash (or after paying cash) in lieu of fractional Unibail Share that would otherwise have been issued, in each case, in application of the procedures for avoiding the issuance of fractional Unibail Shares and fractional Unibail ORAs set forth in Paragraph 3.10.

### **3.2 Acceptance procedure**

Holders of Rodamco Shares are requested to make their Acceptance known through their bank or stockbroker to the Exchange and Listing Agent by no later than 20 June 2007 at 15.00 hours CEST, unless the Acceptance Period has been extended in accordance with Paragraph 3.6. The relevant bank or stockbroker may set an earlier deadline for communication by Rodamco Shareholders in order to permit the bank or stockbroker to communicate Acceptances to the Exchange and Listing Agent in a timely manner.

The Admitted Institutions may submit the Acceptances only to the Exchange and Listing Agent and only in writing. In submitting the Acceptances, each Admitted Institutions is required to (a) indicate the number of Rodamco Shares tendered, (b) indicate the number of tendered Rodamco Shares in respect of which the ORA Consideration is elected (if any) and (c) declare that (i) it has the tendered Rodamco Shares in its administration; (ii) each accepting Rodamco Shareholder irrevocably represents and warrants that he has full power and authority to tender, sell and deliver, and has not entered into any other agreement to tender, sell or deliver the Rodamco Shares stated to have been tendered, to any party other than Unibail; (iii) each accepting Rodamco Shareholder irrevocably represents and warrants that he complies with the restrictions outlined in this Offer Document and in the Prospectus and those pursuant to securities and other applicable laws or regulations of the jurisdiction in which such Rodamco Shareholder is located and no registration, approval or filing with any regulatory authority of such jurisdiction is required in connection with the tendering of such Rodamco Shares; and (iv) each accepting Rodamco Shareholder undertakes to transfer these Rodamco Shares free and clear of any rights of pledge or usufruct, liens or attachments or similar charges to Unibail via the Exchange and Listing Agent on the Settlement Date, provided the Exchange Offer has been declared unconditional (*gestand wordt gedaan*).

Subject to article 9o, paragraph 5 of the Decree, the Acceptances from holders of Rodamco Shares in the book-entry system of Euroclear Nederland shall constitute irrevocable instructions to the relevant Admitted Institutions to effect Settlement in accordance with Paragraph 3.8 and in particular to: (i) block any attempt to transfer the Rodamco Shares tendered, so that on or prior to the Settlement Date no transfer of such Rodamco Shares may be effected (other than to Unibail on the Settlement Date if the Exchange Offer has been declared unconditional and the Rodamco Shares have been accepted for exchange); (ii) debit the securities account in which the Rodamco Shares tendered or deemed to have been tendered in respect of such Rodamco Shares; and (iii) deliver such Rodamco Shares through the book-entry system of Euroclear Nederland to Unibail's securities account number 41.46.27.334 (Euroclear Nederland Account 009/ISS2) with the Exchange and Listing Agent no later than 15.00 hours CEST on the Settlement Date.

To the extent permitted by applicable law, all Acceptances shall be irrevocable and may not be withdrawn.

For further information regarding the Acceptance procedure, Rodamco Shareholders can contact the Listing and Exchange Agent (who's contact details are set forth in Chapter II). The Listing and Exchange Agent will only be able to assist with enquiries about how the Exchange Offer can be accepted and will not and cannot offer any advice as to whether or not the Exchange Offer should be accepted.

### **3.3 Offer Conditions**

The Exchange Offer shall be declared unconditional (*gestanddoening*) if the Offer Conditions set out in Paragraph 4.2, including, but not limited to the Minimum Acceptance Condition, are fulfilled or, if permitted by applicable law and as set forth in that Paragraph, waived.

### **3.4 Acceptance Period**

The Acceptance Period begins on 22 May 2007 and ends, subject to extension in accordance with article 9o paragraph 5 of the Decree and article 6 paragraph 1 sub d of the Temporary Regulation, on 20 June 2007 at 15.00 hours CEST.

If one or more of the Offer Conditions set forth in Paragraph 4.2 is not fulfilled, Unibail may in certain events, depending on the circumstances, with the consent of Rodamco extend the Acceptance Period until all Offer Conditions have been fulfilled or waived. During an extension of the Acceptance Period, any Rodamco Shares

previously tendered and not withdrawn will remain subject to the Exchange Offer, subject to the right of each Rodamco Shareholder to withdraw the Rodamco Shares he has already tendered.

If all Offer Conditions are fulfilled or, where appropriate, waived, Unibail will accept all Rodamco Shares that have been validly tendered (or defectively tendered provided that such defect has been waived by Unibail) in accordance with the procedures set forth in Paragraph 3.2.

### **3.5 Declaring the Exchange Offer unconditional (*gestanddoening*)**

The Exchange Offer is subject to the fulfilment of the Offer Conditions, including, but not limited to, the Minimum Acceptance Condition. Unibail reserves the right, in certain cases subject to the consent of Rodamco, to waive Offer Conditions if permitted by applicable law as set forth in Paragraph 4.2.

As soon as possible after the Acceptance Closing Date (whether or not the Acceptance Period has been extended), but no later than the fifth Euronext Trading Day thereafter, Unibail will announce whether (i) the Exchange Offer is declared unconditional, (ii) there is still uncertainty as to the fulfilment of any of the Offer Conditions, or (iii) the Exchange Offer is terminated, as a result of the Offer Conditions not having been fulfilled or waived by Unibail, all in accordance with article 9t, paragraph 4 of the Decree.

### **3.6 Extension of the Acceptance Period**

Unibail may extend the Acceptance Period in accordance with article 9o paragraph 5 of the Decree and article 6 paragraph 1 sub d of the Temporary Regulation. If the Acceptance Period is extended such that the obligation pursuant to article 9t of the Decree to announce whether the Exchange Offer has been declared unconditional (*gestand wordt gedaan*) is postponed, a public announcement to that effect shall be made no later than on the third Euronext Trading Day following the initial Acceptance Closing Date or any later date and time to which the Acceptance Period has been extended.

### **3.7 Subsequent Acceptance Period (*na-aanmeldingstermijn*)**

If the Exchange Offer is declared unconditional (*gestand wordt gedaan*) on the Unconditional Date, which is expected to be on 21 June 2007 if the Acceptance period is not extended, Unibail will announce a Subsequent Acceptance Period of up to 15 Euronext Trading Days. Any Subsequent Acceptance Period is expected to run from the first Euronext Trading Day after the expected Unconditional Date referred to above up to and including 10 July 2007 assuming the Acceptance Period has not previously been extended and assuming a Subsequent Acceptance Period of 13 Euronext Trading Days. Settlement in respect of the Rodamco Shares tendered in the Subsequent Acceptance Period shall occur no later than three Euronext Trading Days after the end of the Subsequent Acceptance Period (reference is made to Paragraph 3.8).

During the Subsequent Acceptance Period, neither Rodamco Shareholders who tendered Rodamco Shares during the Acceptance Period, if such Rodamco Shares were accepted pursuant to the Exchange Offer, nor Rodamco Shareholders who tender Rodamco Shares during a Subsequent Acceptance Period, shall have any right to withdraw such Rodamco Shares from the Exchange Offer.

If and to the extent that Unibail ORAs have been allocated at Settlement among Rodamco Shareholders that have tendered Rodamco Shares during the Acceptance Period and elected to receive the ORA Consideration, such Unibail ORAs shall no longer be available under the ORA Consideration to the Rodamco Shareholders that tender their Rodamco Shares during the Subsequent Acceptance Period (*na-aanmeldingstermijn*). Therefore, Rodamco Shareholders that do not tender their Rodamco Shares into the Exchange Offer during the Acceptance Period should be aware of the risk that they may not be able to obtain Unibail ORAs in the Subsequent Acceptance Period.

If and to the extent that the ORA Consideration available during the Subsequent Acceptance Period is oversubscribed by Rodamco Shareholders tendering Rodamco Shares during the Subsequent Acceptance Period (i.e. the aggregate number of Unibail ORAs that would be issued in exchange for Rodamco Shares in respect of which a valid election to receive the ORA Consideration has been made during the Subsequent Acceptance Period, would exceed the number of Unibail ORAs still available in the Subsequent Acceptance Period), then the Unibail ORAs will be allocated among the Rodamco Shareholders electing the ORA Consideration during the Subsequent Acceptance Period on a pro rata basis according to the number of Rodamco Shares tendered by such Rodamco Shareholders in the Subsequent Acceptance Period in respect of which a valid election to receive the ORA Consideration has been made (rounded downwards to the nearest whole number). In respect of the Rodamco Shares tendered by Rodamco Shareholders during the Subsequent Acceptance Period and not exchanged for Unibail ORAs following such pro ration procedure, the Rodamco Shareholders will receive the Share Consideration.

### 3.8 Settlement

On the Settlement Date, being no later than three Euronext Trading Days after the Unconditional Date, provided that in case of unforeseen circumstances (*e.g.* in the event of *force majeure*) Settlement will take place as soon as those circumstances permit, such number of Unibail Shares and Unibail ORAs shall be transferred, in accordance with the terms and conditions of the Exchange Offer, to the Rodamco Shareholders who have validly tendered (or defectively tendered, provided that such defect has been waived by Unibail) and delivered (*geleverd*) their Rodamco Shares during the Acceptance Period, as corresponds to the Exchange Ratio and to the Proration Factor for the relevant tendered and delivered Rodamco Shares.

No later than three Euronext Trading Days after the end of the Subsequent Acceptance Period, such number of Unibail Shares and Unibail ORAs shall be transferred, in accordance with the terms and conditions of the Exchange Offer, to the Rodamco Shareholders who have validly tendered (or defectively tendered, provided that such defect has been waived by Unibail) and delivered (*geleverd*) their Rodamco Shares during the Subsequent Acceptance Period, as corresponds to the Exchange Ratio and to the Proration Factor for the relevant tendered and delivered Rodamco Shares.

The new Unibail Shares and Unibail ORAs will be deposited in the book-entry facilities of Euroclear France. The delivery of the new Unibail Shares and the Unibail ORAs will take place through the book-entry facilities of Euroclear France, Euroclear Nederland and Euroclear Belgium.

Dissolution or annulment of the Acceptances, the agreement to exchange Rodamco Shares pursuant to the Exchange Offer, delivery (*levering*) of Rodamco Shares or Settlement is not permitted.

For further information regarding the Settlement, Rodamco Shareholders can contact the Listing and Exchange Agent (who's contact details are set forth in Chapter II). The Listing and Exchange Agent will only be able to assist with enquiries about the Settlement and will not and cannot offer any advice as to whether or not the Exchange Offer should be accepted.

### 3.9 Announcements

Any announcement in relation to the Exchange Offer will be made, to the extent required by applicable laws and regulations, by means of a press release and an advertisement in the Daily Official List (*Officiële Prijscourant*), at least one Dutch national newspaper (*Het Financieele Dagblad* and/or the *NRC Handelsblad*), one French national newspaper (*La Tribune*), two Belgian newspapers (*L'Echo* and *De Tijd*) and/or one German national newspaper (*Frankfurter Allgemeine Zeitung*).

### 3.10 Fractional Unibail Shares and Unibail ORAs

No fractional Unibail Shares or Unibail ORAs will be issued to persons who validly tender Rodamco Shares in the Exchange Offer. Admitted Institutions that tender Rodamco Shares in the Exchange Offer on behalf of their clients will round down fractional entitlements to Unibail ORAs (and remit cash in lieu of fractional entitlements) and either round down fractional entitlements to Unibail Shares (and remit cash in lieu of fractional entitlements) or round up fractional entitlements to Unibail Shares (subject to receipt of the requisite funds from the clients), in each case in accordance with the usual practice of the Admitted Institutions. Aggregate fractional shares resulting from the rounding down of fractional entitlements to Unibail Shares are expected to be netted against the aggregate fractional shares resulting from the rounding up of fractional entitlements to Unibail Shares by each tendering Admitted Institution. The price in euro at which fractions are sold or purchased will be based on the average price at which the tendering Admitted Institutions either purchase or sell the net aggregate fractional shares of Unibail Shares on Euronext Paris and/or Euronext Amsterdam as such price is established by the relevant Admitted Institution in accordance with its applicable policies and practice. Holders of Rodamco Shares will receive cash in euros in lieu of their fractional share from the Admitted Institution in the event of an election to round down their fractional entitlement and will be debited the purchase price by such Admitted Institution for the fractional share necessary to reach the nearest whole Unibail Share in the event of an election to round up their fractional entitlement. For the avoidance of doubt, fractional entitlements to Unibail ORAs cannot be rounded up.

### 3.11 Listing of Unibail Shares and Unibail ORAs

The Unibail Shares are listed on Euronext Paris under the symbol "UL". Unibail has applied, subject to the Exchange Offer being declared unconditional (*gestanddoening*), to list the Unibail Shares and Unibail ORAs to be issued in connection with the Exchange Offer on Euronext Paris. The Unibail ORAs will be listed on Euronext Paris under the symbol "ULO". Subject to the Exchange Offer being declared unconditional, trading with respect to such Unibail Shares and Unibail ORAs on Euronext Paris is expected to commence on or about the Settlement Date,

provided that in case of unforeseen circumstances (e.g. in the event of *force majeure*) trading will commence as soon as those circumstances permit.

Unibail has applied, subject to the Exchange Offer being declared unconditional, to list the Unibail Shares and the Unibail ORAs on Euronext Amsterdam. The Unibail Shares will be listed on Euronext Amsterdam under the symbol "ULA". The Unibail ORAs will be listed on Euronext Amsterdam under the symbol "ULOA". Subject to the Exchange Offer being declared unconditional, trading with respect to all Unibail Shares and Unibail ORAs on Euronext Amsterdam is expected to commence on or about the Settlement Date, provided that in case of unforeseen circumstances (e.g. in the event of *force majeure*) trading will commence as soon as those circumstances permit.

### 3.12 Dividends

#### 3.12.1 Dividends adjustment of the Consideration

##### *Adjustment for Unibail Interim Dividend and Rodamco Final Dividend*

As set forth in Paragraph 3.1.1, the Exchange Ratio of 0.5223 is calculated, based on the Initial Exchange Ratio of 0.5300 of a Unibail Share or Unibail ORA for each Rodamco Share adjusted for the payment of Unibail Interim Dividend and Rodamco Final Dividend to Unibail and Rodamco shareholders respectively, as the ratio between:

- an amount equal to EUR 122.48, which is the implied value of the Consideration of EUR 124.82 based on the closing price of EUR 235.50 for Unibail Shares on Euronext Paris on 5 April 2007 multiplied by the Initial Exchange Ratio of 0.5300 minus the Rodamco Final Dividend of EUR 2.34 per Rodamco Share; and
- an amount equal to EUR 234.50, which was the closing price of EUR 235.50 for Unibail Shares on Euronext Paris on 5 April 2007 minus the Unibail Interim Dividend of EUR 1.00 per Unibail Share.

The adjustment of the Initial Exchange Ratio of 0.5300 to the Exchange Ratio of 0.5223 maintains the value received by a Rodamco Shareholder tendering to the Exchange Offer, based on Unibail Share price of EUR 235.50 as at 5 April 2007 (the last business day prior to the initial announcement of Unibail's intention to make the Exchange Offer).

The Exchange Ratio of 0.5223 is calculated under the assumptions that Settlement will occur:

- (i) before the ex dividend date relating to the Unibail 2006 Final Dividend (as defined in Paragraph 3.1.1), and
- (ii) without Rodamco and/or Unibail having paid or declared any exceptional dividend or other distribution to the Rodamco and/or Unibail Shareholders and without Rodamco and/or Unibail having implemented, or resolved or otherwise agreed to implement, any changes in its share capital affecting the value of the Consideration. Rodamco and Unibail have agreed in the Merger Protocol to refrain from making such exceptional dividends, distributions or share capital changes.

If one or more of these assumptions proves to be incorrect, the Exchange Ratio will be recalculated, in order to maintain the value of the Consideration, as set forth in the formula below:

$$Z = [S \times 0.5223 - Dr] / [S - Du]$$

with:

- Z: the recalculated Exchange Ratio;
- S: an amount equal to EUR 234.50, which was the closing price of EUR 235.50 for Unibail Shares on Euronext Paris on 5 April 2007 minus the Unibail Interim Dividend of EUR 1.00 per Unibail Share;
- Dr: total amount of dividend or other distribution (before any applicable withholding tax) per Rodamco Share paid or payable by Rodamco prior to Settlement; and
- Du: total amount of Unibail 2006 Final Dividend or other distribution (before any applicable withholding tax) per Unibail Share paid or payable by Unibail prior to Settlement.

The Exchange Ratio was, and a recalculation thereof, if any, will be a number with 4 decimals, whereby the fourth decimal is determined (to the extent necessary) by the round-half-up method, i.e. either rounding up if the fifth decimal is 5 or more and rounding down if the fifth decimal is 4 or less. In the event of a recalculation of the Exchange Ratio, Unibail will issue a press release setting forth the recalculated Exchange Ratio and Consideration.

### *Recalculation for Unibail final 2006 dividend*

In the event that Settlement occurs after the ex-dividend date of the Unibail 2006 Final Dividend, the Exchange Ratio (calculated as 0.5223) will be recalculated as the ratio between:

- an amount equal to EUR 122.48, which is the implied value of the Consideration based on the closing price of EUR 235.50 for Unibail Shares on Euronext Paris on 5 April 2007 minus the Unibail Interim Dividend of EUR 1.00 multiplied by the Exchange Ratio of 0.5223; and
- an amount equal to EUR 232.50, which was the closing price of EUR 235.50 for Unibail Shares on Euronext Paris on 5 April 2007 minus the Unibail 2006 Interim Dividend of EUR 1.00 and Unibail 2006 Final Dividend of EUR 2.00.

In this example, the revised Exchange Ratio would be 0.5268 (which is EUR 122.48 (which is EUR 234.5 multiplied by 0.5223) divided by EUR 232.50).

### **3.12.2 Entitlement to Unibail's dividends**

If the Settlement Date occurs prior to the ex-dividend date with respect to the Unibail 2006 Final Dividend, the new Unibail Shares offered in exchange for the Rodamco Shares will give holders the right to receive such dividend. In respect of the following financial years holders of Unibail Shares issued in connection with the Exchange Offer shall be entitled to receive the same dividend (on the basis of the same nominal value) as that paid in respect of other Unibail Shares with equivalent dividend rights. As a result, the Unibail Shares issued in the Exchange Offer will be fully fungible with the existing Unibail Shares.

Unibail is subject to specific distribution requirements under the tax regime applicable to listed property investment companies (*sociétés d'investissements immobiliers cotées*) in France. (Reference is made to Paragraph 11.6 for a description of the SIIC Regime.) Post Settlement, the Combined Entity will also be subject to specific distribution requirements under the FBI Regime. Reference is made to Paragraph 10.12 for a description of the FBI Regime.

### **3.12.3 Entitlement to Unibail's Cash Amounts**

The Unibail ORAs offered in exchange for the Rodamco Shares will accrue dividend related Cash Amounts (as defined in Paragraph 11.8.9) for the period starting at the issue date of the Unibail ORAs. Reference is also made to paragraph 5.8 of the Securities Note.

For the avoidance of doubt, no Cash Amounts will be paid on the Unibail ORAs relating to dividends in respect of any period before the issue date of the Unibail ORAs. The Unibail ORAs will accrue the Unibail 2006 Final Dividend, if any.

### **3.13 Commission**

Delivery (*levering*) of Rodamco Shares by Rodamco Shareholders to Unibail as well as delivery of Unibail Shares and Unibail ORAs by Unibail to Rodamco Shareholders will in principle be made without cost to Rodamco Shareholders (although Unibail cannot exclude that Admitted Institutions charge costs). Admitted Institutions will receive from the Exchange and Listing Agent on behalf of Unibail a commission of EUR 0.0422, in respect of each Rodamco Share validly tendered (or defectively tendered, provided that such defect has been waived by Unibail) and delivered (*geleverd*) up to a maximum of EUR 1,000 per Shareholder, as well as an additional compensation of EUR 2.50 per deposit client for rounding-off of fractions of Unibail Shares or Unibail ORAs. The commission per Rodamco Share must be claimed from Unibail through the Exchange and Listing Agent within 30 days of the Unconditional Date.

### **3.14 Restrictions**

The Exchange Offer is being made with due observance of such statements, conditions and restrictions as are included in this Offer Document. Unibail reserves the right to accept any tender under the Exchange Offer, which is made by or on behalf of a Rodamco Shareholder, even if such tender has not been effectuated in the manner set out above.

### 3.15 Indicative timetable of the Exchange Offer

The following table sets forth an indicative calendar, for illustrative purposes only, for the Exchange Offer:

21 May 2007	Advertisement announcing (i) the availability of the Offer Document and the Prospectus per 21 May 2007 and (ii) the commencement of the Exchange Offer per 22 May 2007
	Availability of the Offer Document and the Prospectus, launch of the Exchange Offer
21 May 2007	EGM Unibail
22 May 2007	First day of the Acceptance Period
6 June 2007	EGM Rodamco
20 June 2007, 15.00 hours CEST	End of the Acceptance Period (subject to extension)
21 June 2007 (subject to extension of the Acceptance Period)	Unconditional Date: announcement whether the Exchange Offer is declared unconditional ( <i>gestand wordt gedaan</i> )
22 June 2007 (subject to extension of the Acceptance Period)	First day of the Subsequent Acceptance Period ( <i>na-aanmeldingstermijn</i> ), assuming 21 June 2007 as the Unconditional Date
22 June 2007, 9.00 hours CEST (subject to extension of the Acceptance Period)	Expected date of listing and time of start of trading of the Unibail Shares and Unibail ORAs on Euronext Paris and Euronext Amsterdam, assuming 21 June 2007 as the Unconditional Date
25 June 2007 (subject to extension of the Acceptance Period)	Settlement Date
10 July 2007 (subject to extension of the Acceptance Period)	Last day of the Subsequent Acceptance Period, assuming 21 June 2007 as the Unconditional Date and a Subsequent Acceptance Period of 13 Euronext Trading Days



## 4. EXPLANATION OF THE EXCHANGE OFFER

### 4.1 History of the Exchange Offer

On 10 April 2007, Rodamco and Unibail jointly announced that the expectation was justified that an agreement could be reached in connection with a combination of the two companies implemented by way of an offer by Unibail for Rodamco Shares. Subsequently, Rodamco and Unibail entered into the Merger Protocol. Certain terms of the Merger Protocol are reflected or otherwise incorporated in this Offer Document. Reference is also made to Paragraph 4.12.

The notification of the transaction was filed with the French competition authority on 17 April 2007. Clearance is expected to be received within five weeks from that date.

Unibail has, by convening the EGM Unibail (reference is made to Paragraph 4.6) through the relevant notice (*avis de convocation*) dated 4 May 2007, taken all reasonable measures in accordance with article 6, paragraph 1 sub a of the Temporary Regulation to ensure availability of the consideration to be paid in the Exchange Offer if the Exchange Offer is declared unconditional.

### 4.2 Offer Conditions

Unibail's obligation to declare the Exchange Offer unconditional (*gestand doen*) and to accept the validly tendered and delivered Rodamco Shares, shall be subject to the following Offer Conditions being fulfilled or (where permitted) waived by Unibail and/or Rodamco, as the case may be:

- a. the number of Rodamco Shares that have been tendered for acceptance under the Exchange Offer, taken together with the Rodamco Shares which are, directly or indirectly, held by Unibail at that time, represent at least 60% (sixty per cent) of the issued share capital (*geplaatst kapitaal*) of Rodamco held by others than Rodamco at the Acceptance Closing Date (the "Minimum Acceptance Condition");
- b. no Material Adverse Change Relating to Rodamco has occurred or has become known to Unibail after the date of this Offer Document and on or prior to the Unconditional Date;

A "Material Adverse Change Relating to Rodamco" means any event or circumstance that results in, or could reasonably be expected to result in, a material adverse effect on the business, assets, results of operations, cash flow, financial position, capitalisation or prospects of Rodamco or the combined business of Rodamco and Unibail after completion of the Exchange Offer that would substantially impair the economic benefits that a bidder could reasonably expect for itself and its shareholders, as of 10 April 2007, to be realized from the combination of Unibail and Rodamco, and that does not arise as a result of:

- i. a general economic decline, or a decline in the real estate investment and management business, that does not disproportionately affect Rodamco;
  - ii. any matter known to Unibail on 10 April 2007 from information filed by Rodamco as a matter of public record, made public by Rodamco or reasonably apparent from the written information furnished by Rodamco to Unibail prior to 10 April 2007; or
  - iii. the announcement, making or consummation of the Exchange Offer;
- c. no Material Adverse Change Relating to Unibail has occurred or has become known to Rodamco after the date of this Offer Document and on or prior to the Unconditional Date;

A "Material Adverse Change Relating to Unibail" means any event or circumstance that results in, or could reasonably be expected to result in, a material adverse effect on the business, assets, results of operations, cash flow, financial position, market capitalisation or prospects of Unibail or the combined business of Unibail and Rodamco after completion of the Exchange Offer that would substantially impair the economic benefits that a target company could reasonably expect for itself and its shareholders, as of 10 April 2007, to be realized from the combination of Unibail and Rodamco, and that does not arise as a result of:

- i. a general economic decline, or a decline in the real estate investment and management business, that does not disproportionately affect Unibail;
- ii. any matter known to Rodamco on 10 April 2007 from information filed by Unibail as a matter of public record, made public by Unibail or reasonably apparent from the written information furnished by Unibail to Rodamco prior to 10 April 2007; or
- iii. the announcement, making or consummation of the Exchange Offer;

- d. on or prior to the Unconditional Date, Rodamco has not materially breached the Merger Protocol or, if such breach has occurred, it has not been remedied by Rodamco within 1 (one) week after receipt of a written notice by Unibail, provided that Rodamco shall not be entitled to such remedy period if the breach is not capable of being remedied prior to the Acceptance Closing Date;
- e. on or prior to the Unconditional Date, Unibail has not materially breached the Merger Protocol or, if such breach has occurred, it has been remedied by Unibail within 1 (one) week after receipt of a written notice by Rodamco, provided that Unibail shall not be entitled to such remedy period if the breach is not capable of being remedied prior to the Acceptance Closing Date;
- f. on or prior to the Unconditional Date, the Merger Protocol shall not have been terminated pursuant to the termination provisions contained therein, consequently if:
  - (i) one or more Offer Conditions is not fulfilled or waived on or before the sixtieth business day after the date of this Offer Document, provided that the non-fulfilment of the relevant Offer Condition(s) is not due to a breach by the terminating party of any of its obligations under the Merger Protocol or any agreement resulting therefrom;
  - (ii) a material breach of the Merger Protocol by a party occurs, which has not been remedied by the breaching party within one week after receipt of a written notice by the terminating party, provided that the breaching party shall not be entitled to such remedy period if the breach is not capable of being remedied;
  - (iii) no revised offer is made by Unibail following a superior offer for Rodamco by a third party or no revised merger proposal is made by Rodamco following a superior offer for Unibail by a third party; or
  - (iv) a termination is mutually agreed between Unibail and Rodamco in case, based on third party proposals or changes in (tax) law not known at the date of the Offer Document, an alternative transaction or transaction structure can be pursued by Unibail and Rodamco which may be more beneficial for Rodamco and the Rodamco Shareholders and Unibail and the Unibail Shareholders than the Exchange Offer;
- g. on or prior to the Unconditional Date, (x) no order, stay, judgment or decree is issued by any court, arbitral tribunal, government, governmental authority or other regulatory or administrative authority that remains in force and effect, and (y) no statute, rule, regulation, governmental order or injunction shall have been enacted, enforced or deemed applicable to the Exchange Offer, which in each case of (x) and (y) restrains, prohibits or delays the consummation of the Exchange Offer in any material respect;
- h. on or prior to the Unconditional Date, no notification having been received from the AFM stating that the Exchange Offer has been made in violation of Chapter IIA of the Act and that pursuant to the provisions of article 32a of the Decree, the securities institutions (*effecteninstellingen*, as defined in the Act) would not be allowed to give their cooperation to the consummation of the Exchange Offer;
- i. on or prior to the Unconditional Date, trading in the Unibail Shares and/or the Rodamco Shares on Eurolist by Euronext has not been suspended or ended as a result of a listing measure (*noteringsmaatregel*) taken by Euronext Paris and/or Euronext Amsterdam in accordance with article 6901/2 or any other relevant provision of the Euronext Rulebook I (Harmonised Rules);
- j. on or prior to the Unconditional Date, the general meeting of the holders of the Unibail Shares (or at any adjournment thereof) having passed such resolutions necessary to authorize the capital increase of Unibail through the issuance of Unibail Shares, to authorize the issuance of the Unibail ORAs and to adopt the governance structure set forth in Paragraph 4.7; and
- k. on or prior to the Unconditional Date, Euronext Paris and Euronext Amsterdam having confirmed in writing to Unibail that the Unibail Shares and the Unibail ORAs have been or will be admitted to trading and listing on Eurolist by Euronext Amsterdam and Euronext Paris ultimately on the Settlement Date.

The Offer Conditions b. and d. are for the sole benefit of Unibail and may be waived by Unibail (either in whole or in part) at any time by written notice to Rodamco.

The Offer Conditions c. and e. are for the sole benefit of Rodamco and may be waived by Rodamco (either in whole or in part) at any time by written notice to Unibail.

The Offer Conditions a., f., g., h., i., j. and k. are for the benefit of both Unibail and Rodamco, and may only be waived by Rodamco and Unibail jointly (either in whole or in part) by written agreement, provided, however, that: (i) if the Offer Condition f. is not fulfilled at any time as a result of a termination of the Merger Protocol by notice in

writing, in case of a competing offer that is more beneficial to the Rodamco Shareholders than the Exchange Offer has been received by Rodamco and Unibail has failed to make a revised offer within the limitations set out in the Merger Protocol, Unibail may waive such Offer Condition without the consent of Rodamco; and (ii) the Offer Condition set forth in Clause j. can only be waived in as far as it relates to resolutions necessary to adopt the governance structure set forth in Paragraph 4.7.

The Offer Condition h. above may be waived only if, following receipt of a notification as referred to in Offer Condition h., such notification has been or will be revoked by the AFM, if such notification is overruled by a court decision or after consultation with the AFM.

Neither Unibail nor Rodamco may invoke any of the Offer Conditions if the non-fulfilment of such condition(s) is caused by a breach of Unibail or Rodamco, respectively, of any of its obligations under the Merger Protocol.

Subject to the requirements of Dutch tender offer regulations, Unibail and, where applicable, Rodamco, reserve the right, in their reasonable discretion, at any time prior to the Unconditional Date, to waive any condition to the Exchange Offer permitted to be waived by Unibail and/or Rodamco in any respect, by giving oral or written notice of the waiver to the Exchange and Listing Agent and by making a public announcement by way of an advertisement in the Daily Official List and at least one Dutch national newspaper.

### 4.3 Committed Rodamco Shares

Subject to the Exchange Offer being made, a number of Rodamco Shareholders committed towards Unibail to tender the Rodamco Shares held by them under the same terms and conditions of the Exchange Offer as described in this Offer Document. Other than information contained in this Offer Document, Unibail did not disclose to these Rodamco Shareholders any material information regarding the Exchange Offer which would be relevant for Rodamco Shareholders when considering to tender Rodamco Shares under the Exchange Offer.

The number of Rodamco Shares involved, as well as the aggregate nominal value thereof and the percentage of the outstanding share capital, are mentioned in the overview below.

	<u>Number of Rodamco Shares</u>	<u>Aggregate nominal value</u>	<u>Percentage of outstanding capital</u>
PGGM <sup>(1)</sup> .....	21,887,486	175,099,896	24.42
M.J. Hulshoff <sup>(2)</sup> .....	9,970	79,760	00,00
J.A. Bomhoff <sup>(2)</sup> .....	4,428	35,424	00,00
K.W. Ledeboer <sup>(2)</sup> .....	3,432	27,456	00,00
J.W.B. Westerburgen <sup>(2)</sup> .....	1,272	10,176	00,00

(1) As per 23 April 2007.

(2) As per the date of this Offer Document.

PGGM has declared towards Unibail that it shall not hold more than 10% of the Unibail Shares immediately after Settlement. PGGM has not indicated any intention as to its holdings in Unibail ORAs.

Save as referred to above, no other Rodamco Shareholders have committed themselves towards Unibail to tender the Rodamco Shares held by them.

### 4.4 Background to and reasons for the Exchange Offer

The combination of Unibail with Rodamco (the "Combined Entity") will create the leading pan-European commercial property company:

- A combined portfolio value of EUR 22.0 billion<sup>3</sup> and a Development Pipeline of EUR 6.1 billion as at 31 December 2006;
- A net rental income of EUR 974 million based on Pro Forma Financial Information for the year ending 31 December 2006;

3 Based on appraisal values of Unibail and of Rodamco (including transfer taxes, based on internal estimates for Rodamco). Including Development Pipeline valued at cost as at 31 December 2006. The appraisal values of the combined businesses of Unibail and Rodamco referred to in this section are calculated including transfer taxes.

- A combined market capitalization of over EUR 21 billion based on the closing prices of Unibail and Rodamco on the last trading day prior to transaction announcement<sup>4</sup>.

The Combined Entity will benefit from:

- A unique network of 95 prime shopping centres totalling 3.3 million square metres of retail space and EUR 15.9 billion<sup>5</sup> of appraised property value, with a leading position in key European retail markets, especially France, the Netherlands, Spain and Sweden complemented by strong positions in high growth emerging markets (Central Europe and Russia);
- A prime quality office portfolio of 628,378 square metres and EUR 4.5 billion<sup>5</sup> of property value, as at 31 December 2006, predominantly in Paris, historically one of the most resilient markets in Europe and one with significant further growth potential, as well as attractive development projects in La Défense;
- A highly visible retail and office Development Pipeline of over 1.5 million square metres representing approximately EUR 6.1 billion in development capital expenditure (of which 72% retail and 28% mainly office); and
- The network of key convention & exhibition centre sites operated by Unibail in the Paris region, under the name of Paris Expo, providing the combined group with additional growth opportunities, in particular through its contemplated combination with the CCIP's convention & exhibition businesses.

The Combined Entity's aim is to be the leading investor, developer and manager of high quality regional shopping centres in Europe that are preferred destinations for both consumers and retailers. The Combined Entity intends to enhance shareholder value through an integrated Developer — Investor — Manager business model and by exporting Unibail's proven development skills into Rodamco's pan-European organisation.

Through the implementation of a single marketing and retail management strategy for the entire pan-European retail portfolio, the combination of Unibail and Rodamco is expected to generate synergies that should increase the combined net rental income by between EUR 40 and EUR 65 million annually by 2012. Furthermore, the Combined Entity will leverage Unibail's demonstrated in-house development expertise and take advantage of Rodamco's existing pan-European platform to accelerate the growth of the Development Pipeline with 1 million square metres of additional GLA from the year 2011 onwards.

With its pan-European spread, the ability to source standing investments and development opportunities should be significantly enhanced. Finally, the Combined Entity will have a strong platform to lead the European consolidation.

#### ***4.4.1 Key strategic principles of the Combined Entity***

The strategy of the Combined Entity will be based on the following:

- Seek market leadership in each country of operations of the Combined Entity;
- Ensure geographic diversification with a 50% maximum exposure to a single country;
- Target of 75% retail exposure, with at least 50% exposure in the retail sector in each single country;
- Development will be key strength of the Combined Entity;
- Asset and property management: pro-active management by identifying a clear bottom-up strategy for each major asset;
- Further value creation opportunities in other business activities (office and convention – exhibition primarily);
- High quality personnel, human resources management and development; and
- Tax, financial profile and dividend policy to create shareholder value and support superior and secured growth for the Combined Entity.

The Combined Entity will seek to maximise shareholder value and returns through a strong focus on both direct and indirect returns, while maintaining a prudent financial profile and an attractive and growing dividend pay out policy.

<sup>4</sup> Based on last closing prices of EUR 235.50 for Unibail and 108.44 for Rodamco on 5 April 2007 (the last Euronext Trading Day before announcement), on a fully diluted basis.

<sup>5</sup> Including Development Pipeline valued at cost as at 31 December 2006.

#### 4.4.2 Creating the leading pan-European retail property investor and manager

##### a) A pan-European retail player with leading market positions

With an investment portfolio composed primarily of prime large-scale shopping centres valued at EUR 15.9 billion<sup>6</sup> as at 31 December 2006, the Combined Entity will be the leading pan-European retail player with a strong portfolio in France and strong positions in shopping centre markets in over 14 European countries<sup>7</sup>.

The Combined Entity will benefit from number one or two position in selected countries, and intends, where it is not yet the leading retail property player, to become number one or two through selective acquisitions and outstanding development schemes.

The Combined Entity will target a retail sector exposure for its combined standing and Development Pipeline portfolio of at least 75% on a group basis, with at least 50% retail exposure on individual country basis.

**Table 4: Pro forma Retail Portfolio breakdown by country**

	France	BeNeLux	Spain	Nordic Countries	Central Europe	TOTAL
# Shopping Centres . . . . .	31	26	12	15	11	95
# sqm GLA (sqm) . . . . .	892,843	1,008,800	367,200	552,100	503,600	3,324,543
Gross Rental Income in € million <sup>(1)</sup> . .	343	210	90	113	89	845
% of total . . . . .	40.6%	24.9%	10.6%	13.4%	10.5%	
Appraisal Value in € million <sup>(2)</sup> . . . . .	7,498	3,343	1,608	1,986	1,319	15,754
% of total . . . . .	47.6%	21.2%	10.2%	12.6%	8.4%	

Source: Company reports.

(1) Based on pro forma 2006 gross rental income for the retail division as reported by Unibail and Rodamco in their respective 2006 accounts. For Rodamco, theoretical GRI.

(2) Based on pro forma 2006 appraisal value including transfer taxes for the retail division as reported by Unibail. For Rodamco, based on reported appraisal value as at 31 December 2006 and on internal estimates for transfer taxes, and excluding Development Pipeline valued at cost on balance sheet.

The Combined Entity will benefit from an enhanced market leading position in France, the Netherlands, Sweden and Spain.

In France, the portfolio will have an outstanding retail exposure with 'trophy assets' such as Velizy 2, Lyon Part-Dieu, Forum des Halles and Les Quatre Temps.

In other European markets, the Combined Entity will have well known retail investments, such as Täby and Solna in Stockholm, Fisketorvet in Copenhagen, Stadshart Amstelveen and Almere in the Greater Amsterdam region, Donauzentrum in Vienna and La Vaguada and Parquesur in Madrid.

In addition, the Combined Entity will have an increasing strong presence in Central Europe (CCM and Chodov in Prague, Galeria Mokotow in Warsaw) and promising footholds, for example in Russia which may serve as a platform for further growth.

The Combined Entity intends to further develop its pan-European presence and the geographic diversification of its shopping centre portfolio by focusing on high GDP or high growth economies and seeking to achieve critical mass in each of the core European markets.

##### b) Focus on prime large-scale shopping centres

The Combined Entity intends to focus on large-scale premium shopping centres, which benefit from unique intrinsic characteristics providing a balanced combination of current income and capital appreciation, leading to a competitive overall return relative to the cost of capital.

The Combined Entity will benefit from the leading prime shopping centre network in Europe with approximately 700 million visits per year and prime large centres in its portfolio, including Le Forum des Halles (France, approximately 40 million visits per year in 2005), Les Quatre Temps (France, approximately 33 millions visits), La Vaguada (Spain, approximately 24 million visits) and Lyon Part-Dieu (France, approximately 30 millions visits).

6 Including Development Pipeline valued at cost as at 31 December 2006.

7 Pro forma data as at 31 December 2006 for surface areas and appraisal values, as reported by Unibail and Rodamco (except for appraisal values including transfer taxes which have been provided by Rodamco).

**Table 5: Combined Entity's Top 20 shopping centres.**

**Ranking by shopping centre total gross lettable area**

	<u>Retail Centre</u>	<u>Country</u>	<u>Total shopping centre GLA</u> (sqm)	<u>Footfall</u> (million visits)
1	Parquesur .....	Spain	151,200	17.5
2	Bonaire .....	Spain	135,000	7.6
3	Les 4 Temps .....	France	123,000	33.0
4	Donauzentrum <sup>(1)</sup> .....	Austria	112,000	17.2
5	Lyon Part-Dieu <sup>(2)</sup> .....	France	110,000	29.5
6	Parly 2 .....	France	107,000	20.0
7	Rosny 2 .....	France	106,000	15.0
8	Velizy 2 .....	France	102,000	17.2
9	La Vaguada .....	Spain	85,500	23.8
10	Jumbo .....	Finland	85,000	6.9
11	Stadshart/Spazio <sup>(1)</sup> .....	Netherlands	84,400	10.0
12	Täby Centrum <sup>(1)</sup> .....	Sweden	79,100	9.1
13	Solna Centrum <sup>(1)</sup> .....	Sweden	78,300	8.0
14	Stadshart Almere .....	Netherlands	74,000	13.0
15	Cité Europe .....	France	73,000	7.3
16	Carré Sénart .....	France	65,000	13.5
17	Euralille .....	France	65,000	13.3
18	Galeria Mokotow .....	Poland	62,000	11.6
19	Forum des Halles .....	France	60,000	40.1
20	Bahia Sur .....	Spain	59,000	7.3

Source: 2006 Rodamco Analyst Presentation, 2006 Unibail Annual Report and internal estimates

Unibail also owns a minority share in Evry 2 (footfall 15.3M) : 5,300 square metres out of 93,000 square metres

(1) These properties include offices, Donauzentrum and Solna include offices and hotel.

(2) Excluding Tour Oxygene (mainly offices).

The Combined Entity intends to apply the focused and meticulous asset selection strategy that has already proven to be highly successful in a very competitive market environment, when acquiring assets or developing new projects.

The Combined Entity's vision of investment, management and development of its pan-European platform focuses primarily on strong local market positions and advanced local know-how, whilst ensuring that there is a balanced combination of current income and capital appreciation, leading to a double digit target return well above the cost of capital. In applying this strategy, the quality of the assets in terms of location, access and size are key cornerstones to assess and deliver the potential cash flows and value growth of an asset.

Always seeking to optimize the direct and indirect return of its investments, the Combined Entity would dispose of assets which show a limited potential for further growth under the Combined Entity's ownership.

**c) Innovative retail asset and property management**

The Combined Entity will pro-actively manage its existing portfolio, by identifying a clear strategy for each major asset ("bottom-up approach") and implementing it (improving the tenant and merchandising mix of the shopping centres, refurbishment, redevelopment and extension programs, ultimately increasing footfall and revenues).

**Marketing**

Beyond the quality of day-to-day property management, the long term success of a shopping centre largely relies on its marketing positioning. In order to make shopping a real experience for consumers, a shopping centre requires a specific atmosphere, design and image. As a result, its success will increasingly depend upon leisure facilities, event organisation, and customer relationships. Shopping centres have become consumer products to be constantly updated and reinvented to maintain their competitive edge and attractiveness. The combination of Unibail and Rodamco should allow the Combined Entity to benefit from a single pan-European marketing policy, stronger marketing resources and tools.

In addition, significant costs related to marketing efforts (design, signals, furniture, carpets, events, etc.) are expected to be mutualized and amortized on a larger number of shopping centres.

#### *Tenant mix*

Based on its size and global presence, the Combined Entity should be in a better position to identify very early the new retail concepts or brands that will become the star-retailers of tomorrow. It is expected that the Combined Entity will promote the development of such concepts or brands with an unparalleled efficiency and in a record timing. Concerning existing retailers, the Combined Entity would be in a better position to act as an equal partner for increasingly larger pan-European retailers, based on its size, local market share and international presence. It would also make sure that key international retailers devote significant resources to improve their concepts within the shopping centre network of the Combined Entity. The leading national retail chains (with whom the Combined Entity would have relationships and connections) could successfully expand abroad their retail concepts, by leveraging the Combined Entity's pan-European shopping centre portfolio.

#### *Additional revenues*

The extensive pan-European network of shopping centres created through the combination may be used as a media where consumer brands can intensify their relationships with the consumers. On the basis of this unrivalled media reach with approximately 700 million visits per year and its international shopping network, the Combined Entity will be in a position to accelerate quickly the development of its marketing revenue and become increasingly attractive for major consumer brands and advertisers. Specific events are expected to be deployed on a larger scale, both locally as well as on a pan-European basis, allowing the Combined Entity and its tenants to gain significant additional visibility and hence increase its profit potential. Meanwhile, the development of these kinds of services will contribute to the attractiveness of the shopping centres and will therefore create a virtuous circle by increasing footfall and volume of sales for the retailers.

The monetization of the platform should be further accelerated by a dedicated specialised marketing team, sharing best practices, cross-fertilizing revenue streams and developing new concepts.

#### *Asset management*

The Combined Entity expects to source more opportunities thanks to its powerful multi-local presence and its strong financial profile. It intends to develop a deeper relationship with large co-owners such as hypermarkets or other retailers. Among other benefits, this would facilitate alternative investment opportunities, in both standing (sale and leaseback) and development (JV & partnership) opportunities which are key to driving future growth.

#### ***d) Leasing and marketing synergies***

Based on a single marketing and retail management strategy for its entire pan-European retail portfolio the Combined Entity intends to:

- Implement a pan-European marketing approach to drive traffic and sales to extract higher like-for-like rental growth on the existing retail portfolio; and
- Leverage an unrivalled footfall of over 700 million visits per year to drive marketing and media revenues (e.g. kiosks, poster-based advertising, vending machines, promotional campaigns, etc)

Based on this marketing strategy, the Combined Entity expects to accelerate its retail like-for-like rental growth and deliver leasing and marketing revenues synergies, an annual increase in Net Rental Income of EUR 40 million to EUR 65 million, by 2012.

#### ***4.4.3 Development Pipeline will be a key strength for the Combined Entity***

##### ***a) A leading Development Pipeline in Europe***

The Combined Entity will benefit from a major pipeline of development projects representing additional GLA of approximately 1.5 million square metres<sup>8</sup>, and 34% increase to the existing GLA<sup>9</sup>.

<sup>8</sup> As of 31 December 2006 based on Rodamco and Unibail analyst presentations and annual reports, including both office and retail development projects.

<sup>9</sup> As of 31 December 2006 based on Rodamco and Unibail annual reports.

The combined Development Pipeline will represent a target of:

- 1.5 million square metres spread over France (61%), Netherlands (12%), Spain (5%), the Nordic countries (5%) and Central Europe (including Russia, 18%).
- Total estimated investment capacity of EUR 6.1 billion as at 31 December 2006.

**Table 6: Combined Entity's Top 10 shopping center development projects.**

**Ranking by estimated delivery date**

<u>Project</u>	<u>Country</u>	<u>Total shopping centre GLA</u> (sqm)	<u>Estimated delivery date</u>
1 Metropolis . . . . .	Russia	40,000	2008
2 Forum Nacka . . . . .	Sweden	21,700	2008
3 Lyon — Confluence . . . . .	France	51,738	2009
4 Tour Oxygene <sup>(1)</sup> . . . . .	France	35,700	2009
5 CNIT 1 . . . . .	France	18,900	2009
6 Parly2 . . . . .	France	21,100	2010
7 Ris-Orangis . . . . .	France	72,000	2010
8 Aéroville . . . . .	France	65,000	2011
9 Levallois — Centre Eiffel . . . . .	France	49,165	2012
10 Taby . . . . .	Sweden	22,000	2013

(1) Including office areas of 27,423 square metres and retail areas of 8,263 square metres.

Based on this Development Pipeline, the Combined Entity will benefit from significant growth and value creation potential secured over the long term and will rank among the leading shopping centre real estate developers in Europe.

The Combined Entity will also benefit from attractive office development projects, primarily in the Paris office market.

**Table 7: Combined Entity's largest office development projects.**

**Ranking by estimated delivery date<sup>(1)</sup>**

<u>Project</u>	<u>Country</u>	<u>Total office area</u> (sqm)	<u>Estimated delivery date</u>
1 Clichy . . . . .	France	13,500	2008
2 Tour Oxygene Office . . . . .	France	27,423	2009
3 Centre Eiffel — Levallois . . . . .	France	29,700	2011
4 Majunga . . . . .	France	65,400	2011
5 Versailles Chantiers . . . . .	France	14,600	2012
6 Phare . . . . .	France	130,000	2012

(1) Estimated delivery date is based upon current assumptions and may change, subject to authorization of unauthorized projects.

**b) Development synergies**

The Combined Entity intends to leverage Unibail's demonstrated in-house development expertise with Rodamco's extensive pan-European network in leading shopping centres, thereby accelerating pipeline growth and optimizing development capital expenditure.

Rodamco has successfully built a pan-European portfolio based on a third-party development business model and is currently contemplating more active development activities in the context of the expected relaxation of FBI rules (reference is made to Paragraph 10.12.3). Unibail has been active in France since 1969, relying on a successful integrated Developer — Investor — Manager business model and therefore benefits from a long standing experience and track record in the development of large commercial properties in France.



Combining the respective skills of Rodamco and Unibail should allow the Combined Entity to significantly accelerate its Development Pipeline. The Combined Entity aims to develop at least 1 million of additional square metres of GLA from year 2011 onwards.

Furthermore, through sharing of best practices, the Combined Entity should generate even more value across the entire Developer — Investor — Manager value chain. Leveraging on Unibail's know-how and Rodamco's international expertise, the Combined Entity will seek to secure projects at an earlier stage on a pan-European scale and capture a larger share of the development profits. As a prime developer in Europe, it will aim at always being substantially ahead of competition at the forefront of retail development innovation.

Finally, scale and improved procurement practices should drive procurement savings, as some of the development capital expenditures could be purchased on a cross-country or multi-regional level.

#### **4.4.4 Opportunistic investments in other real estate segments**

The Combined Entity will also be active in the office and the convention and exhibition segments, representing an appraisal value respectively of EUR 4.5 billion<sup>10</sup> and EUR 1.4 billion, *i.e.* 20% and 7% of the total portfolio. The Combined Entity will also be active in the other real asset segments (hotels, logistics, etc), for an appraisal value of EUR 0.1 billion, or 1% of the combined portfolio.

##### **a) Office segment**

The Combined Entity's office portfolio will comprise approximately 37 office assets<sup>11</sup> of approximately 600,000 square metres, located primarily in the attractive Paris CBD market (88% of total office portfolio) and representing an appraisal value of EUR 4.5 billion<sup>10</sup> (20% of the combined portfolio), with a net rental income of EUR 128.9 million in the year ending on 31 December 2006.

Benefiting from a very strong position in one of the best office markets in Europe, the Combined Entity intends to adopt the following strategy in respect to office investment and development:

##### **Inside France**

- a very selective focus on prime office locations and on large buildings benefiting from premium technology;
- an active asset policy to mitigate the natural volatility of this market and increase returns;
- the ability to seize development opportunities where location is prime and as long as land and construction cost appear attractive.
- a focused dedicated management team able to invest, develop, lease and manage.

##### **Outside France**

- the office investment and development outside France will only be undertaken if there are strong fundamentals supporting it, given it is not the Combined Entity's strategic objective to be a leading office player throughout Europe.

Reference is made to Chapter 11 for an overview of the Paris office market.

##### **b) Convention & exhibition activity**

Unibail's convention and exhibition centres activity will account for 7% of the Combined Entity's portfolio with an appraisal value of EUR 1.4 billion, with operating income of EUR 104.9 million for the year ending 31 December 2006.

The network of key convention & exhibition centre sites operated in the Paris region, including Paris Expo (Porte de Versailles) is expected to be a source of further growth, with important potential development projects in various locations (e.g. Le CNIT, Porte de Versailles). The announced project of joint-venture with the CCIP's convention & exhibition centre businesses is expected to provide the Combined Entity with an attractive opportunity for additional value creation.

Reference is made to Chapter 11 for an overview of the convention & exhibition market in the Paris region.

<sup>10</sup> Including Development Pipeline valued at cost as at 31 December 2006.

<sup>11</sup> Assets with appraisal value superior to EUR 5 MM.

**c) Multi-use facilities**

As one of the most recognised investor-manager-developers in both offices and convention & exhibition centres, the Combined Entity will have the ability to pursue opportunistically the acquisition and the development of multi-use facilities, which may include shopping centres and/or significant retail properties in addition to offices and convention & exhibition centres.

**4.4.5 Financial policy of the Combined Entity**

**a) Dividend policy**

The dividend distribution policy of the Combined Entity will be based, among other things, on the group's financial results, its financial structure, its investment policy as well as the distribution requirements of the tax regimes applicable to the Combined Entity.

The proposed dividend target for the Combined Entity is a pro forma dividend policy, with distributions made on a quarterly basis, aligned with Rodamco's dividend pay-out in the range of 85%-95% of recurring earnings group share, such that Rodamco Shareholders will not suffer any decrease in dividend income as a result of the combination. The Combined Entity intends to ensure shareholders benefit from a recurring and growing income over the long term.

The Combined Entity will be subject to specific distribution requirements respectively under the SIIC and the FBI Regimes. Reference is made to Paragraph 11.6 for a description of the SIIC Regime and Paragraph 10.12 for a description of the FBI Regime.

**b) Sound financial structure to support a superior and secured growth and yield strategy**

It is expected that the Combined Entity will maintain a sound financial structure. The Combined Entity may benefit from the best credit rating in the real estate sector in Europe (Rodamco rated A by S&P, Unibail A— by S&P and A3 by Moody's).

Based on Unibail and Rodamco's loan-to-value ratios of 26.5% and 29.8%, respectively, as at 31 December 2006, the Combined Entity's pro forma consolidated loan-to-value ratio amounted to 28.2% as at 31 December 2006.<sup>12</sup>

The Combined Entity intends to have a financial structure in line with this prime-quality portfolio and with the current strong credit profile of both Rodamco and Unibail. The Combined Entity's operating and financial scope and its increased diversification are also expected to have a positive impact on its financing conditions.

**c) Free float**

The Combined Entity will be listed on Euronext Paris (primary listing) and Euronext Amsterdam; it will rank among the leading real estate market capitalisation in Europe with over EUR 21 billion capitalisation<sup>13</sup>.

The Combined Entity will benefit from a significant free float and high market liquidity, and expects to benefit from inclusion in the CAC 40 index and potentially in other major European indices (notably AEX), leading to an enhanced visibility and greater liquidity of its shares.

**4.4.6 Tax status of the Combined Entity**

Unibail and Rodamco intend to preserve their current tax status after the consummation of the Exchange Offer.

Rodamco qualifies as an FBI under the favorable FBI Regime applicable to such institutions in the Netherlands. (Reference is made to Paragraph 10.12 for a description of the FBI Regime.) In addition, Rodamco elected to be treated under the SIIC Regime applicable to listed property investment companies (*sociétés d'investissements immobiliers cotées*) in France with respect to approximately one-third of its French portfolio as of 2004. Since 2005, the SIIC Regime applies to its entire real estate portfolio in France. The Exchange Offer will not have any impact on the SIIC status of Rodamco and will not make Rodamco liable to any complementary tax payment. (Reference is made to Paragraph 11.6 for a description of the SIIC Regime.)

Under the assumption that a Bill proposing certain changes to the FBI regime will be adopted shortly, the Dutch Ministry of Finance has confirmed that Rodamco will be allowed to maintain its FBI status for a grace period of two

<sup>12</sup> Based on Pro Forma Financial Information in paragraph 10.5 of the Securities Note.

<sup>13</sup> On a fully diluted basis. Based on last closing prices before Announcement of Unibail and Rodamco of EUR 235.50 and EUR 108.44 as at 5 April 2007.

years after Settlement, provided that (i) Rodamco continues to meet all conditions for the FBI Regime except for the shareholder conditions, (ii) as soon as reasonably practicable but in any case prior to the end of the two year period, Unibail takes all actions and does all things necessary or appropriate, including but not limited to a possible restructuring of some of its investments or operations, to obtain FBI status, and that (iii) Unibail otherwise meets the conditions for the FBI Regime, such as the annual distribution requirement and the shareholder conditions.

Within the two year grace period granted by the Dutch Ministry of Finance, it may be necessary for Unibail to restructure some of its assets and/or operations, such that Unibail itself will be able to obtain an FBI status. Reference is made to Paragraph 4.11.3. As of the moment that Unibail shall have obtained FBI status, Rodamco will meet the shareholder conditions of the FBI Regime (again) and it will no longer need to rely on the grace period granted by the Ministry of Finance.

If the Bill containing changes to the FBI Regime (which has been approved by the House of Representatives on 15 February 2007 and which currently is pending in the Senate) would be rejected by the Senate, the grace period would be of one year instead of two years.

As an FBI, Rodamco will be subject to an annual profit distribution obligation (*'doorstootverplichting'*). Any dividend payments by Rodamco will in principle be subject to Dutch dividend withholding tax at the statutory rate of 15%. However, as a tax resident of France, Unibail will be eligible to a reduced rate of tax on Rodamco dividends of 5% pursuant to the French-Dutch Tax Treaty provided Unibail owns 25% or more of the paid-up share capital of Rodamco. Under current Dutch law, if and when Unibail will have obtained the Dutch FBI status, Unibail may reclaim any Dutch dividend tax withheld on Rodamco dividends.

Unibail will have a permanent establishment in the Netherlands to which it will attribute the shares of Rodamco. Unibail will be liable to Dutch corporate tax principles. As and when Unibail will have obtained the FBI status, Unibail will be liable to Dutch corporate tax at the rate of 0%.

In relation to the clearance from the Dutch tax authorities on the tax consequences of the transaction, there will *de facto* be a collection of a one off amount of around EUR 30 million as tax on the dividend to be paid by Rodamco to Unibail out of its 2007 results (on the basis of an ownership of 100% of Rodamco by Unibail).

Unibail has received written confirmation from the French tax authorities (*direction de la législation fiscale*) dated April 5 2007 (*'French ruling'*) that subject to certain conditions the shares of Rodamco may and will, from a French tax viewpoint, be attributed to a permanent establishment of Unibail in the Netherlands. As a consequence, dividend income and capital gains derived by Unibail from the ownership of the shares of Rodamco will be outside the territorial scope of French income taxes (article 209-I of the French *code general des impôts*).

In 2003, Unibail elected to be treated under the SIIC Regime with retroactive effect as of 1 January 2003. (Reference is made to Paragraph 11.6 for a description of the SIIC Regime). The Exchange Offer will not have any impact on the SIIC status of Unibail and will not make Unibail liable to any complementary exit tax payment.

#### **4.4.7 Implementation of the strategy of the Combined Entity**

Unibail and Rodamco have jointly defined a 100-day merger implementation schedule, setting the key milestones in terms of general organisation of the combined structure, nomination of key managers, implementation of identified synergies, and communication with the various stakeholders.

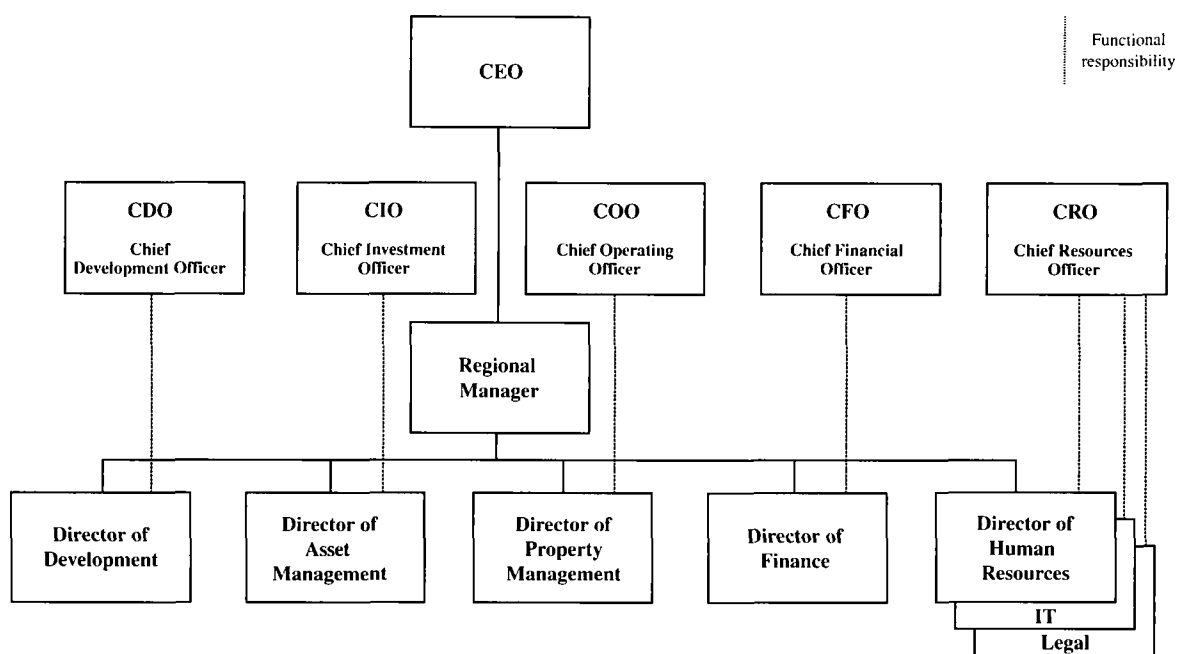
##### ***Capitalizing on Rodamco's business model organisation and Unibail's expertise in development***

The Combined Entity intends to capitalize on Rodamco's and Unibail's respective organisation models to build a decentralized and project-driven organisation in which Rodamco's recognized operational skills of owner, operator, financier will be combined with Unibail's expertise in asset management, development and large project management. Furthermore, the Combined Entity plans to quickly implement a common set of strategy, policies and standards for its central functions.

##### ***A functional organisational structure ensuring entrepreneurship at the regional level in coordination with core central skills***

The organisational structure of the Combined Entity will be based on a matrix model relying both on regional operations, hence ensuring entrepreneurship and accountability at a decentralized level, and on core central skills. These regions, managed locally by a regional head, will be the Nordic Countries, the Netherlands, Central Europe, Spain, France, France Offices and France Convention & Exhibition. Regional heads will directly report to the CEO. Key central skills (namely developer, owner, operator, financier and resourcer) will be supervised at the group level,

in close coordination with local managers at the regional level. The chart below summarizes this geographical and functional organisation.



#### ***A structure centered on project management***

The Combined Entity will strive to foster a value creating spirit within its structure, with project management being the reference in terms of resources allocation at each level of the group.

In parallel to the permanent organisational structure of the group described above, significant projects will be managed by an identified project manager, leading a dedicated project team composed of staff originating from all layers of the company's structure. The project team will report to the project manager who will ultimately reports to one member of the management board of the Combined Entity or of the group management team.

#### ***4.4.8 Social implications and employment matters for the Combined Entity***

The aim of the combination between Rodamco and Unibail is to continue and accelerate the growth and development of the activities of the Combined Entity on a European scale. The Combined Entity intends to build on the proven competencies and experience of the teams in place at Rodamco and Unibail, as the Combined Entity considers that the human resources have been a key success factor driving past performance and will continue to be in the future. Thus, it is the Combined Entity's intention that there will be no redundancies made as a result of the Exchange Offer and that the Exchange Offer will not have any other material impact on the employment and social policies of employees of Unibail and Rodamco.

### **4.5 Financial analysis of the Exchange Ratio**

#### ***4.5.1 Valuation of the Exchange Offer***

##### ***a) Description of the Exchange Ratio***

The Initial Exchange Ratio of 0.5300 announced on 10 April 2007 has been adjusted to the Exchange Ratio of 0.5223 in order to reflect the financial impact of:

- (i) the payment of Unibail's interim dividend relating to fiscal year 2006 of EUR 1.00 per Unibail Share paid to Unibail shareholders on 16 April 2007,
- (ii) the payment of Rodamco's final dividend relating to fiscal year 2006 of EUR 2.34 per Rodamco Share paid to Rodamco shareholders on 8 May 2007.

The adjustment of the Initial Exchange Ratio 0.5300 to the Exchange Ratio of 0.5223 maintains the value received by a Rodamco Shareholder tendering to the Exchange Offer, based on Unibail Share price of EUR 235.50 as at

5 April 2007 (the last business day prior to the initial announcement of Unibail's intention to make the Exchange Offer):

- (i) The Initial Exchange Ratio of 0.5300 of a Unibail Share or Unibail ORA for each Rodamco Share and on Unibail Share price of EUR 235.50 as at 5 April 2007 values each Rodamco Share at EUR 124.82;
- (ii) The Exchange Ratio of 0.5223 of a Unibail Share or Unibail ORA for each Rodamco Share and, based on a Unibail Share price of EUR 235.50 as at 5 April 2007, adjusted for Unibail interim dividend of EUR 1 per Unibail Share paid on 16 April 2007, values each Rodamco Share at EUR 122.48, after payment of Rodamco final dividend relating to fiscal year 2006 of EUR 2.34 per Rodamco Share paid on 8 May 2007, resulting in a total consideration received for each Rodamco Share of EUR 124.82.

The purpose of this Paragraph 4.5 is not to provide a stand-alone valuation of Unibail and Rodamco, but to assess the Exchange Ratio based on a multi-criteria financial analysis.

For further information regarding the Exchange Ratio, reference is made to Paragraph 3.1.

#### *b) Valuation of the ORA Consideration*

Rodamco Shareholders will have the opportunity to elect for the ORA Consideration at their own discretion. Each corresponding ORA will be issued at its nominal value. The nominal value of the ORA will be equal to the issuance price of the Unibail Shares that will be issued in consideration for the Rodamco Shares (Share Consideration).

Therefore, the value and premium of the Unibail Shares offered under the terms of the Exchange Offer for each Rodamco Share equals at the Settlement Date the value and premium of the Unibail ORAs offered under the terms of the Exchange Offer for each Rodamco Share.

For further information regarding the Unibail ORA, reference is made to Paragraph 11.8 and to chapter 5 of the Securities Note.

#### **4.5.2 Valuation methodology**

The analysis of the financial terms of the Exchange Offer is based on the following methodologies:

- Stock market prices; and
- Trading multiples of selected comparable listed companies (price to recurring earnings per share<sup>14</sup> multiple and premium of share price over NNNAV per share<sup>15</sup>).

#### **4.5.3 Stock market prices**

The analysis of the premium over stock market prices is based on historical stock market prices of Unibail and Rodamco ending on 5 April 2007, the last day of trading prior to the public announcement of the combination between Unibail and Rodamco, after which date both share prices have been affected by the terms of the transaction and do not trade independently from one another.

Unibail and Rodamco share prices are defined as being the volume-weighted closing prices provided daily by Euronext and are adjusted to exclude Unibail 2006 Interim Dividend of EUR 1.00 per Unibail Share paid on 16 April 2007 and Rodamco 2006 Final Dividend of EUR 2.34 per Rodamco Share paid on 8 May 2007 ("Adjusted Share Prices").

The following table summarizes the level of premiums implied by the Exchange Ratio as compared to the exchange ratio derived from the Adjusted Share Prices of Rodamco and Unibail Shares on 5 April 2007, as well as to the

14 Unibail's recurring earnings refers to the Recurring EPS as reported in Unibail's 2006 annual results. Rodamco's recurring earnings per share refers to the Direct result after tax per share as reported in Rodamco's 2006 annual results.

15 Unibail's and Rodamco's NNNAV refer to triple net fully diluted net asset values per share as reported by both companies in their 2006 annual results. The analysis is based on reported NNNAV per share and does take into account any difference in NNNAV methodology between Unibail and Rodamco.

exchange ratios based on the average Adjusted Share Prices weighted by volume of each company for the selected periods ended on that date:

	<u>Unibail Share Prices (€)</u>	<u>Rodamco Share Prices (€)</u>	<u>Unibail Adjusted Share Prices (€)<sup>(2)</sup></u>	<u>Rodamco Adjusted Share Prices (€)<sup>(3)</sup></u>	<u>Implied Exchange Ratio Adjusted for Dividends</u>	<u>Premium/ (Discount) implied by the Exchange Ratio of 0.5223</u>
Last closing price before public announcement of the Exchange Offer (5 April 2007) . . . . .	235.50	108.44	234.50	106.10	0.452x	<b>15.4%</b>
One-month average <sup>(1)</sup> . . . . .	224.50	103.40	223.50	101.06	0.452x	<b>15.5%</b>
Three-month average <sup>(1)</sup> . . . . .	213.87	104.77	212.87	102.43	0.481x	<b>8.5%</b>
Six-month average <sup>(1)</sup> . . . . .	198.25	100.28	197.25	97.94	0.497x	<b>5.2%</b>

Source: FactSet

(1) Volume-weighted average closing prices for the selected periods ending 5 April 2007.

(2) Adjusted for Unibail 2006 Interim Dividend of € 1.00 per share related to 2006 financial year paid on 16 April 2007.

(3) Adjusted for Rodamco 2006 Final Dividend of € 2.34 per share related to 2006 financial year paid on 8 May 2007.

The Exchange Ratio of 0.5223 at Settlement Date implies:

- a 15.4% premium based on Unibail's and Rodamco's closing Adjusted Share Prices as of 5 April 2007, the last trading day before public announcement of the Exchange Offer;
- a 15.5% premium based on Unibail's and Rodamco's volume weighed average closing Adjusted Share Prices over the one-month period ending 5 April 2007;
- a 8.5% premium based on Unibail's and Rodamco's volume weighed average closing Adjusted Share Prices over the three-month period ending 5 April 2007.

For reference, the Initial Exchange Ratio of 0.5300 at Announcement Date represents:

- a 15.1% premium based on Unibail's and Rodamco's closing share prices as of 5 April 2007, the last trading day before public announcement of the Exchange Offer;
- a 15.1% premium based on Unibail's and Rodamco's volume weighed average closing share prices over the one-month period ending 5 April 2007;
- a 8.2% premium based on Unibail's and Rodamco's volume weighed average closing share prices over the three-month period ending 5 April 2007.

#### 4.5.4 Analysis of trading comparable companies

##### a) Methodology

Comparable company analysis consists of comparing the valuation of the Exchange Offer as calculated in Paragraph 4.5.1 above with the value of Rodamco Share implied by the application of selected comparable companies trading multiples to selected metrics of Rodamco (NNNAV<sup>16</sup> and recurring earnings<sup>17</sup>).

These multiples have been applied to historical results (reported NNNAV as of 31 December 2006, fiscal year 2006 recurring earnings) and forecasts for the year ending 31 December 2007 based on a consensus of financial forecasts for Rodamco as of 5 April 2007 based on reports published by leading equity research houses since the release of Rodamco's 2006 results.

##### b) Comparable companies trading multiples in the real estate sector and implied valuation

Selected companies are listed European real estate companies with comparable operating and financial characteristics: Unibail<sup>18</sup>, Rodamco<sup>18</sup>, Klépierre, Eurocommercial, Corio, and VastNed Retail.

<sup>16</sup> Rodamco's NNNAV refers to triple net fully diluted net asset value per share as reported by the company in its 2006 annual results.

<sup>17</sup> Rodamco's recurring earnings refers to the Direct result after tax per share as reported by the company in its 2006 annual results.

<sup>18</sup> Based on unaffected share price as of 5 April 2007.

The table below summarizes the multiples and premium (on the basis of closing share prices as of 5 April 2007) for the selected comparable companies, as well as the premium or discount implied by the Exchange Ratio:

	<u>Average Trading Multiples<sup>(3)</sup></u>	<u>Implied Value of Rodamco Share (€)</u>	<u>Premium/(discount) implied by the Exchange Ratio of 0.5223</u>
<b>Premium to NNNAV<sup>(1)</sup></b>			
2006 .....	52.7%	116.71	<b>6.9%</b>
2007E .....	30.3%	112.36	<b>11.1%</b>
<b>Price to recurring earnings<sup>(2)</sup></b>			
2006 .....	28.3x	116.44	<b>7.2%</b>
2007E .....	25.9x	110.38	<b>13.1%</b>

(1) Defined as the ratio of share price over NNNAV per share minus 1.

(2) Defined as the ratio of share price over recurring earnings per share.

(3) Average trading multiples weighted by market capitalisation. Based on market consensus on NNNAV per share and recurring earnings per share as at 5 April 2007.

The premium implied by the Exchange Ratio ranges from 6.9% to 13.1% compared to the implied value of Rodamco Shares based on selected comparable trading multiples.

#### **4.5.5 Analysis of precedent real estate transactions**

The average and the median of the premium paid in recent public real estate transactions in Europe<sup>19</sup> stand at 14% and 11% over unaffected spot price and 15% and 12% over one-month average share price.

However, no precedent real estate public transaction can be deemed comparable to the Exchange Offer by size, type or consideration (take-over transactions instead of merger of equals combination).

#### **4.5.6 Summary analysis of the Exchange Offer**

The table below summarizes the premiums implied by the various retained valuation methodologies based on the Exchange Ratio of 0.5223 of a Unibail Share (or ORA) for each Rodamco Share.

	<u>Premium/(Discount) implied by the Exchange Ratio of 0.5223</u>
<b>Adjusted Share Prices</b>	
Last quoted price before Exchange Offer announcement as of 5 April 2007 <sup>(1)</sup> .....	<b>15.4%</b>
One-month average <sup>(1)</sup> .....	<b>15.5%</b>
Three-months average <sup>(1)</sup> .....	<b>8.5%</b>
Six-months average <sup>(1)</sup> .....	<b>5.2%</b>
<b>Trading Multiples of comparable companies<sup>(2)</sup></b>	
Premium to NNNAV 2006 <sup>(3)</sup> .....	<b>6.9%</b>
Premium to NNNAV 2007 <sup>(3)</sup> .....	<b>11.1%</b>
Price to recurring earnings 2006 <sup>(3)</sup> .....	<b>7.2%</b>
Price to recurring earnings 2007 <sup>(3)</sup> .....	<b>13.1%</b>

(1) Based on Adjusted Share Prices.

(2) Based on market value weighted average trading multiples of selected comparable companies.

(3) Based on closing share prices as of 5 April 2007.

<sup>19</sup> Based on 7 selected real estate public transactions in Europe: Beni Stabili / FDR, SIIC de Paris / Realia, Pillar Property / British Land, Gecina / Metrovacesa, Bail Investissement / FDR, SFL / Colonial, Sophia / GEREFF. All Spanish public real estate transactions have been excluded from the sample due to (i) specific tender offer rules in Spain allowing partial bids and (ii) absence of tax transparent regime in place.

#### **4.6 EGM Unibail and EGM Rodamco**

The EGM Unibail will be held on 21 May 2007. The agenda for this meeting will include such resolutions necessary to authorize the capital increase of Unibail through the issuance of Unibail Shares, to authorize the issuance of the Unibail ORAs and to adopt the governance structure set forth in Paragraph 4.7.

The EGM Unibail of 21 May 2007 requires a quorum of one fourth of Unibail's outstanding share capital. If that quorum is not met, a second EGM Unibail shall be convened and held at the earliest possible date following the first meeting, at least six days following publication of the second convening notice. Such second EGM Unibail would require a quorum of one fifth of Unibail's outstanding share capital.

The EGM Rodamco is expected to be held on 6 June 2007. The agenda for this meeting will include discussion of the Exchange Offer in accordance with article 9q of the Decree and certain proposed resolutions on the future governance structure of Rodamco.

#### **4.7 Corporate governance and organisation of the Combined Entity**

##### ***4.7.1 Amendment Unibail Articles of Association and future composition of Unibail's boards***

At the EGM Unibail of 21 May 2007, the Unibail Shareholders will be asked, conditional upon Settlement of the Exchange Offer, to vote on amendments to the Unibail Articles of Association in order to change the existing governance structure, comprised of a chief executive officer and a board of directors, into a dual board structure with a management board and a supervisory board and to appoint a number of new supervisory board members.

##### ***Supervisory board and management board***

French company law and the amended Unibail Articles of Association will govern Unibail, as follows.

Unibail is managed by a management board composed of six members. The management board exercises its functions under the supervision of the supervisory board.

##### ***Management board***

The members of the management board are appointed by the supervisory board which also appoints one of them Chairman. The members of the management board are appointed for a four year term.

The Chairman of the management board represents Unibail in its relations with third parties. Two thirds of the supervisory board may, upon request from the Chairman of the management board, grant to one or more other members of the management board, acting as Managing Director, authority to represent Unibail. The supervisory board is enabled to withdraw these powers to represent the company by dismissing a member of the management board from his/her role of Managing Director.

The supervisory board determines the remuneration of the members of the management board. Any member of the management board may be dismissed at any time either by two thirds of the members composing the supervisory board or by the shareholders' meeting.

Decisions are made by a majority vote, each of the members having one vote. In case of a tie, the casting vote shall be decided by the Chairman of the management board or the President of the session appointed by the latter in case of absence or impediment.

The management board is invested, with respect to third parties, with the broadest powers to act in all circumstances on behalf of Unibail, subject to the powers specifically granted by law to the supervisory board and to shareholders' meetings and within the limitations of Unibail's purpose and the matters that require the prior authorization of the supervisory board, as set forth below.

Within the limit of an overall sum which it shall define, the supervisory board may authorize the management board to grant deposits, sureties or guarantees on behalf of Unibail. The term of such an authorization may not exceed one year, regardless of the term of the commitments guaranteed. On behalf of Unibail, the management board may be authorized to give deposits, sureties or guarantees of an unlimited amount to the tax or customs authorities.

The following decisions will be submitted to the authorization of the supervisory board upon proposal by the management board:

- (a) Any acquisition of an asset or several assets (including the acquisition of real estate properties (*immeubles par nature*) and the acquisition of all or part of shareholdings), directly or through legal entities, exceeding the amounts laid down by the supervisory board in its internal charter.



- (b) Investments and capital expenditures for internal development exceeding the amounts laid down by the supervisory board in its internal charter.
- (c) Any sale of an asset or several assets (including the disposal of real estate properties (*immeubles par nature*) and the sale of all or part of shareholdings), directly or through legal entities, exceeding the amounts laid down by the supervisory board in its internal charter.
- (d) Any additional indebtedness or security interests exceeding the amounts laid down by the supervisory board in its internal charter.
- (e) Outsourcing asset management and retail management activities or asset and retail management responsibilities to third parties if this involves more than twenty-five per cent (25%) of the total value of the investments and participations of Unibail.
- (f) Transferring the entire or a material part of the business to a third party exceeding the amounts laid down by the supervisory board in its internal charter.
- (g) Making significant changes in governance and/or organisational structure of the group, including allocation of tasks within the management board, approval of amendment to the management board charter, relocation of group central functions and the taking of any step that might affect the SIIC regime provided for in Article 208 C of the French General Tax Code or any other favourable tax exempt status in any other country.
- (h) Any overall remuneration policies of the group and remuneration of the management board.
- (i) Participating or otherwise taking an interest in other companies or businesses and to terminate or modify such participation or interest, exceeding the amounts laid down by the supervisory board in its internal charter.
- (j) Any off-balance sheet commitment exceeding the amounts laid down by the supervisory board in its internal charter.
- (k) To submit to the shareholder's meeting a proposal to amend the articles of association of the Unibail or Rodamco as long as its shares are listed on Euronext Amsterdam.
- (l) To submit a proposal to (re)appoint or dismiss the external auditors of Unibail or its main subsidiaries and to review the fees of the external auditors.
- (m) To submit a proposal to the general shareholders' meeting for authorization (*délégation de compétence*) to issue or repurchase shares of Unibail or Rodamco as long as its shares are listed on Euronext Amsterdam.
- (n) To modify the dividend policy of Unibail and the declaration of the interim dividends and all dividends to be distributed.
- (o) To participate or otherwise take an interest in or enter into an agreement with other companies or businesses on the basis of which these companies or businesses obtain the right of recommendation or appointment of supervisory board members.
- (p) To submit applications for a moratorium or file petitions for the bankruptcy of Unibail or any of its group companies.
- (q) To submit a proposal to dissolve or wind up Unibail or its main subsidiaries.
- (r) To enter into a transaction in which there is a conflict of interest is or deemed to exist between supervisory board or management board members of the one part, and Unibail of the other part, for the purposes of articles L 225-86 and seq. of the *Code de commerce*.
- (s) To amend Unibail's Insider Trading Rules.
- (t) To approve the group's strategy and its annual budget, as submitted by the management board upon presentation of the financial statements for the ended fiscal year.

When a transaction must be authorized by the supervisory board and the supervisory board refuses it, the management board can, pursuant to the law, submit the conflict to the shareholders' meeting which will decide on the future of the project.

#### *Supervisory board*

The members of the supervisory board are appointed by the ordinary shareholders' meeting, which may dismiss them at any time. They are appointed for a three year term, with the exception of the initial members of the supervisory board who may be appointed for a shorter term to allow a spaced out renewal of the board.

The supervisory board continuously monitors Unibail's management by the management board as required by law. At any time of the year, it may carry out any verifications or controls which it deems necessary and may demand any documents which it deems useful to the fulfilment of its mission.

In addition, the supervisory board grants the management board permission to carry out the operations listed above, for which its prior authorization is required.

All decisions of the supervisory board are made by a majority vote of the members present or represented, subject to the casting vote of the chairman of the meeting in the event of a tie. The following decisions of the supervisory board are however made by a majority vote of two third of the members composing the supervisory board:

- decision to appoint any member of the management board, including its Chairman as chairman of the management board;
- decision to revoke any member of the management board, including its Chairman as chairman of the management board;
- decision to submit to the shareholders' meeting any modification to the articles of association;
- draw-up and modification of the supervisory boards' internal charter;
- approval of modifications proposed by the management board to the management boards' internal charter;
- approval of any proposition by the management board to relocate the international headquarters of Unibail in any other country;
- decision to appoint, upon proposal of the Chairman of the management board, one or more other members of the management board who will assume responsibilities for representing Unibail, acting as managing director.

***Initial supervisory board members proposed for appointment by the general meeting of shareholders***

The initial supervisory board members will be:

- Robert F.W. van Oordt (as chairman of the supervisory board);
- François Jaclot (as vice-chairman of the supervisory board);
- Frans J.G.M. Cremers;
- Jacques Dermagne;
- Rob Ter Haar;
- Jean-Louis Laurens;
- Yves Lyon-Caen;
- Henri Moulard;
- Bart R. Okkens; and
- Jos W.B. Westerburgen.

Messrs. Ter Haar, Lyon-Caen, Moulard, Okkens are appointed for a one year term, Messrs. Van Oordt and Laurens for a two year term and Messrs. Jaclot, Cremers, Dermagne and Westerburgen for a three year term.

The appointment of two additional members, who will not be French or Dutch citizens and who shall be qualified and independent according to criteria set forth in the charter of the supervisory board, based on French and Dutch corporate governance best practices (as described in the "Bouton Report" and the "Tabaksblat Code", respectively), will be submitted to a future shareholders meeting.

***Initial management board members proposed for appointment by the supervisory board***

The initial management board members will be:

- Guillaume Poitrinal (as chairman of the management board);
- Joost A. Bomhoff;
- Michel Dessolain;

- K. Willem Ledeboer;
- Catherine Pourre; and
- Peter M. van Rossum.

Upon proposal by the Chairman of the management board, with the authorization of the supervisory board, the members of the management board may allocate management tasks amongst themselves. In this case, such an allocation of tasks shall not exempt the management board from meeting and deliberating on major issues relating to Unibail's management, nor shall it be invoked as grounds for exemption from the obligation to supervise the general conduct of corporate activities, which is incumbent on each member of the management board, and for which the members have joint and several liability.

The initial responsibilities and functions among the initial members of the management board other than the chairman shall be, subject to further specification by the management board allocated as follows:

- One member (Mr Bomhoff) will act as Chief Development Officer (CDO): he will be responsible for the growth strategy of Unibail on existing and new market segments and sectors, for the origination of property transactions, including standing investments and development opportunities.
- One member (Mr Dessolain) will act as Chief Operating Officer (COO). He will be responsible for operations and for retail management: leasing, specialty leasing, shopping center management, marketing, maintenance, purchasing and asset development management.
- One member (Mr Ledeboer) will act as Chief Investment Officer (CIO) and will be in charge of asset management: defining asset strategy, budget and 5-years plan, co-ownership strategy. He will be responsible for the investment/divestment process.
- One member (Mrs Pourre) will act as Chief Resources Officer (CRO) and will be in charge of the legal, human resources, information technology and organisation functions.
- One member (Mr Van Rossum) will act as Chief Financial Officer (CFO). He will be responsible for generating profits through optimization of the cost of capital, tax matters and investors relations. As such, he will be in charge of financial control, consolidation, refinancing, tax, and investor relations.

### ***Committees***

The initial supervisory board will appoint two supervisory board committees from its members:

- a) An Audit Committee composed of four members of the supervisory board (at least  $\frac{3}{4}$  of whom must qualify as independent). Membership will be adopted by the supervisory board upon recommendation by the Chairman and Vice-Chairman of the supervisory board. This committee will hold meetings at least quarterly. It will be chaired by the Vice-Chairman of the supervisory board;
- b) A Governance, Nomination & Remuneration Committee composed of four members of the supervisory board (at least  $\frac{3}{4}$  of whom must qualify as independent). Membership will be adopted by the supervisory board upon recommendation by the Chairman and Vice-Chairman of the supervisory board. This committee will hold at least three meetings per year. It will be chaired by the Chairman of the supervisory board.

### ***4.7.2 Amendment Rodamco Articles of Association and future composition of Rodamco's boards***

Unibail and Rodamco have agreed that Rodamco will convene an extraordinary general shareholders meeting (the "Second EGM Rodamco") which is to be held, subject to Settlement, as soon as possible but in any event within one month following Settlement. At the Second EGM Rodamco proposals will be made to the Rodamco Shareholders to adopt the resolutions required for the future composition of the Management Board and Supervisory Board and the amendment of the Rodamco Articles of Association, as set forth below.

As of the Second EGM Rodamco the Management Board will be composed of two members. The Management Board members will be:

- Catherine Pourre; and
- Peter M. van Rossum.

For as long as Rodamco remains a listed company, the Supervisory Board will be composed of three members. At the Second EGM Rodamco Guillaume Poittrinal will be proposed to be appointed as chairman of the Supervisory

Board and two independent members of the Supervisory Board will be proposed to be appointed to the Supervisory Board as well.

An amendment of the Rodamco Articles of Association will be proposed to tailor them to the governance structure and to the composition of the Management Board and the Supervisory Board as described above, *e.g.* by a reduction of the minimum number of Supervisory Board members from five to three and to reflect the position of Rodamco as subsidiary of Unibail, including to abolish the requirements relating to the making of a proposal by the Management Board and the Supervisory Board to amend the Rodamco Articles of Association and possibly other proposals which are still to be determined and for which no specific agreed plan exists on the date of this Offer Document.

The current members of the Management Board, with the exception of Mr. M.J. Hulshoff who will resign with effect as of the Settlement Date, and the current members of the Supervisory Board shall remain in office until, and their resignations shall become effective immediately after the Second EGM Rodamco and the amendment of the Rodamco Articles of Association referred to above. Rodamco has committed to conduct its business and operations in the ordinary course of business consistent with past practice during the period ending on the Second EGM Rodamco and not to take specific actions and resolutions set out in the Merger Protocol without the prior consent of Unibail in that period.

#### **4.7.3 International headquarter**

It is Unibail's and Rodamco's intention and agreement to locate the international headquarter operations of the Combined Entity in the Netherlands. This will include both operational and administrative functions, together with the primary office of a significant number of the Combined Entity's management board members, including the CEO, and a majority of heads of staff and their corporate teams. The functions attached to the legal registered office and the French operations of the Combined Entity will continue to be managed out of Paris. The final organisation will be defined under the supervision of an integration committee which will work in conjunction with designated board members of the Combined Entity.

#### **4.8 Employee consultation**

On 10 April 2007, Unibail and Rodamco informed the Socio-Economic Council (*Sociaal-Economische Raad*) and satisfied all its obligations pursuant to the 2000 Socio-Economic Council Merger Regulation for the protection of employees (*SER-Besluit Fusiegedragsregels 2000 ter bescherming van de belangen van werknemers*). Unibail and Rodamco have agreed to continue to respect applicable governance rules including Rodamco's general employment policy, as well as any applicable employee co-determination regulations (*medezeggenschap*) applicable to Unibail and Rodamco. In addition, if and when Unibail and Rodamco move the Combined Entity's international headquarter operations to Amsterdam adequate redundancy and compensation packages, which shall at least be in line with what is market practice in the Netherlands, will be offered by Rodamco to employees who are not able or willing to participate in such a move, with a view to ensure that such employees are treated fairly.

#### **4.9 Incentive plans**

Unibail and Rodamco agreed to terminate the share plans currently in place with Rodamco (as to the main features of these plans, reference is made to Paragraph 15.2.30) and the participation of the relevant Rodamco employees in Unibail's incentive plan.

Subject to Settlement, Rodamco shall cancel on the Settlement Date all outstanding (conditional) rights to Rodamco Shares under Rodamco's performance share plan ("PSP Rights") then held by employees of Rodamco. In consideration for this cancellation, each holder of PSP Rights shall be entitled to an amount payable by Rodamco on the Settlement Date equal to the product of (i) the sum of (a)  $\frac{2}{3}$  of the at target number of PSP Rights held by him for 2006 and (b)  $\frac{1}{3}$  of the at target PSP Rights held by him for 2007 and (ii) the value of the Consideration per Rodamco Share at the end of the trading date on Settlement Date ("PSP Compensation"), whereby employees of Rodamco that will leave Rodamco's service prior to 31 December 2007 will, unless the Management Board decides, to its sole discretion, to deviate here from, have to refund to Rodamco  $\frac{1}{24}$  of the PSP Compensation related to the PSP Rights granted in 2006 and  $\frac{1}{12}$  of the PSP Compensation related to the PSP Rights granted in 2007 per full month that their employment terminates prior to 31 December 2007. The value of the Consideration per Rodamco Share shall be calculated on the basis of the share price of Unibail Shares at the end of trading on the Settlement Date and the Exchange Ratio. All payments made shall be less any applicable withholding for any applicable taxes, which shall be remitted to the appropriate governmental taxing authority; provided, however, that to the extent that any such amounts are so withheld and remitted, those amounts shall be treated as having been paid to the holder of such conditional rights to Rodamco Shares under Rodamco's performance share plan for all purposes under the Merger Protocol.

Subject to Settlement, Rodamco shall allow its employees who are holders of Rodamco Shares under Rodamco's share purchase plan to sell these Rodamco Shares. If those employees choose to sell their shares they are obliged to repay the outstanding and related loan. If employees choose not to sell and/or tender the Rodamco Shares under the terms and conditions of the Exchange Offer, the related loans remain outstanding as per the terms of the relevant loans.

Assuming (i) no Rodamco employees are obliged to refund of the PSP Compensation and (ii) a share price of EUR 110 per Rodamco Share, the total amount payable as consideration for the cancellation of the outstanding PSP Rights is expected to be approximately EUR 4,680,940.

As soon as possible after the Settlement Date, Unibail shall with economic effect as per the Settlement Date (i) offer to all relevant employees of Rodamco a participation in Unibail's envisaged new long term incentive plan on terms comparable to those offered to the relevant employees of Unibail and (ii) use its reasonable efforts to offer to all relevant employees of Rodamco a participation in Unibail's existing long term incentive plan on terms comparable to those offered to the relevant employees of Unibail.

#### **4.10 License under Dutch Financial Supervision Act**

On 23 April 2007 the AFM granted Unibail a license pursuant to article 2:65 (1)(b) of the Financial Supervision Act. Unibail must comply with additional license requirements laid down in the AFM's Policy Rule on Investment Institutions in a non-Designated State (*Beleidsregel Beleggingsinstellingen in een niet-aangewezen staat*, 06-12). Unibail must meet the obligations arising from the additional license requirements one month after the Unconditional Date.

Pursuant to the Financial Supervision Act, notifications to and/or approvals of the AFM and DNB are required in case of certain intended changes or changes pertaining to license requirements. This includes that the appointment of persons who determine or co-determine the investment institution's policy (including management board members and supervisory board members of Unibail), requires prior approval by the AFM.

#### **4.11 Implications of the Exchange Offer being declared unconditional (*gestanddoening*)**

##### **4.11.1 General**

As set out in Paragraph 4.2, the Exchange Offer is subject to the fulfilment or waiver of, among other Offer Conditions, the Minimum Acceptance Condition. Unibail reserves the right to waive the Minimum Acceptance Condition together with Rodamco and to declare the Exchange Offer unconditional even if the Rodamco Shares that have been tendered represent less than the Minimum Acceptance Condition.

Rodamco Shareholders who do not tender their Rodamco Shares in the Exchange Offer should carefully review this Paragraph 4.11, which describes certain implications they will be subject to after the Exchange Offer is declared unconditional. These risks are in addition to the exposure of the business of Rodamco, as such business and the structure of Rodamco may change from time to time after the Settlement Date.

The exchange of Rodamco Shares for Unibail Shares pursuant to the Exchange Offer will reduce the number of holders of Rodamco Shares as well as the number of Rodamco Shares that might otherwise trade publicly and, depending upon the number of Rodamco Shares so exchanged, could adversely affect the liquidity and market value of the remaining Rodamco Shares held by the public. Unibail reserves the right to use any legally permitted method to delist the Rodamco Shares and obtain ownership of 100% of the Rodamco Shares. If the Rodamco Shares are delisted, while Rodamco Shares could continue to be traded in the over-the-counter market and price quotations could be reported, there can be no assurance that such an over-the-counter market would develop. The extent of the public market for the Rodamco Shares and the availability of such quotations would depend upon such factors as the number of holders remaining at such time and the interest on the part of securities firms in maintaining a market in Rodamco Shares.

If after the Exchange Offer, there are still minority shareholders in Rodamco, they will be free to exercise their rights at general meetings of Rodamco Shareholders and to exercise their rights as minority shareholders in a Dutch company. However, in the event that the Rodamco Shares are no longer listed and publicly traded, the statutory provisions applicable to the governance of public or listed companies will no longer apply and the rights of minority shareholders will be limited to the statutory minimum.

#### 4.11.2 Delisting of Rodamco Shares

If the Exchange Offer is declared unconditional (*gestanddoening*), Unibail and Rodamco intend to delist as soon as reasonably practicable the Rodamco Shares from the Frankfurt Stock Exchange, Euronext Paris, Euronext Brussels and Euronext Amsterdam in accordance with applicable stock exchange rules and regulations. As a policy rule, in case of a public offer Euronext does not permit delisting until at least 95% of the listed shares is held by a single entity or group controlled by a single entity. Unibail and Rodamco expect, subject to applicable stock exchange rules and policies and legal requirements, to delist the Rodamco Shares from the stock exchanges mentioned above as soon as possible after the settlement of the Rodamco shares tendered in the Subsequent Acceptance Period (*na-aanmeldingstermijn*). The termination of one or more of these listings may adversely affect the liquidity of Rodamco Shares following Settlement and delisting.

#### 4.11.3 Legal structure of Rodamco following the Exchange Offer

##### General

For the purpose of effectuating a reorganisation that allows Unibail and Rodamco to fully align their respective interests, achieve the expected synergies and other benefits of their combination and to avoid the costs and burdens that may result from continuing separate listings of securities issued by them, Unibail and Rodamco intend to, subject to applicable legal and regulatory requirements, effectuate statutory squeeze out proceedings (*uitkoop*) or a cross border or other legal merger (*juridische fusie*) and/or the incorporation of and/or merger of Unibail and/or Rodamco into a European company (*Societas Europaea*) or other appropriate legal restructurings as soon as possible following the Settlement Date.

Furthermore, any legally permitted method, including but not limited to those mentioned below in this Paragraph, to obtain full ownership of all Rodamco Shares, may be used to align Rodamco with the holding and financing structure of Unibail and/or to alter Rodamco's corporate structure and/or capital structure in order to achieve an optimal financial, tax, organisational, management or other structure. For that purpose, Unibail and Rodamco may consider any of the following actions (some of which explained in greater detail below in this Paragraph): (i) a squeeze-out procedure (*uitkoopprocedure*) as referred to in article 2:92a of the DCC, (ii) a cross-border or other legal merger (*juridische fusie*) between Rodamco and Unibail (as described below in this Paragraph), (iii) a legal demerger (*splitsing*), (iv) a contribution, sale and/or transfer of all or part of the Rodamco's assets, a contribution of assets by Unibail to Rodamco against the issuance of Rodamco Shares and the exclusion of pre-emptive rights (*voorkeursrechten*) of other holders of Rodamco Shares, (v) the selling or exchange of all or substantially all of Rodamco's assets, directly or indirectly following a transfer of those assets to a subsidiary of Rodamco, (vi) a distribution of proceeds to the holders of Rodamco Shares, (vii) a liquidation of Rodamco (viii) a transfer of Rodamco's employees, (ix) the incorporation of and/or merger into or with a European company (*societas Europaea*), (x) a conversion (*omzetting*) of Rodamco into a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) or (xi) any combination of the foregoing. Unibail may also consider such actions at any time after the consummation of the Exchange Offer, if and when it is entitled to do so, with respect to shares in any successor entity of Rodamco, created through a legal merger or otherwise.

In order for the members of the Supervisory Board to comply with applicable rules regarding conflicts of interest and their fiduciary duties to the Rodamco Shareholders (including, after Settlement, Unibail) and for so long as the legal reorganisation referred to above has not yet been implemented and Rodamco is not yet de-listed, any and all material transactions between Rodamco, on the one hand, and Unibail on the other hand (including any matter related to any squeeze out, cross-border or other legal merger or any other legal reorganisation or restructuring mentioned above), will require the prior approval of the independent members of the Supervisory Board. The independent members of the Supervisory Board may request that independent financial, tax, legal or other experts are appointed to advise them on the reasonableness of the proposed transactions.

Unibail has agreed with Rodamco that it shall take all actions and do all things necessary or appropriate to obtain and maintain FBI status and do all things necessary or appropriate as soon as reasonably practical after the Settlement Date, including but not limited to a possible restructuring of its assets or operations. Reference is made to Paragraph 4.4.6.

##### Legal Merger

As indicated above in this Paragraph, one method permitted by law of obtaining 100% of the Rodamco Shares that may be considered, is effecting a cross-border or other legal merger (*juridische fusie*) between Rodamco and Unibail. If in such legal merger Rodamco is the disappearing entity and Unibail the surviving entity, the Rodamco Shareholders that have not tendered their Rodamco Shares under the Exchange Offer will become, by operation of

law, shareholders in Unibail, as the surviving entity in the merger, alongside the already existing Unibail Shareholders or Unibail, including those former Rodamco Shareholders that will have become Unibail Shareholders as a result of the Exchange Offer. Unibail reserves the right to pursue a legal merger of a different form and on different terms or with different parties such as a Unibail subsidiary as surviving entity.

#### *Other possible measures*

At any time after the Settlement Date, Unibail may decide that Rodamco should be converted into a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*). At the same time as converting Rodamco into a private limited liability company, Unibail as the controlling shareholder of Rodamco may adopt further amendments to the Rodamco Articles of Association, which may affect the rights of the minority shareholders.

If less than 95% of the Rodamco Shares is acquired by Unibail under the Exchange Offer or thereafter and no squeeze out can be initiated, Unibail and Rodamco will remain separate legal entities with possibly separate listing on one or more stock exchanges until any of the other reorganisations, restructurings or measures set out in this Paragraph 4.11.3 is implemented, which may have an effect on the business to be applied by Rodamco and Unibail during the period until such reorganisation, restructuring or measure is implemented. This may result in Rodamco and Unibail operating their businesses together by means of joint venture or other contractual arrangements with a view to achieving the synergies that are made possible by the transaction.

For the avoidance of doubt, any or all of the measures and processes described in this Paragraph 4.11.3 may be applied cumulatively, alternatively or not at all, subject to applicable provisions of Dutch or other applicable law.

### **4.12 Merger Protocol**

#### **4.12.1 In general**

In relation to the Exchange Offer, Rodamco and Unibail have entered into the Merger Protocol. Pursuant to the Merger Protocol, Unibail has undertaken to make the Exchange Offer, subject to certain conditions being fulfilled. The Merger Protocol also deals with certain arrangements post Settlement between Unibail and Rodamco, such as the future corporate governance and reorganisation of the Combined Entity (reference is made to Paragraph 4.7.1), as well as certain other arrangements which are summarized in this Paragraph 4.12.

#### **4.12.2 Termination events**

The below summarizes the termination events set forth in the Merger Protocol and consequently the Merger Protocol may be terminated if:

- (i) one or more Offer Conditions is not fulfilled or waived on or before the sixtieth business day after the date of this Offer Document, provided that the non-fulfilment of the relevant Offer Condition(s) is not due to a breach by the terminating party of any of its obligations under the Merger Protocol or any agreement resulting therefrom;
- (ii) a material breach of the Merger Protocol by a party occurs, which has not been remedied by the breaching party within one week after receipt of a written notice by the terminating party, provided that the breaching party shall not be entitled to such remedy period if the breach is not capable of being remedied;
- (iii) no revised offer is made by Unibail following a superior offer for Rodamco by a third party or no revised merger proposal is made by Rodamco following a superior offer for Unibail by a third party; or
- (iv) a termination is mutually agreed between Unibail and Rodamco.

#### **4.12.3 Cost reimbursements**

Rodamco shall, upon termination of the Merger Protocol either (i) in case of termination by Unibail in connection with a breach by Rodamco, or (ii) in case of termination by Rodamco in connection with a superior offer made by a third party, promptly reimburse all reasonable and documented fees, costs and out-of-pocket expenses incurred by Unibail in connection with the Exchange Offer for a fixed amount by way of liquidated damages of EUR 30,000,000 (thirty million euros).

If the Merger Protocol is terminated by Unibail or Rodamco because the Offer Condition referred to in Paragraph 4.2.j, relating to the authorization of the Unibail Shares and Unibail ORAs to be issued pursuant to the Exchange Offer, is not fulfilled; and within 12 months from 10 April 2007 Unibail agrees or announces a transaction involving (i) a public offer for Unibail shares, (ii) the sale of all the assets of Unibail, (iii) the acquisition

or offer to acquire by Unibail of a third party or the assets thereof with a value in excess of EUR 5,000,000,000 (five billion euros) or (iv) a merger or business combination (irrespective of its legal form or structure) involving Unibail if, following such merger or business combination, the combined business has a value of at least EUR 15,000,000,000 (fifteen billion euros), Unibail shall promptly reimburse to Rodamco all reasonable and documented fees, costs and out-of-pocket expenses incurred by Rodamco in connection with the Exchange Offer for a fixed amount by way of liquidated damages of EUR 30,000,000 (thirty million euros).

#### **4.13 Risk factors**

Reference is made to chapter 2 of the Securities Note, dealing with the risks specific to the issuance of the Unibail Shares and Unibail ORAs.



## **5. RECOMMENDATION OF THE SUPERVISORY BOARD AND MANAGEMENT BOARD OF RODAMCO**

After having duly considered the strategic, financial and other aspects and consequences of the Exchange Offer, the Supervisory Board and Management Board have reached the conclusion that the Exchange Offer is in the best interest of Rodamco and its shareholders.

The Supervisory Board and Management Board are of the opinion that in respect of the Share Consideration, the Exchange Offer is fair to the Rodamco Shareholders. In this respect reference is made to the fairness opinions rendered by UBS Limited and Goldman Sachs International, which are included in Paragraph 6.1 and 6.2 of this Offer Document respectively. Accordingly, the Supervisory Board and Management Board unanimously support and recommend the Share Consideration to Rodamco Shareholders for acceptance (with the exception of Mr K. Terry Dornbush who has resigned from the Supervisory Board for personal reasons and abstained from voting during the Supervisory Board meeting of 9 April 2006). The recommendation by the Supervisory Board and the Management Board does not cover the ORA Consideration as the Supervisory Board and the Management Board are unable to form a view on the tax and other benefits and risks related to the Unibail ORAs, which depend, *inter alia*, on the identity and preferences of each shareholder. The fairness opinions also do not cover the ORA Consideration. The Unibail ORAs are financial instruments tailored to the specific needs of certain investors. Rodamco Shareholders are recommended to obtain their own financial advice with respect to the ORA Consideration.

Rotterdam, 10 April 2007

### **Supervisory Board**

R.F.W. van Oordt  
H.R. Okkens  
F.J.G.M. Cremers  
R. ter Haar  
J.W.B. Westerburgen  
H.B. van Wijk

### **Management Board**

M.J. Hulshoff  
P.M. van Rossum  
J.A. Bomhoff  
K.W. Ledeboer

## 6. FAIRNESS OPINIONS

### 6.1 Fairness opinion UBS Limited



**UBS Limited**  
1 Finsbury Avenue  
London, EC2M 2PP  
Tel. +44-20-7567 8000  
  
Investment Bank  
  
[www.ubs.com](http://www.ubs.com)

9 April 2007

#### Strictly Private & Confidential

The Supervisory Board and the Management Board  
Rodamco Europe N.V.  
Hofplein 20  
3032AC Rotterdam  
The Netherlands

Dear Sirs,

We understand that Rodamco Europe N.V. ("**Rodamco Europe**") and Unibail Holding ("**Unibail**") are proposing to enter into a business combination (the "**Transaction**"). Pursuant to the terms of the Merger Protocol proposed to be entered into on 9 April 2007 (the "**Merger Protocol**") between Rodamco Europe and Unibail, the transaction will be implemented through Unibail offering (the "**Offer**") to acquire all of the outstanding ordinary shares of common stock, par value €8 per share, of Rodamco Europe (each a "**Rodamco Share**") in exchange for 0.53 of a share of common stock, par value €5 per share, of Unibail (the "**Unibail Shares**") for each Rodamco Share (the "**Exchange Ratio**").

Each person who is a holder of record of Rodamco Shares will be entitled, with respect to all or a portion of such shares, to elect to receive, in lieu of receiving Unibail Shares as described above, non-voting exchangeable French law governed *Obligations Remboursable en Actions* of Unibail ("**ORAs**") in exchange for such holder's Rodamco Shares at the Exchange Ratio, subject to the provisions of the Merger Protocol, including the possibility of pro-rating the allocation of such ORAs if such elections exceed the maximum amount of ORAs available thereunder. We understand that the ORAs have the rights, privileges, restrictions and conditions set out in Schedule A to the Merger Protocol and are exchangeable on a one-for-one basis with the Unibail Shares, subject to adjustment.

In connection with the Transaction, you have requested UBS Limited ("**UBS**") to provide the Supervisory Board and the Management Board of Rodamco Europe (the "**Boards**") with an opinion as to the fairness, from a financial point of view, to the holders of Rodamco Shares as a whole (the "**Shareholders**") of the Exchange Ratio.

UBS is acting as financial adviser to Rodamco Europe in connection with the Transaction and will receive a fee from Rodamco Europe for its services, all of which is contingent upon consummation of the Transaction. From time to time, UBS, other members of the UBS Group (which for the purpose of this letter means UBS AG and any subsidiary, branch or affiliate of UBS AG) and any of their predecessors may have provided investment banking services to Rodamco Europe and Unibail or any of their affiliates and received customary compensation for the rendering of such services. In the ordinary course of business, UBS, any members of the UBS Group or their successors may trade securities of Rodamco Europe or Unibail for their own accounts or for the accounts of their customers and, accordingly, may at any time hold long or short positions in such securities.

Our opinion does not address the relative merits of the Transaction as compared to other business strategies or transactions that might be available with respect to Rodamco Europe, the underlying business decision of Rodamco Europe to effect the Transaction nor does it constitute a recommendation to any Shareholder as to whether such Shareholder should tender their shares in the Offer. We express no opinion as to what the value of the Unibail Shares or ORAs will be when issued pursuant to the Transaction or the prices at which the Unibail Shares or the ORAs will

trade in the future. At your direction, we have not been asked to, nor do we, offer any opinion as to the material terms of the Transaction, other than the Exchange Ratio, or the form of the Transaction. In rendering this opinion, we have assumed, with your consent, that the Transaction as consummated will not differ in any material respect from that described in the draft Transaction documents we have examined, and that Rodamco Europe and Unibail will comply with all material terms of the Transaction documents.

In determining our opinion we have used such customary valuation methodologies as we have deemed necessary or appropriate for the purposes of this opinion. In particular we have, amongst others things, done the following:

- a. reviewed certain publicly available business and historical financial information relating to Rodamco Europe and Unibail;
- b. reviewed certain internal financial information and other data relating to the standalone business and financial prospects of Rodamco Europe and Unibail, including estimates and financial forecasts for 2007 prepared by or for management of Rodamco Europe and Unibail, that were provided to us by Rodamco Europe, and not publicly available;
- c. at your direction, used analyst consensus estimates for all analyses relating to 2008;
- d. conducted discussions with, and relied on statements made by, members of the senior management of Rodamco Europe concerning the businesses and financial prospects of Rodamco Europe and Unibail;
- e. conducted discussions with, and relied on statements made by, members of the senior management of Unibail concerning the businesses and financial prospects of Unibail;
- f. reviewed current and historical market prices of the shares of Rodamco Europe and Unibail;
- g. reviewed certain publicly available financial and stock market data with respect to certain companies that we deemed comparable to Rodamco Europe and Unibail;
- h. reviewed property valuation analyses prepared by Rodamco Europe or for its benefit;
- i. reviewed property valuation analyses prepared by third party real estate appraisers of the real estate and other assets owned by Rodamco Europe and Unibail;
- j. reviewed the final draft dated 9 April 2007 of the Merger Protocol and the draft dated 9 April 2007 of the prospectus/offer document;
- k. compared the financial terms of the Transaction with the publicly available terms of certain other transactions that we deemed relevant for our analysis;
- l. considered the financial impact (on EPS and NNNV per share basis only) of the Transaction on Rodamco Europe's shareholders as a whole;
- m. reviewed certain estimates of synergies prepared by or for the management of Rodamco Europe and Unibail; and
- n. conducted such other financial studies, analysis and investigations and considered such other information as we deemed necessary or appropriate for the purposes of this opinion.

In connection with our review, with your consent, we have not assumed any responsibility for independent verification of or liability for, any of the information reviewed by us for the purpose of this opinion and have, with your consent, relied on such information being complete and accurate in all material respects. In addition, at your direction, other than reviewing the asset valuations prepared by Rodamco Europe, Unibail and certain third party real estate appraisers referred to above, we have not made any independent evaluation or appraisal of any of the assets or liabilities (contingent or otherwise) of Rodamco Europe and of Unibail. With respect to the financial forecasts and estimates referred to above, we have assumed, at your direction, that they have been reasonably prepared on a basis reflecting the best currently available estimates and judgments of the Boards and management of Rodamco Europe and Unibail, as to the future performance of Rodamco Europe and of Unibail. In addition, we have assumed with your approval that the future financial results referred to above will be achieved at the times and in the amounts projected thereby. We have also assumed that all governmental, tax, regulatory or other consents and approvals necessary for the consummation of the Transaction will be obtained without any material adverse effect on Rodamco Europe or on Unibail or the Transaction. Our opinion is necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to us as of, the date hereof. It should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revise or reaffirm. We accept no responsibility for the accounting or other data and commercial assumptions on which this opinion is based. Furthermore, our opinion does not address any legal, regulatory, taxation or accounting

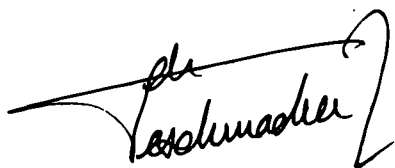
matters, as to which we understand that Rodamco Europe has obtained such advice as it deemed necessary from qualified professionals. We are not expressing any opinion herein as to whether the Shareholders should elect to receive the Unibail Shares or ORAs.

Based upon and subject to the foregoing, it is our opinion that, as of the date hereof, the Exchange Ratio is fair from a financial point of view to the Shareholders as a whole.

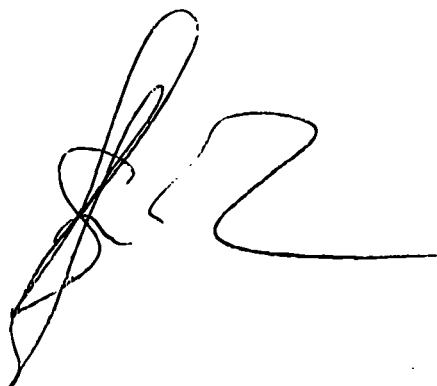
This letter and the opinion are provided for the benefit of the Boards in connection with and for the purposes of their consideration of the Transaction. This letter is not on behalf of, and shall not confer rights or remedies upon, may not be relied upon, and does not constitute a recommendation by UBS to, any holder of securities of Rodamco Europe or any other person other than the Boards. This letter may not be used for any other purpose, or reproduced (other than for the Boards and its advisers), disseminated or quoted at any time and in any manner without our prior written consent. We accept no responsibility to any person other than the Boards in relation to the contents of this letter, even if it has been disclosed with our consent.

This opinion has been drafted in the English language. Should a Dutch version become available, the English text shall prevail in the event of an inconsistency between the two versions.

Yours faithfully  
**UBS Limited**

A handwritten signature in black ink, appearing to read 'Heino Teschmacher', written over a horizontal line.

Heino Teschmacher  
Managing Director

A handwritten signature in black ink, appearing to read 'Sebastiaan van Loon', written over a horizontal line.

Sebastiaan van Loon  
Director

## 6.2 Fairness opinion Goldman Sachs International

Goldman Sachs international | Peterborough Court | 133 Fleet Street | London EC4A 2BB  
Tel: 020 7774 1000 | Telex: 94015777 | Cable: GOLDSACHS LONDON  
Authorised and regulated by the Financial Services Authority

### PERSONAL AND CONFIDENTIAL

9 April 2007

The Supervisory Board and the Management Board  
Rodamco Europe N.V.  
Hofplein 20  
Rotterdam 3032 AC  
The Netherlands

Gentlemen:

You have requested our opinion as to the fairness, from a financial point of view, to the holders of the outstanding shares of common stock, par value €8 per share (the "Rodamco Shares"), of Rodamco Europe N.V. ("Rodamco"), of the Exchange Ratio (as defined below) pursuant to the Merger Protocol, dated as of April 10, 2007 (the "Agreement"), between Rodamco and Unibail Holding SA ("Unibail"). Pursuant to the Agreement, Rodamco is proposing to enter into a business combination with Unibail which will be implemented through the issuance by Unibail of 0.53 of a share of common stock, par value €5 per share (the "Unibail Shares"), of Unibail in exchange for each outstanding Rodamco Share (the "Exchange Ratio"). Each person who is a holder of record of Rodamco Shares will be entitled, with respect to all or a portion of such shares, to elect to receive, in lieu of receiving Unibail Shares as described above, non-voting exchangeable French law governed *Obligations Remboursable en Actions* of Unibail ("ORAs") in exchange for such holder's Rodamco Shares at the Exchange Ratio, subject to the provisions of the Agreement, including the possibility of pro-rating the allocation of such ORAs if such elections exceed the maximum amount of ORAs available thereunder. We understand that the ORAs have the rights, privileges, restrictions and conditions set out in Schedule A1 to the Agreement and are exchangeable on a one-for-one basis with the Unibail Shares, subject to adjustment.

Goldman Sachs International and its affiliates, as part of their investment banking businesses, are continually engaged in performing financial analyses with respect to businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and other transactions as well as for estate, corporate and other purposes. We have acted as financial advisor to Rodamco in connection with, and have participated in certain of the negotiations leading to, the transaction contemplated by the Agreement (the "Transaction"). We expect to receive fees for our services in connection with the Transaction, the principal portion of which are contingent upon consummation of the Transaction and Rodamco has agreed to reimburse our expenses and indemnify us against certain liabilities arising out of our engagement. In addition, we have provided certain investment banking services to Rodamco from time to time. We have also provided certain investment banking services to Unibail from time to time, including having acted as its financial advisor on the sale of SCI Karanis announced on 26 March 2007. We also may provide investment banking services to Rodamco and/or Unibail in the future. In connection with the above-described investment banking services, we have received, and may receive, compensation.

Goldman Sachs International and certain of its affiliates are full service securities firms engaged, either directly or through their respective affiliates, in securities trading, investment management, financial planning and benefits counseling, risk management, hedging, financing and brokerage activities for both companies and individuals. In the ordinary course of these activities, Goldman Sachs International and its affiliates may provide such services to Rodamco, Unibail and their respective affiliates, may actively trade the debt and equity securities (or related derivative securities) of Rodamco and Unibail for their own account and for the accounts of their customers and may at any time hold long and short positions of such securities.

In connection with this opinion, we have reviewed, among other things: the Agreement; annual reports to stockholders of Rodamco and Unibail for the five fiscal years ended 31 December 2006; certain interim reports to stockholders of Rodamco and Unibail; certain other communications from Rodamco and Unibail to their respective stockholders; certain internal financial analyses and forecasts for Rodamco reviewed and approved by its management (the "Rodamco Forecasts"); certain internal financial analyses and forecasts for Unibail reviewed and approved by its management (the "Unibail Forecasts"); certain cost savings and operating synergies projected by

the managements of Rodamco and Unibail to result from the Transaction (the "Synergies"); and certain valuations prepared by the managements of both Rodamco and Unibail of their own real estate and other assets and certain valuations prepared by third party real estate appraisers of the real estate and other assets owned by Rodamco and Unibail, as adjusted as appropriate by the management of Rodamco (the "Appraisals").

We have held discussions with members of the senior management of Rodamco regarding their assessment of the strategic rationale for, and the potential benefits of, the Transaction and the past and current business operations, financial condition and future prospects of Rodamco and Unibail. We have also held discussions with members of the senior management of Unibail regarding their assessment of the strategic rationale for, and the potential benefits of, the Transaction and the past and current business operations, financial condition and future prospects of Unibail.

In addition, we have reviewed the reported price and trading activity for the Rodamco Shares and Unibail Shares, compared certain financial and stock market information for Rodamco and Unibail with similar information for certain other companies the securities of which are publicly traded, reviewed the financial terms of certain recent business combinations in the real estate industry specifically and in other industries generally and performed such other studies and analyses, and considered such other factors, as we considered appropriate.

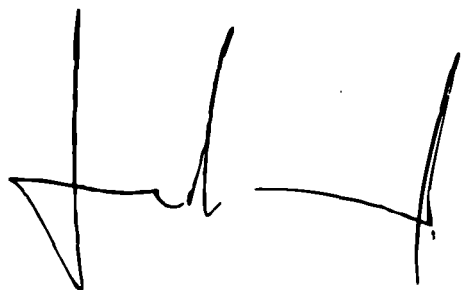
We have relied upon the accuracy and completeness of all of the financial, accounting, legal, tax and other information discussed with or reviewed by us and have assumed such accuracy and completeness for purposes of rendering this opinion. In that regard, we have assumed with your consent that the Rodamco Forecasts, the Unibail Forecasts and the Synergies reflect the best currently available estimates and judgments of Rodamco and Unibail, as the case may be. In addition, we have not made an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or off-balance-sheet assets and liabilities) of Rodamco or Unibail or any of their respective subsidiaries and, other than the Appraisals, we have not been furnished with any such evaluation or appraisal. We also have assumed that all material governmental, regulatory, tax or other consents and approvals necessary for the consummation of the Transaction will be obtained without any adverse effect on Rodamco or Unibail or on the expected benefits of the Transaction contemplated by the Agreement in any way meaningful to our analysis.

Our opinion does not address the underlying business decision of Rodamco to engage in the Transaction nor are we expressing any opinion as to the prices at which the Unibail Shares or the ORAs will trade at any time. Our advisory services, and the opinion expressed herein, are provided for the information and assistance of the Supervisory Board and the Management Board of Rodamco in connection with its consideration of the Transaction and such opinion does not constitute a recommendation as to whether or not any holder of such shares should tender such shares or make any election in connection with the Offer.

Based upon and subject to the foregoing, it is our opinion that, as of the date hereof, the Exchange Ratio is fair from a financial point of view to holders of Rodamco Shares.

Yours faithfully,

GOLDMAN SACHS INTERNATIONAL

A handwritten signature in black ink, consisting of a stylized 'H' followed by a horizontal line and a vertical line, with a small flourish at the end.

Managing Director

## 7. EXTRAORDINARY GENERAL MEETING OF UNIBAIL SHAREHOLDERS

The agenda of the EGM Unibail is set forth below. For the explanatory notes to this agenda, reference is made to the website of Unibail ([www.unibail.com](http://www.unibail.com)).

### Extraordinary resolutions

- 1) Delegation of authority to the Board of Directors to decide to (i) increase the share capital by the issue of ordinary shares and/or securities giving access to the share capital of the Company and/or of its subsidiaries, with maintained preferential subscription rights (*droit préférentiel de souscription*), and/or (ii) issue of securities giving right to the allotment of debt instruments, with maintained preferential subscription rights.
- 2) Delegation of authority to the Board of Directors to decide to (i) increase the share capital by the issue of ordinary shares and/or securities giving access to the share capital of the Company and/or of its subsidiaries, with exclusion of preferential subscription rights, and/or (ii) issue securities giving the right to the allotment of debt instruments, with exclusion of preferential subscription rights.
- 3) Delegation of authority to the Board of Directors for the purpose of increasing the number of securities to be issued in the case of share capital increase, maintaining or excluding preferential subscription rights, in accordance with the first and second resolutions above.
- 4) Delegation of authority to the Board of Directors to issue ordinary shares and/or securities giving access to the share capital of the Company as consideration for contributions-in-kind received by the Company, subject to a limit of 10% of the Company's share capital.
- 5) Delegation of authority to the Board of Directors to issue, in the context of the combination with Rodamco Europe N.V., ordinary shares and/or securities giving immediate or future access to the share capital of the Company in the event of a public exchange offer being made by the Company.
- 6) To place an overall limit on the aggregate amount of immediate and/or future capital increases authorized.
- 7) Delegation of authority to the Board of Directors to increase the share capital by the capitalization of premiums, reserves, profits or other items.
- 8) Delegation of authority to the Board of Directors to increase the share capital by issuing shares that are reserved for the members of share ownership schemes with exclusion of preferential subscription rights in their favour.
- 9) Delegation of authority to the Board of Directors to grant options to purchase and/or to subscribe for shares in the Company to employees and officers of the Company and of its subsidiaries.
- 10) Delegation of authority to the Board of Directors to reduce the share capital by cancelling treasury shares.
- 11) Transformation of the governance and management structure of the Company by the adoption of the two-tier model of Supervisory Board and Management Board, subject to the condition precedent of the first settlement of the securities to be issued in relation to the public exchange offer by Unibail for Rodamco Europe N.V.
- 12) To alter the corporate object of the Company subject to the condition precedent of the first settlement of the securities to be issued in relation to the public exchange offer by Unibail for Rodamco Europe N.V.
- 13) To change the name of the Company subject to the condition precedent of the first settlement of the securities to be issued in relation to the public exchange offer by Unibail for Rodamco Europe N.V.
- 14) To revise and adopt the text of the new articles of association of the Company subject to the condition precedent of the first settlement of the securities to be issued in relation to the public exchange offer by Unibail for Rodamco Europe N.V.
- 15) To transfer to the Management Board the competence delegated to the Board of Directors in accordance with the first to tenth resolutions above and any competence previously delegated and still in effect, subject to the condition precedent of the Company being converted into a company with a Management Board and Supervisory Board.

### Ordinary resolutions

- 16) Authorisation to be granted the Board of Directors to deal in the shares of the Company.
- 17) Appointment of Mr Robert F.W. van Oordt as member of the Supervisory Board subject to the condition precedent of the Company being converted into a company with a Management Board and Supervisory Board.
- 18) Appointment of Mr François Jaclot as member of the Supervisory Board subject to the condition precedent of the Company being converted into a company with a Management Board and Supervisory Board.
- 19) Appointment of Mr Frans J.G.M. Cremers as member of the Supervisory Board subject to the condition precedent of the Company being converted into a company with a Management Board and Supervisory Board.
- 20) Appointment of Mr Jacques Dermagne as member of the Supervisory Board subject to the condition precedent of the Company being converted into a company with a Management Board and Supervisory Board.
- 21) Appointment of Mr Rob Ter Haar as member of the Supervisory Board subject to the condition precedent of the Company being converted into a company with a Management Board and Supervisory Board.
- 22) Appointment of Mr Jean-Louis Laurens as member of the Supervisory Board subject to the condition precedent of the Company being converted into a company with a Management Board and Supervisory Board.
- 23) Appointment of Mr Yves Lyon-Caen as member of the Supervisory Board subject to the condition precedent of the Company being converted into a company with a Management Board and Supervisory Board.
- 24) Appointment of Mr Henri Moulard as member of the Supervisory Board subject to the condition precedent of the Company being converted into a company with a Management Board and Supervisory Board.
- 25) Appointment of Mr Bart R. Okkens as member of the Supervisory Board subject to the condition precedent of the Company being converted into a company with a Management Board and Supervisory Board.
- 26) Appointment of Mr Jos W.B. Westerburgen as member of the Supervisory Board subject to the condition precedent of the Company being converted into a company with a Management Board and Supervisory Board.
- 27) To fix the amount of the fees allocated to members of the Supervisory Board subject to the condition precedent of the Company being converted into a company with a Management Board and Supervisory Board.
- 28) Powers to carry out formalities.



## **8. EXTRAORDINARY MEETING OF RODAMCO SHAREHOLDERS**

The EGM Rodamco is to be held on Wednesday, 6 June 2007 at 3 p.m. at the Hilton Hotel, Apollolaan 138, Amsterdam, the Netherlands. During this meeting, the Exchange Offer will be explained and discussed in compliance with the provisions of article 9q of the Decree.

The agenda of the EGM Rodamco will be as follows:

1. Opening;
2. Explanation of the contemplated merger between Rodamco Europe N.V. and Unibail Holding S.A. by means of a public bid on all outstanding Rodamco Europe N.V. shares;  
*(For information purposes; no approval of EGM is required)*
3. Announcements of the management board and questions;
4. Closing.

## 9. TAX ASPECTS OF THE EXCHANGE OFFER

*The following is a general summary of certain Dutch, Belgian, German and UK tax consequences of the exchange of Rodamco Shares for Unibail Shares and/or Unibail ORAs and certain Dutch, Belgian, German, UK and French tax consequences of the ownership and disposal of Unibail Shares and Unibail ORAs, either already held or received pursuant to the Exchange Offer. A summary of certain general French tax consequences of the exchange of Rodamco Shares for Unibail Shares and/or Unibail ORAs is included in the French supplement to the Offer Document which will be published in France. The following is not intended to be applicable to all categories of investors and is included for general information purposes only. It does not describe all Dutch, Belgian, German, UK and French tax considerations or consequences relevant to holders of Rodamco Shares or Unibail Shares and/or Unibail ORAs. In particular, it does not describe the Belgian, German, UK and French tax consequences relevant to Rodamco and Unibail Shareholders who have received these shares as employment income, deemed employment income or otherwise as compensation. Any potential investor should consult his own tax adviser for more information about the tax consequences of the implementation of the Exchange Offer and of acquiring, owning and disposing of Unibail Shares and/or Unibail ORAs.*

*Except as otherwise indicated, this summary (including the rates and other figures) only addresses Dutch, Belgian, German, UK and French laws and regulations as in effect at the date of this Offer Document and as interpreted in published case law on the date hereof. Therefore, this summary is subject to change after that date, including changes that could have retroactive effect. A change in laws and/or regulations may thus invalidate all or part of this summary, which will not be updated to reflect any such changes.*

*This summary assumes that Rodamco and Unibail are organised, and that their business will be conducted, in the manner outlined in this Offer Document. A change to such organisational structure or to the manner in which they conduct their business may invalidate the contents of this summary, which will not be updated to reflect any such change. Where in this summary English terms and expressions are used to refer to Dutch, Belgian, German, UK or French concepts, the meaning to be attributed to such terms and expressions shall therefore be the meaning to be attributed to the equivalent Dutch, Belgian, German, UK and French concepts under Dutch, Belgian, German, UK and French tax law, respectively.*

*The attention of the investors is drawn to the fact that this information is a summary of the applicable tax regime and their specific situation must be addressed with their own tax advisor. Since this summary is for information purposes only, Unibail does not guarantee that the interpretation of current law and/or case law by the tax administration or by the courts will not differ from the information below.*

### 9.1 Material Dutch Tax Consequences

The taxation summary set out in Paragraph 9.1 solely addresses the principal Dutch tax consequences of the Exchange Offer and of the ownership and disposition of Unibail Shares and/or Unibail ORAs that are issued pursuant to the Exchange Offer. It does not discuss every aspect of taxation that may be relevant to a particular holder of Rodamco Shares or Unibail Shares and/or Unibail ORAs under special circumstances or who is subject to special treatment under applicable law.

#### 9.1.1 Dividend withholding tax in connection with implementation of the Exchange Offer

The exchange of Rodamco Shares for Unibail Shares and/or Unibail ORAs pursuant to the Exchange Offer will not be subject to Dutch dividend withholding tax.

#### 9.1.2 Taxes on income and capital gains in connection with implementation of the Exchange Offer

##### *General*

The summary set out in this Paragraph 9.1.2 "Taxes on income and capital gains in connection with the implementation of the Exchange Offer" only applies to a holder of Rodamco Shares who is a "Dutch Individual holder of Rodamco Shares", a "Dutch Corporate holder of Rodamco Shares" or a "Non-resident holder of Rodamco Shares".

For the purposes of this Paragraph you are a "Dutch Individual holder of Rodamco Shares" if you satisfy the following tests:

- a. you are an individual;
- b. you are resident, or deemed to be resident, in the Netherlands for Dutch income tax purposes, or you have elected to be treated as a resident of the Netherlands for Dutch income tax purposes;

- c. your Rodamco Shares and any benefits derived or deemed to be derived therefrom have no connection with your past, present or future employment, if any; and
- d. your Rodamco Shares do not form part of a substantial interest (*aanmerkelijk belang*) or a deemed substantial interest in Rodamco within the meaning of Chapter 4 of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*).

Generally, if a person holds Rodamco Shares, such Rodamco Shares form part of a substantial interest or a deemed substantial interest in Rodamco if any one or more of the following circumstances is present.

- 1. Such person alone or, if he is an individual, together with his partner (*partner*, as defined in Article 1.2 of the Dutch Income Tax Act 2001), if any, owns, directly or indirectly, shares in Rodamco representing five per cent. or more of its total issued and outstanding capital (or the issued and outstanding capital of any class of its shares), or rights to acquire, directly or indirectly, shares in Rodamco, whether or not already issued, that represent five per cent. or more of its total issued and outstanding capital (or the issued and outstanding capital of any class of its shares), or profit participating certificates (*winstbewijzen*) that relate to five per cent. or more of its annual profit or to five per cent. or more of its liquidation proceeds.
- 2. Such person's shares, profit participating certificates or rights to acquire shares or profit participating certificates in Rodamco have been acquired by him or are deemed to have been acquired by him under a non-recognition provision.
- 3. Such person's partner or any of his relatives by blood or by marriage in the direct line (including foster-children) or of those of his partner has a substantial interest (as described under 1. and 2. above) in Rodamco.

A person who is entitled to the benefits from shares or profit participating certificates (for instance a holder of a right of usufruct) is deemed to be a holder of shares or profit participating certificates, as the case may be, and his entitlement to benefits is considered a share or profit participating certificate, as the case may be.

If you are an individual and a holder of Rodamco Shares and if you satisfy test b., but do not satisfy test c. and/or test d., your Dutch income tax position is not discussed in this Offer Document. If you are an individual and a holder of Rodamco Shares who does not satisfy test b., please refer to the section "Taxes on income and capital gains in connection with the implementation of the Exchange Offer — Non-resident holders of Rodamco Shares" in this Paragraph 9.1.2.

For the purposes of this section you are a "Dutch Corporate holder of Rodamco Shares" if you satisfy the following tests:

- i. you are a corporate entity (including an association that is taxable as a corporate entity) that is subject to Dutch corporation tax in respect of benefits derived from its Rodamco Shares;
- ii. you are resident, or deemed to be resident, in the Netherlands for Dutch corporation tax purposes;
- iii. you are not an entity that, although in principle subject to Dutch corporation tax, is, in whole or in part, specifically exempt from that tax; and
- iv. you are not an investment institution (*beleggingsinstelling*) as defined in the Dutch Corporation Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*).

If you are a corporate entity and a holder of Rodamco Shares and if you do not satisfy any one or more of these tests, with the exception of test ii., your Dutch corporation tax position is not discussed in this Offer Document. If you are a corporate entity and a holder of Rodamco Shares that does not satisfy test ii., please refer to the section "Taxes on income and capital gains in connection with the implementation of the Exchange Offer — Non-resident holders of Rodamco Shares" in this Paragraph 9.1.2.

For the purposes of this section, you are a "Non-resident holder of Rodamco Shares" if you satisfy the following tests:

- a. you are neither resident, nor deemed to be resident, in the Netherlands for purposes of Dutch income tax or corporation tax, as the case may be, and, if you are an individual, you have not elected to be treated as a resident of the Netherlands for Dutch income tax purposes;
- b. your Rodamco Shares and any benefits derived or deemed to be derived therefrom have no connection with your past, present or future employment, if any;

- c. your Rodamco Shares do not form part of a substantial interest or a deemed substantial interest in Rodamco within the meaning of Chapter 4 of the Dutch Income Tax Act 2001, unless such interest forms part of the assets of an enterprise; and
- d. if you are not an individual, no part of the benefits derived from your Rodamco Shares is exempt from Dutch corporation tax under the participation exemption as laid down in the Dutch Corporation Tax Act 1969.

If you are a holder of Rodamco Shares and you satisfy test a., but do not satisfy any one or more of tests b., c. and d., your Dutch income tax position or corporation tax position, as the case may be, is not discussed in this Offer Document.

*Dutch Individual holders of Rodamco Shares deriving profits from an enterprise*

If you are a Dutch Individual holder of Rodamco Shares and if your Rodamco Shares are attributable to an enterprise from which you derive profits, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net value of an enterprise, other than as an entrepreneur or a shareholder, the disposal of your Rodamco Shares in exchange for Unibail Shares and/or Unibail ORAs, will result in recognition of a capital gain or a capital loss.

*Dutch Individual holders of Rodamco Shares deriving benefits from miscellaneous activities*

If you are a Dutch Individual holder of Rodamco Shares and if you derive or are deemed to derive any benefits from Rodamco Shares, that constitute benefits from miscellaneous activities (*resultaat uit overige werkzaamheden*), the disposal of your Rodamco Shares in exchange for Unibail Shares and/or Unibail ORAs, will result in recognition of a capital gain or a capital loss.

If you are a Dutch Individual holder of Rodamco Shares you may, *inter alia*, derive benefits from Rodamco Shares that are taxable as benefits from miscellaneous activities if your investment activities go beyond the activities of an active portfolio investor, for instance in the case of the use of insider knowledge (*voorkennis*) or comparable forms of special knowledge.

*Other Dutch Individual holders of Rodamco Shares*

If you are a Dutch Individual holder of Rodamco Shares and your situation has not been discussed before in this section "Taxes on income and capital gains in connection with implementation of the Exchange Offer", benefits from your Rodamco Shares will be taxed as a benefit from savings and investments (*voordeel uit sparen en beleggen*). Any actual capital gain or loss realised upon the exchange of Rodamco Shares for Unibail Shares and/or Unibail ORAs is not as such subject to Dutch income tax.

*Dutch Corporate holder of Rodamco Shares*

If you are a Dutch Corporate holder of Rodamco Shares, the disposal of your Rodamco Shares in exchange for Unibail Shares and/or Unibail ORAs, will result in recognition of a capital gain or a capital loss.

*Non-resident holders of Rodamco Shares*

If you are a Non-resident holder of Rodamco Shares you will not be subject to any Dutch taxes on income or capital gains in respect of the exchange of your Rodamco Shares for Unibail Shares and/or Unibail ORAs, except if

1. (i) you derive profits from an enterprise, as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net value of such enterprise, other than as a shareholder, if you are an individual, or other than as a holder of securities, if you are not an individual, and (ii) such enterprise is either managed in the Netherlands or carried on, in whole or in part, through a permanent establishment or a permanent representative in the Netherlands and (iii) your Rodamco Shares are attributable to such enterprise; or
2. you are an individual and you derive benefits from Rodamco Shares that are taxable as benefits from miscellaneous activities in the Netherlands.

See the section "Taxes on income and capital gains in connection with the implementation of the Exchange Offer — Dutch Individual holders of Rodamco Shares deriving benefits from miscellaneous activities" in this Paragraph 9.1.2 for a description of the circumstances under which the benefits derived from Rodamco Shares may be taxable as benefits from miscellaneous activities, on the understanding that such benefits will be taxable in the Netherlands only if such activities are performed or deemed to be performed in the Netherlands.

If you fall under exception 1. or 2., the disposal of your Rodamco Shares in exchange for Unibail Shares and/or Unibail ORAs, will result in recognition of a capital gain or a capital loss.

### 9.1.3 Other taxes and duties in connection with the implementation of the Exchange Offer

No Dutch registration tax, transfer tax, stamp duty or any other similar documentary tax or duty will be payable in the Netherlands in respect of or in connection with the exchange of Rodamco Shares for Unibail Shares and/or Unibail ORAs, or the delivery of Unibail Shares and/or Unibail ORAs.

### 9.1.4 Taxes on income and capital gains after implementation of the Exchange Offer

#### *Resident holders of Unibail Shares and/or Unibail ORAs*

##### *General*

The summary set out in this Paragraph 9.1.4 “Taxes on income and capital gains after implementation of the Exchange Offer — Resident holders of Unibail Shares and/or Unibail ORAs” only applies to a holder of Unibail Shares and/or Unibail ORAs who is a “Dutch Individual” or a “Dutch Corporate Entity”.

For the purposes of this section you are a “Dutch Individual” if you satisfy the following tests:

- a. you are an individual;
- b. you are resident, or deemed to be resident, in the Netherlands for Dutch income tax purposes, or you have elected to be treated as a resident of the Netherlands for Dutch income tax purposes;
- c. your Unibail Shares and/or Unibail ORAs and any benefits derived or deemed to be derived therefrom have no connection with your past, present or future employment, if any; and
- d. your Unibail Shares and/or Unibail ORAs do not form part of a substantial interest (*aanmerkelijk belang*) or a deemed substantial interest in Unibail within the meaning of Chapter 4 of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*).

Generally, if a person holds Unibail Shares and/or Unibail ORAs, such shares and/or ORAs form part of a substantial interest or a deemed substantial interest in Unibail if any one or more of the following circumstances is present.

1. Such person alone or, if he is an individual, together with his partner (*partner*, as defined in Article 1.2 of the Dutch Income Tax Act 2001), if any, owns, directly or indirectly, shares in Unibail representing five per cent. or more of its total issued and outstanding capital (or the issued and outstanding capital of any class of its shares), or rights to acquire (including conversion rights under the Unibail ORAs), directly or indirectly, shares, whether or not already issued, that represent five per cent. or more of its total issued and outstanding capital (or the issued and outstanding capital of any class of its shares), or the ownership of profit participating certificates (*winstbewijzen*) that relate to five per cent. or more of its annual profit or to five per cent. or more of its liquidation proceeds.
2. Such person's shares, profit participating certificates or rights to acquire shares or profit participating certificates in Unibail have been acquired by him or are deemed to have been acquired by him under a non-recognition provision.
3. Such person's partner or any of his relatives by blood or by marriage in the direct line (including foster-children) or of those of his partner has a substantial interest (as described under 1. and 2. above) in Unibail.

A person who is entitled to the benefits from shares or profit participating certificates (for instance a holder of a right of usufruct) is deemed to be a holder of shares or profit participating certificates, as the case may be, and his entitlement to benefits is considered a share or profit participating certificate, as the case may be.

If you are an individual and a holder of Unibail Shares and/or Unibail ORAs and if you satisfy test b., but do not satisfy test c. and/or test d., your Dutch income tax position is not discussed in this Offer Document.

For the purposes of this Paragraph you are a “Dutch Corporate Entity” if you satisfy the following tests:

- i. you are a corporate entity (including an association that is taxable as a corporate entity) that is subject to Dutch corporation tax in respect of benefits derived from its Unibail Shares and/or Unibail ORAs;
- ii. you are resident, or deemed to be resident, in the Netherlands for Dutch corporation tax purposes;
- iii. you are not an entity that, although in principle subject to Dutch corporation tax, is, in whole or in part, specifically exempt from that tax; and
- iv. you are not an investment institution (*beleggingsinstelling*) as defined in the Dutch Corporation Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*).

If you are a corporate entity and a holder of Unibail Shares and/or Unibail ORAs and if you do not satisfy any one or more of these tests, with the exception of test ii., your Dutch corporation tax position is not discussed in this Offer Document.

#### *Dutch Individuals deriving profits from an enterprise*

If you are a Dutch Individual and if you derive or are deemed to derive any benefits from Unibail Shares and/or Unibail ORAs, including any capital gains realised on the disposal thereof and including any benefits arising out of a conversion or redemption of the Unibail ORAs, that are attributable to an enterprise from which you derive profits, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net value of an enterprise, other than as an entrepreneur or a shareholder, such benefits are generally subject to Dutch income tax at progressive rates.

#### *Dutch Individuals deriving benefits from miscellaneous activities*

If you are a Dutch Individual and if you derive or are deemed to derive any benefits from Unibail Shares and/or Unibail ORAs, including any gain realised on the disposal thereof and including any benefits arising out of a conversion or redemption of the Unibail ORAs, that constitute benefits from miscellaneous activities (*resultaat uit overige werkzaamheden*), such benefits are generally subject to Dutch income tax at progressive rates.

If you are a Dutch Individual you may, *inter alia*, derive benefits from Unibail Shares and/or Unibail ORAs that are taxable as benefits from miscellaneous activities if your investment activities go beyond the activities of an active portfolio investor, for instance in the case of the use of insider knowledge (*voorkennis*) or comparable forms of special knowledge.

#### *Other Dutch Individuals*

If you are a Dutch Individual and your situation has not been discussed before in this section “Taxes on income and capital gains after implementation of the Exchange Offer — Resident holders of Unibail Shares and/or Unibail ORAs”, benefits from your Unibail Shares and/or Unibail ORAs will be taxed as a benefit from savings and investments (*voordeel uit sparen en beleggen*). Such benefit is deemed to be 4% per annum of the average of your “yield basis” (*rendementsgrondslag*) at the beginning and at the end of the year, insofar as that average exceeds the “exempt net asset amount” (*heffingvrij vermogen*). The benefit is taxed at the rate of 30%. The value of your Unibail Shares and/or Unibail ORAs forms part of your yield basis. Actual benefits derived from your Unibail Shares and/or Unibail ORAs, including any capital gains realised on the disposal thereof and including any benefits arising out of a conversion or redemption of the Unibail ORAs, are not as such subject to Dutch income tax.

#### *Dutch Corporate Entities*

If you are a Dutch Corporate Entity, any benefits derived or deemed to be derived by you from Unibail Shares and/or Unibail ORAs, including any capital gains realised on the disposal thereof and including any benefits arising out of a conversion or redemption of the Unibail ORAs, are generally subject to Dutch corporation tax.

### **9.1.5 Credit for French dividend withholding tax**

#### *General*

Dividends distributed by Unibail are generally subject to French dividend withholding tax.

#### *Dutch Individuals and Dutch Corporate Entities*

A Dutch Individual (other than an individual who is not resident or deemed to be resident in the Netherlands, but who has elected to be treated as a resident of the Netherlands for Dutch income tax purposes) and a Dutch Corporate Entity generally can credit French dividend withholding tax against their Dutch income tax or Dutch corporation tax liability, as the case may be, provided the dividends paid by Unibail form part of the Dutch taxable income and/or profits of the Dutch Individual or Dutch Corporate Entity, as the case may be, subject to certain limitations.

See the section “Taxes on income and capital gains after implementation of the Exchange Offer — Resident holders of Unibail Shares and/or Unibail ORAs” of this Paragraph 9.1.4 for a definition of a Dutch Individual and a Dutch Corporate Entity.

### **9.1.6 Gift and inheritance taxes**

If you acquire Unibail Shares and/or Unibail ORAs as a gift (in form or in substance) or if you acquire or are deemed to acquire Unibail Shares and/or Unibail ORAs on the death of an individual, you will not be subject to Dutch gift tax or to Dutch inheritance tax, as the case may be, unless:

- the donor is, or the deceased was, resident or deemed to be resident in the Netherlands for purposes of gift or inheritance tax (as the case may be); or
- the Unibail Shares and/or Unibail ORAs are or were attributable to an enterprise or part of an enterprise that the donor or deceased carried on through a permanent establishment or a permanent representative in the Netherlands at the time of the gift or of the death of the deceased; or
- the donor made a gift of Unibail Shares and/or Unibail ORAs, then became a resident or deemed resident of the Netherlands, and died as a resident or deemed resident of the Netherlands within 180 days of the date of the gift.

## **9.2 Material Belgian Tax Consequences**

### **9.2.1 Tax regime of the Exchange Offer**

The taxation summary set out in Paragraph 9.2 solely addresses the principal Belgian tax consequences of the Exchange Offer and of the ownership and disposition of Unibail Shares and/or Unibail ORAs that are issued pursuant to the Exchange Offer. It does not discuss every aspect of taxation that may be relevant to a particular holder of Rodamco Shares or Unibail Shares and/or Unibail ORAs under special circumstances or who is subject to special treatment under applicable law.

#### **9.2.1.1 Individuals**

Capital gains realized by an individual subject to Belgian personal income tax (i.e. an individual who has his domicile in Belgium or has the seat of his assets in Belgium, or a person assimilated to a Belgian resident), upon the exchange of their Rodamco Shares under this Exchange Offer will be exempt from personal income tax. Indeed, private investors who are Belgian residents are in principle not subject to Belgian income tax on capital gains realized upon the sale, exchange or other transfer of shares, unless the capital gain is the result of speculation or cannot be considered as the result of normal management of a private estate (in which case a 33% tax applies subject to the additional local taxes).

Losses suffered by private investors upon the disposal of shares are generally not tax deductible. However, losses on speculative transactions or transactions outside the scope of the normal management of a private estate are, under certain conditions, tax deductible from the income received pursuant to similar transactions.

Individual residents who hold Rodamco Shares for professional purposes are taxed at the ordinary progressive income tax rates increased by the additional local taxes on any capital gains realized upon the exchange of their Rodamco Shares under this Exchange Offer. If Rodamco Shares were held for at least 5 years prior to such disposal, the capital gains tax will be levied at a reduced rate of 16.5%. Losses on shares realized by such an investor are tax deductible.

#### **9.2.1.2 Companies**

A company subject to Belgian corporate income tax (i.e. a company that has its registered office, its main establishment, or its place of management in Belgium), will not be taxed in Belgium with respect to the capital gains realized upon the disposal of the exchange of its Rodamco Shares under this Exchange Offer.

Capital losses on shares are not tax deductible. However, the loss incurred in connection with the liquidation of a subsidiary remains deductible up to the amount of the paid-up share capital.

#### **9.2.1.3 Legal entities**

Legal entities subject to the Belgian tax on legal entities (i.e. legal entities other than a company subject to the corporate income tax that has its registered office, its main establishment, or its place of management in Belgium) will as a rule not be subject to Belgian capital gains tax on the exchange of Rodamco Shares under this Exchange Offer. Losses incurred by resident legal entities will, as a rule, not be tax deductible.

## **9.2.2 Tax regime of the Unibail Shares received by reason of the Exchange Offer**

### **9.2.2.1 Belgian resident individuals**

#### **(1) Dividends**

The net amount of dividends (the so-called “*net-frontière*”, i.e., after deduction of the amount of French withholding tax) paid on behalf of Unibail through a professional intermediary in Belgium, will be subject to Belgian withholding tax at the rate of 25% (or, if applicable, the reduced rate of 15%).

For individuals who hold Unibail Shares as a private investment, this Belgian withholding tax is a final tax (*libératoire*) and any dividends that have been subject to it need not be reported in such person’s personal income tax return.

If no dividend withholding tax has been levied through a professional intermediary in Belgium, the net amount of such dividends must be reported in the holders’ personal income tax return and is taxable at the separate rate of 25% (or, if applicable, the reduced rate of 15%) increased with additional local taxes.

For individuals who hold the shares for professional purposes, the dividends received will be taxed at the progressive personal income tax rates increased by the additional local taxes. As the case may be, the withholding tax will be creditable against the personal income tax due and will be reimbursed to the extent that it exceeds the tax payable, subject to two conditions:

- (i) the taxpayer must own the shares at the time of payment or attribution of the dividends in full legal ownership, and
- (ii) the dividend distribution may not give rise to a reduction in the value of, or a capital loss on, the shares<sup>20</sup>.

#### **(2) Capital gains**

The same regime as described in Paragraph 9.2.1.1 applies.

Capital gains realized upon redemption of the shares by Unibail or in the case of liquidation will generally be taxed as a dividend.

#### **(3) Gift, Estate and Inheritance Tax**

Belgian-resident holders of Unibail shares will have to inquire the Belgian gift and inheritance tax regime with their professional advisers.

### **9.2.2.2 Companies**

#### **(1) Dividends**

According to Articles 106, §1 and 117, §11 of the Royal Decree implementing the Belgian income tax Code, no Belgian withholding tax will be levied on the dividends received from Unibail (provided that the Belgian-resident shareholder fulfils applicable certification formalities).

The gross dividend income (including any French withholding tax), must be added to taxable income, which is, in principle, taxed at the nominal corporate income tax rate of 33.99%. Under certain conditions, a lower corporate income tax rate applies. The French withholding tax will not be creditable against the Belgian corporate income tax, but will be deductible from the shareholder tax base as professional expense (Art. 198 Belgian income tax Code).

Nevertheless, a Belgian-resident company will be entitled to deduct from its taxable income (other than certain disallowed expenses and other taxable items) up to 95% of the dividends received (excluding withholding tax) if these dividends are eligible for the dividends-received deduction. For the dividends-received deduction to apply, dividends received by Unibail will be 95% exempt from corporate income tax, provided that the following requirements are fulfilled, at the time of payment or attribution of the dividends (Art. 202-203 Belgian income tax Code):

- The shares held by the Belgian-resident company must represent at least 10% of Unibail’s share capital or have an acquisition value of at least EUR 1.2 million;
- The shares must qualify as financial fixed assets (under Belgian GAAP);

<sup>20</sup> This condition is not applicable if such investor proves that he/she held the shares in full legal ownership during an uninterrupted period of twelve months prior to the attribution of the dividends.



- The shares must be held in full ownership for an uninterrupted period of one year. The one year period must not be met on the date of dividend payment.

## *(2) Capital gains*

The same regime as described in Paragraph 9.2.1.2 applies.

Capital gains realized upon redemption of the shares by Unibail or in the case of liquidation will generally be taxed as a dividend.

### *9.2.2.3 Legal entities*

#### *(1) Dividends*

For taxpayers subject to Belgian income tax on legal entities, the withholding tax normally constitutes the final tax liability.

#### *(2) Capital gains*

Legal entities subject to Belgian tax on legal entities will, as a rule, not be subject to Belgian capital gain tax on capital gains derived from the sale of Unibail Shares. Losses incurred by resident legal entities will, as a rule, not be tax deductible.

### *9.2.2.4 Tax on stock exchange transactions*

The purchase and the sale and any other acquisition or transfer for consideration in Belgium, through a “professional intermediary”, of Existing Shares (secondary market) is subject to the tax on stock exchange transactions (0.17%). The amount of tax on stock exchange transactions is capped at maximum EUR 500 per transaction and per party.

In any event, no tax on stock exchange transactions is payable by:

- (i) professional intermediaries described in Articles 2, 9° and 10° of the Act of 2 August 2002 on the supervision of the financial sector and financial services, acting for their own account;
- (ii) insurance companies described in Article 2, §1 of the Insurance Supervision Act of 9 July 1975 acting for their own account;
- (iii) institutions for occupational retirement provision (*instellingen voor bedrijfspensioenvoorziening*) within the meaning of Article 2, 1° of the law of 27 October 2006 regarding the control of institutions for occupational retirement provisions, acting for their own account;
- (iv) collective investment undertakings (UCIT's), described in the Act of 20 July 2004, acting for their own account; and
- (v) non-residents (upon delivery of a certificate of non-residence) acting for their own account.

## ***9.2.3 Tax regime of the Unibail ORAs received by reason of the Exchange Offer***

### *9.2.3.1 Individuals*

#### *(1) Interest*

Interest payments received on Unibail ORAs by an individual who is resident or deemed to be resident in Belgium for Belgian tax purposes are, as a rule, subject to Belgian withholding tax at the rate of 15%. This tax is calculated pro rata to the period of holding of the Unibail ORAs.

For individuals who hold Unibail ORAs as a private investment, this Belgian withholding tax, if levied through a professional intermediary in Belgium, is a final tax. Any interest payments that have been subject to this tax need not to be reported in such person's personal income tax return.

If no withholding tax has been levied through a professional intermediary in Belgium, the net amount of the interests must be reported in the holder's personal income tax return, and will be taxable at the separate rate of 15%, to be increased with the additional local taxes. In this case, the exchange of information provided by the Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments will be applied. This means that the French paying agent, in the meaning of this Directive, shall communicate some information to the local tax

authority (such as the identity and residence of the beneficiary, name and address of the paying agent and the beneficiary's account number, etc.), which in its turn will send this information to the Belgian tax authority.

For individuals who hold Unibail ORAs for professional purposes in Belgium, the interest received will be taxed at the progressive personal income tax rates, to be increased with the additional local taxes. As the case may be, the withholding tax will be creditable against the personal income tax due and will in principle be refunded to the extent that it exceeds the tax payable.

*(2) Capital gains on the sale of Unibail ORAs*

Capital gains realized on the sale, exchange or other transfer of Unibail ORAs by Belgian individuals will be exempt from personal income tax, unless the capital gain is the result of speculation or cannot be considered as the result of normal management of a private estate (in which case a 33% tax applies, to be increased with the additional local taxes).

Losses suffered by private investors upon the disposal of the Unibail ORAs are in principle not tax deductible. However, losses on speculative transactions or transactions outside the scope of the normal management of a private estate are, under certain conditions, tax deductible from the income received pursuant to similar transactions.

Individual residents who hold the Unibail ORAs for professional purposes are taxed at the ordinary progressive income tax rates increased by the additional local taxes on any capital gains realized upon the disposal of the Unibail ORAs.

*(3) Redemption of Unibail ORAs*

Income derived from the redemption of Unibail ORAs by individuals resident in Belgium, will be taxed in the same manner as described above in Paragraph 9.2.1.1.

*(4) New Unibail Shares received upon redemption of the Unibail ORAs*

Subject to any change in the applicable Belgian legislation, the tax regime of the new Unibail Shares received upon redemption of the Unibail ORAs should be the same as that described in Paragraph 9.2.2.1 above.

However, according to the Belgian law, the dividends resulting from the holding of the shares will benefit from a reduced withholding tax of 15% (instead of 25%).

*9.2.3.2 Companies*

*(1) Interest*

No Belgian withholding tax is due on interest payments received by taxpayers subject to corporation tax, whether or not they are received through a professional intermediary in Belgium. Any interest payment needs to be reported in the corporate income tax return, and is subject to the progressive corporate tax rates.

*(2) Capital gains on the sale of Unibail ORAs*

Belgian companies are fully taxable on the gains resulting from the sale, exchange or transfer of the Unibail ORAs at the ordinary progressive income tax rates increased by the additional local taxes. Losses are in principle tax deductible.

*(3) Redemption of Unibail ORAs*

The same regime as described in Paragraph 9.2.3.2(2) applies.

*(4) New Unibail Shares received upon redemption of the Unibail ORAs*

Subject to any change in the applicable Belgian legislation, the tax regime of the new Unibail Shares received upon redemption of the Unibail ORAs should be the same as that described in Paragraph 9.2.2.2(2) above.

However, according to the Belgian law, the dividends resulting from the holding of the shares will benefit from a reduced withholding tax of 15% (instead of 25%).

*9.2.3.3 Tax on stock exchange transactions*

The same rules as described under Paragraph 9.2.2.4 apply.

### 9.3 Certain material German tax consequences for Rodamco Shareholders tax resident in Germany

#### 9.3.1 General

The following section contains a short summary of certain key German tax principles that may be or may become relevant for Rodamco Shareholders who are tax resident in Germany (as a rule, persons or entities whose residence, habitual abode, registered domicile, or place of management and control is located in Germany, “**German Shareholder**”) with respect to (i) the exchange of Rodamco Shares into Unibail Shares and/or Unibail ORAs pursuant to the Exchange Offer, (ii) the ownership and disposal of Unibail Shares and/or Unibail ORAs and (iii) the conversion of Unibail ORAs into Unibail Shares. This summary is based upon the domestic German tax laws in effect as of the time of the date of this Offer Document and upon the double taxation treaties currently in force between Germany and other countries. Provisions in both areas may change, possibly with retroactive effect, in particular by virtue of the “Corporate Tax Reform Act 2008”, in respect of which legislative proceedings have not yet been finalized at the time of date of this Offer Document (for details, reference is made to Paragraph 9.3.7 below).

For the purposes of this following summary it is assumed that pursuant to guidance issued by the German tax and regulatory authorities neither Rodamco nor Unibail should be considered as investment funds for German tax purposes and that therefore German Shareholders should not be subject to the rules imposed by the German Investment Tax Act (*Investmentgesetz*). Moreover, it is assumed that the Unibail ORAs constitute debt instruments for German tax purposes.

However, as this section is not and does not purport to be a comprehensive in-depth description of all tax considerations which may be relevant for all types of German Shareholders and as, in particular, it does not consider any specific facts or circumstances that may apply to particular German Shareholders. Prospective German Shareholders are therefore urgently advised to consult their own tax advisers as to the tax consequences of the exchange of Rodamco Shares against Unibail Shares and/or Unibail ORAs and the ownership and disposition of Unibail Shares and/or the conversion of Unibail ORAs into Unibail Shares.

#### 9.3.2 German tax regime in relation to the Exchange Offer

From a German tax perspective the exchange of Rodamco Shares against Unibail Shares or Unibail ORAs is, in principle, to be treated as disposal of the Rodamco Shares and therefore as a taxable event.

##### 9.3.2.1 Individual German Shareholders holding their Rodamco Shares as non-business assets

If Rodamco Shares which are held by an individual German Shareholder as non-business assets are exchanged against Unibail Shares and/or Unibail ORAs within one year after their date of acquisition, 50% of the capital gains resulting from such exchange are generally subject to German income tax plus solidarity surcharge of 5.5% thereon. The capital gain is calculated as the difference between (i) the value of the Unibail Shares and/or Unibail ORAs received and (ii) the acquisition costs of the Rodamco Shares given in exchange plus expenses incurred in connection with the exchange. Only 50% of the expenses having an economic nexus with the exchange may be deducted. Capital gains are not taxed if, together with profits from disposals of other non-business assets in the same calendar year, they total less than EUR 512. Losses from the exchange of Rodamco Shares may only be offset with profits from disposal of other non-business assets in the same calendar year or, in absence of such profits, with profits resulting from disposals in the previous year or, subject to certain requirements and limitations, in subsequent years.

In principle, a regime similar to that described in the preceding paragraph applies in case that Rodamco Shares are held by an individual German Shareholder as non-business assets are disposed of against Unibail Shares and/or Unibail ORAs one year after their date of acquisition if the individual or, in the event of gratuitous transfers, its legal predecessor(s) has/have during the five years preceding the transfer directly or indirectly held at least 1% of the capital of Rodamco.

##### 9.3.2.2 German Shareholders holding their Rodamco Shares as business assets

If Rodamco Shares form part of the business property of a German Shareholder the tax treatment of a capital gain derived from the exchange of the Rodamco Shares depends upon whether the German Shareholder is a corporation, a sole proprietor, or a partnership (*Mitunternehmerschaft*).

1. **Corporation.** Subject to certain exceptions for companies in the finance and insurance sectors, in principle, 95% of the capital gains from the exchange of Rodamco Shares derived by a corporate German Shareholder are exempt from German corporate income and trade tax and solidarity surcharge thereon, irrespective of any

minimum share ownership limit and for how long the Rodamco Shares have been held. The remaining portion of 5% of capital gains is considered a non-deductible business expense and, as such, subject to German corporate income tax (plus solidarity surcharge thereon) and trade tax. Losses from the exchange of Rodamco Shares related to the Rodamco Shares disposed of generally do not qualify as tax-deductible business expenses.

2. *Sole proprietorship.* If the Rodamco Shares form part of the business property of a sole proprietor German Shareholder, 50% of the capital gains from the exchange of such shares are generally subject to German income tax (plus solidarity surcharge thereon), and, if the shares form part of the business property of a permanent establishment maintained in Germany by a trade or business, also to trade tax. The tax base is the capital gains from the exchange of shares. Only 50% of expenses having an economic nexus thereto may be claimed as tax deductions. Trade tax may generally be credited against the German Shareholder's personal income tax liability by way of a lump-sum tax credit method.
3. *Partnership.* If the German Shareholder is a partnership, German income tax or German corporate income tax will only be assessed at the level of each partner of the partnership. Taxation depends upon whether the relevant partner is a corporation or an individual. If the relevant partner is a corporation, 95% of the gains from the exchange of the Rodamco Shares are generally tax-exempt (see subsection 1. "Corporation" above). If the partner is an individual, 50% of the capital gains are subject to income tax (plus solidarity surcharge thereon) – see subsection 2. "Sole Proprietorship" above. If the Rodamco Shares form part of the business property of a permanent establishment in Germany, capital gains from the exchange of the Rodamco Shares are also subject to trade tax (levied at the level of the partnership). In principle, the income tax and corporate income tax exemptions described above (50% exemption of the capital gain for individuals, 95% capital gains exemption for corporations) will apply accordingly for trade tax purposes to the extent the partnership has individuals/corporations as partners. To the extent a corporation is a partner, capital losses or other profit reductions in connection with the Rodamco Shares exchanged will likewise not be considered for trade tax purposes at all; to the extent the partner is an individual only 50% thereof will be taken into account. If the partner is an individual, the portion of the trade tax paid by the partnership and attributable to the relevant partner will generally be credited against his income tax liability as described under (ii) above.

### **9.3.3 Ongoing German taxation on receipts from the Unibail Shares and/or Unibail ORAs held by a German Shareholder**

#### **9.3.3.1 German taxation of dividends received by a German Shareholder on the Unibail Shares**

The taxation of the dividends received on the Unibail Shares depends upon whether the Unibail Shares are held by the German Shareholder as a non-business asset or as a business asset.

##### **(1) German Shareholders holding their Unibail Shares as non-business (private) assets**

If an individual German Shareholder holds the Unibail shares as non-business (private) assets, 50% of all dividends will be included in the German Shareholder's taxable investment income (so-called 50%-income-received exclusion regime, *Halbeinkünfteverfahren*). These taxable dividends are subject to a progressive income tax rate of currently up to 45% plus a 5.5% solidarity surcharge thereon (assuming the maximum tax rate of 45% applies the total tax liability would be 47.5% (rounded)). Only 50% of the expenses having an economic nexus with these dividends are tax-deductible. Individual German Shareholders holding the Unibail Shares as non-business (private) assets, are entitled to a so-called "savers' exemption" (*Sparer-Freibetrag*) in the amount of EUR 750 (or EUR 1,500 for married couples filing jointly) per calendar year with respect to their investment income. In addition, such persons are entitled to a lump-sum deduction in the amount of EUR 51 (or EUR 102 for married couples filing jointly) for income-producing expenses (*Werbungskostenpauschale*), unless proof of higher income-producing expenses is furnished. 50% of the German Shareholder's dividends and other investment income are subject to taxation only if and to the extent they exceed the savers' exemption after deduction of actual income-producing expenses (in the case of dividends, only a 50% deduction applies) or the lump-sum deduction for income-producing expenses.

French dividend withholding tax, if any, may be credited against the German individual Shareholders personal income tax liability in which such withholding tax, too, will constitute a taxable receipt.

## (2) German Shareholders holding their Unibail Shares as business assets

In case that Unibail Shares form part of the business property of a German Shareholder, the taxation of the dividend income depends upon whether the shareholder is a corporation, a sole proprietor, or a partnership (Mitunternehmerschaft).

1. *Corporation.* Subject to certain exceptions for companies in the finance and insurance sectors, generally 95% of dividends received by corporate German Shareholders are exempt from corporate income tax and solidarity surcharge thereon, irrespective of any minimum share ownership limit and for how long the Unibail Shares have been held. The remaining 5% of dividends are considered non-deductible business expenses and, as such, subject to corporate income tax plus solidarity surcharge thereon. Moreover, actual business expenses directly related to the dividends are deductible. However, the full amount of any dividends remaining after deduction of business expenses having an economic nexus with the dividends is subject to trade tax, unless the corporation held at least 10% of Unibail's registered share capital at the beginning of the relevant tax assessment period. In the latter case, the 95% tax exemption applies *mutatis mutandis* for trade tax purposes; the amount exempted will be reduced by expenses having a direct nexus with the dividends received.
2. *Sole proprietor.* If the shares form part of the business property of a sole proprietor German Shareholder, 50% of dividends are considered income for purposes of calculating the German Shareholder's personal income tax liability. Only 50% of business expenses having an economic nexus with the dividends are tax-deductible. If the shares form part of the business property of a permanent establishment maintained in Germany by a trade or business, dividends will also be subject to trade tax in the full amount, unless the German Shareholder held at least 10% of Unibail's registered share capital at the beginning of the relevant tax assessment period. Trade tax is generally credited against the German Shareholder's personal income tax liability in accordance with a lump-sum tax credit method.
3. *Partnership.* If the German Shareholder is a partnership, personal income tax or corporate income tax is assessed only at the level of each partner of the respective partnership. Taxation of each partner depends upon whether the partner is a corporation or an individual: if the partner is a corporation, 95% of dividends are generally tax-exempt (see subsection 1. "Corporation" above). If the partner is an individual, 50% of dividends are subject to personal income tax, plus solidarity surcharge thereon (see subsection 2. "Sole proprietor" above). If the Unibail shares form part of the business property of a permanent establishment maintained in Germany by a trade or business of the partnership, dividends are also subject to trade tax at the level of the partnership. The corporate income tax and personal income tax exemptions described above (95% exemption on dividends for corporations, 50% exemption on dividends for individuals, reduced in each case by expenses having a direct nexus with the dividends) apply accordingly if the German Shareholder held at least 10% of Unibail's registered share capital at the beginning of the relevant tax assessment period. If the partner is an individual, the portion of the trade tax paid by the partnership and attributable to the relevant partner will be credited against his personal income tax liability in accordance with a lump-sum tax credit method.

French dividend withholding tax, if any, may be credited against an individual German Shareholder's personal income tax liability.

### 9.3.3.2 German taxation of interest payments received by a German Shareholder on the Unibail ORAs

Payments of interest on the Unibail ORAs to German Shareholders are subject to German personal income tax or corporate income tax (plus solidarity surcharge at a rate of 5.5% thereon). Such interest payments may also be subject to trade tax if the Unibail ORAs form part of the property of a German trade or business.

Upon the disposition of Unibail ORAs carrying interest, a German Shareholder will also have to include in his taxable income any consideration invoiced separately for such portion of the interest of the current interest payment period which is attributable to the period up to the disposition of the Unibail ORAs ("Accrued Interest"). Accrued Interest paid upon the acquisition of the Unibail ORAs may be declared as negative income if the Unibail ORAs are held as a non-business asset.

Capital gains from the disposition of Unibail ORAs, other than income described in the preceding paragraph, are only taxable to an individual German Shareholder if the Unibail ORAs are disposed of within one year after their acquisition or form part of the property of a German trade or business. In the latter case the capital gains may also be subject to trade tax. Capital gains derived by corporate German Shareholders will be subject to corporate income tax (plus solidarity surcharge thereon) and trade tax. Losses incurred upon the sale or redemption of the Unibail ORAs may give rise to negative income.

If the Unibail ORAs are held in a custodial account which the German Shareholder maintains with a German branch of a German or non-German bank or financial services institution, a 30% withholding tax on interest payments, plus 5.5% solidarity surcharge on such tax, will be levied, resulting in a total tax charge of 31.65% of the gross interest payment. Withholding tax is also imposed on Accrued Interest. In general, no withholding tax will be levied if the German Shareholder is an individual (i) whose Unibail ORAs do not form part of the property of a German trade or business nor gives rise to income from the letting and leasing of property, and (ii) who has filed a withholding exemption certificate but only to the extent the interest income derived from the Unibail ORAs together with other investment income does not exceed the maximum exemption amount shown on the withholding exemption certificate. Similarly, no withholding tax will be deducted if the German Shareholder has submitted to the disbursing agent a certificate of non-assessment issued by the relevant local tax office.

#### **9.3.4 German taxation of the conversion of Unibail ORAs into Unibail Shares**

A German Shareholder should be aware that the conversion of Unibail ORAs may be treated as a disposition of the Unibail ORAs in which case a tax regime similar to that described in Paragraph 9.3.2.2 above applies to German Shareholders converting their Unibail ORAs into Unibail Shares. However, there are also sound reasons to hold that the conversion of Unibail ORAs should be treated like the conversion of convertible bonds (*Wandelanleihen*) issued by corporations incorporated under German law in which case the conversion of the Unibail ORAs would not be treated as a disposition of the Unibail ORAs. Hence, German Shareholders converting their Unibail ORAs into Unibail Shares would then not realize a taxable capital gain. German Shareholders are therefore advised to consult their own tax adviser as to the tax consequences of the conversion of Unibail ORAs into Unibail Shares.

#### **9.3.5 Inheritance and Gift Tax**

The transfer of Unibail Shares and/or Unibail ORAs to another person by gift or *causa mortis* is generally subject to German inheritance or gift tax only if:

1. the decedent, donor, heir, beneficiary, or any other transferee maintains a residence or has his or her habitual abode, its place of effective management and control, or its statutory seat, in Germany at the time of the transfer, or is a German citizen who has spent no more than five consecutive years outside Germany without maintaining a residence in Germany, or
2. the Unibail Shares and/or Unibail ORAs were held by the decedent or donor and formed part of the business property for which a permanent establishment was maintained in Germany or for which a permanent representative in Germany had been appointed, or
3. the decedent, at the time of accrual of the inheritance, or the donor, at the time of the donation, either individually or collectively with related parties, holds, directly or indirectly, at least 10% of Unibail's registered share capital.

The few German double taxation treaties on the avoidance of double taxation with respect to inheritance or gift tax currently in force usually provide that German inheritance or gift tax may be assessed only in cases (i) and, subject to certain limitations, (ii). Special rules apply to certain German citizens who neither maintain a residence nor have their habitual abode in Germany.

#### **9.3.6 Other Taxes**

No German transfer tax (*Kapitalverkehrssteuer*), value-added tax (*Umsatzsteuer*), stamp duty (*Stempelsteuer*), or similar taxes are assessed on the purchase, sale or other transfer of Unibail Shares and/or Unibail ORAs. Provided that certain requirements are met, business owners may however opt for the payment of value-added tax on transactions that are otherwise tax-exempt. No wealth tax (*Vermögensteuer*) is currently assessed in Germany.

#### **9.3.7 Draft "Corporate Tax Reform Act 2008" — Bill**

On 22 March 2007 the draft bill of a "Corporate Tax Reform Act 2008" was introduced in the German Bundestag by the governing parliamentary factions. As of the date of this Offer Document it remains unclear whether and in which form the envisaged legislative changes will become effective.

Pursuant to the draft bill of a "Corporate Tax Reform Act 2008", taxation of the shareholders and/or the Holders of Unibail ORAs depends upon whether the shares and/or Unibail ORAs form part of the business property or part of the non-business (private) assets of the relevant shareholder and/or the Holder of Unibail ORAs.

1. *Unibail Shares and/or Unibail ORAs forming part of the non-business (private) assets.* Where the Unibail Shares form part of the non-business (private) assets of the shareholder the so-called 50%-income-received exclusion regime shall be abolished and dividend income and capital gains from sales of shares shall be subject

to a flat tax on investment income (*Abgeltungssteuer*), regardless for how long the shares have been held. The flat tax (*Abgeltungssteuer*) regime shall also apply to Unibail ORAs held as non-business (private) assets. The flat tax (*Abgeltungssteuer*) regime shall not apply to capital gains from the disposal of shares held by an individual German Shareholder as non-business assets if the individual or, in the event of gratuitous transfers, its legal predecessor(s) has/have during the five years preceding the transfer directly or indirectly held at least 1% of the capital. The flat tax would generally be levied by way of withholding for the account of the relevant Unibail Shareholder and/or Unibail ORAholder. The intended flat tax rate would be 25% (plus 5.5% solidarity surcharge thereon and, if applicable, church tax) of the relevant gross income. The relevant gross income would be the gross income, or, in case of capital gains from sales of shares and/or Unibail ORAs, generally the difference between the proceeds from the sale (less any expenses having a direct nexus with the sale transaction) and the costs incurred for the acquisition (*Anschaffungskosten*) of the shares and/or the Unibail ORAs. The relevant gross income subject to the flat tax will only be reduced by a lump sum deduction from investment income (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,602 for married couples filing jointly). A deduction of the expenses actually incurred for the purpose of producing the income shall not be permitted. Payment of the flat tax would satisfy the personal income tax liability of the Unibail Shareholder and/or Unibail ORAholder in respect of the relevant income. However, the Unibail Shareholder and/or the Unibail ORAholder may instead apply for a tax assessment on the basis of applicable general rules if the resulting income tax burden is lower. Even in this case, the relevant gross income would be taken into account and a deduction of the expenses actually incurred would not be allowed.

2. *Shares and/or Unibail ORAs forming part of a business property.* The flat tax shall not apply where the shares and/or the Unibail ORAs form part of the business property of the shareholder. Income to be derived from the Unibail ORAs would be subject to tax at regular rates. Dividends and capital gains from the sale of shares shall no longer be 50% tax exempt in the case of an individual shareholder but be 40% tax exempt (so-called 60%-income-received exclusion regime, *Teileinkünfteverfahren*). Expenses having an economic nexus with the dividends or capital gains from the sale of shares shall no longer be considered to the extent of 50% but to the extent of 60% (thereof). The 60%-income-received exclusion regime shall also apply with regard to shares held by partnerships to the extent the partnership has individuals as partners. Where shares are held by corporations the current rules shall remain unchanged. The future dividend withholding tax rate shall be 25% (plus solidarity surcharge).

According to the draft bill of a "Corporate Tax Reform Act 2008", the flat tax would, as a general rule, apply on income received after 31 December 2008 and for capital gains from the sale of shares and/or the Unibail ORAs where the shares and/or the Unibail ORAs will have been acquired after 31 December 2008. The 50%-income-received exclusion regime would still apply to capital gains from the sale of shares that will have been acquired prior to 1 January 2009 (and that will be sold within the one-year holding period). The 60%-income-received exclusion regime shall enter into force with effect as of the assessment period 2009.

## 9.4 Material UK tax consequences for Rodamco Shareholders tax resident in the UK

### 9.4.1 General

The paragraphs set out below summarise the UK tax treatment of Rodamco Shareholders in respect of (i) the exchange of Rodamco Shares for Unibail Shares and/or Unibail ORAs pursuant to the Exchange Offer, (ii) the ownership and disposal of Unibail Shares and/or Unibail ORAs and (iii) the conversion of Unibail ORAs into Unibail Shares. They are based on current UK legislation, an understanding of current HM Revenue and Customs published practice as at the date of this Offer Document (both of which are subject to change) and an understanding of the nature, and tax treatment, of French '*Obligations Remboursable en Actions*'.

The paragraphs are intended as a general guide and, except where express reference is made to the position of non-UK resident and non-UK domiciled shareholders, apply only to Rodamco Shareholders who are resident and, if individuals, ordinarily resident and domiciled in the UK for tax purposes. They relate only to such Rodamco Shareholders who hold their Rodamco Shares directly as a capital investment (other than under a personal equity plan or an individual savings account) and who are absolute beneficial owners of those Rodamco Shares. These paragraphs do not deal with certain types of shareholders, such as persons holding or acquiring shares in the course of trade or those who are regarded as having obtained their Rodamco Shares by reason of their employment, collective investment schemes and insurance companies.

**If you are in any doubt as to your tax position, or if you are resident or otherwise subject to tax in any jurisdiction other than the UK, you should consult an appropriate professional adviser immediately.**

### 9.4.2 *Taxation of Capital Gains*

Liability to UK tax on capital gains will depend on the individual circumstances of Rodamco Shareholders and on the form of the consideration they receive.

#### *(a) Acquisition of Unibail Shares*

To the extent that a Rodamco Shareholder who is resident or ordinarily resident in the UK, receives Unibail Shares as consideration for his Rodamco Shares pursuant to the Exchange Offer and does not hold (either alone or together with persons connected with him) more than five per cent. of, or of any class of, the shares in or debentures of Rodamco, he should not be treated as having made a disposal of his Rodamco Shares as a result of accepting the Exchange Offer. Instead, the Unibail Shares should be treated as the same asset as those Rodamco shares acquired at the same time and for the same consideration as those Rodamco Shares. Any gain or loss which would otherwise have arisen on a disposal of the Rodamco Shares in exchange for the Unibail Shares should be "rolled over" into the Unibail Shares.

Any Rodamco Shareholder who holds (either alone or together with persons connected with him) more than five per cent. of, or of any class of, the shares in or debentures of Rodamco should be eligible for the treatment described in the preceding paragraph provided the share exchange pursuant to the Exchange Offer is effected for bona fide commercial reasons and does not form part of a scheme or arrangements of which the main purpose, or one of the main purposes, is avoidance of liability to capital gains tax or corporation tax. Holders of Rodamco Shares are advised that no application for clearance has or will be made by Rodamco or Unibail under Section 138 of the Taxation of Chargeable Gains Act 1992 seeking confirmation that HM Revenue and Customs is satisfied as to these matters.

#### *(b) Acquisition of Unibail ORAs*

Liability to UK tax on capital gains in relation to the acquisition of Unibail ORAs will depend on the individual circumstances of Rodamco Shareholders.

##### *(i) Unibail ORAs: Rodamco Shareholders not liable to corporation tax*

The Unibail ORAs acquired by an individual Rodamco Shareholder pursuant to the Exchange Offer will be 'non-qualifying corporate bonds' for the purposes of UK taxation of chargeable gains.

To the extent that an individual Rodamco Shareholder who is resident or ordinarily resident in the UK receives Unibail ORAs as consideration for his Rodamco Shares pursuant to the Exchange Offer, and provided that such Rodamco Shareholder does not hold (either alone or together with persons connected with him) more than five per cent. of, or of any class of, the shares in or debentures of Rodamco, he should not be treated as having made a disposal of his Rodamco Shares for the purposes of UK taxation of chargeable gains as a result of accepting the Exchange Offer. Instead, the Unibail ORAs should be treated as the same asset as those Rodamco Shares acquired at the same time and for the same consideration as those Rodamco Shares. Any chargeable gain or allowable loss which would otherwise have arisen on a disposal of the Rodamco Shares should be "rolled over" into the Unibail ORAs.

Any individual Rodamco Shareholder who does hold (either alone or together with persons connected with him) more than five per cent. of, or of any class of, the shares in or debentures of Rodamco should be eligible for the treatment described in the preceding paragraph provided the exchange of his Rodamco Shares for Unibail ORAs, pursuant to the Exchange Offer, is effected for bona fide commercial reasons and does not form part of a scheme or arrangements of which the main purpose, or one of the main purposes, is avoidance of liability to capital gains tax or corporation tax. Rodamco Shareholders are advised that no application for clearance has or will be made by Rodamco or Unibail under Section 138 of the Taxation of Chargeable Gains Act 1992 seeking confirmation that HM Revenue and Customs is satisfied as to these matters.

##### *(ii) Unibail ORAs : Rodamco Shareholders liable to corporation tax*

Any UK taxation liability arising as a result of such a Rodamco Shareholder acquiring (pursuant to the Exchange Offer) Unibail ORAs will depend on how the Unibail ORA is recognised in the Rodamco Shareholder's accounts, as prepared in accordance with generally accepted accounting practice.

Any Rodamco Shareholder subject to UK corporation tax who is in any doubt as to their tax position, or how a Unibail ORA will be recognised in their accounts in accordance with generally accepted accounting practice, is strongly advised to consult an appropriate professional tax adviser immediately.



*(c) Conversion of Unibail ORAs into Unibail Shares*

Liability to UK tax on capital gains in relation to the acquisition of Unibail Shares, as a result of the exercise of the rights contained in the Unibail ORAs, will depend on the individual circumstances of Rodamco Shareholders.

*(i) Unibail ORAs : Rodamco Shareholders not liable to corporation tax*

To the extent that an individual Rodamco Shareholder who is resident or ordinarily resident in the UK obtains Unibail Shares as a result of the exercise of the rights contained in a Unibail ORA, he should not be treated as having made a disposal of his Unibail ORAs for the purposes of UK taxation of chargeable gains as a result of those rights being exercised. Any chargeable gain or allowable loss which would otherwise have arisen on the disposal of such Unibail ORAs will be "rolled over" into the Unibail Shares and will be treated for tax purposes as the same asset as the Unibail ORAs, acquired at the same time and for the same consideration.

*(ii) Unibail ORAs : Rodamco Shareholders liable to corporation tax*

Any UK taxation liability arising as a result of a Rodamco Shareholder obtaining Unibail Shares as a result of the exercise of the conversion rights contained in a Unibail ORA will depend on how the Unibail ORA is recognised in the Rodamco Shareholder's accounts, as prepared in accordance with generally accepted accounting practice.

Any Rodamco Shareholder subject to UK corporation tax who is in any doubt as to their tax position, or how a Unibail ORA will be recognised in their accounts in accordance with generally accepted accounting practice, is strongly advised to consult an appropriate professional tax adviser immediately.

*(d) Subsequent disposal of Unibail Shares or Unibail ORAs*

A subsequent disposal of Unibail Shares and / or Unibail ORAs by a person who is resident or ordinarily resident in the UK may, depending on individual circumstances (including the availability of any exemptions and allowable losses), give rise to a liability to UK tax on capital gains.

A shareholder who is an individual and who is temporarily non-resident in the UK for tax purposes may, under anti-avoidance legislation, be liable to UK tax on any capital gain realised (subject to the availability of any exemption or relief) when he returns to the UK.

Any chargeable gain or allowable loss on a disposal of the Unibail Shares and / or Unibail ORAs should be calculated taking into account the appropriate proportion of the allowable original cost to the holder of acquiring those Unibail Shares and / or Unibail ORAs (or, where appropriate, his Rodamco Shares), and indexation allowance (if available) or taper relief (as appropriate) may be available to reduce the amount of the gain chargeable to tax.

Rodamco Shareholders who become holders of Unibail Shares or Unibail ORAs under the Exchange Offer and who are resident or ordinarily resident in the UK, but not domiciled in the UK, will be liable to UK capital gains tax only to the extent that chargeable gains made on the disposal of shares are remitted or deemed to be remitted to the UK.

*Non-UK resident shareholders*

Unibail Shareholders or Unibail ORAholders who cease to be resident or ordinarily resident in the UK for tax purposes and who dispose of Unibail Shares or Unibail ORAs and who do not return to the UK within five years of ceasing to be so resident will not be liable for UK tax on capital gains unless such Unibail Shares or Unibail ORAs are used, held or acquired for the purposes of a trade, profession or vocation carried on in the UK through a branch or agency or, in the case of a corporate shareholder, through a permanent establishment. Such shareholders may be subject to foreign taxation on any gain under local law.

**9.4.3 Taxation of Income**

*(a) Assessment of UK tax on dividends derived from Unibail Shares*

No UK tax is required to be withheld from dividends paid by Unibail.

A Rodamco Shareholder who becomes a holder of Unibail Shares, either under the Exchange Offer or as a result of the exercise of the rights contained in a Unibail ORA, and who is resident or ordinarily resident in the UK or who carries on a trade in the UK through a UK branch or agency or, in the case of a corporate shareholder, a permanent establishment in connection with which their shares are held, will generally be subject to UK tax on the gross amount of any dividends paid by Unibail before any deduction of French tax withheld (if any).

*(i) Shareholders not liable to corporation tax*

Dividends will be subject to UK income tax at the rate of 10 per cent. on the amount of the dividend in the hands of a UK-resident individual shareholder who is liable to UK income tax at the starting, lower or basic rate. A UK-resident individual holder who is liable to UK income tax at the higher rate will generally be subject to UK income tax at the rate of 32.5 per cent. on the amount of the dividend. Whether a UK-resident individual is liable to UK income tax at the starting, lower, basic or higher rate will depend on the particular circumstances of that individual.

*(ii) Shareholders liable to corporation tax*

A corporate holder of Unibail Shares that is resident in the United Kingdom for UK tax purposes will generally be liable to UK corporation tax on the amount of any dividend received from Unibail.

French withholding tax (if any) withheld from the payment of a dividend and not recoverable from the tax authorities will generally be available as a credit against the income tax or corporation tax payable by the relevant Unibail Shareholder in respect of that dividend. Special rules will apply to UK resident corporate shareholders that alone, or together with their associates, hold ten per cent. or more of the voting power or ten per cent. or more of the ordinary share capital of Unibail.

Individual Rodamco Shareholders who become holders of Unibail Shares under the Exchange Offer or as a result of the exercise of the rights contained in an Unibail ORA and who are resident, but not domiciled, within the United Kingdom will be liable to UK income tax on a dividend paid by Unibail only to the extent that it is remitted to the UK. The taxation of dividends remitted to the United Kingdom is not considered in this summary.

*(b) Assessment of UK tax on receipts of Cash Amounts derived from ORAs*

No UK tax is required to be withheld from Cash Amounts paid by Unibail in respect of the Unibail ORAs.

A Rodamco Shareholder who becomes a holder of Unibail ORAs under the Exchange Offer and who is resident or ordinarily resident in the UK or who carries on a trade in the UK through a UK branch or agency or, in the case of a corporate shareholder, a permanent establishment in connection with their shares are held will generally be subject to UK tax on the gross amount of any Cash Amounts paid by Unibail before any deduction of French tax withheld (if any).

*(i) Holders not liable to corporation tax*

An individual holder of Unibail ORAs who is resident in the UK for tax purposes and who receives a Cash Amount from Unibail will generally be liable to income tax in respect of that Cash Amount as a "relevant foreign distribution". The relevant foreign distribution will be subject to UK income tax at the rate of 10 per cent. on the amount of the Cash Amount in the hands of a UK-resident individual holder who is liable to UK income tax at the starting, lower or basic rate. A UK-resident individual holder who is liable to UK income tax at the higher rate will generally be subject to UK income tax at the rate of 32.5 per cent. on the amount of the relevant foreign distribution. Whether a UK-resident individual is liable to UK income tax at the starting, lower, basic or higher rate will depend on the particular circumstances of that individual.

*(ii) Shareholders liable to corporation tax*

A corporate holder of Unibail ORAs that is resident in the United Kingdom for UK tax purposes will generally be liable to UK corporation tax on the amount of any Cash Amounts received from Unibail in respect of the Unibail ORAs.

On making the appropriate claim, French withholding tax (if any) withheld from the payment of a Cash Amount and not recoverable from the tax authorities may be available as a credit against the income tax or corporation tax payable by the relevant Unibail ORA holder in respect of that Cash Amount.

Individual Rodamco Shareholders who become holders of Unibail ORAs under the Exchange Offer and who are resident, but not domiciled, within the UK will be liable to UK income tax on a dividend paid by Unibail only to the extent that it is remitted to the UK. The taxation of Cash Amounts remitted to the United Kingdom is not considered in this summary.

#### **9.4.4 Stamp duty and stamp duty reserve tax**

No UK stamp duty or stamp duty reserve tax ("SDRT") will be payable by Rodamco Shareholders as a result of accepting the Exchange Offer or as a result of the conversion contained in a Unibail ORA being exercised.

No UK stamp duty will be payable in connection with a transfer of Unibail Shares or Unibail ORAs in registered form executed outside the UK unless it relates to any property situated in, or any matter or thing to be done in, the UK and the transfer is brought into UK.

No UK stamp duty or stamp duty reserve tax will be payable in respect of any agreement to transfer Unibail Shares or Unibail ORAs.

#### **9.4.5 Other Matters — Inheritance Tax**

A gift of Unibail Shares or Unibail ORAs or the death of a holder of Unibail Shares or Unibail ORAs may give rise to a liability to UK inheritance tax. For these purposes, a transfer of assets at less than their full market value may be treated as a gift.

However, an individual who is not domiciled in the UK, and is not deemed to be domiciled there under special rules relating to long residence or previous domicile in the UK, is not generally within the scope of inheritance tax as respects assets situated outside the United Kingdom. Unibail Shares and Unibail ORAs should constitute assets situated outside the United Kingdom for inheritance tax purposes.

### **9.5 Material French tax consequences**

The following is a general summary of certain French tax consequences for tax residents of the Netherlands, Germany, Belgium and the United Kingdom, in relation to the ownership and disposal of Unibail Shares and/or Unibail ORAs received pursuant to the Exchange Offer.

#### **9.5.1 Tax regime of the Unibail Shares**

##### **9.5.1.1 Individuals**

Under French domestic tax law, dividends paid by a French company to a non-French tax resident shareholder are generally subject to a 25% withholding tax.

Pursuant to the tax treaty signed between France and the Netherlands (the “French-Dutch Treaty”), the withholding tax levied on the dividend distributions by Unibail to a resident of the Netherlands is reduced to 15% provided that the filing requirements set forth by the French-Dutch Treaty are fulfilled.

Pursuant to the tax treaty signed between France and Belgium (the “French-Belgian Treaty”), the withholding tax levied on dividend distributions by Unibail to a resident of Belgium is reduced to 15% provided that the filing requirements set forth by the French-Belgian Treaty are fulfilled.

Pursuant to the tax treaty signed between France and Germany (the “French-German Treaty”), the withholding tax levied on dividend distributions by Unibail to a resident of Germany is reduced to 15% provided that the filing requirements set forth by the French-German Treaty are fulfilled.

Pursuant to the tax treaty signed between France and the United Kingdom (the “French-English Treaty”), the withholding tax levied on dividend distributions by Unibail to a resident of the United Kingdom is reduced to 15%, provided that the filing requirements set forth by the French-English Treaty are fulfilled.

##### **(2) Capital gains**

Capital gains derived from the sale of Unibail Shares will not be taxable in France assuming, for a resident of the Netherlands, that he/she, alone or together with his/her spouse or relatives, has not owned more than 25% of financial rights in Unibail at any time within the five-year period prior to the sale.

##### **(3) Gift, Estate and Inheritance Tax**

Non-French resident holders of Unibail Shares will have to inquire the French Gift and Inheritance Tax Regime with their professional advisers.

##### **9.5.1.2 Entities**

###### **(1) Dividends**

Under French domestic tax law, dividends paid by a French company to a non-French tax resident shareholder are generally subject to a 25% withholding tax.

Pursuant to the French-Dutch Treaty, the withholding tax levied on the dividend distributions by Unibail to a resident of the Netherlands is reduced to 15% provided that the filing requirements set forth by the French-Dutch Treaty are fulfilled.

Pursuant to the French-Belgian Treaty, the withholding tax levied on dividend distributions by Unibail to a resident of Belgium is reduced to 15% provided that the filing requirements set forth by the French-Belgium Treaty are fulfilled.

Pursuant to the French-English Treaty, the withholding tax levied on dividend distributions by Unibail to a resident of the United Kingdom is reduced to 15% provided that the filing requirements set forth by the French-English Treaty are fulfilled.

Pursuant to the French-German Treaty, the withholding tax levied on dividend distributions by Unibail to a resident of Germany is reduced to 15% provided that the filing requirements set forth by the French-German Treaty are fulfilled.

Under the tax treaties entered into by France, on the one hand, and the Netherlands, Belgium, Germany and the United Kingdom, on the other hand, a Dutch, Belgian, German or UK corporate shareholder owning a certain percentage of Unibail's share capital, may benefit from a further reduced dividend withholding tax rate or from a dividend withholding tax exemption.

The withholding tax exemption provided by the EU Parent-Subsidiary Directive (implemented under section 119 ter of the French tax code) will not be applicable to dividends paid out of the tax-exempt profits of Unibail.

## *(2) Capital gains*

Capital gains derived from the sale of Unibail Shares will not be taxable in France.

### **9.5.2 Tax regime of the Unibail ORAs**

#### *9.5.2.1 Individuals*

##### *(1) Interest*

Interest paid to a holder of Unibail ORAs who is resident of the Netherlands, Belgium, Germany or the United Kingdom is exempt from withholding tax in France.

##### *(2) Capital gains on the sale of Unibail ORAs*

Capital gains realised upon the sale of Unibail ORAs by an individual resident in the Netherlands, Belgium, Germany or the United Kingdom are exempt from income tax in France provided that the Unibail ORAs are not held in connection with a permanent establishment or a fixed base in France.

##### *(3) Redemption of Unibail ORAs*

The premium, if any, earned by a holder of Unibail ORAs resident in the Netherlands or Belgium upon redemption of the Unibail ORAs is not subject to income tax in France.

##### *(4) Gift, Estate and Inheritance Tax*

Non-French resident holders of Unibail ORAs will have to inquire the French Gift and Inheritance Tax Regime with their professional adviser.

##### *(5) New Unibail Shares received upon redemption of the Unibail ORAs*

Subject to any change in the applicable French legislation, the tax regime of the new Unibail Shares received upon redemption of the Unibail ORAs should be the same as that described under Paragraph 9.5.1 above.

#### *9.5.2.2 Entities*

##### *(1) Interest*

Interest paid to a holder of Unibail ORAs who is resident of the Netherlands, Belgium, Germany or the United Kingdom is exempt from withholding tax in France.

*(2) Capital gains on the sale of Unibail ORAs*

Capital gains realised upon the sale of Unibail ORAs by an entity resident in the Netherlands, Belgium, Germany or the United Kingdom are exempt from income tax in France provided that the Unibail ORAs are not held in connection with a permanent establishment or a fixed base in France

*(3) Redemption of Unibail ORAs*

The premium, if any, earned by a holder of Unibail ORAs resident in the Netherlands, Belgium, Germany or the United Kingdom upon redemption of the Unibail ORAs is not subject to income tax in France.

*(4) New Unibail Shares received upon redemption of the Unibail ORAs*

Subject to any change in the applicable French legislation, the tax regime of the new Unibail Shares received upon redemption of the Unibail ORAs should be the same as that described under Paragraph 9.5.1 above.

## **10. INFORMATION ON RODAMCO**

### **10.1 Overview**

Rodamco is one of the largest listed property investment and management companies, predominantly focusing on the retail sector in various property markets in Europe. Rodamco's property portfolio consists of three business segments: retail, offices and industrial/other properties. As at 31 December 2006, Rodamco owned and managed a portfolio of shopping centres, high street shops, office buildings and industrial properties in 14 European countries of approximately EUR 10.6 billion. This portfolio generated net rental income of EUR 563.1 million in 2006. In this same period Rodamco recorded net profit (group share) of EUR 1,525.3 million, compared to EUR 1,282.1 million in 2005.

Rodamco is an investment company with variable capital and has a license from the AFM as an investment company based on article 2:65 (1)(b) of the Financial Supervision Act. As an investment company, Rodamco is subject to supervision by the AFM and DNB.

Rodamco qualifies as a FBI under Dutch law. No corporate income tax is due in the Netherlands when certain conditions of the CITA are met. Rodamco's shares are listed on Euronext Amsterdam, Euronext Paris and Euronext Brussels, as well as on the official list (*Amtlicher Markt*, General Standard segment) of the Frankfurt Stock Exchange. As at 5 April 2007, Rodamco had a market capitalisation of EUR 9.7 billion. Rodamco Shares are included in the MSCI World index, the Euronext 100 index and the AEX index of Euronext Amsterdam.

### **10.2 History and development of Rodamco**

Rodamco began operating as an independent company in 1999 with a portfolio valued at EUR 1.8 billion. Over the first five years as an independent company, Rodamco has established its position as leading listed retail property investment company in the region, focusing on dominant shopping centers in major European cities. Through selective acquisition (retail, especially shopping centers) and divestment (primarily offices), the share of retail (mainly dominant shopping centers) has grown from around 75% in 1999 to the current 94% (including offices integrated into the shopping centres in Sweden).

Building systematically through selective acquisitions on the existing portfolio, Rodamco is active in five regions, where it is often market leader in the retail property sector. The quality and size of Rodamco's portfolio today further enhances Rodamco's position as the leading listed retail property company in the region.

### **10.3 Business overview**

Rodamco's home regions are the Netherlands and Belgium, the Nordic countries (Sweden, Denmark, Finland), France, Spain and Central Europe (Austria, Germany, Poland, Czech Republic, Ukraine, Hungary, Russia and Slovak Republic). As at 31 December 2006, 94.0 per cent (including offices integrated into the shopping centres in Sweden) of Rodamco's total property assets in terms of book value were invested in the retail sector, compared to 90.3 per cent as at 31 December 2005.

#### ***The Netherlands and Belgium***

The Netherlands and Belgium represent Rodamco's single largest market, accounting for 34.4 per cent of Rodamco's property assets as at 31 December 2006 and 36.8 per cent of its gross rental income for 2006.

#### ***Nordic***

Currently Rodamco's principal market in the Scandinavian region is Sweden (although it also has an investment in Denmark and in Finland), mainly in Stockholm. As of 31 December 2006, the property assets of Rodamco's properties in Sweden, Denmark and Finland accounted for 18.4 per cent of Rodamco's property assets and 19.6 per cent of its gross rental income for 2006.

#### ***France***

As at 31 December 2006, the property assets in France accounted for 18.3 per cent of Rodamco's property assets and 15.5 per cent of its gross rental income for 2006. Rodamco is one of the largest publicly listed property companies owning retail property, with 9 shopping centers as of 31 december 2006.

## ***Spain***

As of 31 December 2006, Rodamco's property assets in Spain accounted for 16.0 per cent of Rodamco's property assets and 14.4 per cent of its gross rental income for 2006. Rodamco is one of the leading publicly listed retail property owners in Spain, with 12 shopping centres as of 31 December 2006.

## ***Central Europe***

For Rodamco, the Central European market consists of Austria, the Czech Republic, Germany, Hungary, Poland, Ukraine and Slovak Republic. As at 31 December 2006 Rodamco's property assets in Central Europe accounted for 12.9 per cent of Rodamco's asset portfolio by value and generated 13.8 per cent of its gross rental income in 2006.

Rodamco views Central Europe as a future growth region and expects the expansion of the European Union to drive economic growth, consumer spending and further investment in the region. Rodamco no longer considers Poland, the Czech Republic and Hungary as emerging markets. Transparency and liquidity have greatly improved in these markets. As such, these markets no longer form part of the 10 per cent investment ceiling Rodamco applies to emerging markets.

### **10.4 Business strategy**

The key elements of Rodamco's Return on Retail business strategy include:

#### ***Prime retail locations***

Rodamco is focussed on high quality retail properties, including dominant shopping centres in key European cities, as it believes that such shopping centres provide more stable returns on investment and are more resistant to business cycles.

#### ***Geographic diversification and multi-domestic, local organisations***

In order to spread risk and returns, Rodamco's focus is on managing key retail assets in its five home regions: the Netherlands & Belgium, the Nordic countries (Sweden, Denmark and Finland), France, Spain and Central Europe (Austria, Germany, Poland, Czech Republic, Ukraine, Hungary and Slovak Republic). Management views local presence in these countries as crucial to Rodamco's future success. Rodamco also intends to explore additional opportunities in other countries and economic regions in Europe.

#### ***Pan-European vision***

Rodamco's aim is a fully aligned organisation that can take full advantages of the synergies and best practices in the whole Rodamco group. This pan-European vision, together with its other value drivers, will enable it to share experience and know-how across countries in order to achieve cost efficiencies and promote best practice while facilitating its relationships with major international retailers.

#### ***Capital structure***

Rodamco's long-term strategic objectives are pursued in a highly capital-intensive marketplace. The finance strategy, considered conservative, is based on an optimal capital structure for the investment ambitions. That means that Rodamco must maintain a strong balance sheet that enables Rodamco to fund the business in a viable, secure and sustainable way while minimizing capital costs.

### **10.5 Financial strategy**

The key elements of Rodamco's financial strategy include:

#### ***Diversifying Rodamco's capital resources***

Rodamco has historically financed its activities through a mixture of debt obtained from banks and equity finance. In order to achieve better and more flexible terms of finance, Rodamco has expanded its sources of funding by issuing debt under its EMTN and commercial paper program and by entering into a syndicated committed credit facility.

### ***Rationalising Rodamco's debt structure to match its investment horizon***

Rodamco has a long-term investment horizon, therefore Rodamco strives for a sound capital structure, also through actively seeking long-term financing. This means that Rodamco staggers the loan maturity, aiming for an average of more than five years. Rodamco has further set targets relating to its fixed-floating ratio.

### ***Effectively managing currency risk***

Because of Rodamco's pan-European activities, it invests in and receives income from a number of countries outside the Eurozone (in particular, Swedish Krona). Consequently, subject to market conditions, Rodamco seeks to manage currency risk by matching foreign currency income and expenses, as well as hedging through the use of foreign exchange contracts or other instruments. Revaluations, capital expenditures and deferred tax are excluded from the hedge policy. Currency risk in the building period of pipeline projects is covered as quickly as possible after the signing of the actual building contract.

### ***Risk management and in control systems***

A description of Rodamco's strategic, financial, operational, financial reporting and compliance risks, as well as a description of the risk management systems that address those risks, have been included on pages 44 to 49 of the Rodamco annual report for the financial year 2006. An in-control statement regarding the effectiveness of internal controls over financial reporting is included on page 45 of the Rodamco annual report for the financial year 2006. In 2006, a number of key elements of the design effectiveness and operating effectiveness of those risk management systems have been evaluated by the Management Board for the first time. A full evaluation of operating effectiveness will formally be assessed as from 2007. This scheme is fully in line with Rodamco's project of continuously improving the internal control framework and an integral part of its "One Company, One Aspiration program", which started in 2004.

## **10.6 Activities**

### ***Overview***

Rodamco's activities consist of investment in, and management of, shopping centres and other retail properties, office properties and industrial/other properties. As at 31 December 2006, Rodamco's retail property portfolio consisted of 73 shopping centres and around 300 high street shops. Within the retail sector, Rodamco's core tenant base includes a number of significant international retailers including Ahold, Hennes & Mauritz, ICA, Maxeda and Inditex. Rodamco's organisational structure separates the role of the owner (asset selection), operator (retail management) and controller (finance), ensuring transparent responsibilities, accountabilities and reporting lines.

### ***Asset selection***

Rodamco has established a dedicated asset selection function based within each of its local organisations. Under the asset selection function, asset selection proposals originate from the local organisations which are closest to their respective markets. Proposals are then subjected to qualitative and quantitative review based on criteria established by the Management Board to ensure that potential acquisitions fit within Rodamco's overall strategy. Projects valued in excess of EUR 100 million must be approved by the Supervisory Board.

### ***Retail management***

Rodamco's shopping centres and high street shops are situated in dominant locations in major cities with strong trade access. According to Rodamco, this is one of the prerequisites for long term success in the retail sector. Even during economic downturn, retailers will retain their flagship locations. However, Rodamco takes the strategic view that location needs to be continually reinforced by quality tenant mix and extensions, renovation and refurbishment to ensure first class services and facilities. If Rodamco is able to continually improve the quality and attractiveness of its shopping centres through retail management, then it will maintain and increase the value of its assets. This is the strategic rationale behind the consistent development of quality shopping centre retail management in all of its home regions. Working closely with asset selection colleagues, retail managers play a key role in identifying trends and changes in tenant and visitor needs. These are taken into account when deciding to extend, renovate or refurbish — or a combination of all three — one of its standing assets.

As of 31 December 2006, 330 employees out of the total of 626 employees employed by Rodamco were involved in retail management. As with the asset selection function, each local organisation within Rodamco has a retail management function which focuses on optimal management of its assets.



## Property investment overview

The table below sets out selected data in respect of Rodamco's consolidated property investments as at 31 December 2006:

### Rodamco — Consolidated Property Investments Overview

	As of 31 December 2006					
	Netherlands/ Belgium	Nordic <sup>(1)</sup>	France	Spain	Central Europe <sup>(2)</sup>	Total
Property assets (€ million) . . . . .	3,637	1,951	1,940	1,689	1,365	10,582
Total commercial area (000 m2) . . . . .	1,188.0	552.1	277.3	505.9	517.8	3,041.1
Occupancy rate (%) . . . . .	97.6	97.4	99.5	99.1	99.8	98.4
Theoretical gross rental income (€ million) <sup>(3)</sup> . . . . .	243.7	139.1	100.4	97.8	91.7	672.7
Gross initial yield (%) . . . . .	6.3	7.2	5.2	5.9	6.8	6.3
Net initial yield (%) <sup>(4)</sup> . . . . .	5.6	5.3	4.8	5.5	6.1	5.4
Weighted average lease maturity <sup>(5)</sup> . . . . .	5.6	3.3	5.9	5.9	6.0	5.2

(1) Includes Sweden, Denmark and Finland.

(2) Includes Austria, Czech Republic, Hungary, Poland, Germany and Slovak Republic.

(3) Theoretical gross rental income of current leases, turnover rent and other income included, increased by the market rent of vacant space available for letting as at year-end.

(4) Estimated annual net rental income as a % of gross open market value (incl. transfer costs); following EPRA definition.

(5) From a landlord's perspective.

## Retail

Rodamco believes that there is limited or remote concentration risk, as it has a well-established and diverse core of high quality tenants for its retail properties, with the top 15 tenants representing approximately 23 per cent of Rodamco's rental income in 2006.

The table below sets out selected data about Rodamco's top 25 retail properties (which represent approximately 60 per cent of Rodamco's total retail investments) as at and for the year ended 31 December 2006:

### Rodamco — Top 25 Retail Centres

		As of 31 December 2006					
		Country	Appraisal Value <sup>(1)</sup> (€ million)	Appraisal Value <sup>(1)</sup> per sqm (€ / sqm)	Net initial Yield (%)	Occupancy cost <sup>(2)</sup> (%)	Occupancy/ pre let (%)
1	Lyon Part-Dieu . . . . .	France	540	8,352	4.7	7.5	99.4
2	TäbyCentrum . . . . .	Sweden	410	5,181	4.8	7.7	98.8
3	Donauzentrum . . . . .	Austria	405	3,612	5.6	7.6	99.9
4	Parly 2 . . . . .	France	376	8,218	4.8	6.9	99.4
5	StadshartAmstelveen . . . . .	NL	337	6,655	5.0	N.A	98.7
6	Parquesur . . . . .	Spain	317	4,165	5.3	8.2	99.7
7	Solna Centrum . . . . .	Sweden	299	3,820	4.9	8.2	92.9
8	Velizy 2 . . . . .	France	271	11,078	4.1	8.3	100.0
9	La Vaguada . . . . .	Spain	266	12,478	4.4	10.6	99.3
10	Fisketorvet . . . . .	Denmark	262	4,580	5.2	9.9	98.4
11	Stadshart Almere . . . . .	NL	258	3,484	4.9	N.A	96.6
12	Villeneuve 2 . . . . .	France	216	6,599	5.2	8.5	99.8
13	Chodov . . . . .	Czech Republic	215	3,904	6.0	9.1	99.9
14	Stadshart/Spazio . . . . .	NL	215	3,091	5.2	n.a.	92.1
15	Les Glòries . . . . .	Spain	168	5,473	5.8	11.8	98.7
16	Bonaire . . . . .	Spain	165	3,448	5.9	11.5	100.0
17	Forum Nacka . . . . .	Sweden	163	4,011	5.5	10.2	97.6
18	Jumbo . . . . .	Finland	158	5,533	5.3	8.2	99.5
19	St. Sever . . . . .	France	143	4,048	5.3	9.9	99.3
20	Mokotów . . . . .	Poland	140	4,516	6.0	9.3	100.0
21	Vallsur . . . . .	Spain	133	4,249	5.2	9.8	99.7
22	Haninge . . . . .	Sweden	112	2,797	5.9	7.3	97.2
23	VierMeren . . . . .	NL	109	4,051	5.0	n.a.	93.7
24	Piazza Center . . . . .	NL	108	3,522	5.4	n.a.	100.0
25	Allee-Center . . . . .	Germany	104	4,054	5.8	n.a.	99.8

(1) Excluding transfer taxes.

(2) Total gross rent including service charges (excl. VAT), as % of total turnover incl. VAT.

### Offices

Although Rodamco's strategy emphasises the retail sector, Rodamco intends to retain a limited asset base of high quality office properties. Rodamco views its investments in the top end of the office sector as a stable source of revenue, as the tenant base consists primarily of large, well known firms with long-term leases.

### Industrial/Others

In addition to retail and office properties, Rodamco has a small but stable portfolio of investments in warehouses and other facilities for the European logistics and industrial sectors.

### Lease terms

While the lease terms which Rodamco offers its customers vary from market to market, virtually all contracts in the retail segment are indexed to inflation or some other indices (for example, a construction index) and, in order to safeguard cash flow, rental payments are typically collected monthly or quarterly in advance. As at 31 December 2006 the average lease maturity is 5.2 years (from a landlord perspective).

## Pipeline projects

In order to develop its business growth further, Rodamco seeks to acquire new investments for its portfolio. Opportunities to invest in existing properties of good quality at reasonable prices that meet Rodamco's criteria are limited. Rodamco is therefore willing to step in earlier and seeks pipeline projects which it typically funds in advance and acquires on completion on a turnkey basis. For pipeline acquisitions, Rodamco also looks for projects which it can optimise through retail management. As of 31 December 2006 the total amount of pipeline projects was approximately EUR 2.6 billion (excluding projects under consideration), of which 50% are committed projects.

## 10.7 Key Financial information

### 10.7.1 Key financials

The table below presents a comparative overview of Rodamco's key financials for 2004, 2005 and 2006.

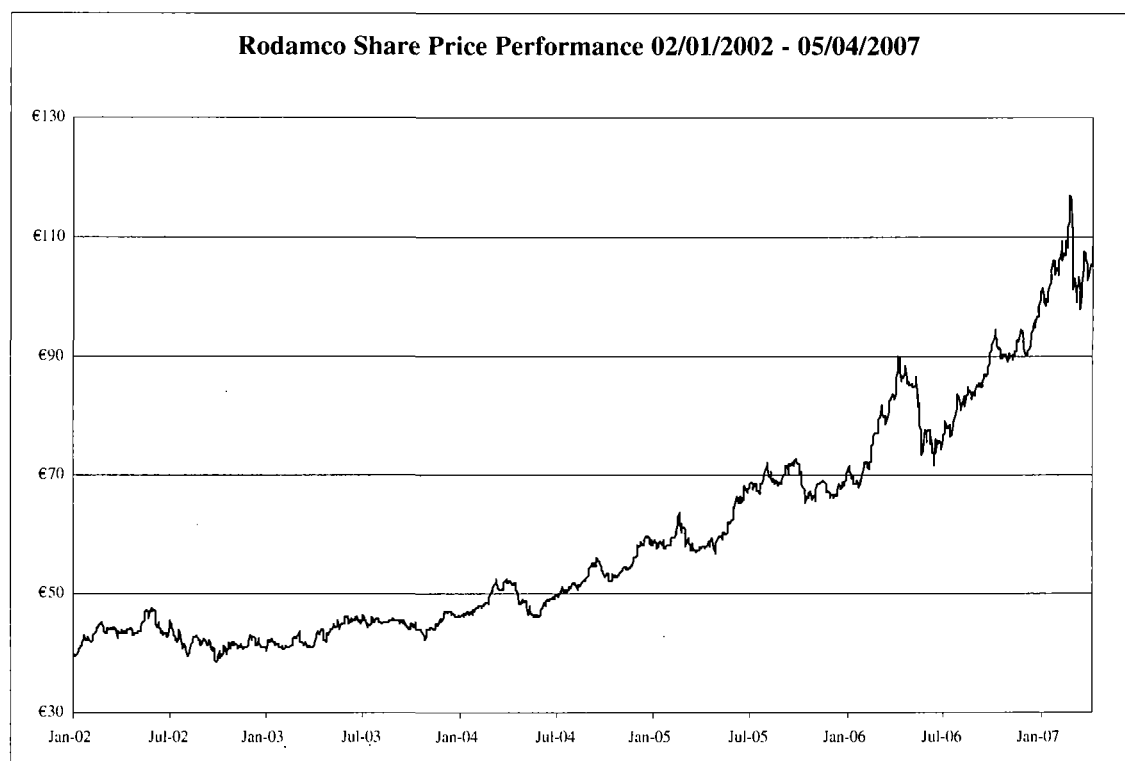
#### Rodamco — Key Financials

	Dec Year End		
	2006A	2005A	2004A
<b><u>Balance sheet items in € million</u></b>			
Total Portfolio	10,582	9,095	7,518
Retail	9,603	8,471	6,541
Offices	766	498	752
Industrials/Other	213	126	226
Shareholders' equity	6,487	5,272	4,297
Total financial debt	3,320	3,303	2,790
Triple net asset value — group share (NNNAV)	6,853	5,418	4,393
<b><u>Profit and loss items in € million</u></b>			
Total net rental income	563	503	458
— Shopping centres	506	438	390
— Offices	52	49	52
— Industrials & others	5	16	16
Direct result — Group share	369	341	317
Net profit — Group share	1,525	1,282	388
<b><u>Per share data (in euros)</u></b>			
Direct result	4.12	3.80	3.54
Total distribution for the year	3.71	3.42	3.05
Triple net asset value — group share (NNNAV)	76.45	60.44	49.01

The estimated amount of Rodamco's expenses related to the business combination are around EUR 25 million, mainly success fee based, and will be charged to the income in the second quarter of 2007.

### 10.7.2 Rodamco Shares price trend

The chart below shows movements in the price of Rodamco Shares on Euronext Amsterdam in the period from 2 January 2002 through to 5 April 2007 (Source FactSet).



The above chart shows trading statistics for the Rodamco Shares on Euronext Amsterdam, its primary listing. The Rodamco Shares are also listed on the Euronext Paris, Euronext Brussels and the Frankfurt Stock Exchange, with very limited daily trading volumes and price evolution in line with the primary listing in Amsterdam.

The table below sets forth, the reported high and low sales prices per share for Rodamco Shares on Euronext Amsterdam from 2 January 2002 through to 5 April 2007.

### Rodamco 2002-2007 Trading Statistics

	<u>High</u> (€)	<u>Low</u> (€)	<u>Volume</u> ( '000 Shares)
<b>2007 year to date</b> . . . . .	<b>117.00</b>	<b>97.82</b>	<b>417.94</b>
<b>2006</b> . . . . .	<b>100.80</b>	<b>67.85</b>	<b>291.47</b>
<b>2005</b> . . . . .	<b>72.85</b>	<b>56.60</b>	<b>185.66</b>
<b>2004</b> . . . . .	<b>59.75</b>	<b>46.04</b>	<b>96.64</b>
<b>2003</b> . . . . .	<b>46.92</b>	<b>40.70</b>	<b>79.40</b>
<b>2002</b> . . . . .	<b>47.50</b>	<b>38.55</b>	<b>52.74</b>
<b>2007</b>			
First quarter . . . . .	117.00	97.82	415.72
<b>2006</b>			
First quarter . . . . .	83.60	67.85	273.64
Second quarter . . . . .	90.00	71.60	380.28
Third quarter . . . . .	91.85	76.50	252.31
Fourth quarter . . . . .	100.80	89.10	262.86
<b>2005</b>			
First quarter . . . . .	63.55	56.90	185.51
Second quarter . . . . .	68.10	56.60	234.59
Third quarter . . . . .	72.85	66.80	142.82
Fourth quarter . . . . .	71.75	65.15	180.30
<b>2004</b>			
First quarter . . . . .	52.55	46.09	77.37
Second quarter . . . . .	52.15	46.04	99.98
Third quarter . . . . .	56.10	49.50	110.78
Fourth quarter . . . . .	59.75	52.10	98.02
<b>2003</b>			
First quarter . . . . .	43.68	40.70	68.29
Second quarter . . . . .	46.20	41.24	88.92
Third quarter . . . . .	46.27	43.99	80.29
Fourth quarter . . . . .	46.92	42.25	80.21
<b>2002</b>			
First quarter . . . . .	45.03	39.41	51.64
Second quarter . . . . .	47.50	42.70	49.75
Third quarter . . . . .	45.58	38.55	54.01
Fourth quarter . . . . .	42.96	39.06	55.45

## 10.8 Management Board and Supervisory Board

### Management Board

The members of the Management Board are:

<u>Name</u>	<u>Position</u>
Maarten J. Hulshoff . . . . .	Chief Executive Officer
Joost A. Bomhoff . . . . .	Chief Operating Officer Retail Management
K. Willem Ledeboer . . . . .	Chief Investment Officer Asset Selection
Peter M. van Rossum . . . . .	Chief Financial officer

*Maarten J. Hulshoff (1947), CEO, Dutch national, joined Rodamco as CEO on 1 June 2001*

Began his career in 1973 at Océ N.V. Joined Citigroup in 1976 and held various general management positions in Europe and Asia from 1982 until 1995. Subsequently, chairman of the management board of NCM Holding N.V. (now Atradius). Appointed CEO and chairman of the management board of Rabobank International in 1999. Currently, Member of the supervisory board of TEB N.V.

*Joost A. Bomhoff (1948), COO Retail Management, Dutch national, joined Rodamco in 1982*

Began his career with a consultancy firm, followed by development companies. With Rodamco, initially responsible for managing a portfolio of assets in various continental European countries, and later for building up the shopping centre portfolios in Spain and France. In 1990, appointed an executive director of Rodamco.

*K. Willem Ledeboer (1954), CIO Asset Selection, Dutch national, joined Rodamco in 1986*

A lawyer with Nauta before becoming legal counsel for Rodamco. From 1989 to 1996, a director of Rodamco in Australia, Europe and Asia/Pacific. Was appointed an executive director of Rodamco Europe in 1996.

*Peter M. van Rossum (1956), CFO, Dutch national, joined Rodamco on 1 April 2006*

Built extensive experience during 24 years in financial positions with Shell in Europe, Middle East, USA and Asia. His most recent positions include Regional Finance Director for Shell's upstream activities in Asia-Pacific and CFO of the NAM, the Dutch oil and gas producing Joint Venture between Shell and Exxon. Has been a non-executive director on the board of Woodside Petroleum - Australia.

### **Supervisory Board**

The Supervisory Board consists of six members. The Supervisory Board members are:

<u>Name</u>	<u>Position</u>	<u>Expiry of term</u>
Robert F.W. van Oordt . . . . .	Chairman	2013
Bart R. Okkens . . . . .	Vice-Chairman	2012
Frans J.G.M. Cremers . . . . .	Member	2017
Rob ter Haar . . . . .	Member	2017
Jos W.B. Westerburgen . . . . .	Member	2017
Henk B. van Wijk . . . . .	Member	2012

*Robert F.W. van Oordt (1936), Chairman*

Mr Van Oordt was born in Amsterdam in 1936. He holds a masters degree in Business Economics. Mr Van Oordt was a former consultant and partner at McKinsey & Cie Inc. (1967-1979), chief operating officer and member of the board of directors at Hunter Douglas N.V. (1979-1989), chairman of the executive board of Bühmann Tetterode N.V. (1990-1993), and chairman of the executive board of N.V. Koninklijke KNP BT (1993-1996). Chief executive officer of Rodamco (2000-2001). Former Member of the board of directors of Nokia Corporation (Helsinki) and of N.V. Umicore S.A. in Brussels. Currently Mr Van Oordt is Supervisory Director at Draka Holding N.V. (Amsterdam) and member of the boards of directors of Fortis Bank N.V. (Brussels) and Schering-Plough Corporation (USA). His other current positions are Chairman of the Strategy & Governance Forum at PricewaterhouseCoopers (Amsterdam), and member of the International Advisory Board Nyenrode University (the Netherlands).

*Frans J.G.M. Cremers (1952)*

Mr Cremers was born in Meerssen in 1952. He holds a master degree in Business Economics and has his PhD Business Finance both from the Erasmus University. From 1975-1996 Mr Cremers held various, mainly financial oriented positions with Royal Dutch/Shell Group in cities like Rotterdam, London, Brunei, Assen, the Hague, Vienna, Aberdeen/London. His last position was CFO Shell Expro, United Kingdom. From 1997-2004 Mr Cremers was CFO and Member of the Executive Board VNU N.V., in that period part of the AEX-index. In addition to the Rodamco supervisory board membership, he holds supervisory board positions at N.V. Nederlandse Spoorwegen, Royal Vopak N.V., Fugro N.V. and N.V. Luchthaven Schiphol. He is a member of the Capital Market Committee of the AFM and participated in the 2005/2006 investigation into the activities of Royal Ahold on behalf of the Enterprise Chamber of the Amsterdam Court of Appeal. Mr Cremers is also Member of the Board of Foundation

Stichting Preferente Aandelen Philips, Member of the Board of Foundation Lodewijk Stichting (Oce) and Member of the Board of Foundation Stichting Stork.

*Rob ter Haar (1950)*

Mr Ter Haar was born in Amsterdam in 1950. He holds a masters degree in Commercial and Corporate Law. Mr Ter Haar was until March 2004, CEO of Hagemeyer N.V. Previously, he was chairman of the executive board of De Boer Unigro N.V., board member Household & Personal Care Division of Sara Lee/Douwe Egberts and General Manager of Molnlycke Nederland. Mr Ter Haar started his career in marketing with the Procter&Gamble Company in the Netherlands, the UK and Germany. He is a former member of the advisory council of ABN AMRO Bank. Currently, Mr Ter Haar is a member of the supervisory boards of Royal Friesland Foods N.V., Parcom Ventures B.V. and of the retail companies Maxeda B.V., Boekhandels Groep Nederland B.V. and B.V. Sperwer Holding.

*Bart R. Okkens (1941), Vice-Chairman*

Mr Okkens was born in Leerdam in 1941. He followed Gymnasium B and holds a master's degree in notarial law from the Rijksuniversiteit in Utrecht. Mr Okkens is an independent legal advisor; former civil law notary in Rotterdam and a former managing partner at De Brauw Blackstone Westbroek N.V. He held a number of senior positions, including vice-chairman of the Royal Association of Civil Law Notaries and member of the Supervision of Notaries Chamber in Rotterdam and Supervisory Director of Rijn-Schelde-Verolme in liquidation. Currently Supervisory board member of Stichting de Nationale Sporttotalisator, and Chairman of the Supervisory Board of Esselink Beheer B.V., Bornet Group Rotterdam B.V., Van Hoorn Holding B.V., Bergschenhoek groep B.V. and the Boijmans van Beuningen museum.

*Jos W.B. Westerborgen (1942)*

Mr Westerborgen was born in Eindhoven in 1942. He studied Tax Law at the University of Leiden and began his career in 1969-1984 with the Dutch Ministry of Finance, reaching director level. In 1984 he joined Unilever where he became Head of Tax and Company Secretary of Unilever N.V. and Unilever Plc, retiring in 2001. He was a member of the Supervisory Board of Gamma Holding N.V. (1991-2003) and of Unilever Nederland B.V. (1993-2005). Currently he is supervisory board member of ASML Holding N.V. and vice-chairman of the board of the Association AEGON.

*Henk B. van Wijk (1944)*

Mr Van Wijk was born in Alphen aan den Rijn in 1944. He studied Business Economics and is a certified Public Accountant. From 1984 to June 2000, Mr van Wijk was member of the executive board and CFO of AEGON N.V. His career started in 1973 at Holland Amerika Lijn (HAL) in Rotterdam, where he held various senior positions. From 1981 Mr Van Wijk was member of the Group board of AGO Verzekeringen in The Hague. Currently he is a supervisory board member of Bornet Groep Rotterdam, NIMA Installatietechniek B.V. in Ridderkerk and a board member of Stichting Garantiefonds Reisgelden and Stichting Calamiteitenfonds Reizen, Dutch National Art Collections Fund in the Hague and The Rembrandt Society, all in the position of Treasurer.

On 9 April 2007 K. Terry Dornbush resigned from the Supervisory Board for personal reasons.

## **10.9 Share capital and dividend**

As per the date of this Offer Document, Rodamco's authorised share capital (*maatschappelijk kapitaal*) amounts to EUR 1,636,195,440, divided into 204,524,430 Rodamco Shares, each with a nominal value of EUR 8. The issued share capital (*geplaatste kapitaal*) of Rodamco amounts to EUR 717,114,336, consisting of 89,639,292 Rodamco Shares with a nominal value of EUR 8 each. As of 2 March 2006 the Rodamco Shares are included in the AEX index at Euronext Amsterdam (code NL0000289320).

Rodamco's dividend policy focuses on growing the dividend in line with direct result after tax and within a payout range of 85-95% of the direct result after tax. Within this policy, Rodamco aims to distribute an interim dividend each year, which will be approximately 40% of the previous year (full) dividend. As a FBI and with certain exceptions, Rodamco is required to distribute 100% of its Dutch taxable income. Under the French SIIC regime, Rodamco is required to distribute at least 85% of its French tax-exempt income and 50% of its French tax-exempt capital gains.

The Rodamco 2006 Final Dividend is EUR 2.34 per share, which results in a total cash dividend of EUR 3.71 per share. In 2005 this amount was EUR 3.42. In August 2006 an interim dividend of EUR 1.37 per share has been announced.

The figure below shows the historical data of Rodamco's dividend policy.

#### Rodamco — 2001-2006 Historical Dividend Policy

	2001	2002	2003	2004	2005	2006
	<i>Amounts in €</i>					
Final .....	1.67	1.70	1.75	1.90	2.17	2.34
Declared.....	14-Mar-02	11-Mar-03	9-Mar-04	3-Mar-05	6-Mar-06	26-Feb-07
Ex-date .....	23-Apr-02	17-Apr-03	21-Apr-04	25-Apr-05	24-Apr-06	2-May-07
Payment date .....	26-Apr-02	25-Apr-03	29-Apr-04	29-Apr-05	28-Apr-06	8-May-07
Interim .....	1.05	1.10	1.10	1.15	1.25	1.37
Declared.....	31-Aug-01	13-Aug-02	5-Aug-03	5-Aug-04	15-Aug-05	14-Aug-06
Ex-date .....	3-Sep-01	4-Oct-02	10-Oct-03	8-Oct-04	7-Oct-05	6-Oct-06
Payment date .....	30-Oct-01	11-Oct-02	17-Oct-03	15-Oct-04	14-Oct-05	13-Oct-06
Dividend yield .....	6.9%	7.0%	6.2%	5.2%	4.9%	3.7%

#### 10.10 Share plan

From 2002, Rodamco has operated an SPP for the Management Board and senior management. The plan enables the participants to buy shares with a interest free loan from the company and an own contribution. Rodamco Shares acquired under the plan must be held for at least three years.

In 2006, Rodamco's management board disposed of 17,137 Rodamco Shares under the Rodamco SPP. As at 31 December 2006 the Management Board held 16,928 Rodamco Shares under the Rodamco SPP.

In 2006, Rodamco replaced the Rodamco SPP by introducing a long term incentive plan for the management board and senior management. Rodamco conditionally granted 18,883 Rodamco Shares assuming that the relevant targets are reached to the Management Board on 24 April 2006, and 30,870 Rodamco Shares to the senior management on 18 May 2006. No shares have been actually vested and delivered in 2006. The number of shares to be vested and delivered depends on performance targets related to the total shareholders return over a period of three years.

Reference is made to Paragraph 4.9 for a description of the agreement between Rodamco and Unibail in respect of these Rodamco share plans following Settlement.

#### 10.11 Details of shareholdings

The table below sets out details of the shareholdings in Rodamco as indicated in Rodamco's 2006 annual report, number of shares and voting rights estimated accordingly.

	Rodamco's shareholding structure as at 31 December 2006			
	Capital		Voting rights	
	Number	%	Number	%
PGGM .....	21,961,627	24.5%	21,961,627	24.5%
Stichting Pensioenfonds ABP.....	10,380,230	11.6%	10,380,230	11.6%
AEGON N.V. ....	5,010,836	5.6%	5,010,836	5.6%
Employees .....	51,888	0.1%	51,888	0.1%
Other Rodamco Shareholders .....	52,234,711	58.3%	52,234,711	58.3%
Treasury shares.....	—	—	—	—
<b>Total .....</b>	<b>89,639,292</b>	<b>100.0%</b>	<b>89,639,292</b>	<b>100.0%</b>

Based on information provided by PGGM to Rodamco on 23 April 2007, PGGM owns 21,887,486 Rodamco Shares, i.e. 24.42% of the nominal share capital.

At the date of this Offer Document, three members of the Management Board hold a combined total of 17,830 (2005: 34,065) Rodamco shares: 9,970 Rodamco Shares by Maarten Hulshoff; 4,428 Rodamco Shares by Joost Bönhoff; and 3,432 Rodamco Shares by Willem Ledebor. At the date of this Offer Document, Mr. J.W.B. Westerburgen, member of the Supervisory Board holds 1,272 Rodamco Shares.

PGGM and the members of the Management Board and the Supervisory Board mentioned above, have undertaken towards Unibail to tender the Rodamco Shares held by them under the terms and conditions of the Exchange Offer. (Reference is made to Paragraph 4.3.)



## 10.12 Tax status of Rodamco

Rodamco qualifies as a fiscal investment institution FBI under the FBI Regime applicable to such institutions in the Netherlands, as described in more detail below.

In addition, Rodamco elected to be treated under the SIIC Regime applicable to listed property investment companies in France with respect to approximately one-third of its French portfolio as of 2004. Since 2005, the SIIC Regime applies to its entire real estate portfolio in France. (Reference is made to Paragraph 11.6 for a description of the SIIC Regime.)

### 10.12.1 Summary of the FBI Regime

A Dutch-resident company, incorporated under the laws of an EU member state, can obtain and benefit from the FBI status if the conditions of article 28 of the Dutch corporate income tax act ("CITA") and the conditions laid down in the decree on FBI's dated 29 April 1970, as amended, are met.

An FBI is subject to Dutch corporate tax at a rate of 0%. The FBI must distribute its 'distributable' profits annually within eight months after the end of the relevant fiscal year ('*doorstootverplichting*') except for the unrealised gains on securities and the realised gains on all other investments, which it may add to a so-called Reinvestment Reserve ('*herbeleggingsreserve*'). If and to the extent (un)realised gains are added to the Reinvestment Reserve, it is treated as (informal) capital for tax purposes rather than distributable earnings.

### 10.12.2 Current FBI Regime

In order to be eligible for the regime, the FBI must meet a number of requirements.

- (i) The FBI must have the form of a Dutch *naamloze vennootschap* (public limited liability company), a *besloten vennootschap met beperkte aansprakelijkheid* (limited liability company) or be a *fonds voor gemene rekening* (mutual investment fund).
- (ii) The FBI must be a resident of the Netherlands for tax purposes.
- (iii) An FBI must exclusively be engaged in portfolio investment activities, *i.e.* it may not (partly) carry on an active trade or business. Whether an activity must be classified as a portfolio investment activity or as a business activity for Dutch tax purposes, is dependent on all relevant facts and circumstances.
- (iv) The FBI may debt finance its investments up to a maximum of 60% of the tax book value of the real property plus 20% of the tax book value of all other investments. The Dutch tax authorities have given as their view that, in view of case law rendered until now, the ORAs cannot be regarded as equity for Dutch tax purposes and that they therefore should be regarded as debt for Dutch tax purposes. Unibail may contemplate to address this point in more detail with the Dutch tax authorities.
- (v) The FBI regime applies different shareholder requirements for listed and non-listed FBIs.

The shareholders requirements imposed on listed FBIs are the following:

- a corporate entity that is subject to any form of profit tax (except if that entity is a listed-FBI) or a tax transparent entity (*i.e.* an entity of which the profits are taxed in the hands of the beneficiaries), cannot together with affiliated entities<sup>21</sup> own 45% or more of all shares or participation rights (taking into account any shares in which respect the relevant entity is able to exercise voting rights, whether or not on the basis of voting agreements);
- no single non-Dutch resident mutual fund or non-Dutch resident corporate entity with a capital divided into shares may own an interest of 25% or more;
- a Dutch resident entity cannot own an interest of 25% or more through a non-Dutch resident mutual fund or corporate entity with a capital divided into shares; and
- no single individual may own an interest of 25% or more.

21 The term "affiliated company" means:

- (i) a company in which the FBI holds an interest of at least one-third;
- (ii) a company which holds an interest of at least one-third in the FBI; or
- (iii) two companies who have a mutual shareholder which has an interest of one-third or more in both companies.

(vi) Certain restrictions apply for executive and supervisory board members of a listed FBI, which entail, in summary, that:

- a member of the board of the FBI cannot also be a member of the board, or the supervisory board, of a shareholder company, or its affiliated entity, if that shareholder company, either alone or together with an affiliated entity, has an interest of 25% or more in the FBI;
- more than half of the supervisory board of directors of the FBI are not also a member of the board or supervisory board of a shareholder company, or its affiliated entity, if that shareholder company, either alone or together with an affiliated entity, has an interest of 25% or more in the FBI; and
- the aforementioned member of the board or member of the supervisory board of the FBI are neither employed by the aforementioned shareholder company or its affiliated entity.

An exception is made if the aforementioned shareholder company and/or its affiliated entity are FBI's which are listed on the Amsterdam Stock Exchange.

### 10.12.3 Proposed FBI regime

Pursuant to the bill "*Wetsvoorstel 30.533, Wijziging van de Wet op de vennootschapsbelasting 1969 en enkele andere belastingwetten in verband met de introductie van een regeling voor vrijgestelde beleggingsinstellingen en een aanpassing van de eisen voor beleggingsinstellingen met uitdelingsverplichting*" (the "Bill"), the following changes are proposed.

#### Legal form

It is proposed to drop the restriction that only a *naamloze vennootschap*, *besloten vennootschap* or a *fonds voor gemene rekening* can be an FBI. In particular, the Bill now proposes that the FBI may also be carried on as an entity incorporated or formed under the laws of the Netherlands Antilles, Aruba, a Member State of the EU or a country with which the Netherlands has concluded a double tax treaty<sup>22</sup>. The entity incorporated or formed under the laws of any of the aforementioned foreign jurisdictions must be comparable ('naar aard en inrichting') with the qualifying Dutch entities.

#### Residency

Under the proposed legislation, it is no longer required that the FBI be a resident of the Netherlands for tax purposes.

#### Shareholders requirements

While currently the less stringent shareholders requirements apply only to FBIs that are listed at the Amsterdam stock exchange, the Bill proposes that the less stringent shareholder conditions will apply to an FBI that is either listed on a recognized stock exchange or that has a license pursuant to the Financial Supervision Act or benefit from an exemption thereof. A regular investment institution may not attract funding from, or offer participation rights to, investors in or from within the Netherlands, unless the AFM has issued a license to such investment institution pursuant to the Financial Supervision Act.

In addition, the Bill repeals the current requirement that a non-Dutch resident entity with a capital divided into shares, or a foreign mutual fund (*fonds voor gemene rekening*), cannot own an interest of 25% or more in the FBI. Therefore, under the Bill, a corporate entity, whether Dutch or non-Dutch resident, will be able to hold an interest in an FBI of up to, but less than, 45%.

The proposed amendment to the FBI regime, will enter into force as of the day after publication in the Dutch Bulletin of Acts and Decrees (*Staatsblad*).

#### Legislative proposal re 'Project Development'

A separate legislative proposal, "*Wetsvoorstel 30.689, Wijziging van de Wet op de vennootschapsbelasting 1969 teneinde beleggingsinstellingen de mogelijkheid te bieden om vastgoed te ontwikkelen ten behoeve van de eigen portefeuille*" is currently pending regarding the scope of the activities test for FBIs, which will allow an FBI to be engaged in development activities for its own real estate portfolio. If and when this proposal will be enacted in its current form, FBI's will be allowed to hold the shares in (and manage) subsidiaries that conduct real estate development activities for the benefit of the FBI or a related company.

<sup>22</sup> The double tax treaty must include a non-discrimination clause which prohibits discrimination on the basis of nationality with respect to entities which are otherwise in a similar position.

## 11. INFORMATION ON UNIBAIL

### 11.1 Description of Unibail

Unibail is a joint stock company (*société anonyme*) with registered office in Paris, governed by French legislation applicable to commercial companies and in particular the French Commercial Code ('Code de commerce'). Unibail was incorporated on 23 July 1968 and its duration is set to 99 years as of its registration with the trade register (*Registre du commerce et des sociétés*) except in case of early dissolution or extension. Unibail's registration number at the Commercial and Companies Registry is 682 024 096 RCS PARIS — SIRET 682 024 096 00047 — APE code: 702 C.

Unibail's corporate purpose is:

- the acquisition, management, letting, leasing, sale and exchange of all types of land, buildings, real property and real property rights, the development of all types of land, the construction of all buildings and the fitting out of all property complexes; whether directly, or through the acquisition of investments or interests, or by creating any civil or commercial company or economic interest group;
- more generally, any financial, commercial, industrial, securities or property transactions directly or indirectly connected with the foregoing object or likely to facilitate its achievement;
- the acquisition of any interest in all types of legal entities whether French or foreign.

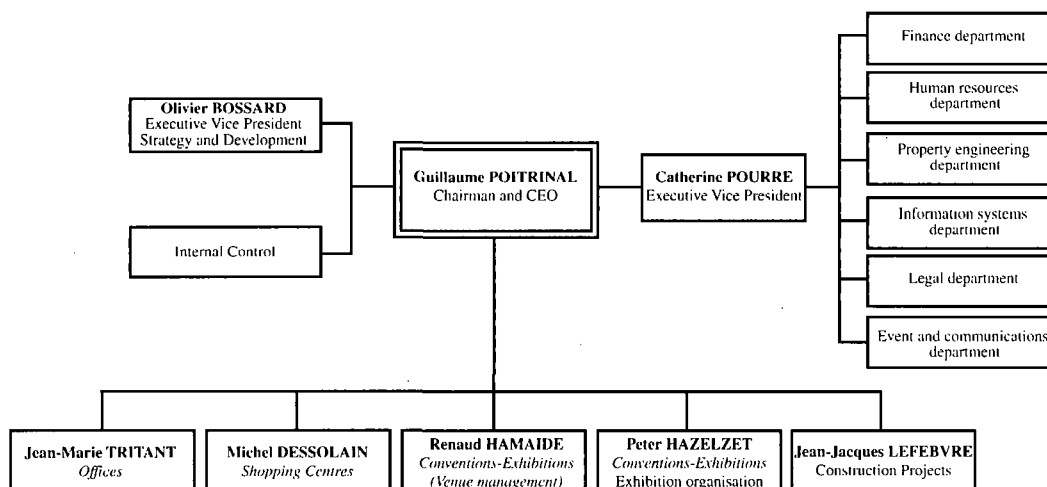
At the date of this Offer Document, Unibail's issued share capital amounted to EUR 230,730,080 million, divided into 46,146,016 shares of the same class, with a nominal value EUR 5 per share. The shares are fully paid up. One voting right is attached to each share. At the Unibail Shareholder's discretion, the shares are either registered or bearer shares. For the principal rights attached to the Unibail Shares, reference is made to Paragraph 11.7.

At the EGM Unibail of 21 May 2007, the Unibail's shareholders will be asked, conditional upon completion of the Exchange Offer, to authorize a capital increase through the issuance of the Unibail Shares, to authorize the issuance the Unibail ORAs and to adopt the governance structure set forth in Paragraph 4.7.

Unibail is listed on Euronext Paris and is part of the SBF 120, CAC NEXT 20 and Euronext 100 indices. The company is rated 'A-' by Standard & Poor's and 'A3' by Moody's. Unibail has the largest free float of all listed property investment stocks in continental Europe with a total market capitalization of EUR 11.3 billion as of 5 April 2007.

In 2003, Unibail and its eligible subsidiaries elected for the tax SIIC regime applicable to Listed Property Investment Companies (*Sociétés d'Investissements Immobiliers Cotées*) introduced by the 2003 French Finance Act (article 208C of the General Tax Code). Prior to this date, and up to 1 July 1991, Unibail was approved as a Sicomi (commercial and industrial property finance leasing company). The finance leasing agreements signed by Unibail prior to 1 January 1991 remain governed by Sicomi regulations. Until 28 November 2002 Unibail was also governed by the French Monetary and Financial Code (*Code monétaire et financier*) as a result of its former 'finance company' status.

The simplified organisational chart below shows the group structure of Unibail as at 31 December 2006:



## 11.2 Business overview

### 11.2.1 Introduction

With a property portfolio valued at EUR 10.9 billion as of 31 December 2006, Unibail is a leading French commercial property investment and management company active in three major business lines: shopping centres, office buildings and convention & exhibition centres.

Unibail has a clear focus on high-quality assets with a leading competitive edge in their respective markets, in terms of size, technological features, location or reputation. For each business line, Unibail aims at maximizing shareholder value and return on investment through proactive management, a dynamic acquisition and disposal policy, and a high level of expertise in managing major development or refurbishment projects.

The table below shows a breakdown of Unibail's property portfolio by division as of 31 December 2006:

#### Unibail — Property Portfolio Key Statistics

As of 31 December 2006

	Appraisal Valuations as of 31 December 2006			
	Surface	Incl. Transfer Taxes	Excl. Transfer Tax <sup>(1)</sup>	2006 Net Rental Income <sup>(2)</sup>
	(m <sup>2</sup> )	(€ million)	(€ million)	(€ million)
Shopping Centers .....	628,543	5,523	5,293	220
Office Buildings .....	421,978	3,904	3,813	129
Convention & exhibition centres <sup>(3)</sup> .....	362,737	936	917	64
Services (Exposium & Espace Expansion) .....	—	493	493	—
<b>TOTAL .....</b>	<b><u>1,413,258</u></b>	<b><u>10,856</u></b>	<b><u>10,516</u></b>	<b><u>413</u></b>

(1) Optimized (as per NNNAV).

(2) Net Rental Income for Shopping centers. Office buildings and Convention & Exhibitions: Net Operating Income from services amounted EUR 50 million in 2006.

(3) Includes Meridien-Montparnasse and Cnit-Hilton hotels.

Unibail's property portfolio is valued on a semi-annual basis by independent appraisers. As at 31 December 2006, 97% of Unibail's property portfolio was valued by independent appraisers.

Unibail also runs other services activities, which mainly comprise income from property management and property engineering (Espace Expansion) and shopping centre animation (U2M).

The subsequent paragraphs provide a description of future investments. Reference is also made to the Registration Document. To finance new developments, in addition to potential debt increase, Unibail anticipates in particular to use recurring cash flows and disposals of mature assets.

For more information about Unibail's activities, reference is made to Unibail's 2006 annual report (in particular pages 8-26 and 38-45) and to the Registration Document, both incorporated by reference herein.

### 11.2.2 Shopping centres division

#### Portfolio

As at 31 December 2006, Unibail Shopping Centre portfolio was valued at EUR 5,523 million (including transfer taxes) for a total size of 628,543 square metres. It is mainly made of interests in 25 properties and other minority interests and two car dealerships. Unibail owns those shopping centres totally or partially through ownership of lots.

The following table shows a geographic breakdown of Unibail's shopping centre portfolio as of 31 December 2006:

## Unibail — Shopping Centre Portfolio Key Statistics

As of 31 December 2006

	Appraisal Valuations as of 31 December 2006			
	Surface (m <sup>2</sup> )	Incl. Transfer Taxes (€ million)	Excl. Transfer Tax <sup>(1)</sup> (€ million)	2006 Net Rental Income (€ million)
Paris & Paris region . . . . .	417,617	3,641	3,484	148
French provinces (incl. Euralille) . . . . .	210,926	1,693	1,620	72
Development projects . . . . .	—	189	189	—
<b>TOTAL . . . . .</b>	<b>628,543</b>	<b>5,523</b>	<b>5,293</b>	<b>220</b>

(1) Optimized (As per NNNAV).

### The French shopping centre market

The French shopping centre real estate market is composed of 569 shopping centres<sup>23</sup>, representing a GLA superior to 13.8 million square metres, combining more than 25,000 shops with an annual turnover (excluding supermarkets) of approximately EUR 30 billion<sup>24</sup>.

The shopping centre real estate market is directly influenced by the macroeconomic context. In particular, GDP growth, consumer spending and more generally consumer confidence index, as well as interest rate, and to a lower extent inflation and cost of construction rates are key factors in determining the overall performance of this market over the medium and long term.

France is one of the most secure and highly attractive property investment market for investors and one of the most difficult to penetrate. The shopping centre investment market in France is driven by continuing growth in demand from French and international investors. Foreign EU investors benefit from a very favourable tax environment, in particular thanks to the SIIC regime.

### Strategy

With a portfolio of 25 large-scale premium shopping centres in France receiving 280 million visits per year, Unibail is a significant player in the French shopping centre market.

Unibail's strategy for its shopping centre division consists primarily in: (i) a tailor-made dynamic marketing strategy designed for each of Unibail's centres, (ii) an asset selection focused on prime large scale shopping centres and (iii) a significant Development Pipeline to ensure superior value creation over the long term.

#### A dynamic marketing and asset management strategy

Current retail market trends require from shopping centre managers to constantly seek the right combination of leisure, cultural, retail and complementary services in order to offer a variety of different activities in a pleasant and agreeable environment. In this context, Unibail strives to develop each of its centres as a "centre of life", offering an enhanced retail offer to its customers.

Unibail continuously reviews the positioning of its centres to best adjust it with the latest consumer and society-wide trends unveiled by specialized research institutes commissioned by the company. This approach helps to define a strategic positioning, a target customer base and specific values, in order to establish a specific branding for each centre. Likewise, Unibail pursues an active tenant rotation policy, ensuring the retail mix is continually improved, thereby up-to-date and constantly tailored to consumers' expectations.

This tailored marketing and asset management strategy ensures that retail chains present in Unibail's centres record turnover growth significantly above the overall French consumption index translating into a superior like for like rental growth for Unibail.

23 Source: Panorama — Trade dimensions 2007 (Shopping centres over 5,000 square metres with more than 15 shops), figures as of September 1, 2006.

24 Source: L'Officiel des Centres Commerciaux CNCC 2005.

### *Asset selection focused on prime shopping centres*

Coherent with this objective of developing “centres of life”, Unibail specifically targets large scale regional or supra regional shopping centres which possess the required breadth to develop a diversified and superior retail offer for their customers.

Unibail’s strategy of fine-tuned positioning of prime assets is ultimately underpinned by a dynamic repositioning and extension policy of its existing portfolio. The first phase of Les Quatre Temps 22,000 square metres extension project in La Défense, to become the largest shopping centre in Europe with 130,000 square metres of GLA, and the full renovation of Vélizy 2, one of the largest shopping centres in France, successfully delivered in 2006, illustrate this ongoing value-enhancing policy.

In the longer run, two Unibail centres out of three have an extension or renovation project under way<sup>25</sup>, representing an additional 108,000 square metres to the existing 628,543 square metres of centres in operation. This includes notably Rosny 2, Cnit, Forum des Halles, La Toison d’Or in Dijon, Rennes-Alma and Usines-Center in Vélizy-Villacoublay.

### *A significant Development Pipeline*

Unibail’s Development Pipeline of eleven projects will add more than 420,000 square metres in retail space due to be delivered by 2012. Renovations, extensions and new shopping centre projects represent over the next five years a potential rental income growth of about EUR 167 million.

These development projects consist in large scale shopping centres with prime locations, *i.e.* very large easily accessible centres which contribute to the development or the regeneration of urban areas. Examples of leading development projects include Strasbourg-Étoile (27,900 square metres shopping centre, delivery expected in the first quarter of 2008), Lyon Confluence (new 51,700 square metres urban leisure and retail centre, in the heart of Lyon peninsula), and Les Docks de Rouen (35,800 square metres project located on the historical site of ancient dock and warehouse area on the banks of the river Seine).

### **11.2.3 Office division**

#### **Portfolio**

As at December 31, 2006, Unibail’s Office portfolio was valued at EUR 3,904 million (including transfer taxes) and comprised 25 properties, all located in Paris and its western outskirts, with a total size of 421,978 square metres. The following table shows a breakdown of Unibail’s office portfolio valuation by geographic segment of the Paris region office property market as at 31 December 2006:

#### **Unibail — Office Portfolio Key Statistics**

*As of 31 December 2006*

	Appraisal Valuation as of 31 December 2006			
	Surface (m <sup>2</sup> )	Incl. Transfer Taxes (€ million)	Excl. Transfer Tax <sup>(1)</sup> (€ million)	2006 Net Rental Income (€ million)
Paris CBD . . . . .	125,772	1,525	1,499	35
Western CBD . . . . .	103,448	643	621	53
La Défense (incl. Cœur Défense) . . . . .	186,188 <sup>(2)</sup>	1,652	1,611	38
Other . . . . .	6,570	84	81	3
<b>TOTAL . . . . .</b>	<b>421,978</b>	<b>3,904</b>	<b>3,813</b>	<b>129</b>

(1) Optimized (As per NNNAV).

(2) Surface does not include Cœur Défense.

#### **The Paris region office property market**

With an office park of 50 million square metres, Paris and its surrounding region are the leading office property market in Europe. Coherent with the breadth of this existing portfolio, the Paris area is the most active European

25 Subject to authorisations.

office rental market in annual volume of transactions, and comes in second place in Europe after London in terms of rental value, benefiting in particular from the variety of its tenants in terms of business sectors

Driving forces of the market are the Paris Central Business District (CBD), La Defense and the Western CBD (Neuilly, Levallois, Issy, Clichy), which represented 52% of take-up in the region in 2006<sup>26</sup>.

The office property market is influenced by the general performance of the economy, as measured by GDP growth, job creation rate, interest rate, and to a lower extent by inflation and cost of construction rates.

A good macroeconomic performance and a high rate of job creations create the need for growing companies to extend their office areas, either by renting other office space in the same building, or by moving into a new building.

Whereas, in periods of negative or weak GDP growth, companies tend to try to optimise their occupancy costs, either by gathering employees from various sites into one place or by finding office buildings that offer a better efficiency in terms of cost per workstation.

In 2006, the volume of transactions reached the highest level of the last ten years, while the main motivations of tenants for large rental transactions were the concern to optimise the cost of their office buildings (42%), the will to gather scattered workers into one site (43%) or the need for an extended surface (12%)<sup>27</sup>.

After 2005 and 2006 record years, the Paris region office market benefits from strong fundamentals, with favourable economic conditions, a robust level of transactions in small and medium-sized properties and strong momentum in large transactions. Business was particularly brisk in 2006 in transactions over 5,000 square metres, with 85 transactions representing 1.2 million square metres.

Vacancy rates, which are a key indicator of the office market condition, experienced two years of continuous downward trend in the Paris region in 2005 and 2006, falling at year-end 2006 to 4.4% in the Paris CBD (compared to 5.0% in 2005) and 5.7% in La Défense (compared to 7.5% in 2005)<sup>28</sup>.

For the third year in a row, direct commercial property investment in France reached a new record level of EUR 23.1 billion in 2006. The Paris region represented 78% of total investments. Investment in office property is the dominant product, accounting for 89% of total investments. As a result of robust demand and short supply of available assets, the ongoing reduction in prime yields initiated in 2002 resulted in a level of prime yields of 4.6% in La Défense (compared with 5.5% in 2005) and 4.0% in the Paris CBD (compared with 4.5% in 2005)<sup>28</sup>.

### **Strategy**

Owner of 25 office building located primarily in Paris and its Western outskirts and offering over 421,978 square metres, Unibail's office division targets large-scale assets with high potential due to their location and scope for value creation.

Unibail is focused on class "A" properties located in prime locations, primarily Paris CBD and Western Business District, including La Défense, which have recently confirmed their strong appeal in this liquid and highly competitive market.

Unibail targets modern and efficient premises, as criteria such as floor space efficiency, ergonomics of facilities, ease of access and geographic proximity to their customers become now as crucial as price per square meter.

Unibail's strategy for its office division consists in the following lines: (i) intense asset and property management to capture most of the value creation; (ii) development of first class assets through large-scale restructuring; (iii) lettings, then divestments of most mature assets post restructuring; and (iv) selective acquisition and development opportunities.

#### *Active asset management to enhance the portfolio value*

Rather than long-term passive ownership of its assets, Unibail pursues a specific strategy of asset value creation, carrying out the entire property value creation cycle.

For the successful completion of this process, Unibail's teams handle every aspect of development, investment, management and letting.

26 Sources: Immostat data, CB Richard Ellis, Atis Real.

27 Source : Cushman & Wakefield, January 10, 2007 (2006 transactions for surfaces > 4,000 square metres).

28 Sources: Immostat data, CB Richard Ellis, Atisreal.

### *Creating first-class assets through large-scale restructuring*

As part of this active asset management policy, Unibail also targets large-scale restructuring of existing office assets to generate strong value creation, as illustrated by Capital 8 (the largest office development project in Paris with 63,422 square metres located in the heart of Paris CBD; acquired in 2001, fully restructured and delivered over 2005-2006), Palais du Hanovre (18,115 square metres office building in Paris CBD acquired in 1999; extensive refurbishment and subsequent disposal to BNP Paribas as owner-occupier in June 2006) or Tour Ariane (58,622 square metres tower in La Défense, bought in 1999, fully refurbished by successive phases from 2001 to 2006 with tenants still in place).

### *Successful lettings and divestments*

After collecting the benefit of the value created by letting the building to new tenants at upgraded rents after its refurbishment, the disposal strategy of Unibail is to sell these largely-let mature assets with secure cash flows over a long period to achieve a significant premium valuation, as illustrated by recent disposals of 50 Montaigne (EUR 199 million in 2005), Cité du Retiro (EUR 282 million in 2005) or Palais du Hanovre (EUR 208 million in 2006) buildings. High liquidity in the French market and the arrival of new investors should allow Unibail to pursue successfully its disposal policy of office assets having fully benefited from the value creation process.

### *An active policy of re-investment in select properties*

Unibail's overall office development portfolio to be delivered over 2007-2012 totals 253,200 square metres, including major projects of the new development scheme of La Défense: Tour Phare, offering 130,000 square metres of rental surface, and Tour Majunga, a 65,400 square metres office tower project ideally located in La Défense. Other leading prime office projects include Centre Eiffel (29,700 square metres of office buildings in Levallois-Perret) and the Versailles Chantiers project (14,600 of office buildings), which both propose a combination of office and retail, illustrating Unibail's ambition of fully leveraging internal expertise of all its divisions when dealing with complex and major projects.

## **11.2.4 Convention and Exhibition division**

The Convention and Exhibition division is made up of the following activities:

- Exhibition venue management, which includes the letting of convention — exhibition venues and the onsite services provided by Paris Expo to organisers and exhibitors;
- Trade-show organisation (Exposium);
- Ownership of two hotels: Cnit Hilton in La Défense and Méridien Montparnasse in Paris.

### **Portfolio**

With more than 4.5 million square metres rented annually, Paris Expo is the European leader in the business of exhibition venues management.

At year-end 2006, the convention-exhibition and hotels portfolio was valued at EUR 936 million (including transfer taxes). The following table presents Unibail's Convention and Exhibition portfolio valuation as of 31 December 2006:

### **Unibail — Convention & Exhibition Portfolio Key Statistics**

*As of 31 December 2006*

	Appraisal Valuations as of 31 December 2006			
	Surface (m <sup>2</sup> )	Incl. Transfer Taxes (€ million)	Excl. Transfer Tax <sup>(1)</sup> (€ million)	2006 Income <sup>(2)</sup> (€ million)
Paris Expo .....	295,084	741	732	53
Hotels: Méridien-Montparnasse and Cnit-Hilton ..	67,653	196	185	11
<b>TOTAL .....</b>	<b>362,737</b>	<b>936</b>	<b>917</b>	<b>64</b>

(1) Optimized (As per NNNAV).

(2) Net rental income for Paris Expo and Net operating income for Hotels.



The table below presents the valuation of Unibail's services activity, comprising Exposium (tradeshows organisation) and Espace Expansion (promotion, marketing, and management of property assets), as performed by PwC as of 31 December 2006:

## Unibail — Services Key Statistics

As of 31 December 2006

	Appraisal Valuation as of 31 December 2006 (€ million)	2006 Net Operating Income (€ million)
Exposium . . . . .	383	35
Espace Expansion . . . . .	110	2
<b>TOTAL . . . . .</b>	<b>493</b>	<b>37</b>

## The Convention and Exhibition market

### Convention and Exhibition venues

The convention and exhibition market consists in three business segments: exhibitions, conventions and corporate events. Each of Paris Expo sites is active on these three segments.

The majority of the French offer of large exhibition venues is located in the Paris region, with three out of the four major French exhibition venues (Paris-Expo Porte de Versailles, Paris Nord — Villepinte and Le Bourget) and 80% of the sector's turnover.

In 2005, 1,777 events were organised in the Paris region 10 main venues, representing a total turnover of approximately EUR 2.8 billion (and approximately EUR 1.7 billion of touristic economic fallout)<sup>29</sup>.

### Trade show organisation

Exposium, Reed Exhibitions and Comexpo are among the main players on the French trade show organisation market.

The trade show organisation market is still quite fragmented with a number of independent players and medium sized trade show organisation companies.

### General macroeconomic context

The convention-exhibition market is influenced by the general performance of the economy as measured by GDP growth, interest rate and to a lower extent by inflation.

The seasonality of the convention-exhibition business is very specific, with many events taking place at the same periods of year. Seasonality of conventions and corporate events is lower, which explains the complementarity of these activities with the exhibition venue business.

As a general rule, trade shows (both in terms of venue management and organisation) tend to be less cyclical than other media, since reservations are usually made at a very early stage before the exhibition. However, it is observed that a moderate GDP growth tends to reduce companies' overall communication budget. Convention and corporate businesses show more sensitivity to economic cycles.

## Strategy

Similar to its strategy in retail and office divisions, Unibail's policy for its convention and exhibition venues is to focus on prime, irreplaceable assets with a leading competitive edge.

The Convention and Exhibition Division is benefiting from the synergies created between its seven French venues, all in prime locations in Paris and La Défense district and held under the Paris-Expo brand name.

This focus on prime assets in Paris area ensures the resilience of cash flows thanks to a strong repeat business with some recurring tradeshows organised in the Paris Expo venue for more than forty years. Moreover, there are significant opportunities to gain new tradeshows and further room to improve the yield management. In a fast

<sup>29</sup> Source: Report of deputy J.P. Charié, "Le développement en France des foires, salons et congrès". 2006.

expanding market in France and abroad, the strategy of Paris-Expo consists in constantly improve the attractiveness of its venues to meet the needs of organizers, exhibitors and visitors.

#### *Project of merger with CCIP*

Unibail announced on 8 February 2007, that it had signed an exclusivity agreement with CCIP to study the potential merger of all their operations in the convention-exhibition sector. Both partners would hold a 50% stake in those combined operations. The transaction would create a European leader in the convention-exhibition sector and the undisputed French leader with a prime and complementary portfolio and some further extension opportunities on the different sites.

Unibail and CCIP intend to finalise an agreement before the end of the first half of 2007.

### **11.3 Key Financial information**

#### **11.3.1 Key financials**

The table below presents a comparative overview of Unibail's key financials for 2004, 2005 and 2006. For comprehensive financial statements, reference is made to the Registration Document.

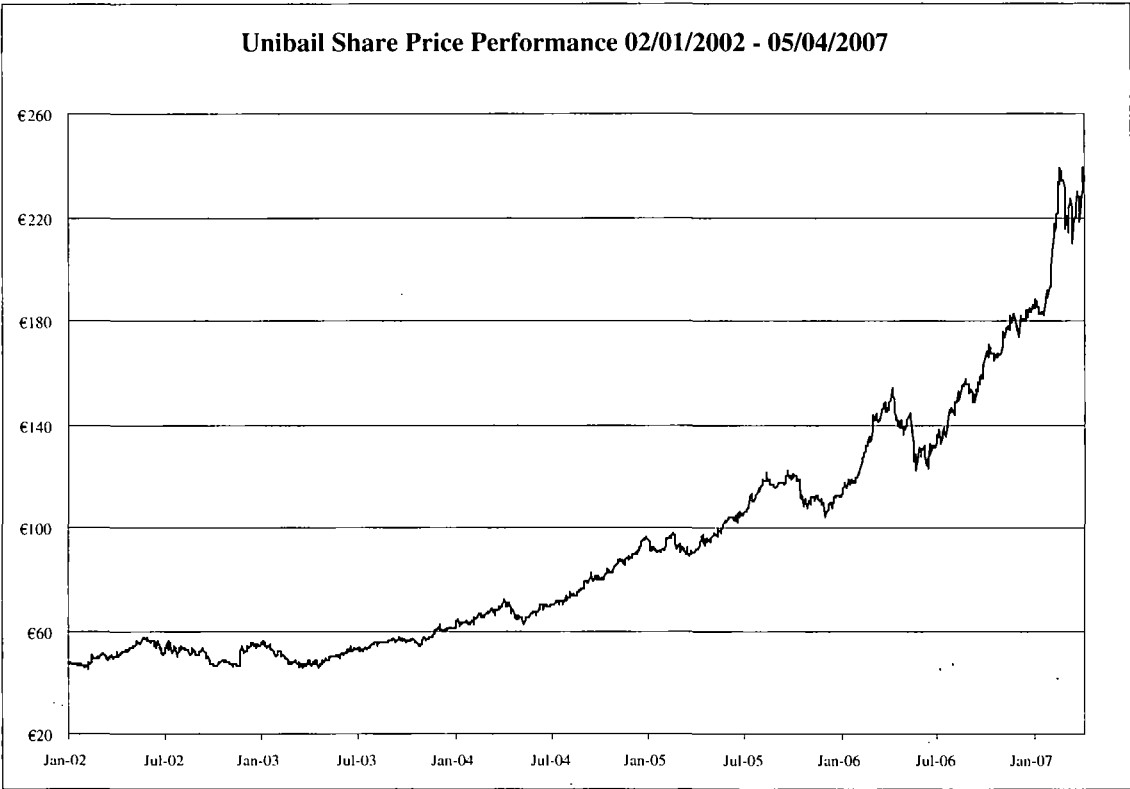
#### **Unibail — Key Financials**

*Dec Year End — € million*

	<u>2006A</u>	<u>2005A</u>	<u>2004A</u>
<b><u>Balance sheet items in € million</u></b>			
Portfolio valuation . . . . .	10,856	8,556	6,974
<i>Shopping Centres</i> . . . . .	5,523	4,187	3,232
<i>Offices</i> . . . . .	3,904	3,210	3,096
<i>Convention &amp; exhibition centres</i> . . . . .	936	881	646
<i>Services</i> . . . . .	493	278	—
Shareholders' equity . . . . .	6,834	4,668	3,257
Net financial debt . . . . .	2,712	2,746	1,785
Triple net asset value — Group share (NNNAV) . . . . .	6,750	4,511	4,198
<b><u>Profit and loss items in € million</u></b>			
Total net rental income . . . . .	413	402	423
<i>Shopping Centres</i> . . . . .	220	199	177
<i>Offices</i> . . . . .	129	142	188
<i>Conventions &amp; Exhibitions and Hotels</i> . . . . .	64	61	58
Net recurring profit — Group share . . . . .	313	264	294
Net profit — Group share . . . . .	2,140	1,385	826
<b><u>Per share data (in euros)</u></b>			
<i>Recurring net profit</i> . . . . .	6.81	5.81	6.59
<i>Total distribution for the year</i>			
<i>(incl. the € 23 exceptional pay-out on 7 January 2005)</i> . . . . .	5.0	4.0	26.75
Triple net asset value — Group share (NNNAV) . . . . .	140.6	94.8	89.7

11.3.2 Unibail Shares price trend

The chart below shows movements in the price of Unibail Shares on Euronext Paris in the period from 2 January 2002 through to 5 April 2007 (Source FactSet. Restated for January 2005 EUR 23 exceptional distribution).



The table below sets forth the reported high and low sales prices per share for Unibail Shares on Euronext Paris from 2 January 2002 through to 5 April 2007 (Source FactSet; restated for January 2005 EUR 23 exceptional distribution).

#### Unibail 2002-2007 Trading Statistics

	<u>High</u> (€)	<u>Low</u> (€)	<u>Volume</u> ('000 Shares)
<b>2007 year to date</b> . . . . .	239.30	181.90	249.60
<b>2006</b> . . . . .	186.00	113.20	164.35
<b>2005</b> . . . . .	122.00	89.00	133.48
<b>2004</b> . . . . .	96.21	61.19	133.91
<b>2003</b> . . . . .	62.18	45.92	129.64
<b>2002</b> . . . . .	57.82	45.27	99.83
<b>2007 year to date</b>			
First quarter . . . . .	238.94	181.90	246.52
<b>2006</b>			
First quarter . . . . .	149.00	113.20	131.74
Second quarter . . . . .	154.40	122.20	183.48
Third quarter . . . . .	165.70	132.90	157.69
Fourth quarter . . . . .	186.00	164.90	186.02
<b>2005</b>			
First quarter . . . . .	98.10	89.00	163.22
Second quarter . . . . .	106.50	91.40	140.45
Third quarter . . . . .	122.00	106.10	98.78
Fourth quarter . . . . .	120.50	104.20	133.37
<b>2004</b>			
First quarter . . . . .	70.00	61.19	141.80
Second quarter . . . . .	71.89	62.71	178.32
Third quarter . . . . .	82.71	69.96	93.81
Fourth quarter . . . . .	96.21	79.83	123.96
<b>2003</b>			
First quarter . . . . .	55.84	46.01	110.74
Second quarter . . . . .	53.74	45.92	180.28
Third quarter . . . . .	57.45	51.85	125.90
Fourth quarter . . . . .	62.18	54.32	103.06
<b>2002</b>			
First quarter . . . . .	51.60	45.27	75.95
Second quarter . . . . .	57.82	49.92	114.36
Third quarter . . . . .	56.38	46.91	92.93
Fourth quarter . . . . .	55.80	45.76	115.80

#### 11.4 Boards of Unibail

##### 11.4.1 Executive board

Effective from 30 June 2006, the functions of chairman of the board of directors and of chief executive officer of Unibail were entrusted to Mr Guillaume Poitrinal.

As of the date of this Offer Document, the composition of the executive board of Unibail is as follows:

- Guillaume Poitrinal — Chairman and Chief Executive Officer;
- Olivier Bossard — Executive Vice-President in charge of Strategy and Development;
- Michel Dessolain — General Manager of the Shopping Centre Division;
- Renaud Hamaide — General Manager of Paris Expo;

- Peter Hazelzet — Chairman & CEO of Exposium;
- Jean-Jacques Lefèvre — General Manager of Larges Buildings Construction;
- Catherine Pourre — Executive Vice President; and
- Jean-Marie Tritant — General Manager of the Office Division.

#### *Guillaume Poitrinal*

Guillaume Poitrinal was appointed Chairman & Chief Executive Officer in late June 2006. Mr Poitrinal joined Unibail in 1995 as a Project Manager at the office of the Chief Executive. He was then promoted successively to Head of Corporate Development and Planning, Chief Financial Officer, Executive Vice President in charge of Finance and the Office Division, and then Managing Director in charge of all Divisions and of Finance. Guillaume Poitrinal is CEO since April 2005. Before joining Unibail, he spent three years in mergers and acquisitions and corporate finance departments at Morgan Stanley in London and then in Paris.

#### *Catherine Pourre*

Catherine Pourre joined Unibail in October 2002 as Executive Vice-President, responsible for the Group's central support departments: Finance, HRM, IT, legal department, and property engineering department. Ms Pourre was previously Executive Director of Cap Gemini Ernst & Young France after ten years as a Partner at Pricewaterhouse Coopers.

#### *Michel Dessolain*

Since October 2000, Michel Dessolain has been General Manager of Unibail's Shopping Centre Division and also Chairman of Espace Expansion, Unibail's Shopping Centre development and management subsidiary. Before joining Unibail in 1997 as Head of Espace Expansion Products, Mr Dessolain was in charge of international development for the retail company Habitat, opening stores and several subsidiaries throughout Europe. He started his career with La Caisse des Dépôts & Consignations as project manager, then a property expert.

#### *Jean-Marie Tritant*

Since October 2002, Jean-Marie Tritant has been General Manager of the Office Division. He joined Unibail in November 1997 as Project Manager at the office of the General Manager in the Office Division. In January 2001, Mr Tritant was promoted to Head of Office Asset Management. Before joining Unibail, he worked for Arthur Andersen on real estate mergers and acquisitions, acquisition audits and other special real estate projects.

#### *Renaud Hamaide*

Renaud Hamaide has been General Manager of the Convention and Exhibition Division since year-end 1999. He joined the Group in 1998 as Project Manager in the Corporate Development Department. Prior to Unibail, Mr Hamaide was head of management and disposals of a property and financial asset portfolio for CDR Immobilier. He began his career with Constructa, and Groupe Indosuez, holding different financial and asset management positions.

#### *Peter Hazelzet*

Peter Hazelzet has worked in the trade show business since 1973. He has worked for most of the major trade show organisers in France and, in particular, served as Managing Director of the Bâtimat-Blenheim Construction Group from 1989 to 1995. He joined Exposium Group in 1996 as Managing Director and was appointed Chairman and CEO in 1999. Director of Foires et Salons de France, Mr Hazelzet is Conseiller du Commerce Extérieur de la France, member of the Executive Committee of the Conseil du Commerce de France, Chairman of the SIAL Board of Directors, President of Exposima and Intermat and Director of Promosalons.

#### *Jean-Jacques Lefèvre*

Jean-Jacques Lefebvre joined Unibail's Executive Committee in December 2006 as the Chief Executive for the Group's Major Construction Projects. Previously, Mr Lefebvre managed the Eiffage Group for many years, as the President of Eiffage Développement (2005-2006), Chairman and CEO of Eiffage Construction (2002-2005), General Manager of the company (1999-2002). Prior to that he managed Fougères from 1986 to 1999, acting as the Chairman and CEO from 1994 to 1999.

### *Olivier Bossard*

Olivier Bossard was appointed Executive Vice-President in charge of the Group's Development and Strategy and joined the Executive Committee in December 2006. He was previously Deputy General Manager of Unibail's Office Division. He joined Unibail in 1998 and was Asset Manager in the Office Division. In November 2001, Mr Bossard became Head of the Division's Asset Management, and in February 2005, Deputy General Manager of the Office Division. Previously Olivier Bossard worked for Paribas and its real estate subsidiary Cogedim.

#### **11.4.2 Board of directors**

The board of directors is kept regularly informed of Unibail's financial situation, cash position, business activities in each division, market conditions and outlook, along with any disputes that could potentially affect its financial position or business activity. It complies with a set of internal by-laws governing its internal procedures and powers, including in particular:

- defining Unibail's strategy;
- approving acquisitions, disposals or investments within the scope of Unibail's strategy and in excess of EUR 300 million; and
- approving acquisitions or investments outside the scope of Unibail's strategy, except for those amounting to less than EUR 25 million.

Internal by-laws emphasize that Unibail's management provides directors with access to all necessary documentation, means and information to enable them to perform their duties. In accordance with its internal by-laws, the procedures and functioning of the board of directors are subject to a formal review every three years (the last review, which took place in December 2006, assessed successfully the compliance of current internal control procedures with French authoritative AFEP / MEDEF recommendations on corporate governance, and resulted in the adoption of the Directors Charter, which states the duties of board members). Board members also meet yearly to discuss its procedures and responsibilities.

Unibail's board of directors comprises ten members. To ensure adequate continuity and give shareholders the opportunity to elect their board representatives, the statutory term of office is three years, rather than the maximum of six years allowed by law.

Members of the board of directors are appointed subject to independence and expertise criteria. Of the nine board members excluding the chairman of the board, Mr Jacques Dermagne and Mr Jean-Claude Jolain are the only who do not satisfy the French criteria of an independent director (pursuant to the recommendation of the Bouton report, the base for the settlement of corporate governance in France) solely due to their having served more than 12 cumulative years.

As of the date of this Offer Document, the composition of the board of directors of Unibail is as follows:<sup>30</sup>

- Guillaume Poitrinal;
- Yves Lyon-Caen (independent director);
- Jacques Dermagne;
- François Jaclot (independent director);
- Jean-Louis Laurens (independent director);
- Bernard Michel (independent director);
- Henri Moulard (independent director);
- Jean-Louis Solal (independent director); and
- Claude Tendil (independent director).

<sup>30</sup> Mr Jean-Pierre Duport will be appointed as an independent member of the Unibail supervisory board, effective as of 12 July 2007. Mr Duport was born in Saint Server (40) in 1942, and is a law graduate of the Institut d'Études Politiques in Paris. He has occupied a variety of positions in the development and planning fields. Currently, Mr Duport is, amongst other things, a Director of the company HLM Pax Progrès Pallas and an external member of the Conseil d'État.

*Mr Guillaume POITRINAL* was appointed Chairman & Chief Executive Officer in late June 2006. He joined Unibail in 1995 as a Project Manager at the office of the Chief Executive. He was then promoted successively to Head of Corporate Development and Planning, Chief Financial Officer, Executive Vice President in charge of Finance and the Office Division, and then Managing Director in charge of all Divisions and of Finance. Guillaume Poitrinal is CEO since April 2005. Before joining Unibail, he spent three years in mergers and acquisitions and corporate finance departments at Morgan Stanley in London and then in Paris.

*Mr Jacques DERMAGNE* was born in Paris in 1937. He holds a masters degree in private law and is Chairman of the Economic and Social Council. He has been a Director of Unibail since 1993. His directorship was last renewed at the General Meeting held on 28 April 2005, for a term of three years, *i.e.* until the General Meeting called to approve the accounts for the financial year ending 31 December 2007. He is a member of Unibail's Nominations and Remuneration Committee. Mr Dermagne is also a member of the Supervisory Boards of Devanlay, D.M.C. and Cetelem, and a Director of Rallye.

Jaques Dermagne has been, over the last five years, a member of the Supervisory Boards of the companies Optorg and France Convention

*Mr François JACLOT* was born in Neuilly-sur-Seine in 1949. He is a Treasury auditor (Inspecteur des Finances) and graduate of ENA and the Institut d'Etudes Politiques. He also holds a masters degree in mathematics, and is a graduate of Ecole Nationale de Statistiques et d'Administration Economique (ENSAE). Mr Jaclot was appointed as a Director at the General Meeting held on June 17, 2003, and had his term of office renewed by the General Meeting held on 27 April 2006, for a term of three years, *i.e.* until the General Meeting called to approve the accounts for the financial year ending 31 December 2008. He is the Chairman of Unibail's Audit Committee, and is a Director of a number of foreign companies.

François Jaclot has held, over the last five years, the following positions: Chairman and CEO of the Company involved in the extraction of energy resources in the Nivernais region (SEREN); Chairman of the Board of Directors of the 'Financière du Bois du Roi', manager of FJ Consulting, Chief financial officer and then Senior Advisor for Inbev (ex Interbrew) and a director of Eurotunnel (Corporation et PLC).

*Mr Jean-Louis LAURENS* was born in Loudun in 1954, and is a graduate of the Ecole des Hautes Études Commerciales. He has a doctorate in economics and a master's degree in law.

Mr Laurens has held the positions of Chairman and CEO of AXA Investment Managers Paris of Deputy CEO of AXA Investment Managers. He has been Chairman of the Supervisory Board of AVIP and of the Supervisory Board of Dresdner Gestion Privée and Dresdner RCM Gestion since 1998. He is Chairman of ROBECO France Gestion and of the Management Board of Banque ROBECO (France). He is a Chevalier de l'Ordre National du Mérite.

*Mr Yves LYON-CAEN* was born in Paris in 1950. He is a law graduate, a graduate of the Institut d'Etudes Politiques in Paris and a former student of the Ecole Nationale d'Administration. He was appointed a Director of Unibail at the General Meeting held on 28 April 2005, for a term of three years, *i.e.* until the General Meeting called to approve the accounts for the financial year ending 31 December 2007. He is a member of Unibail's Audit Committee is also Chairman of the Supervisory Board of Bénéteau S.A. and of Sucres & Denrées, and is a Director of Nexans.

*Mr Bernard MICHEL* was born in Metz (57) in 1948, and is an economics graduate. He is a former Financial Inspector-General, a member of the executive committee of Crédit Agricole Corporation, and Chairman of the Board of Directors of Crédit Agricole Immobilier and of UNIMO, and Chairman of AEPRIM limited company. He is a director of the following: CA Leasing, Cholet Dupont Gestions, Sopra Group and Atticaz (from February 2007). He is a member of the Supervisory Board of Corelyon, a director and the Deputy Chairman of Prédica, Deputy Chairman of the Supervisory Board for CRP Billets. He is permanent representative of Crédit Agricole corporation, on their Guaranteed Fund Deposits Supervisory Board and in this position holds the role of the Chairman of the I.T. Exchange and Treatment Systems Supervisory Board (STET). He is a Chevalier de la Légion d'Honneur and an Officier de l'ordre national du Mérite. He became a Director of Unibail at the General Meeting held on April 27, 2006, for a term of three years, *i.e.* until the General Meeting called to approve the accounts for the financial year ending 31 December 2008. Over the last five years, Bernard Michel has held the position of director of CEDICAM (GIE), of Euro Securities Partners limited company, of President de Progicas limited company, of Silca (GIE), member of the Sopra Group's Supervisory Board and member of the Executive committee of TLJ limited company.

*Mr Henri MOULARD* was born in St-Genis-Terre-Noire (42) in 1938. He is a graduate of the Institut d'Etudes Politiques in Lyons, a graduate in Private Law, and the holder of a post-graduate professional degree (DES) in Public Law. He was appointed as a Director at the General Meeting held on 20 May 1998. His directorship was last renewed at the General Meeting held on April 8, 2004, for a term of three years, *i.e.* until the General Meeting called

to approve the accounts for the financial year ending 31 December 2006. He is the Chairman of Unibail's Nominations and Remuneration Committee.

Mr Moulard is Chairman of Invest in Europe (an asset management company), HM & Associés (a consulting firm) and of Attijariwafa Bank Europ (an ex commercial bank in Morocco) where he is also a director, and is Chairman of the Supervisory Board of Dixence (a property investment company). He is also a Director of Burelle SA, Elf Aquitaine, Foncia and Française de Placements Investissements. Mr Moulard is also a member of the Supervisory Board of Financière Centuria SAS and acts as a censor for Gerpro SAS and GFI Informatique. He is also Chairman of the Audit Committees of Crédit Lyonnais, Calyon (formerly Indosuez) and Crédit Agricole S.A.

Henri Moulard has held over the last five years the positions of treasurer and office member of the Foundation de France. Previously he held the following positions: Chairman and CEO of Generali France Holding, Generali France Assurances and its subsidiaries (GPA Iard, GPA Vie and GFA Iard), the Fédération Continentale and of France Assurances he was also Chairman of the Executive Board of ABN AMRO France; director of Corifrance, DIL France corporation ( Dutch French Bank), of Equité, of ISIS, of the Crédit Agricole corporation, and of Wafabank; a permanent representative of GFA Iard in Europe Assistance Holding and of Generali France Holding in Generali Finances.

Mr Jean-Louis SOLAL was born in Algiers in 1928. He is a graduate from George Washington University in the United States. Mr Solal has played a pioneering role in large-scale shopping centres, both in France and internationally (Spain, Italy, Belgium and US). He was the developer behind the Elysée 2, Parly 2, Vélizy 2, Rosny 2, Bobigny 2, Ulis 2, Evry 2, Lyon Part-Dieu, Bab 2 and Madrid 2 shopping centres. Mr Solal is also one of the founding members and the former Director of the Real Estate Center Board in Wharton, Pennsylvania. For sixteen years, he was Chairman of the European Council of the International Council of Shopping Centers. He has been awarded the medals of Officier de la Légion d'Honneur and Chevalier de la Couronne de Belgique. Mr Solal has been a Director of the Company since 15 December 2004. His term of office was renewed on 28 April 2005, for three years, i.e. until the General Meeting called to approve the accounts for the financial year ending 31 December 2007.

Mr Claude TENDIL was born in Bourg-d'Oisans (38) in 1945. He is a graduate of the Ecole des Hautes Etudes Commerciales, the Institut d'Etudes Politiques in Paris and the Centre des Hautes Etudes de l'Assurance in Paris. He has been a Director since 17 June 2003, and his term of office was renewed at the General Meeting held on April 27, 2006, for three years, i.e. until the General Meeting called to approve the accounts for the financial year ending 31 December 2008. He is a member of Unibail's Nominations and Remuneration Committee.

Mr Tendil has been Chairman and CEO of Generali France, the holding company of the Generali Group in France (since 2002), as well as of Generali Assurances Vie and Generali Iard. He is also Chairman of the Board of Directors of Assurance France Generali, Europ Assistance Holding and Europ Assistance Italie. He is also a Director of Scor and the permanent representative of Europ Assistance Holding, itself a Director of Europ Assistance Spain.

Claude Tendil has held, over the past five years the following positions: Chairman and CEO of General France Assurances Vie and of the Group Europ Assistance; Chairman of the Board of Directors of Generali France Assurances Iard, of Generali Assurances Iard, of Assurance France Generali, GPA Vie, GPA Iard, of the Fédération Continentale; Deputy Chairman of the Board of directors of Europ Assistance Portugal; Director of Equité, Continent Holding, Continent Iard, Scor Vie and Europ Assistance Germany.

## 11.5 Major shareholdings

Unibail has a large free float. To Unibail's knowledge, the breakdown of share ownership between French investors (around 40%) and international investors (around 60%) has been constant in the last three years.

On the date of this Offer Document, the number of outstanding Unibail Shares is 46,146,016 shares, representing 46,146,016 voting rights distributed as follows:

Shareholders	Number of shares	% of the share capital	Number of voting rights	% of the voting rights
Other shareholders in the public. . . . .	45,883,922	99.43%	45,883,922	99.43%
Treasury shares . . . . .	None	—	None	—
Officers. . . . .	56,235	0.12%	56,235	0.12%
Employees . . . . .	205,859	0.45%	205,859	0.45%



To the best knowledge of Unibail and on the basis of statutory and legal thresholds exceeding statements (*sur la base des franchissements de seuils légaux et statutaires*) notified to Unibail and/or the AMF by the relevant Unibail Shareholders, the table below sets forth the major shareholdings in Unibail.

Shareholders	Number of shares	% of the share capital on the notification date	Number of voting rights	% of voting rights on the notification date
Crédit Agricole SA <sup>(a)</sup>	2,725,244	5.94%	2,725,244	5.94%
Barclays Plc <sup>(b)</sup>	2,498,159	5.42%	2,498,159	5.42%
Wellington Management Company, LLP (pour le compte de clients) <sup>(c)</sup>	2,286,717	4.96%	2,286,717	4.96%
Stichting Pensionfonds ABP <sup>(d)</sup>	2,199,030	4.82%	2,199,030	4.82%
UBS Global Asset Management <sup>(e)</sup>	1,343,334	2.93%	1,343,334	2.93%
PGGM <sup>(f)</sup>	1,258,430	2.73%	1,258,430	2.73%
Société Générale <sup>(g)</sup>	1,241,856	2.69%	1,241,856	2.69%
UBS Investment Bank <sup>(h)</sup>	1,117,318	2.42%	1,117,318	2.42%
Cohen & Street Inc. <sup>(i)</sup>	951,963	2.06%	951,963	2.06%
Caisse Nationale des Caisses d'Épargne et de Prévoyance <sup>(j)</sup>	905,753	1.98%	905,753	1.98%
Crédit Agricole Asset Management <sup>(k)</sup>	723,871	1.50%	723,871	1.50%

(a) Calculated on the basis of the franchissement de seuil on November 8th, 2005 (decision and information of the AMF n° 205C01896).

(b) Calculated on the basis of the franchissement de seuil on March 20th, 2007 (decision and information of the AMF n° 207C0532).

(c) Calculated on the basis of the franchissement de seuil on April 4th, 2007 (decision and information of the AMF n° 207C0614).

(d) Calculated on the basis of the franchissement de seuil on March 8th, 2006 (decision and information of the AMF n° 267C0434).

(e) On the basis of a letter dated February 19th, 2007 sent by registered letter to Unibail but not notified to the AMF.

(f) On the basis of information provided by PGGM to Unibail but not notified to the AMF.

(g) On the basis of the déclaration de franchissement de seuil dated January 18th, 2007 (décision et information AMF n° 207C0141).

(h) On the basis of a letter dated April 26th, 2007 sent to Unibail but not notified to the AMF.

(i) On the basis of a letter dated April 6th, 2007 sent by registered letter to Unibail but not notified to the AMF.

(j) On the basis of the déclaration de franchissement de seuil dated January 18th, 2006 (décision et information AMF n° 206C0113).

(k) On the basis of a letter dated December 20th, 2006 sent by registered letter to Unibail but not notified to the AMF.

So far as Unibail is aware, there are no shareholders' agreements in respect of Unibail Shares, nor any person or group of persons exercising or capable of exercising control over Unibail.

## 11.6 Tax status of Unibail

In 2003, Unibail elected to be treated under the SIIC Regime, applicable to listed property investment companies in France with retroactive effect as of 1 January 2003.

The SIIC Regime was introduced in France by the 2003 Finance Act (French Tax Code, section 208 C). Under the SIIC Regime, a SIIC and non tax-transparent subsidiaries in which the SIIC holds at least a 95% interest can elect to be exempt from tax on recurring rental income, income derived from sub-letting properties acquired under a financial lease agreement, income derived from tax-transparent partnerships with the same activities and on capital gains derived from selling to non-related entities properties, rights related to real estate financial lease agreements, interests in tax-transparent partnerships or shares in subsidiaries that have elected for the SIIC regime, provided that they comply with the following requirements:

- the primary business purpose of a SIIC (or subsidiary) must be the investment in and/or construction of real estate properties for leasing purposes or the direct or indirect holding of ownership interests in legal entities with the same primary business purpose;
- 85% of recurring rental income, 50% of realized capital gains on disposal of properties and 100% of dividends received from subsidiaries which have elected for the same regime must be distributed to shareholders;
- the SIIC must have a minimum share capital of EUR 15 million;
- the SIIC's shares must be listed on the French Stock Exchange; and
- one shareholder, or several shareholders acting in concert, can not hold 60% or more of the share capital of the SIIC.

Upon election for the SIIC Regime, unrealized capital gains on the properties and partnership interests of the SIIC (or of the subsidiary electing for the SIIC Regime) are subject to corporate income tax at the rate of 16.5%. This tax liability is payable in four equal annual installments.

A SIIC can conduct activities other than those relating to its primary business purpose to the extent that the gross book value of the assets used in conducting these other activities does not exceed 20% of the gross book value of its total assets. Special rules apply with respect to financial leasing (*crédit-bail*) activities. Income derived from such ancillary activities is subject to corporate income tax under standard conditions.

A 20% tax is due on distributions paid by a SIIC to non-individuals shareholders which hold at least 10% of dividend rights and which are not subject to corporate tax or any equivalent tax.

## **11.7 Principal rights attached to the Unibail Shares**

### **11.7.1 General**

There are numerous differences between the rights of a Rodamco Shareholder and those of a Unibail Shareholder. The rights of Unibail Shareholders are governed by French company law and the provisions of the Unibail Articles of Association. The following Paragraphs set forth the principle rights of Unibail Shareholders. Such information does not purport to be complete and is qualified in their entirety by reference to the Unibail Articles of Association and chapter 4 of the Securities Note, both incorporated by reference herein.

### **11.7.2 Form of Unibail Shares**

The Unibail Articles of Association provide that fully paid-up shares may be held in either registered or bearer form, at the option of the Unibail Shareholder, subject to certain provisions. Until they are fully paid up, Unibail Shares will be registered in the name of the holder.

### **11.7.3 Holding of Unibail Shares**

In accordance with French law concerning the “dematerialization” of securities, the ownership rights of holders of shares are represented by book entries instead of share certificates. Registered shares are entered into an account maintained by Unibail itself or by a representative nominated by Unibail, while shares in bearer form must be held in an account maintained by an accredited financial intermediary on the shareholder's behalf.

Unibail maintains a share account with Euroclear France in respect of all shares held in registered form. This account is administered by CACEIS (Crédit Agricole Caisse d'Épargne Investor Services). Unibail also maintains accounts in the name of each shareholder either directly or, at the shareholder's request, through such shareholder's accredited intermediary in separate accounts. Shares held in bearer form are held and registered on the shareholder's behalf in an account maintained by an accredited financial intermediary and credited to an account maintained by such intermediary with Euroclear France.

### **11.7.4 Annual Meetings**

The board of directors is required to hold an annual ordinary general shareholders' meeting no later than six months following the end of Unibail's financial year (currently ending on December 31 of each year) for approval of the annual financial statements, unless such period is extended by an order of the President of the *Tribunal de commerce*. The board of directors may also convene an ordinary or extraordinary meeting upon proper notice at any time during the year.

If the board of directors fails to convene any shareholders' meeting, Unibail's statutory auditors or a court-appointed agent may call the meeting. The court may be requested to appoint such agent by (i) one or several shareholders holding, in the aggregate, at least 5% of Unibail's share capital, (ii) any interested party or the works council in an emergency or (iii) a duly qualified association of shareholders holding their shares in registered form for at least two years and holding, in the aggregate, at least 1% of Unibail's voting rights.

### **11.7.5 Notice of Shareholders' Meetings**

French law requires that a preliminary notice of a general shareholders' meeting (*avis de réunion*) be published in the *Bulletin des Annonces Légales Obligatoires* (BALO) at least 35 days before the date set for the meeting, with prior notice to the AMF. Such preliminary notice must include, among other things, the agenda of the meeting, the draft resolutions that are proposed for voting by the shareholders, and information regarding voting by mail. Subject to certain restrictions and conditions, shareholders may propose additional resolutions on which votes are to be taken at such meeting.

At least 15 days before the date set for any general meeting on first call, and at least six days before any second call, a final notice (*avis de convocation*) must be sent by mail to all holders of registered shares who have held such shares for more than one month prior to the date of publication of the notice, and notice of the meeting must also be given by publication in the BALO and in a newspaper authorized to publish legal announcements in the local administrative department (*département*) in which Unibail is registered, with prior notice to the AMF. Such notice must include, among other things, a description of the type, final agenda, place, date and time of the meeting.

#### **11.7.6 Attendance and Voting Rights**

Attendance and exercise of voting rights at shareholders' meetings are subject to certain conditions. There is no requirement that a shareholder have a minimum number of shares in order to be able to attend, or be represented at, a general meeting or to vote by mail.

Pursuant to French corporate law, shares held by entities controlled, directly or indirectly, by Unibail are not entitled to voting rights and do not count for quorum or majority purposes.

#### **11.7.7 Quorum and Majority**

Under French law and the Unibail Articles of Association, the presence of certain major shareholders is necessary for a quorum. There is no quorum requirement when an ordinary general meeting is reconvened.

At an ordinary general meeting (or an extraordinary general meeting to vote upon any capital increase by incorporation of reserves, profits or share premium), a simple majority of votes cast by the shareholders present or represented at such meeting is required to pass a resolution. At any other extraordinary general meeting, a 66.67% majority of votes cast is required to pass a resolution. A unanimous vote, however, is required to increase the liabilities of shareholders.

Abstention from voting by those present or represented by proxy, or voting at a distance, is counted as a vote against the resolutions submitted to a vote.

#### **11.7.8 Financial Statements and other Communications with Shareholders**

In connection with any shareholders' meeting, Unibail must provide a set of documents, including Unibail's annual report and a summary of the results of the five previous financial years, to any shareholder who so requests. French corporate law requires that a special report be provided to the ordinary shareholders' meeting regarding stock options authorized or granted by Unibail.

#### **11.7.9 Dividend and Liquidation Rights**

Net profit in each financial year (after deduction for depreciation and reserves) as increased or reduced, as the case may be, by a profit or loss of Unibail carried forward from prior years, less any contributions to legal reserves, constitutes the distributable profits (*bénéfice distribuable*) available for distribution to the shareholders of Unibail as dividends, subject to requirements of French law and with applicable provisions of the Unibail Articles of Association.

Unibail is subject to specific distribution requirements under the SIIC Regime.

#### **11.7.10 Approval of dividends**

After approving the accounts and formally noting the existence of a profit available for distribution, the general shareholders' meeting may resolve to allocate such profit to one or more reserve funds, the assignment and use of controls to carry over this profit to future years, or to distribute it in cash or, subject to certain capital requirements, in shares. Any surplus distributed shall be shared among the shareholders in proportion to their equity rights in Unibail.

#### **11.7.11 Changes in Share Capital**

Unibail's share capital may be increased, reduced or redeemed subject to the conditions established by law. The Unibail Articles of Association do not impose any additional conditions.

The shareholders may delegate the right to carry out any capital increase to the board of directors, provided that this increase has been previously authorized by the shareholders. The board of directors may further sub-delegate this right to Unibail's general manager.

### ***11.7.12 Pre-emptive Subscription Rights***

Under French law, holders of shares have preferential, pro rata subscription rights when Unibail issues, for cash, additional shares or other securities (i) that can be exchanged, converted or redeemed for shares or (ii) to which there are warrants attached to subscribe for or acquire new shares. Any shareholder may waive its preferential rights in respect of any particular offering. A two-thirds majority of the shares entitled to vote at an extraordinary general meeting may also decide to waive the preferential rights of all shareholders with respect to any particular offering.

## **11.8 Principle terms of the Unibail ORAs**

### ***11.8.1 General***

Below, the principle terms of the Unibail ORAs are summarized. For a more detailed description of such terms, reference is made to chapter 5 of the Securities Note, incorporated by reference herein.

### ***11.8.2 Nature, category and interest entitlement date of the Unibail ORAs to be issued and admitted to trading***

Each Unibail ORA will be issued at its nominal value. The nominal value of each Unibail ORA will be equal to the unitary issue price (*i.e.* the nominal value of a share plus the issue premium) of the new ordinary shares of Unibail, which will be issued in consideration for the Rodamco Shares upon first Settlement of the Exchange Offer.

Unless otherwise specified below, each Unibail ORA will be redeemed by the delivery to the Unibail ORAholder of one Unibail ordinary share. This redemption ratio may subsequently be adjusted based on the anti-dilution provisions described in Paragraph 11.8.11 below (the ratio “one Unibail ORA entitles to one Unibail Share”, as may be adjusted from time to time, being the “Redemption Ratio”).

The Unibail ORAs will carry entitlement to interest from their issue date.

The Unibail ORAs will be traded under number ISIN 0010474056 and under the symbol ULO on the Eurolist by Euronext Paris and under the symbol ULOA on the Eurolist by Euronext Amsterdam.

### ***11.8.3 Governing law — jurisdiction***

The Unibail ORAs will be issued within the framework of the French legislation and governed by French law. The competent courts in the event of disputes will be those where Unibail’s registered office is located in the event of a dispute where Unibail is the defendant, and will be designated according to the nature of the dispute in the absence of provision to the contrary in the New French Code of Civil Procedure.

### ***11.8.4 Form and method of registration of the Unibail ORAs to be issued***

The Unibail ORAs may be in registered or bearer form, at the Unibail ORAholders’ option. They must be registered in accounts held, as the case may be:

- by a financial institution appointed by Unibail, in the case of Unibail ORAs in pure registered form;
- by an accredited financial intermediary of the ORAholders’ choice, or by the financial institution appointed by Unibail, in the case of Unibail ORAs in administered registered form;
- by an accredited financial intermediary of the holders’ choice, in the case of Unibail ORAs in bearer form.

The right of bondholders to participate in bondholders’ meetings will be established by the registration of the bonds at midnight, Paris time, on the third business day before the meeting, either in the registered securities accounts held by the company, or in the accounts of the holders of bearer securities held by the accredited intermediary.

An application will be made for the admission of the Unibail ORAs to the operations of Euroclear France, Euroclear Bank SA/NV and Euroclear Netherlands.

### ***11.8.5 Listing and trading***

An application will be made for the admission of the Unibail ORAs to trading on Eurolist by Euronext Paris and on Eurolist by Euronext Amsterdam.

Any Unibail Shares, which could be issued in the event of redemption of Unibail ORAs, will also be subject of an application for the admission to trading.

### **11.8.6 Entity in charge of the financial servicing of the Unibail ORAs**

Unibail has appointed CACEIS (Crédit Agricole Caisse d'Épargne Investor Services) to act as issuing and paying agent (the "Paying Agent").

Each notification to the Paying Agent shall be sent to the following address:

CACEIS Corporate Trust,  
14, Rue Rouget de Lisle,  
92130 Issy-les-Moulineaux  
France.

### **11.8.7 Currency denomination**

The Unibail ORAs will be denominated in Euro.

### **11.8.8 Unibail ORAs ranking and security**

#### *Seniority*

The Unibail ORAs in respect of principal and as the case may be, the attached Cash Amount (as defined in Paragraph 11.8.9), if any, will constitute unsecured, direct, unconditional, subordinated obligations of Unibail. The Unibail ORAs will rank senior to Unibail Shares and, if applicable, participating loans (prêts participatifs).

For as long as any Unibail ORAs are outstanding, Unibail will not issue any security (excluding ordinary shares and, if applicable, participating loans) nor enter into other obligations ranking or expressed by their terms to rank junior to the Unibail ORAs within the meaning of article L. 228-97 of the French Commercial Code.

#### *Security*

The servicing of the bonds in terms of interest, redemption, taxes, expenses and incidentals is not guaranteed by any particular security.

### **11.8.9 Cash Amount**

#### *Amount, calculation and payment of Cash Amount*

- (a) Interest (the "Cash Amount") will accrue on each outstanding Unibail ORA on an annual basis from 1 August of one year to 31 July of the following year or over a period longer than 12 months as is necessary in order to include the payment date of the final dividend on the Unibail Shares in respect of any fiscal year (the "Accrual Period").

(i) First Accrual Period

The first Accrual Period will start on the Unibail ORA issue date and will end on July 31st, 2007.

The Minimum Cash Amount and the Maximum Cash Amount will not apply to the first Accrual Period.

The Final Dividend (as defined below) of EUR 2 (two euros) paid by Unibail on 16 July 2007 for the 2006 fiscal year, will give rise to the payment of the corresponding Cash Amount, provided the Unibail ORAs have been issued before this date.

If the Unibail ORAs are issued after 16 July 2007, they will not carry a right to any Cash Amount for the first Accrual Period.

(ii) Adjustment of the Accrual Period

Unless the Accrual Period is permanently adjusted in the manner provided for in the following paragraph, if an Interim Dividend and/or Final Dividend (both as defined below) for a given fiscal year is paid after 31 July of the following year, the Final Cash Amount (as defined below) will include the amount of such delayed dividends for the calculation of the Maximum Cash Amount and Minimum Cash Amount.

The Accrual Period is currently based on the fact that Unibail pays the Final Dividend in respect of a given fiscal year during the month of July of the following year. If the dates of payment of the Interim Dividend and Final Dividends are substantially modified on a long-term basis, the Accrual Period will be adjusted by Unibail

accordingly, so that it will always end on the last day of the month in which the payment of the Final Dividend is made. The next Accrual Period will start on the first day of the following month.

- (b) The Cash Amount for each Unibail ORA will be equal to 100% of the dividend paid on each Unibail Share during the relevant Accrual Period multiplied by the number of Unibail Share(s) into which one Unibail ORA is redeemable on the basis of the Redemption Ratio. For the avoidance of doubt, the amount of dividends taken in consideration (i) will include any dividend which is not an Exceptional Dividend (as defined in Paragraph 11.8.11) and (ii) will not include any Exceptional Dividend, distribution of reserves or issue premiums in cash or in kind, such circumstances being dealt with in Paragraph 11.8.11 "Anti-dilution measures".
- (c) Notwithstanding the above, the minimum Cash Amount due in respect of each Accrual Period will be equal to 1.5% of the nominal value of each Unibail ORA (the "Minimum Cash Amount") and the maximum Cash Amount due in respect of each Accrual Period will be equal to 17.5% of the nominal value of each Unibail ORA (the "Maximum Cash Amount").
- (d) The dividend in respect of a given fiscal year may be paid by Unibail to its shareholders in several instalments (each an "Interim Dividend"), the last instalment corresponding to the final dividend paid for this fiscal year (the "Final Dividend").

The Cash Amount in respect of each Accrual Period will be paid to the Unibail ORAholders in several instalments (each an "Interim Cash Amount"), based on the number of Interim Dividends paid during the relevant period, with a final payment (the "Final Cash Amount") corresponding to the Final Dividend.

- (e) Each Interim Cash Amount will be paid on the date of payment of the Interim Dividend, or as soon as possible after that date in the event of exceptional circumstances rendering it technically impossible to pay that amount on the same day as the date of payment of the Interim Dividend, and in any event, no later than on the fifth trading day on Euronext Paris following the date of payment of the Interim Dividend (the "Interim Cash Amount Payment Date"). The Final Cash Amount will be paid on the date of payment of the Final Dividend, or as soon as possible following that date in the event of exceptional circumstances rendering it technically impossible to pay that amount on the same day as the date of payment of the Final Dividend, and in any event, no later than on the fifth trading day on Euronext Paris following the date of payment of the Final Dividend (the "Final Cash Amount Payment Date"). For the avoidance of doubt, it is specified that the payment of a Cash Amount shall in no event occur before the actual payment of the corresponding Interim Dividend or, if applicable, Final Dividend.
- (f) If the sum of the Interim Cash Amounts and Final Dividend for a given Accrual Period is less than the Minimum Cash Amount, the Final Cash Amount will be increased by the difference between (i) the Minimum Cash Amount and (ii) the sum of the Interim Cash Amounts and the Final Dividend paid for that Accrual Period.

The sum of all Interim Cash Amounts and Final Cash Amounts due for each Accrual Period will not exceed the Maximum Cash Amount. If the envisaged payment of any Interim Cash Amount or Final Cash Amount (which would be due pursuant to paragraphs (b) and (d) above), would result in the payment, for a given Accrual Period, of Cash Amounts exceeding the Maximum Cash Amount, that envisaged Interim (or Final) Cash Amount will be reduced accordingly so that the Cash Amount paid in respect of that Accrual Period is equal to the Maximum Cash Amount and no further Interim (or Final) Cash Amount will be paid until the end of the Accrual Period.

If, for a given Accrual Period, an Interim (or a Final) Dividend is less than EUR 0.40 per Unibail Share, divided by the number of Interim and Final Cash Amounts for that Accrual Period, no Interim (or Final) Cash Amount will be paid on the Interim (or Final) Cash Amount Payment Date. In addition, if the sum of the Dividends paid to Unibail Shareholders is less than EUR 0.40 per Unibail Share for an Accrual Period, the difference between the Minimum Cash Amount and the Cash Amount actually paid during the Accrual Period (the "Deferred Cash Amount") will be paid as provided for in this Paragraph (below). If, for a given Accrual Period, the sum of the Interim Dividends or, if applicable, Final Dividend paid to shareholders is greater than EUR 0.40 per Unibail Share but less than the Minimum Cash Amount, then the Final Cash Amount will be increased by the difference between (i) the Minimum Cash Amount and (ii) the sum of the Interim Cash Amounts and the Final Dividend paid for such Accrual Period. The amount of EUR 0.40 per Unibail Share is based on the share capital outstanding on the date of issuance of the Unibail ORAs. In the event of a share split or a share regrouping the amount of EUR 0.40 per Unibail Share will be adjusted accordingly.

### *Cash Amount deferral*

Any Deferred Cash Amount must be paid on the Final Cash Amount Payment Date of the first Accrual Period for which an amount of Interim Dividends and Final Dividend exceeding EUR 0.40 per Unibail Share has been paid. If no such amount of Interim Dividends and Final Dividends is paid, the Deferred Cash Amount will be paid upon the final maturity of the Unibail ORAs, upon Unibail exercising the Issuer Call Option (Reference is made to Paragraph 11.8.10), upon Accelerated Redemption (Reference is made to Paragraph 11.8.10) or upon the exercise of the Withholding Tax Option (Reference is made to Paragraph 11.8.10).

Any Deferred Cash Amount must be paid in cash or by delivery of new Unibail ORAs, at Unibail's election. The holders of Unibail ORAs will be notified of this choice at least 20 days before the contemplated date of payment of such Deferred Cash Amount. Notice will be given by registered letter with acknowledgement of receipt and/or by insertion of a notice published in a national newspaper in France and the Netherlands, informing holders of the amount in cash or the number of new Unibail ORAs that will be transferred to them.

If a Deferred Cash Amount is paid in Unibail ORAs, the value of the Unibail ORAs will be equal to the volume-weighted average closing prices of the Unibail Shares multiplied by the Redemption Ratio, during the ten trading days on Euronext Paris immediately preceding its payment (but excluding that date). Where the number of Unibail ORAs calculated in that way would not be a whole number, Unibail ORAholders will receive, at their election (of which notice must be given to the Paying Agent no later than ten days before the contemplated payment date):

- either the immediately lower whole number of Unibail ORAs, in which case the holder will be paid a cash amount equal to the product of the fractional Unibail ORA multiplied by the value of the Unibail ORAs;
- or the immediately higher whole number of Unibail ORAs, in which case, the holder will pay a cash amount to Unibail equal to the value of the additional fraction of the Unibail ORA thus requested, valued on the basis provided for in the preceding paragraph.

### **11.8.10 Maturity date, redemption conditions and procedures**

#### *Maturity date*

The Unibail ORAs will have a fifty year term as from their issue date. On the redemption date, each Unibail ORA will be fully redeemed in Unibail Shares on the basis of the Redemption Ratio (reference is made to Paragraph 11.8.11 "Anti-dilution measures"). No cash reimbursement will be possible (with the exception of Paragraph 11.8.9).

#### *Unibail Call Option*

Unibail will have the right to demand the redemption of the Unibail ORAs on the first Final Cash Amount Payment Date falling after the expiry of a period of 12 years following the Unibail ORAs issue date and then, on each Final Cash Amount Payment Date (the "Issuer Call Option"). Redemption will take place in Unibail Shares on the basis of the Redemption Ratio and may not take place in cash. Any fractional Unibail ORA will be dealt with according to the provisions of Paragraph 11.8.12. The holders of Unibail ORAs will be notified of the exercise of the Issuer Call Option at least 30 days before the date of redemption. Notice will be given by registered letter with acknowledgement of receipt and/or by insertion of a notice published in a national newspaper in France and the Netherlands, informing Unibail ORAholders of the number of Unibail Shares that will be allotted to them for the redemption of each Unibail ORA.

The Issuer Call Option may only be exercised if there are no outstanding and unpaid Cash Amounts at the time of its exercise. In order to fulfil this condition, Unibail will be entitled to pay any outstanding and unpaid Cash Amounts immediately prior to exercising the Call Option, in cash or by the delivery of new Unibail ORAs. If a Cash Amount is paid in Unibail ORAs, the value of the Unibail ORAs will be equal to the volume-weighted average closing prices of the Unibail Share multiplied by the Redemption Ratio, during the ten trading days on Euronext Paris immediately preceding the Issuer Call Option date (but excluding that date). Where the number of Unibail ORAs calculated in that way would not be a whole number, Unibail ORAholders will receive, at their election (of which notice must be given to the Paying Agent no later than ten days before the contemplated payment date):

- either the immediately lower whole number of Unibail ORAs, in which case the holder will be paid a cash amount equal to the product of the fractional Unibail ORA multiplied by the value of the Unibail ORAs;
- or the immediately higher whole number of Unibail ORAs, in which case, the holder will pay a cash amount to Unibail equal to the value of the additional fraction of the Unibail ORA thus requested, valued on the basis provided by the preceding paragraph.

### *Terms of exercise of the Redemption Right at any time*

Unibail ORAholders may at any time after the expiry of a non-redemption period of three months from the date of issue of the Unibail ORAs in the context of the first Settlement of the Exchange Offer, request the redemption of all or part of their Unibail ORAs into Unibail Shares, on the basis of the Redemption Ratio (the "Redemption Right") by sending a written notice to the Paying Agent. Any fractional Unibail ORA will be dealt with in accordance with the provisions of Paragraph 11.8.12, the choice made by the Unibail ORAholder being expressed in the notice mentioned above.

Any Unibail ORAholder exercising this Redemption Right will forego any right to unpaid Cash Amounts or Deferred Cash Amounts.

At the latest at 5.00 p.m. (Paris time) on the trading day on Euronext Paris following receipt of the notice of exercise of the Redemption Right, the Paying Agent will inform Unibail of the total number of Unibail ORAs to be redeemed, of the number of Unibail Shares to be transferred to the Unibail ORAholder(s) having exercised the Redemption Right and of any amount in cash due to the Unibail ORAholder(s) having exercised the Redemption Right for any fractional Unibail Share.

The Unibail Shares resulting from the exercise of the Redemption Right must be delivered at the latest on the fourth trading day on Euronext Paris following receipt by the Paying Agent of the notice of exercise of the Redemption Right.

### *Unibail Shares issued in the event of redemption of Unibail ORAs*

Unibail Shares delivered upon redemption of Unibail ORAs will be new shares or existing treasury shares at Unibail's election, and will (in all cases) be subject to Unibail's articles of association. Each of these Unibail Shares will carry entitlement to any dividend distributed as from the date of redemption. The Unibail Shares will be admitted to clearing by Euroclear France. The Unibail Shares will be immediately tradable on Eurolist by Euronext Paris and Euronext Amsterdam.

### *Cases of suspension of the Unibail ORA Redemption Right*

In the event of a share capital increase or issue of securities giving access to share capital, merger, spin-off or any financial transactions involving a preferential subscription right or reserving a priority subscription period for the benefit of Unibail Shareholders, Unibail reserves the right to suspend the exercise of the Redemption Right for a period not exceeding three months.

A notice will be published in the *Bulletin des annonces légales obligatoires* (Bulletin of Compulsory Legal Announcements) at least 20 days before the date of entry into force of the suspension; it will mention the date of entry into force of the suspension and the date on which it will terminate. This information will also be published in a notice in a national financial newspaper in France and the Netherlands and in a notice from Euronext Paris SA.

### *Accelerated redemption of Unibail ORAs*

#### *(i) Accelerated redemption by the issuer — Buyback of Unibail ORAs*

As long as there are any Unibail ORAs outstanding, Unibail may not accelerate the redemption of the Unibail ORAs except in the circumstances of the Issuer Call Option and the Withholding Tax Option (see below in this Paragraph).

However, Unibail may, at any time and with no limitation as to the price or quantity, purchase, in consideration for Unibail Shares, the Unibail ORAs privately, on the public markets, or through a public exchange offer. Any Unibail ORA purchased in this manner will be cancelled, to the extent permitted by applicable law. The number of Unibail Shares received in consideration of each Unibail ORA acquired in this way will be determined on the basis of the then applicable Redemption Ratio.

#### *(ii) Accelerated redemption by the holders within three months following issue*

During the non-redemption period referred to in article 5.9.3 (*i.e.* during the first three months following the issue of the Unibail ORAs in the context of the first Settlement of the Exchange Offer), the redemption of the Unibail ORAs may be accelerated at the option of each Unibail ORA holder by written notice to Unibail and the Paying Agent, upon the occurrence of any of the following events (the "Accelerated Redemption"):

- a public tender or exchange offer or any similar operation relating to the entirety of the securities conferring a right to Unibail's share capital, on condition that this tender offer has been declared admissible by the competent market authorities and that the relevant opening notice has been published by the market authorities;



- the acquisition by any person, whether directly or indirectly, acting alone or in concert, of exclusive control of Unibail within the meaning of article L. 233-3 of the Commercial Code;
- Unibail fails to pay an Interim Cash Amount or a Final Cash Amount, when due and does not cure this failure within 15 days following receipt by Unibail of notification of such failure;
- Unibail is in breach of a material obligation in respect of the Unibail ORAs and does not cure this failure within 15 days of being notified of such breach;

If the redemption of the Unibail ORAs is accelerated for any of the reasons mentioned above, Unibail will be entitled to choose whether to pay the Cash Amounts remaining due either in cash or by the delivery of Unibail ORAs. If a Cash Amount is paid in Unibail ORAs, the value of the Unibail ORAs will be equal to the volume weighted average closing prices of the Unibail Share multiplied by the Redemption Ratio, during the ten trading days on Euronext Paris immediately preceding the Accelerated Redemption date (this last date being excluded). Where the number of Unibail ORAs calculated in that way would not be a whole number, Unibail ORAholders will receive, at their election (of which election notice must be given to the Paying Agent no later than ten days before the contemplated payment date):

- either the immediately lower whole number of Unibail ORAs, in which case the holder will be paid a cash amount equal to the product of the fractional Unibail ORA multiplied by the value of the Unibail ORAs;
- or the immediately higher whole number of Unibail ORAs, in which case, the holder will pay a cash amount to Unibail equal to the value of the additional fraction of the Unibail ORA thus requested, valued on the basis provided by the preceding paragraph.

#### *Compulsory or voluntary liquidation*

In the event of compulsory liquidation (*liquidation judiciaire*) of Unibail, and only in this case, Unibail ORAholders will be entitled to request for payment of the nominal value of the Unibail ORAs in cash. In the event of the voluntary liquidation (*liquidation conventionnelle*) of Unibail, each Unibail ORAholder will be entitled to choose between (i) redemption of the Unibail ORAs in Unibail Shares on the basis of the Redemption Ratio and (ii) redemption of the Unibail ORAs in cash.

#### *Withholding Tax Option*

In each event of a change of law so that the French government would require Unibail (including any paying establishment) to withhold tax in respect of the Cash Amounts paid to holders who are not French tax residents (the "Withholding Tax"), subject to any applicable tax treaties, Unibail will pay each Unibail ORAholder who is not a French tax resident and to whom the Withholding Tax applies, an additional amount so that the net amount after tax received by the holder is equal to what he would have received if no Withholding Tax had been imposed.

If Unibail is required to pay an additional amount pursuant to the above paragraph, or if any other adverse change in French tax law should increase the cost of payment of the Cash Amount for Unibail, Unibail will be entitled, upon expiry of a one year period from the date of effectiveness of the change of law mentioned above, to accelerate the redemption of the Unibail ORAs on the basis of the Redemption Ratio (as potentially adjusted as contemplated by Paragraph 11.8.11) (the "Withholding Tax Option"). This option may only be exercised on an Interim Cash Amount Payment Date or on a Final Cash Amount Payment Date, and only if there are no outstanding Cash Amounts.

For the avoidance of doubt, the Redemption Ratio will only be adjusted as indicated in paragraph 11.8.11 (9) if (i) the Unibail ORAholder has (directly or indirectly) paid the Withholding Tax or if Unibail (including any paying establishment) has received a notification from the French tax authorities compelling Unibail to pay the Withholding Tax on an Interim Cash Amount Payment or a Final Cash Amount Payment and (ii) such Withholding Tax has not already been compensated by Unibail.

#### **11.8.11 Anti-dilution measures**

##### *(i) Commitments on the part of the Issuer*

Unibail may amend its corporate form or purpose.

Unibail may also amend the rules governing the allocation of its profits including by way of issue of preference shares (*actions de préférence*). In this event, the new Redemption Ratio shall be equal to the then current Redemption Ratio multiplied by the following ratio calculated to the nearest hundredth of a share:

$$\frac{\text{share value before modification of profit allocation}}{\text{share value before modification of profit allocation} - \text{value per share of the capitalized reduction of the right to profit}}$$

For the purposes of calculating this ratio, the Unibail share value before the modification of the profit allocation will be determined according to the weighted average trading price of the Unibail Shares on Euronext Paris during the last three trading days preceding the date of the modification. The fair value of capitalized amount of the reduction per share of the right to profit will be determined by an expert chosen by Unibail among the list of experts with the *Cour d'appel de Paris*.

Unibail will also be entitled to redeem its share capital see below in Paragraph 11.8.11(ii)(4)), provided the rights of Unibail ORAholders are maintained under the conditions set out in paragraph (ii).

(ii) *Adjustments in the event of financial transactions*

Upon the occurrence of certain dilutive events described in more detail below, the Redemption Ratio will be adjusted to maintain the rights of Unibail ORAholders.

These events are as follows:

- (1) An issue of securities in any form, including a listed preferential subscription right in favour of Unibail Shareholders;
- (2) A share capital increase by the capitalisation of reserves, profits or issue premiums, by way of an increase in the nominal value of Unibail Shares or by way of a distribution of free Unibail Shares or other financial instruments to current Unibail Shareholders;
- (3) A reduction of the share capital due to losses either by way of a reduction of the nominal value of Unibail Shares or by way of a reduction in the number of Unibail Shares;
- (4) A distribution by Unibail of reserves or issue premiums in cash and/or in kind, or an amortization of share capital;
- (5) A merger or absorption of Unibail involving one or more companies by way of the creation of a new company or Unibail spin-off by way of a transfer to existing or new companies (in accordance with the provisions of Article L. 228-101 of the French Commercial Code);
- (6) A split or consolidation of Unibail Shares;
- (7) A buyback by Unibail of its own shares (by public offer or otherwise) at a price higher than the market price;
- (8) The Unibail ORA being subject to Withholding Tax in respect of the Cash Amount due;

In the event that Withholding Tax is charged to an Interim Cash Amount or a Final Cash Amount, and in the event that this Withholding Tax is not compensated by Unibail in accordance with the provisions of Paragraph 11.8.10 (Withholding Tax), the Redemption Ratio will be adjusted as follows:

$$\text{NRA} = \text{RA} \times [1 + \text{W} / (\text{Unibail Share Price} - \text{D})]$$

Where:

- “NRA” means the new Redemption Ratio;
- “W” means the Withholding Tax in respect of one Cash Amount due, expressed in euros per Unibail Share;
- “RA” means the last Redemption Ratio in effect immediately before the date on which the Withholding Tax is deducted from the distributions made in respect of the Unibail ORAs;
- “Unibail Share Price” means the average price of the Unibail Share listed on Euronext Paris on the trading day immediately preceding the date of payment or distribution of the Interim Dividend or, as applicable, Final Dividend;
- “D” means the Interim Dividend, if applicable, Final Dividend, in euros per share, corresponding to a Cash Amount in respect of which the Withholding Tax is deducted;

(9) Distribution of an Exceptional Dividend by Unibail.

If Unibail distributes an Exceptional Dividend, the new Redemption Ratio will be calculated as set below.

The term "Exceptional Dividend" means any dividend paid in cash or in kind to Unibail Shareholders, where the total amount of such dividend exceeds by 50% or more the total annual dividends per share paid in cash or in kind in respect to the previous fiscal year (the "Total Annual Dividend"). For the avoidance of doubt, the Total Annual Dividend for a given fiscal year shall not include any Exceptional Dividend, distribution of reserves or premiums in cash or in kind. Any dividend which does not meet the definition of an Exceptional Dividend shall be dealt with in accordance with the provisions of Paragraph 11.8.9(b).

Any dividend triggering an adjustment of the Redemption Ratio by virtue of the events listed in provisions 1 to 9 above will not lead to an adjustment pursuant to this provision 10.

In case of payment by Unibail of an Exceptional Dividend, the Redemption Ratio will be adjusted as follows:

$$NRA = RA \times [1 + D / (\text{Share Price} - D)]$$

Where:

- "NRA" means the new Redemption Ratio;
- "RA" means the last Redemption Ratio in effect immediately before the payment of the Exceptional Dividend; this last Redemption Ratio may have been adjusted on the occurrence of prior events, in which case it would be the more recent NRA;
- "D" means the Exceptional Dividend in euros per Unibail Share, and
- "Share Price" means the average price of the Unibail Share listed on Euronext Paris on the trading day immediately preceding the date of payment or distribution of the Exceptional Dividend.

Adjustment of the Redemption Ratio will be made in accordance with French Law and the provisions of the issue agreement (*contrat d'émission*), so that the aggregate value of the number of Unibail Shares to which one Unibail ORA confers a right immediately after the occurrence of any of the events mentioned below, is equal to the aggregate value of the number of shares to which one Unibail ORA confers a right immediately before any such event.

The new Redemption Ratio will be calculated to the nearest one hundredth. Any adjustments will take place on the basis of the preceding Redemption Ratio calculated and rounded up or down in this way.

However, Unibail ORAs may only be redeemed into a whole number of Unibail Shares, any fractional shares being dealt with as provided for in Paragraph 11.8.12.

#### **11.8.12 Settlement in respect of fractional Unibail Shares**

Every Unibail ORAholder will be entitled to obtain a number of Unibail Shares calculated by applying the current Redemption Ratio to the number of Unibail ORAs presented.

When the number of Unibail Shares thus calculated is not a whole number, the Unibail ORAholder will, at its election (of which notice must be given to the Paying Agent no later than ten days before the contemplated payment date), receive (in accordance with the detailed conditions set out in Paragraph 11.8.10):

- either the immediately lower whole number of Unibail Shares, in which case the holder will be paid a cash amount equal to the product of the fractional Unibail Share multiplied by the Unibail Share price on Eurolist by Euronext Paris based on the opening trading price before the notification of the redemption.
- or the immediately higher whole number of Unibail Shares, in which case the holder will have to pay to Unibail an amount equal to the value of the additional fraction of the Unibail Share thus requested, valued on the basis of the previous paragraph.

#### **11.8.13 Representation of Unibail ORAholders**

In accordance with applicable French law, Unibail ORAholders will be grouped together for the purpose of defending their common interests, in a group (*masse*) (the "Group") which will have legal personality.

According to the terms of the issue agreement, the Group representatives are:

- Isabelle CASTETS, as principal;

- Nathalie LECOMTE, as deputy.

Address:

CACEIS

Corporate Trust

14, rue Rouget de Lisle

92862 Issy Les Moulineaux Cedex 09

Tel: + 33 1 57 78 31 57

These persons are independent from Unibail. The remuneration of the Group representative is EUR 1,000 per year and will be paid by Unibail on the last trading day on Euronext Paris of the year as long as there are any Unibail ORAs outstanding on that date. The deputy representative will not be remunerated unless, and until, he replaces the principal.

The Group representatives may be dismissed by the general meeting of Unibail ORAholders.

Unless the general meeting of Unibail ORAholders decides otherwise, the Group representatives will have the power to carry out any acts of management on behalf of the Group for the defence of the common interests of Unibail ORAholders.

Only the Group representatives will have the capacity, on behalf of the Unibail ORAholders, to commence actions in nullity against Unibail, or to take action or adopt resolutions after its incorporation, as well as any actions taken in the defence of the common interest of Unibail ORAholders. Legal actions against all the holders in a single Group can only be brought against the representative of that Group.

The Group representatives cannot interfere in the management of the business. They have access to the Unibail Shareholders general meetings, but without voting rights. They have the right to obtain the documents made available to the Unibail Shareholders, under the same conditions.

#### ***11.8.14 Amendment of Conditions, and Waivers***

In accordance with applicable French law, any amendments to the conditions governing the Unibail ORAs (including conditions governing Cash Amounts and redemption provisions) will require the approval of the Group.

#### ***11.8.15 Restrictions on the free negotiability of the Unibail ORAs***

There are no restrictions on the free negotiability of the Unibail ORAs in the issue agreement.

## 12. STATEMENTS REQUIRED BY THE DECREE

In addition to the other statements set out in this Offer Document, Unibail with regard to subjects 2, 3 and 4, Unibail and the Supervisory Board and the Management Board jointly with regard to subjects 1, 5, 6, 7 and 8, hereby state as follows:

1. There have been consultations between Unibail and Rodamco regarding the Exchange Offer, which have resulted in agreement regarding the Exchange Offer. Discussions regarding the Exchange Ratio and the conditions to the Exchange Offer took place between members of the board of directors of Unibail and their representatives and members of the Supervisory Board and the Management Board and their representatives.
2. With due observance of and without prejudice to the restrictions referred to in Chapters I and II of this Offer Document entitled "Restrictions" and "Important Information", respectively, the Exchange Offer applies on an equal basis to all Rodamco Shares outstanding and is made to all Rodamco Shareholders.
3. In the period until the date of publication of this Offer Document, Unibail has received no undertakings on the part of Rodamco Shareholders that will accept the Exchange Offer, with the exception of, as referred to in Paragraph 4.3, the undertakings of the largest shareholder and members of the Management Board.
4. On the date of publication of this Offer Document, Unibail does not hold any Rodamco Shares, and Rodamco does not hold any Unibail Shares, directly or indirectly within the meaning of article 9i sub q of the Decree.
5. No transactions have taken place with individuals and/or legal persons within the meaning of article 9i, sub-section s and/or t and/or u of the Decree.
6. The personal information referred to in article 9p paragraph 1 and 2 of the Decree has been provided to the AFM.
7. If the Exchange Offer is declared unconditional (*gestand gedaan*), certain members of the Management Board and the Supervisory Board of Rodamco will resign as referred to in Paragraph 4.6. Mr M.J. Hulshoff (CEO) will resign with due observance of the contractual notice period of six months ending per 31 December 2007. Mr Hulshoff will receive a payment equal to three times the sum of the average annual total fixed income and average short term bonus and pension contribution over the three years preceding 31 December 2007 and such payment can therefore not be determined at the date of this Offer Document but is expected to be approximately EUR 2,300,000. In addition, assuming a Rodamco Share price of EUR 110, the total amount payable to Mr Hulshoff as consideration for the cancellation of his outstanding PSP Rights is expected to be approximately EUR 730,000 (reference is made to Paragraph 4.9). This payment is in line with arrangements agreed between Mr Hulshoff and Rodamco at the time of his employment and is incorrectly reflected in Rodamco's annual reports ending on 31 December 2006, 31 December 2005 and 31 December 2004. The policy determining Mr Hulshoff's remuneration is included in Rodamco's annual reports relating to the financial years ending on 31 December 2006, 31 December 2005 and 31 December 2004.
8. The AFM, the AMF, the CBFA, Euronext Amsterdam and Euronext Paris have been informed of the Exchange Offer.

### 13. NEDERLANDSE SAMENVATTING

*Dit Hoofdstuk 13 behelst de Nederlandse samenvatting van het Biedingsbericht, dat is uitgegeven ter zake van het openbaar bod (het "Ruilbod") uitgebracht door Unibail Holding S.A. ("Unibail") op alle uitstaande aandelen Rodamco Europe N.V. ("Rodamco"). De belangrijkste kenmerken van het Ruilbod zijn beschreven in Paragraaf 13.4. De combinatie van Unibail en Rodamco zal na voltooiing van het Ruilbod de meest toonaangevende pan-Europese commerciële vastgoedonderneming opleveren.*

*De gedefinieerde termen in dit Hoofdstuk van het Biedingsbericht hebben de betekenis die daaraan wordt gegeven in Paragraaf 13.2. Deze Nederlandse samenvatting maakt deel uit van het Biedingsbericht, maar vervangt dit niet. Deze Nederlandse samenvatting is niet volledig en bevat niet alle informatie die voor de Rodamco Aandeelhouders van belang is om een afgewogen oordeel te kunnen vormen over het Ruilbod. Het lezen van deze Nederlandse samenvatting mag derhalve niet worden beschouwd als een alternatief voor het bestuderen van het volledige Biedingsbericht. De Rodamco Aandeelhouders wordt geadviseerd het volledige Biedingsbericht (inclusief alle documenten die daarin door middel van verwijzing (incorporation by reference) zijn opgenomen) zorgvuldig te bestuderen en zo nodig onafhankelijk advies in te winnen teneinde een afgewogen oordeel te kunnen vormen over het Ruilbod en de beschrijving van het Ruilbod in deze samenvatting en in het Biedingsbericht. In geval van verschillen tussen deze Nederlandse samenvatting en de Engelse tekst van het Biedingsbericht, prevaleert de Engelse tekst van het Biedingsbericht (inclusief alle documenten die daarin door middel van verwijzing zijn opgenomen).*

*Met betrekking tot de uitgifte en beursnotering van de Aandelen Unibail en de Unibail ORAs aan Euronext Amsterdam en Euronext Parijs wordt verwezen naar het Prospectus, in het bijzonder de hoofdstukken 4, 5 en 6 van de Verrichtingsnota. In hoofdstuk 2 van de Verrichtingsnota zijn specifieke risico's opgenomen, met betrekking tot de uitgifte van de Aandelen Unibail en de Unibail ORAs.*

#### 13.1 Restricties en belangrijke informatie

Het uitbrengen van het Ruilbod, de verkrijgbaarstelling van het Biedingsbericht en deze Nederlandse samenvatting, alsmede verspreiding van enige andere informatie met betrekking tot het Ruilbod, kunnen in bepaalde jurisdicties aan bepaalde restricties onderhevig zijn. Zie Hoofdstuk I (Restrictions). Dit Ruilbod wordt niet, direct of indirect, gedaan in, en mag niet worden geaccepteerd vanuit enige jurisdictie waarin het doen van het Ruilbod of de Aanmelding niet in overeenstemming is met de in die jurisdictie geldende wet- en regelgeving. Het niet respecteren van deze restricties kan een overtreding van de effectenwet- en regelgeving van de desbetreffende jurisdictie opleveren. Unibail, Rodamco en hun adviseurs sluiten iedere aansprakelijkheid uit ter zake van overtredingen van voornoemde restricties. De Rodamco Aandeelhouders dienen zo nodig onverwijld onafhankelijk advies in te winnen over hun positie.

Het Biedingsbericht bevat belangrijke informatie die men zorgvuldig dient te lezen alvorens een besluit te nemen over het aanmelden van Aandelen Rodamco onder het Ruilbod. Zie Hoofdstuk II (*Important Information*). De Rodamco Aandeelhouders wordt aangeraden waar nodig onafhankelijk advies in te winnen.

De informatie opgenomen in de Hoofdstukken I, 7, 11, Hoofdstuk 12 subparagrafen 2, 3 en 4 en de Paragrafen 2.1, 2.2, 2.3, 2.6, 2.7, 2.8, 2.9, 2.10, 2.11, 2.12, 2.15, 2.16, 2.17, 2.18 (eerste alinea), 3.1, 3.2, 3.4, 3.5, 3.6, 3.7, 3.8, 3.9, 3.10, 3.11, 3.12, 3.13, 3.14, 4.3 (eerste alinea), 4.4.1, 4.4.2, 4.4.3, 4.4.4, 4.4.5, 4.5, 4.10, 4.11.1, 4.13, 16.1, 16.2 en 16.3 is uitsluitend door Unibail verstrekt.

De informatie opgenomen in de Hoofdstukken 5, 8, 10, Hoofdstuk 12 (subparagrafen 1 en 5 tot en met 8) en Paragrafen 2.4, 4.6 (derde alinea), 15.1, 15.2 is uitsluitend door Rodamco verstrekt.

De informatie opgenomen in de Hoofdstukken II, 1, 9, 13, 14, 17, 18 en Paragrafen 2.5, 2.13, 2.14, 2.19, 2.20, 2.21, 2.22, 3.3, 3.15, 4.1, 4.2, 4.3 (tweede, derde en vierde alinea), 4.4.6, 4.4.7, 4.4.8, 4.6, 4.7, 4.8, 4.9, 4.11.2, 4.11.3, 4.12 is door Unibail en Rodamco gezamenlijk verstrekt.

De *fairness opinion* opgenomen in Paragraaf 6.1 is door UBS Limited verstrekt. De *fairness opinion* opgenomen in Paragraaf 6.2 is door Goldman Sachs International verstrekt. De informatie opgenomen in de Paragrafen 15.3 en 15.4.7 is verstrekt door PricewaterhouseCoopers Accountants N.V. ("PwC").

Uitsluitend Unibail en Rodamco zijn verantwoordelijk voor de juistheid en volledigheid van de informatie die in het Biedingsbericht is opgenomen, elk voor de informatie die door haar zelf werd verstrekt, en gezamenlijk voor de informatie die door hen gezamenlijk is verstrekt, met uitzondering van informatie die door geen van hen is verstrekt, zoals de *fairness opinion* in Paragraaf 6.1 waarvoor UBS Limited verantwoordelijk is, de *fairness opinion* opgenomen in Paragraaf 6.2 waarvoor Goldman Sachs International verantwoordelijk is en de informatie opgenomen in Paragraaf 15.3 waarvoor PwC verantwoordelijk is.

Unibail en Rodamco verklaren beide, ieder ten aanzien van de informatie die door hen in het Biedingsbericht is verstrekt, dat de informatie in dit Biedingsbericht op de publicatiedatum van het Biedingsbericht naar hun beste weten in elk wezenlijk opzicht in overeenstemming is met de werkelijkheid, juist is, en dat er geen informatie achterwege is gelaten waardoor enige verklaring in het Biedingsbericht in enig wezenlijk opzicht misleidend is. Getallen in het Biedingsbericht kunnen naar boven of beneden zijn afgerond en dienen derhalve niet als exact te worden beschouwd.

Unibail en Rodamco verklaren beide, ten aanzien van de *fairness opinion* in Paragraaf 6.1 (waarvoor UBS Limited verantwoordelijk is), de *fairness opinion* in Paragraaf 6.2 (waarvoor Goldman Sachs International verantwoordelijk is) en de informatie opgenomen in de Paragrafen 15.3 en 15.4.7 (waarvoor PwC verantwoordelijk is), dat naar hun beste weten op de publicatiedatum van het Biedingsbericht, deze *fairness opinions* en informatie gelijk zijn aan de *fairness opinions* en informatie zoals verstrekt door respectievelijk UBS Limited, Goldman Sachs International en PwC.

De informatie in het Biedingsbericht geeft de situatie weer op de datum van het Biedingsbericht. Onder geen beding houden de uitgifte en verspreiding van het Biedingsbericht in dat de hierin opgenomen informatie ook na de datum van het Biedingsbericht juist en volledig is of dat er sinds deze datum geen wijziging is opgetreden in de in het Biedingsbericht uiteengezette informatie of in de gang van zaken bij Unibail, Rodamco en/of hun dochtermaatschappijen en/of aan hen gelieerde ondernemingen. Het voorgaande laat echter onverlet de verplichting van zowel de Unibail als Rodamco om, indien zulks van toepassing is, een publieke aankondiging te doen ingevolge artikel 9b lid 1 Bte 1995, voor zover van toepassing.

Dit Biedingsbericht bevat mededelingen die betrekking hebben op de toekomst. Het gaat daarbij onder meer om de toekomstige onderneming van Unibail en Rodamco resulterende uit de voltooiing van het Ruilbod. De bedoelde vooruitzichten zijn geen historische feiten en brengen risico en onzekerheid mee. De verwachtingen en projecties die zijn neergelegd in de bedoelde vooruitzichten zijn gebaseerd op informatie die op de datum van dit Biedingsbericht bij Unibail en Rodamco beschikbaar is, en zijn afhankelijk van verschillende veronderstellingen, risico's en onzekerheden die moeilijk te voorspellen zijn en over het algemeen niet door Unibail en Rodamco worden beheerst. Hoewel Unibail en Rodamco beide, ieder van hen met betrekking tot de mededelingen die zij heeft verschaft, geloven dat de daarin vervatte verwachtingen zijn gebaseerd op redelijke veronderstellingen en, naar hun beste weten, waar en juist zijn op de datum van dit Biedingsbericht, kan geen zekerheid worden gegeven dat de bedoelde verwachtingen en vooruitzichten zullen uitkomen. De toekomstige juistheid en volledigheid van de verwachtingen en vooruitzichten wordt niet gegarandeerd. Iedere vooruitblik moet worden overwogen in de wetenschap dat daadwerkelijke gebeurtenissen of resultaten wezenlijk kunnen verschillen van voorspellingen, vanwege, onder andere, politieke, economische of juridische veranderingen in de markten en omgevingen waarin Unibail en Rodamco hun respectievelijke ondernemingen voeren, en dat concurrentie en risico's inherent zijn aan de bedrijfsvoering van Unibail en Rodamco.

Het Ruilbod wordt gedaan met zorgvuldige inachtneming van alle bepalingen, voorwaarden en beperkingen zoals opgenomen in het Biedingsbericht. Unibail behoudt zich het recht voor om iedere Aanmelding door of ten behoeve van een Aandeelhouder Rodamco conform dit Ruilbod te accepteren, zelfs indien een dergelijke Aanmelding niet tot stand is gekomen op de in dit Biedingsbericht beschreven wijze.

### 13.2 Nederlandse definities

In dit Biedingsbericht zal een verwijzing naar gedefinieerde termen in het meervoud gelijk staan aan verwijzingen naar dergelijk gedefinieerde termen in het enkelvoud en vice versa.

De gedefinieerde termen in dit Hoofdstuk van het Biedingsbericht hebben de volgende betekenis:

<b>Aandelen Rodamco</b>	alle geplaatste en uitstaande aandelen in het kapitaal van Rodamco, elk met een nominale waarde van EUR 8,00 (acht euro)
<b>Aandelen Ruilverhouding</b>	0,5223 van een Aandeel Unibail in ruil voor elk Aandeel Rodamco waarop de Aandelen Vergoeding van toepassing is dat op juiste wijze is aangemeld (of op onjuiste wijze, indien Unibail de Aanmelding desalniettemin aanvaardt) en geleverd onder de voorwaarden en bepalingen van het Ruilbod
<b>Aandelen Unibail</b>	alle geplaatste en uitstaande aandelen in het kapitaal van Unibail, elk met een nominale waarde van EUR 5,00 (vijf euro) en/of de aandelen Unibail met een nominale waarde van EUR 5,00 (vijf euro), die worden geplaatst als gevolg van het Ruilbod en/of als gevolg van

	de conversievoorwaarden en bepalingen met betrekking tot de Unibail ORAs, afhankelijk van de context
<b>Aandelen Vergoeding</b>	de Aandelen Unibail die worden geleverd aan een Rodamco Aandeelhouder die er voor gekozen heeft om Aandelen Unibail te ontvangen met betrekking tot alle of een deel van de Aandelen Rodamco die op juiste wijze zijn aangemeld (of op onjuiste wijze, indien Unibail de Aanmelding desalniettemin aanvaardt) onder de voorwaarden en bepalingen van het Ruilbod, in de aantallen zoals bepaald op basis van de Ruilverhouding
<b>Aanmelding</b>	de aanmelding van de Rodamco Aandelen door de Rodamco Aandeelhouders ter aanvaarding van het Ruilbod
<b>Aanmeldingstermijn</b>	de periode waarin Rodamco Aandeelhouders hun Aandelen Rodamco kunnen aanmelden bij Unibail, welke begint op 22 mei 2007 en eindigt op de Uiterste Dag van Aanmelding
<b>AMF</b>	<i>Autorité des Marchés Financiers</i>
<b>Belangrijke Negatieve Verandering met betrekking tot Rodamco</b>	een belangrijke negatieve verandering zoals gedefinieerd in Paragraaf 13.7.b
<b>Belangrijke Negatieve Verandering met betrekking tot Unibail</b>	een belangrijke negatieve verandering zoals gedefinieerd in Paragraaf 13.7.c
<b>Biedingsbericht</b>	dit Biedingsbericht (inclusief de Engelse tekst) met betrekking tot het Ruilbod
<b>Bte 1995</b>	het Besluit toezicht effectenverkeer 1995
<b>CCIP</b>	Kamer van koophandel en industrie Parijs ( <i>Chambre de commerce et d'industrie de Paris</i> )
<b>CEST</b>	<i>Central European Summer Time</i>
<b>Conversieverhouding</b>	heeft de betekenis waarnaar wordt verwezen in Paragraaf 13.5
<b>Dag van Gestanddoening</b>	de dag waarop Unibail publiekelijk aankondigt dat zij het Ruilbod gestand doet, zijnde niet later dan vijf Euronext Handelsdagen na de Uiterste Dag van Aanmelding
<b>Dag van Overdracht</b>	de datum waarop Overdracht met betrekking tot de Aandelen Rodamco die zijn aangemeld tijdens de Aanmeldingstermijn plaatsvindt, die in geen geval later zal zijn dan drie Euronext Handelsdagen na de Dag van Gestanddoening, behoudens dat in geval van onvoorziene omstandigheden (zoals bijvoorbeeld in geval van overmacht) Overdracht plaatsvindt zodra die omstandigheden dat toelaten
<b>EUR of euro</b>	de Euro, het wettig betaalmiddel in de lidstaten van de Europese Unie
<b>Euronext Amsterdam</b>	Euronext Amsterdam of Eurolist by Euronext Amsterdam, afhankelijk van de context
<b>Euronext Brussels</b>	Euronext Brussel, of Eurolist by Euronext Brussels, afhankelijk van de context
<b>Euronext Handelsdag</b>	een dag waarop Euronext Amsterdam is geopend voor de handel in effecten
<b>Euronext Parijs</b>	Euronext Paris of Eurolist by Euronext Paris, afhankelijk van de context
<b>FBI</b>	fiscale beleggingsinstelling
<b>FBI Regime</b>	heeft de betekenis waarnaar wordt verwezen in Paragraaf 13.22
<b>Gecombineerde Entiteit</b>	de combinatie van Unibail en Rodamco na voltooiing van het Ruilbod
<b>Hoofdstuk</b>	een hoofdstuk van dit Biedingsbericht



<b>Initiële Aandelen Ruilverhouding</b>	0,5300 van een Aandeel Unibail in ruil voor elk Aandeel Rodamco waarop de Aandelen Vergoeding van toepassing is, dat op juiste wijze is aangemeld (of op onjuiste wijze, indien Unibail de Aanmelding desalniettemin aanvaardt) en geleverd onder de voorwaarden en bepalingen van het Ruilbod
<b>Initiële ORA Ruilverhouding</b>	0,5300 van een Unibail ORA in ruil voor elk Aandeel Rodamco waarop de ORA Vergoeding van toepassing is, dat op juiste wijze is aangemeld (of op onjuiste wijze, indien Unibail de Aanmelding desalniettemin aanvaardt) en geleverd onder de voorwaarden en bepalingen van het Ruilbod
<b>Initiële Ruilverhouding</b>	de Initiële Aandelen Ruilverhouding en/of de Initiële ORA Ruilverhouding, afhankelijk van de context
<b>Fusie Protocol</b>	het fusie protocol waarover tussen Rodamco en Unibail overeenstemming is bereikt
<b>Na-aanmeldingstermijn</b>	de periode vanaf de Dag van Gestanddoening tot en met de vijftiende Euronext Handelsdag daarop volgend, zoals door Unibail zal worden aangekondigd op de Dag van Gestanddoening, onder voorbehoud dat het Ruilbod op die datum gestand wordt gedaan, welke periode wordt verwacht te lopen tot en met 10 juli 2007, ervan uitgaande dat de Aanmeldingstermijn niet eerder is verlengd en de Na-aanmeldingstermijn 13 Euronext Handelsdagen duurt
<b>Omwissel- en Betaalkantoor</b>	ABN AMRO Bank N.V.
<b>Ontwikkelingstraject</b>	onroerende zaken die worden (of zullen worden) gerealiseerd of ontwikkeld voor toekomstig gebruik als vastgoedbelegging
<b>ORA Ruilverhouding</b>	0,5223 van een Unibail ORA in ruil voor elk Aandeel Rodamco waarop de ORA Vergoeding van toepassing is, dat op juiste wijze is aangemeld (of op onjuiste wijze, indien Unibail de Aanmelding desalniettemin aanvaardt) en geleverd onder de voorwaarden en bepalingen van het Ruilbod
<b>ORA Vergoeding</b>	de Unibail ORAs die worden geleverd aan een Rodamco Aandeelhouder die er voor gekozen heeft om Unibail ORAs te ontvangen met betrekking tot alle of een deel van de Aandelen Rodamco die hij op juiste wijze heeft aangemeld (of op onjuiste wijze, indien Unibail de Aanmelding desalniettemin aanvaardt) onder de voorwaarden en bepalingen van het Ruilbod, in de aantallen zoal bepaald op basis van de Ruilverhouding
<b>Overdracht</b>	de overdracht, in overeenstemming met de voorwaarden en bepalingen van het Ruilbod, van het aantal Aandelen Unibail en Unibail ORAs aan de Rodamco Aandeelhouders die Aandelen Rodamco hebben aangemeld, in ruil voor deze Aandelen Rodamco, corresponderend met de relevante Vergoeding
<b>Paragraaf</b>	een paragraaf van dit Biedingsbericht
<b>PGGM</b>	Stichting Pensioenfonds voor de gezondheid, geestelijke en maatschappelijke belangen
<b>Prospectus</b>	het prospectus met betrekking tot de uitgifte en notering aan Euronext Amsterdam en Euronext Parijs met een maximum aantal van 46.818.602 (zesenzeventig miljoen achthonderdenachtienduizend zeshonderdentwee) Aandelen Unibail en 9.363.720 (negen miljoen driehonderdzestigduizend zeshonderdentwintig) Unibail ORAs waaraan de AMF op 16 mei 2007 visum No. 07-152 toekeende, bestaande uit (i) het Registratiedocument en (ii) de Verrichtingsnota
<b>PwC</b>	PricewaterhouseCoopers Accountants N.V.

<b>Raad van Bestuur</b>	de raad van bestuur van Rodamco
<b>Raad van Commissarissen</b>	de raad van commissarissen van Rodamco
<b>Registratiedocument</b>	het <i>document de référence</i> dat op 13 maart 2007 door Unibail under No. D. 07-0169 ter goedkeuring is voorgelegd aan de <i>Autorité des Marchés Financiers</i> , onderdeel van het Prospectus waaraan de AMF op 18 mei 2007 visum No. 07-152 toekende
<b>Rodamco</b>	Rodamco Europe N.V., een naamloze vennootschap naar Nederlands recht, met statutaire zetel in Rotterdam, en, afhankelijk van de context, haar groepsmaatschappijen (zoals gedefinieerd in artikel 24b van Boek 2 van het Burgerlijk Wetboek) en elke andere deelneming, samenwerking, onderneming en/of entiteit waarin Rodamco en/of haar groepsmaatschappijen een significant economisch belang heeft
<b>Rodamco Aandeelhouder</b>	houder van één of meer Aandelen Rodamco
<b>Rodamco BAVA</b>	de buitengewone algemene vergadering van Rodamco Aandeelhouders, te houden op 6 juni 2007, of een verdaging daarvan, waarin onder meer het Ruilbod zal worden besproken in overeenstemming met het bepaalde in artikel 9q Bte 1995
<b>Rodamco Slotdividend 2006</b>	een bedrag van EUR 2,34 (twee euro vierendertig) aan finaal dividend verbonden aan de Aandelen Rodamco in het boekjaar 2006 dat is uitgekeerd aan de Rodamco Aandeelhouders op 8 mei 2007
<b>Ruilbod</b>	het openbaar bod uitgebracht door Unibail op alle uitstaande Aandelen Rodamco in ruil voor Aandelen Unibail en/of, naar keuze van elke Rodamco Aandeelhouder, Unibail ORAs, onder de voorwaarden en bepalingen zoals beschreven in dit Biedingsbericht
<b>Ruilverhouding</b>	de Aandelen Ruilverhouding en/of de ORA Ruilverhouding, afhankelijk van de context
<b>SIIC</b>	<i>sociétés d'investissements immobiliers cotées</i>
<b>SIIC Regime</b>	heeft de betekenis waarnaar wordt verwezen in Paragraaf 13.22
<b>Tijdelijke Vrijstelling Overnamebiedingen</b>	de Tijdelijke Vrijstellingsregeling Overnamebiedingen
<b>Toegelaten Instellingen</b>	de tot Euronext Amsterdam toegelaten instellingen
<b>Uiterste Dag van Aanmelding</b>	de datum en tijdstip waarop het Ruilbod afloopt, zijnde 20 juni 2007, om 15.00 uur CEST, of, indien de Aanmeldingstermijn is verlengd, de laatste datum en tijdstip tot wanneer de Aanmeldingstermijn is verlengd
<b>Unibail</b>	Unibail Holding S.A., een vennootschap ( <i>société anonyme</i> ) naar Frans recht, met statutaire zetel in Parijs, en, afhankelijk van de context, haar dochtermaatschappijen (een maatschappij als beschreven in artikel L.233-1 van de Franse Code Civil) en elke andere deelneming, samenwerking, onderneming en/of entiteit waarin Unibail en/of haar groepsmaatschappijen een significant economisch belang heeft
<b>Unibail Aandeelhouder</b>	houder van één of meer Aandelen Unibail
<b>Unibail BAVA</b>	de buitengewone algemene vergadering van Unibail Aandeelhouders, te houden op 21 mei 2007, of een verdaging daarvan, of opnieuw bijeengeroepen vergadering, ten behoeve van onder meer de goedkeuring van de uitgifte van de Aandelen Unibail en de Unibail ORAs na gestanddoening van het Ruilbod
<b>Unibail Interim-dividend 2006</b>	een bedrag van EUR 1,00 (één euro) aan interim-dividend verbonden aan de Aandelen Unibail, dat is uitgekeerd aan de Unibail Aandeelhouders op 16 april 2007

<b>Unibail ORAs</b>	de obligaties ( <i>Obligations Remboursable en Actions</i> ), die te converteren en af te lossen zijn in Aandelen Unibail in overeenstemming met de daaraan verbonden voorwaarden en bepalingen, uit te geven door Unibail als gevolg van het Ruilbod
<b>Unibail Slotdividend 2006</b>	een bedrag van EUR 2,00 (twee euro) aan Unibail finaal dividend in het boekjaar 2006, verwacht uit te keren aan de Unibail Aandeelhouders in juli 2007
<b>Vergoeding</b>	de Aandelen Vergoeding en/of de ORA Vergoeding, afhankelijk van de context
<b>Verrichtingsnota</b>	de <i>note d'opération</i> uitgegeven door Unibail, onderdeel van het Prospectus waaraan de AMF op 18 mei 2007 visum No. 07-152 toekende
<b>Voorwaarden</b>	de voorwaarden uiteengezet in Paragraaf 13.7
<b>Wet Vpb</b>	de wet op de vennootschapsbelasting 1969
<b>Werkdag</b>	een dag waarop banken gebruikelijk geopend zijn in Nederland en Frankrijk

### 13.3 Voorgeschiedenis van het Ruilbod

Op 10 April 2007 kondigden Rodamco en Unibail gezamenlijk aan dat de verwachting gerechtvaardigd was dat overeenstemming kon worden bereikt, over een combinatie van de beide ondernemingen door middel van een bod van Unibail op de Rodamco Aandelen. Vervolgens ondertekenden Unibail en Rodamco het Fusie Protocol. Sommige bepalingen van het Fusie Protocol zijn opgenomen of anderszins weergegeven in dit Biedingsbericht, zie daarover Paragraaf 4.12.

De voorgenomen transactie werd op 17 april 2007 aangemeld bij de Franse mededingingsautoriteit. Goedkeuring wordt verwacht binnen vijf weken vanaf die datum.

Unibail heeft, door het bijeenroepen van de Unibail BAVA (zie ook Paragraaf 4.6) bij convocatie (*avis de convocation*) van 4 mei 2007, overeenkomstig artikel 6, paragraph 1 sub a Tijdelijke Vrijstellingsregeling Overnamebiedingen alle redelijke maatregelen genomen om er voor te zorgen dat zij de Vergoeding kan verstrekken om het Ruilbod gestand te kunnen doen.

### 13.4 Het Ruilbod

Het Ruilbod is onderworpen aan voorwaarden en andere bepalingen. Hiervoor wordt verwezen naar Hoofdstuk 3 (*Invitation to Rodamco Shareholders*) en Hoofdstuk 4 (*Explanation of the Exchange Offer*).

In ruil voor ieder Aandeel Rodamco dat op juiste wijze binnen de Aanmeldingstermijn (of op onjuiste wijze, indien Unibail de aanmelding daarvan niettemin accepteert) wordt aangemeld en geleverd, biedt Unibail 0,5223 Aandelen Unibail (de "Aandelen Ruilverhouding") en/of, naar keuze van de Rodamco Aandeelhouder die Rodamco Aandelen aanmeldt met inachtneming van de beperkingen en toewijzingsprocedures zoals beschreven in Paragraaf 3.1.2, 0,5223 Unibail ORA (de "ORA Ruilverhouding" en, tezamen met de Aandelen Ruilverhouding de "Ruilverhouding"). De Ruilverhouding is vastgesteld op basis van de Initiële Ruilverhouding van 0,5300 Aandelen Unibail en/of 0,5300 Unibail ORA in ruil voor ieder Aandeel Rodamco dat op juiste wijze (of op onjuiste wijze, indien Unibail de aanmelding daarvan niettemin accepteert) binnen de Aanmeldingstermijn wordt aangemeld en geleverd, aangepast voor de financiële impact van zowel het Rodamco Slotdividend 2006 (zoals gedefinieerd in Paragraaf 3.1.1) als het Unibail Interim-dividend 2006 (zoals gedefinieerd in Paragraaf 3.1.1), dat is uitgekeerd aan de Rodamco Aandeelhouders respectievelijk de Unibail Aandeelhouders.

Voor de berekening van de Ruilverhouding is er van uitgegaan dat de Dag van Overdracht vóór de "ex-dividend" datum en uitkering van het Unibail Slotdividend 2006 (als bedoeld in Paragraaf 3.1.1) ligt, en is aangenomen dat Rodamco en/of Unibail geen buitengewoon dividend of andere uitkeringen aan hun respectievelijke aandeelhouders hebben gedaan of vastgesteld, en dat Rodamco en/of Unibail geen veranderingen in hun aandelenkapitaal hebben doorgevoerd, of een besluit daartoe hebben genomen of dit op andere enige andere wijze zijn overeengekomen, die de waarde van de Vergoeding beïnvloedt. Als één van deze aannames onjuist blijkt te zijn, zal de Ruilverhouding van EUR 0,5223 worden aangepast overeenkomstig de in Paragraaf 3.12 genoemde en toegelichte formule.

De waarde van (het deel van) een Aandeel Unibail, aangeboden onder de voorwaarden en bepalingen van het Ruilbod voor ieder Aandeel Rodamco, is gelijk aan de waarde van (het deel van) een Unibail ORA aangeboden onder de voorwaarden en bepalingen van het Ruilbod voor ieder Aandeel Rodamco op de Dag van Overdracht.

Op basis van Unibails slotkoers op 5 april 2007 (de laatste Werkdag voor de initiële aankondiging van het voornemen van Unibail om het Ruilbod te doen) van EUR 235,50 per Aandeel Unibail, aangepast vanwege de uitkering van het Unibail Interim-dividend 2006, wordt de waarde van ieder Aandeel Rodamco bij toepassing van de Ruilverhouding van 0,5223 per Aandeel Unibail of Unibail ORA Unibail voor ieder Aandeel Rodamco vastgesteld op EUR 122,48 na uitkering van het Rodamco Slotdividend 2006, resulterende in een totale vergoeding van EUR 124,82.

De Ruilverhouding vertegenwoordigt:

- een premie van 15,4%, uitgaande van de onveranderde slotkoers van Unibail en Rodamco op 5 april 2007, gecorrigeerd vanwege Unibail 2006 Interim-dividend en Rodamco 2006 Slotdividend;
- een premie van 15,5%, uitgaande van Unibails en Rodamco's volume gewogen gemiddelde aandelenkoers gedurende één maand, eindigend op 5 april 2007, gecorrigeerd vanwege Unibail 2006 Interim-dividend en Rodamco 2006 Slotdividend;
- een premie van 8,5%, uitgaande van Unibails en Rodamco's volume gewogen gemiddelde aandelenkoers gedurende drie maanden, eindigend op 5 april 2007, gecorrigeerd vanwege Unibail 2006 Interim-dividend en Rodamco 2006 Slotdividend.

Voor een verdere uitleg omtrent de aanpassing van de Initiële Ruilverhouding naar de Ruilverhouding wordt verwezen naar Paragraaf 3.1.1, en voor een financiële analyse van de Ruilverhouding wordt verwezen naar Paragraaf 4.5.

### **13.5 Keuze tussen Aandelen Vergoeding en ORA Vergoeding**

#### ***Keuze***

Met inachtneming van de hieronder beschreven beperkingen en toewijzingsprocedures, kunnen Rodamco Aandeelhouders er, overeenkomstig de in Paragraaf 3.2 voorgeschreven procedure, voor kiezen om in plaats van de Aandelen Vergoeding de ORA Vergoeding te ontvangen in ruil voor (een deel van) de Aandelen Rodamco die zij aanmelden. Rodamco Aandeelhouders die Aandelen Rodamco aanbieden zonder deze keuze te maken worden geacht uitsluitend voor de Aandelen Vergoeding te hebben gekozen. Het is niet nodig dat een Rodamco Aandeelhouder zijn Aandelen Rodamco aanmeldt in een aantal dat deelbaar is door de Ruilverhouding. Zie Paragraaf 13.6 over de wijze waarop met fracties van aandelen wordt omgegaan.

#### ***Maximum aantal Unibail ORAs***

Voor de ORA Vergoeding zal een maximum aantal van 9.363.720 (negen miljoen driehonderddrieënzestigduizend zevenhonderdentwintig) Unibail ORAs beschikbaar worden gesteld, zijnde 20% van de Vergoeding zoals in totaal aangeboden in ruil voor alle Aandelen Rodamco. In geval van overtekening op de ORA Vergoeding door Rodamco Aandeelhouders (d.w.z. wanneer het totaal aantal Unibail ORAs dat zou moeten worden uitgegeven in ruil voor Aandelen Rodamco ten aanzien waarvan een juiste keuze voor de ORA Vergoeding is gemaakt, groter zou zijn dan het maximum beschikbare aantal van 9.363.720 Unibail ORAs), zullen de Unibail ORAs naar evenredigheid worden toegewezen aan de Rodamco Aandeelhouders die hebben gekozen voor de ORA Vergoeding (naar beneden afgerond op hele aantallen). Voor de overige aangemelde Aandelen Rodamco, die niet zullen worden geruild tegen Unibail ORAs, zullen Rodamco Aandeelhouders de Aandelen Vergoeding ontvangen (zie Paragraaf 3.1).

Indien en voor zover Unibail ORAs bij Overdracht zijn toegewezen aan Rodamco Aandeelhouders die gedurende de Aanmeldingstermijn Aandelen Rodamco hebben aangemeld en hebben gekozen voor toepassing van de ORA Vergoeding, zullen deze Unibail ORAs niet meer beschikbaar zijn voor Rodamco Aandeelhouders die hun Aandelen Rodamco aanmelden gedurende de Na-aanmeldingstermijn. Rodamco Aandeelhouders die hun Aandelen Rodamco niet aanmelden voor het Ruilbod gedurende de Aanmeldingstermijn moeten zich daarom bewust zijn van het risico dat zij geen Unibail ORAs meer kunnen verkrijgen gedurende de Na-aanmeldingstermijn.

#### ***Verwatering***

Ervan uitgaande dat alle Aandelen Rodamco zullen worden aangemeld onder het Ruilbod en dat alle Rodamco Aandeelhouders zullen kiezen voor toepassing van de Aandelen Vergoeding, zal een totaal aantal van 46.818.602 (zesenveertig miljoen achthonderdenachtenduizend zeshonderdentwee) Aandelen Unibail worden uitgegeven bij

Overdracht. In dat geval zal het aantal uitgegeven Aandelen Unibail toenemen van 46.145.857 tot 92.964.459 en zal het uitstaande nominale aandelenkapitaal van Unibail toenemen met EUR 234.093.010, van EUR 230.729.285 tot EUR 464.822.295. In dit scenario vertegenwoordigt het maximum aantal van 46.818.602 Aandelen Unibail dat aan Rodamco Aandeelhouders zal worden uitgegeven bij Overdracht ongeveer 50,4% van het nominale aandelenkapitaal en de stemrechten van Unibail uitstaande op de Dag van Overdracht.

Ervan uitgaande dat alle Aandelen Rodamco zullen worden aangemeld onder het Ruilbod en dat een zodanig aantal Rodamco Aandeelhouders kiest voor toepassing van de ORA Vergoeding dat het maximum aantal van 9.363.720 Unibail ORAs wordt uitgegeven, zal een totaal aantal van 37.454.882 Aandelen Unibail worden uitgegeven bij Overdracht. In dat geval zal het aantal uitgegeven Aandelen Unibail toenemen van 46.145.857 tot 83.600.739 en zal het uitstaande nominale aandelenkapitaal van Unibail toenemen met EUR 187.274.410, van EUR 230.729.285 tot EUR 418.003.695. In dit scenario vertegenwoordigt het aantal van 37.454.882 Aandelen Unibail dat aan Rodamco Aandeelhouders zal worden uitgegeven bij Overdracht ongeveer 44,8% van het nominale aandelenkapitaal en de stemrechten van Unibail uitstaande op de Dag van Overdracht. Indien alle in dit scenario uitgegeven Unibail ORAs onmiddellijk na Overdracht zouden worden geconverteerd volgens de Conversieverhouding (één Aandeel Unibail voor één Unibail ORA, zie Paragraaf 11.8.2), maar zonder dat eventuele andere bestaande opties op Aandelen Unibail worden uitgeoefend, zou het nominale aandelenkapitaal van Unibail toenemen tot hetzelfde getal als hierboven in deze Paragraaf beschreven in het scenario waarbij alle Aandelen Rodamco bij het Ruilbod worden aangemeld en waarbij alle Rodamco Aandeelhouders kiezen voor de Aandelen Vergoeding, zijnde een toename van EUR 46.818.600 (een toename in het nominale uitstaande aandelenkapitaal van Unibail van EUR 418.003.695 naar EUR 464.822.295) en waarbij de uit te geven Aandelen Unibail in geval van een dergelijke conversie bij Overdracht ongeveer 10,1% van het nominale aandelenkapitaal en de stemrechten van Unibail zou vertegenwoordigen.

### **13.6 Fracties**

Er zullen geen fracties van Aandelen Unibail of Unibail ORAs worden uitgegeven aan Rodamco Aandeelhouders die hun Aandelen Rodamco op juiste wijze aanmelden onder het Ruilbod (of op onjuiste wijze, indien Unibail de aanmelding desalniettemin aanvaardt). Toegelaten Instellingen die namens hun cliënten Aandelen Rodamco aanbieden onder het Ruilbod, zullen rechten op fracties van Unibail ORAs naar beneden afronden (en contanten in plaats van fracties aan hun cliënten doen toekomen), en ofwel rechten op fracties van Aandelen Unibail naar beneden afronden (en contanten in plaats van fracties aan hun cliënten doen toekomen), ofwel dergelijke rechten op fracties van Aandelen Unibail naar boven afronden (onder de voorwaarde dat cliënten de daarvoor benodigde contanten aan de Toegelaten Instellingen doen toekomen), telkens overeenkomstig de gebruikelijke praktijk van de Toegelaten Instellingen. Elke Toegelaten Instelling die Aandelen Rodamco aanmeldt en levert onder het Ruilbod wordt geacht het totaal van de naar beneden afgeronde fracties van aandelen te verrekenen met het totaal van de naar boven afgeronde fracties van aandelen. De prijs in Euro waartegen fracties van aandelen worden verkocht of gekocht, zal zijn gebaseerd op de gemiddelde prijs waartegen de aanbiedende Toegelaten Instellingen het saldo van de netto fracties van aandelen kopen of verkopen op Euronext Parijs en/of Euronext Amsterdam, zoals bepaald door de relevante Toegelaten Instelling in overeenstemming met haar beleid en praktijk. Houders van Aandelen Rodamco ontvangen van de Toegelaten Instellingen contanten in euro in plaats van fracties van aandelen in het geval van een keuze van afronding naar beneden van hun rechten op fracties; in het geval van een keuze van een afronding naar boven van hun rechten op fracties wordt hen de koopprijs voor de fractie van het aandeel nodig om het dichtstbijzijnde hele Aandeel Unibail te bereiken in rekening gebracht door de Toegelaten Instelling. Voor alle duidelijkheid, rechten op fracties van Unibail ORAs kunnen niet naar boven worden afgerond.

### **13.7 Voorwaarden**

De verplichting van Unibail het Ruilbod gestand te doen en de op juiste wijze aangemelde en geleverde Aandelen Rodamco te aanvaarden, is afhankelijk van de vervulling van de volgende Voorwaarden, behoudens, voor zover dit is toegestaan, van bepaalde Voorwaarden afstand is gedaan door Rodamco en/of Unibail, (zie Paragraaf 4.2):

- a. het aantal Aandelen Rodamco dat is aangemeld onder het Ruilbod, tezamen met de Aandelen Rodamco die op dat moment rechtstreeks of indirect door Unibail worden gehouden, vertegenwoordigt ten minste 60% (zestig procent) van het geplaatste kapitaal van Rodamco dat op de Uiterste Dag van Aanmelding wordt gehouden door anderen dan Rodamco;
- b. er heeft zich geen Belangrijke Negatieve Verandering met betrekking tot Rodamco voorgedaan en evenmin is er een Belangrijke Negatieve Verandering met betrekking tot Rodamco kenbaar geworden bij Unibail na de datum van dit Biedingsbericht en voor de Dag van Gestanddoening;

Een Belangrijke Negatieve Verandering met betrekking tot Rodamco betreft ieder geval of omstandigheid die resulteert in, of waarvan redelijkerwijs te verwachten is dat deze zal leiden tot een belangrijke negatieve verandering van Rodamco's onderneming, activa, resultaten, cash flow, financiële positie, kapitalisatie of vooruitzichten, of de gecombineerde ondernemingen van Rodamco en Unibail na implementatie van het Ruilbod, die de voor eenieder en haar aandeelhouders in redelijkheid vanaf 10 april 2007 te verwachten economische voordelen, gegenereerd uit de combinatie van Unibail en Rodamco, substantieel zouden kunnen aantasten, en die niet zijn opgekomen als een gevolg van:

- i. een algemene economische teruggang, of een teruggang in ondernemingen in vastgoedinvestering en -management, die geen buitenproportionele gevolgen hebben voor Rodamco;
  - ii. een aangelegenheid die bekend is bij Unibail op 10 april 2007 uit informatie die door Rodamco algemeen kenbaar is gemaakt of redelijkerwijs kenbaar is uit de door Rodamco voor 10 april 2007 verstrekte schriftelijke informatie; of
  - iii. het aankondigen, uitbrengen, gestand doen of voltooien van het Ruilbod;
- c. er heeft zich geen Belangrijke Negatieve Verandering met betrekking tot Unibail voorgedaan en evenmin is er een Belangrijke Negatieve Verandering met betrekking tot Unibail kenbaar geworden bij Rodamco na de datum van dit Biedingsbericht en voor de Dag van Gestanddoening;

Een Belangrijke Negatieve Verandering met betrekking tot Unibail betreft ieder geval of omstandigheid die resulteert in, of waarvan redelijkerwijs te verwachten is dat deze zal leiden tot een belangrijke negatieve verandering van Unibail's onderneming, activa, resultaten, cash flow, financiële positie, kapitalisatie of vooruitzichten, of de gecombineerde ondernemingen van Rodamco en Unibail na implementatie van het Ruilbod, die de voor een doelvennootschap en haar aandeelhouders in redelijkheid vanaf 10 april 2007 te verwachten economische voordelen, gegenereerd uit de combinatie van Unibail en Rodamco, substantieel zouden kunnen aantasten, en die niet zijn opgekomen als een gevolg van:

- i. een algemene economische teruggang, of een teruggang in ondernemingen in vastgoedinvestering en -management, die geen buitenproportionele gevolgen hebben voor Unibail;
  - ii. een aangelegenheid die bekend is bij Rodamco op 10 april 2007 uit informatie die door Unibail algemeen kenbaar is gemaakt of redelijkerwijs kenbaar is uit de door Unibail voor 10 april 2007 verstrekte schriftelijke informatie; of
  - iii. het aankondigen, uitbrengen, gestand doen of voltooien van het Ruilbod;
- d. op of voor de Dag van Gestanddoening heeft Rodamco geen materiële inbreuk gemaakt op het Fusie Protocol, of, voor zover een zodanige inbreuk zich heeft voorgedaan, deze niet binnen 1 (één) week na ontvangst van een schriftelijke aanmaning van Unibail is hersteld door Rodamco, met dien verstande dat Rodamco niet gerechtigd zal zijn tot een zodanig herstel, indien de inbreuk niet hersteld kan worden voor de Uiterste Dag van Aanmelding;
- e. op of voor de Dag van Gestanddoening heeft Unibail geen materiële inbreuk gemaakt op het Fusie Protocol, of, voor zover een zodanige inbreuk zich heeft voorgedaan, deze niet binnen 1 (één) week na ontvangst van een schriftelijke aanmaning van Rodamco is hersteld door Unibail, met dien verstande dat Unibail niet gerechtigd zal zijn tot een zodanig herstel, indien de inbreuk niet hersteld kan worden voor de Uiterste Dag van Aanmelding;
- f. op of voor de Dag van Gestanddoening is het Fusie Protocol niet beëindigd op grond van de beëindigingsbepalingen die daarin zijn opgenomen, mitsdien als:
- i. één of meer Voorwaarden niet vervuld zijn, of daarvan afstand is gedaan op of vóór de zestiende Werkdag na de publicatiedatum van dit Biedingsbericht, behoudens dat de niet-vervulling van de relevante Voorwaarde(n) niet gelegen mag zijn in de wanprestatie van de beëindigende partij van enige van zijn verplichtingen uit het Fusie Protocol, of elke andere overeenkomst die daaruit voortvloeit;
  - ii. zich een materiële inbreuk van het Fusie Protocol door een partij voordoet, die niet is hersteld door de tekortkomende partij binnen één week na de ontvangst van een schriftelijke aanmaning van de beëindigende partij, behoudens dat de tekortkomende partij niet gerechtigd zal zijn tot een zodanige hersteltermijn indien de inbreuk onherstelbaar is;
  - iii. geen herzien bod is gedaan door Unibail na een hoger bod op Rodamco door een derde partij, of indien geen herzien fusievoorstel door Rodamco is gedaan na een hoger bod op Unibail door een derde partij; of

- iv. een beëindiging wederzijds overeen is gekomen tussen Unibail en Rodamco in het geval dat, vanwege voorstellen van derden of veranderingen in (fiscale) regelgeving die niet bekend waren op de datum van dit Biedingsbericht, een alternatieve transactie of transactiestructuur kan worden bereikt door Unibail en Rodamco die gunstiger zou kunnen zijn voor Rodamco en de Rodamco Aandeelhouders en Unibail en de Unibail Aandeelhouders dan het Ruilbod;
- g. op of voor de Dag van Gestanddoening is er (x) geen bevel, schorsing, vonnis of besluit gegeven of verstrekt door een rechter, arbitragecommissie, overheid, overheidsinstantie of andere toezichthoudende of administratieve instantie die van toepassing is en blijft; noch is er (y) enig(e) wet, regel, regeling, bevel of verbod van overheidswege van kracht geworden, in de wet opgenomen, ten uitvoer gelegd of van toepassing geacht op het Ruilbod, welke in ieder geval van (x) en (y) het Ruilbod belemmert, verbiedt of vertraagt, of waarvan redelijkerwijs aannemelijk is dat deze de uitvoering van het Ruilbod in enige materiële zin zal belemmeren, verbieden of vertragen;
- h. op of voorafgaand aan de Dag van Gestanddoening is geen kennisgeving ontvangen van de AFM dat het Ruilbod is gedaan in strijd met een of meer bepalingen als uiteengezet in hoofdstuk IIa Wte 1995, en dat op grond van artikel 32a Bte 1995 effecteninstellingen geen medewerking zouden mogen verlenen aan de afwikkeling van het Ruilbod;
- i. op of voorafgaand aan de Dag van Gestanddoening is de handel in de Aandelen Unibail en/of Aandelen Rodamco op Eurolist door Euronext Parijs en/of Euronext Amsterdam niet permanent geschorst als gevolg van een noteringsmaatregel genomen door Euronext Parijs en/of Euronext Amsterdam in overeenstemming met artikel 690I/2 van Euronext Rulebook I (Geharmoniseerde Regels);
- j. op of voorafgaand aan de Dag van Gestanddoening heeft de Algemene Vergadering van de Unibail Aandeelhouders (of elke verdaging of nieuwe bijeenroeping daarvan) de benodigde besluiten genomen betreffende: (i) de goedkeuring van de kapitaalvermeerdering van Unibail door de uitgifte van de Aandelen Unibail; (ii) de goedkeuring van de uitgifte van Unibail ORAs; en (iii) de vaststelling van de structuur van ondernemingsbestuur zoals uiteengezet in Paragraaf 4.7; en
- k. op of voorafgaand aan de Dag van Gestanddoening hebben Euronext Parijs en Euronext Amsterdam schriftelijk bevestigd dat de Aandelen Unibail en de Unibail ORAs zijn toegelaten of uiterlijk op de Dag van Overdracht zullen worden toegelaten tot handel en notering op Eurolist door Euronext Parijs en Euronext Amsterdam.

### 13.8 Motivering van het Ruilbod

#### *Het creëren van een toonaangevend pan-Europees commerciële vastgoedonderneming*

De combinatie van Unibail en Rodamco na voltooiing van het Ruilbod (de "Gecombineerde Entiteit") zal de meest toonaangevende pan-Europese commerciële vastgoedonderneming opleveren, met een totale pro forma portfolio van ongeveer EUR 22 miljard<sup>31</sup> in waarde van onroerend goed en EUR 974 miljoen aan netto huuropbrengsten.

De Gecombineerde Entiteit zal met een belang van 73% van de portfolio in winkelcentra voornamelijk gericht zijn op retail. De op de kantorenmarkt opgerichte activiteiten van de Gecombineerde Entiteit (20% van de portfolio), grotendeels betrekking hebbende op de Parijse markt en de congres- en tentoonstellingsactiviteiten (7% van de portfolio – inclusief hotels en logistiek verantwoordelijk voor 1% van de gecombineerde waarde van de portfolio) zullen de potentiële waardetoeename van de Gecombineerde Entiteit verder bevorderen.

De Gecombineerde Entiteit zal profiteren van:

- Een uniek netwerk van 95 eersteklas winkelcentra met een totale oppervlakte van 3,3 miljoen vierkante meter en een geschatte waarde van EUR 15,9 miljard<sup>31</sup>, met een leidende positie in toonaangevende Europese markten, met name de Franse, Nederlandse, Spaanse en Zweedse markt, aangevuld met een sterke positie in snel groeiende, opkomende markten (Centraal Europa en Brussel);
- Een kantoorruimte portfolio van eersteklas kwaliteit met een totale oppervlakte van 628.378 vierkante meter en een waarde van EUR 4,5 miljard<sup>31</sup> (waarde op 31 december 2006), voornamelijk gelegen in Parijs, historisch gezien één van de meest veerkrachtige markten van Europa én een markt met significante groeipotentie, gecombineerd met aantrekkelijke ontwikkelingsprojecten in La Défense;

<sup>31</sup> Inclusief de pijplijn met ontwikkelingsprojecten gewaardeerd tegen kosten op 31 december 2006.

- Een duidelijk zichtbaar Ontwikkelingstraject van retail en kantoorruimte van meer dan 1,5 miljoen vierkante meter oppervlakte met een geschatte investeringswaarde van EUR 6,1 miljard (waarvan 72% retail en 28% voornamelijk kantoorruimte); en
- Het netwerk van door Unibail beheerde congres- en tentoonstellingscentra in de regio Parijs, bekend onder de naam Paris Expo, welk netwerk de Gecombineerde Entiteit additionele groeimogelijkheden biedt. De beoogde fusie van de congres- en tentoonstellingsactiviteiten van Unibail en de CCIP kan de potentie van deze activiteiten verder versterken.

### ***Substantiële waardestelling op termijn***

De Gecombineerde Entiteit zal een eenduidige marketing en retail management strategie ontwikkelen voor de gehele pan-Europese portfolio. Belangrijke methodes om de waarde te laten stijgen zullen onder meer omvatten:

- De implementatie van een pan-Europese marketing en retail management aanpak gericht op het stimuleren van bezoeken en verkopen om zo meer huuropbrengsten te genereren uit de bestaande retail portfolio; en
- Het benutten van het ongeëvenaarde aantal van 700 miljoen bezoeken per jaar om verdere marketing opbrengsten te genereren (bijv. kiosken, poster advertenties, verkoopautomaten en promotiecampagnes).

Deze marketingstrategie zal naar verwachting een toename van netto huuropbrengsten opleveren van EUR 40 tot EUR 65 miljoen in 2012.

Verder kan de Gecombineerde Entiteit door gebruikmaking van Unibail's beproefde eigen ontwikkelingsexpertise in combinatie met Rodamco's uitgebreide pan-Europese netwerk van toonaangevende winkelcentra, de groei van ontwikkelingstrajecten versnellen en de kapitaaluitgaven optimaliseren. Daarnaast zal de Gecombineerde Entiteit door het delen van *best practices* nog meer waarde weten te creëren over de gehele Ontwikkelaar-Investeerder-Manager waardeketen.

De Gecombineerde Entiteit zal de nieuwe groep ook de mogelijkheid bieden te profiteren van Rodamco's bestaande pan-Europese platform om de waardegroei en ontwikkeling van de pijplijn van verwachte projecten te ondersteunen.

Voor een analyse van de achtergronden en beweegredenen voor het Ruilbod wordt verwezen naar Paragraaf 4.4.

## **13.9 Dividendenbeleid**

Het dividendbeleid van de Gecombineerde Entiteit zal onder andere worden gebaseerd op de financiële resultaten, de financiële structuur en het investeringsbeleid van de groep, alsook de uitkeringsvereisten van de fiscale regimes die van toepassing zijn op de Gecombineerde Entiteit.

De voorgestelde doelstelling van de Gecombineerde Entiteit is een pro forma dividendbeleid, met kwartaaluitkeringen in lijn met Rodamco's dividendbetalingen in de bandbreedte van 89%-95% van de recurrente inkomsten, zodat Rodamco Aandeelhouders ten gevolge van de combinatie van Unibail en Rodamco niet zullen lijden onder een vermindering van dividendinkomsten. De Gecombineerde Entiteit beoogt voordelen voor aandeelhouders te genereren uit aanhoudende en groeiende inkomsten op de lange termijn.

De Gecombineerde Entiteit zal zijn onderworpen aan specifieke uitkeringsvereisten onder het SIIC Regime en het FBI Regime. Verwezen zij naar Paragraaf 13.22, en voorts naar Paragraaf 11.6 voor een beschrijving van het SIIC Regime en naar Paragraaf 10.12 voor een beschrijving van het FBI Regime.

### **13.10 Aanbeveling van de Raad van Commissarissen en de Raad van Bestuur van Rodamco**

De Raad van Commissarissen en de Raad van Bestuur van Rodamco (met uitzondering van dhr. K. Terry Dornbush, die om persoonlijke redenen is afgetreden als lid van de Raad van Commissarissen en zich van stemming heeft onthouden) steunen het Ruilbod unaniem en bevelen de Rodamco Aandeelhouders aan om hun Aandelen Rodamco in ruil voor de Aandelen Vergoeding aan te melden.

### **13.11 Aandelenbezit en onherroepelijke aanbieding van Aandelen Rodamco**

De onderstaande tabel geeft details weer van aandelenbelangen en aantal aandelen en op basis daarvan geschatte stemrecht, zoals opgenomen in het jaarverslag 2006 van Rodamco.



**Rodamco's aandeelhoudersstructuur  
per 31 december 2006**

	Kapitaal		Stemrecht	
	Aantal	%	Aantal	%
PGGM .....	21.961.627	24,5%	21.961.627	24,5%
Stichting Pensioenfonds ABP .....	10.380.230	11,6%	10.380.230	11,6%
AEGON N.V. ....	5.010.836	5,6%	5.010.836	5,6%
Werknemers .....	51.888	0,1%	51.888	0,1%
Overige Rodamco Aandeelhouders .....	52.234.711	58,3%	52.234.711	58,3%
Ingekochte aandelen .....	—	—	—	—
<b>Totaal .....</b>	<b>89.639.292</b>	<b>100,0%</b>	<b>89.639.292</b>	<b>100,0%</b>

Op basis van informatie verstrekt door PGGM aan Rodamco op 23 april 2007 houdt PGGM 21.887.486 Aandelen Rodamco, dat wil zeggen 24,42 % van het nominale aandelenkapitaal.

Op de publicatiedatum van dit Biedingsbericht houden drie leden van de Raad van Bestuur in totaal van 17.830 (2005: 34.065) Aandelen Rodamco: 9.970 Aandelen Rodamco worden gehouden door Maarten Hulshoff; 4.428 Aandelen Rodamco door Joost Bomhoff; en 3.432 Aandelen Rodamco werden gehouden door Willem Ledeboer. Op de publicatiedatum van dit Biedingsbericht houdt Mr. J.W.B. Westerburchen, lid van de Raad van Commissarissen, 1.272 Rodamco Shares.

PGGM en de hierboven genoemde leden van de Raad van Bestuur en de Raad van Commissarissen hebben zich verbonden om, indien het Ruilbod wordt gedaan, de door hen gehouden Aandelen Rodamco aan te melden onder dezelfde voorwaarden en bepalingen van het Ruilbod als beschreven in dit Biedingsbericht. Deze Rodamco Aandeelhouders hebben geen informatie verkregen, die relevant is voor de beoordeling van het Ruilbod door de andere aandeelhouders en niet in dit Biedingsbericht is opgenomen. Zie ook Paragraaf 4.3.

### 13.12 Aanmeldingstermijn

De Aanmeldingstermijn vangt aan op 22 mei 2007 en eindigt, behoudens verlenging van de Aanmeldingstermijn overeenkomstig artikel 9o lid 5 Bte 1995 en artikel 6 lid 1 sub d Tijdelijke Vrijstellingsregeling Overnamebiedingen, op 20 juni 2007 om 15.00 uur CEST.

In het geval dat één of meer van de Voorwaarden zoals uiteengezet in Paragraaf 4.2 niet is vervuld, mag Unibail de Aanmeldingstermijn, in bepaalde omstandigheden, met goedkeuring van Rodamco, verlengen totdat alle Voorwaarden zijn vervuld of daarvan bevoegdelijk afstand is gedaan. Gedurende een verlenging van de Aanmeldingstermijn zullen de reeds aangemelde en niet teruggetrokken Aandelen Rodamco onder het Ruilbod blijven vallen, onder voorbehoud van het recht van iedere Rodamco Aandeelhouder om Aandelen Rodamco in te trekken die hij of zij al heeft aangemeld.

Indien alle Voorwaarden zijn vervuld, of, voor zover toepasselijk, daarvan bevoegdelijk afstand is gedaan, zal Unibail alle Aandelen Rodamco aanvaarden die op juiste wijze zijn aangemeld (of op onjuiste wijze, indien Unibail de aanmelding desalniettemin aanvaardt) overeenkomstig de Aanmeldingsprocedure die is uiteengezet in Paragraaf 3.2.

### 13.13 Aanmeldingsprocedure

Rodamco Aandeelhouders wier Aandelen Rodamco deel uitmaken van het girale effectensysteem van Euroclear Nederland wordt verzocht hun Aanmelding kenbaar te maken via hun bank of effectenmakelaar, aan het Omwissel- en Betaalkantoor op uiterlijk 20 juni 2007 om 15.00 uur CEST, tenzij de Aanmeldingstermijn is verlengd conform artikel 9o lid 5 Bte 1995 en artikel 6 lid 1 sub d Tijdelijke Vrijstellingsregeling Overnamebiedingen. De betreffende bank of effectenmakelaar kan een eerdere deadline stellen voor aanmelding door Rodamco Aandeelhouders zodat deze bank of effectenmakelaar voldoende tijd heeft om de Aanmelding door te geven aan het Omwissel- en Betaalkantoor.

De desbetreffende Toegelaten Instellingen mogen de Aanmeldingen alleen indienen bij het Omwissel- en Betaalkantoor en alleen in schriftelijke vorm. Bij het indienen van de Aanmeldingen dient iedere Toegelaten Instelling (a) het aantal aangemelde Aandelen Rodamco op te geven, (b) het aantal aangemelde Aandelen Rodamco op te geven in ruil waarvoor de ORA Vergoeding is gekozen en (c) te verklaren dat: (i) zij de aangemelde Aandelen Rodamco in hun administratie hebben opgenomen; (ii) iedere Rodamco Aandeelhouder onherroepelijk garandeert dat hij/zij volledig bevoegd is om de betreffende Aandelen Rodamco aan te melden, te verkopen en te leveren, en dat hij/zij geen andere overeenkomst om de betreffende Aandelen Rodamco aan te melden, te verkopen of te leveren is aangegaan met een partij anders dan Unibail; (iii) iedere Rodamco Aandeelhouder onherroepelijk garandeert dat

hij/zij zal voldoen aan alle restricties die worden genoemd in het Biedingsbericht en het Prospectus en in effectenrechtelijke en/of andere toepasselijke wetten of regelgeving van het rechtsgebied waarin de betreffende Rodamco Aandeelhouder is gevestigd en dat geen registratie, goedkeuring of opgave bij een toezichthoudende instantie van dat rechtsgebied vereist is met betrekking tot de aanmelding van de betreffende Aandelen Rodamco; en (iv) iedere Rodamco Aandeelhouder de betreffende Aandelen Rodamco vrij van en zonder bezwaring met een pandrecht, recht op vruchtgebruik, retentierecht of andere beperkingen zal overdragen aan Unibail middels het Omwissel- en Betaalkantoor op de Dag van Overdracht, onder voorbehoud van gestanddoening van het Ruilbod.

#### **13.14 Gestanddoening van het Ruilbod**

Zo spoedig mogelijk na de Uiterste Dag van Aanmelding (ongeacht of de Aanmeldingstermijn is verlengd), maar in ieder geval niet later dan op de vijfde Euronext Handelsdag na de Uiterste Dag van Aanmelding, zal door Unibail worden aangekondigd of: (i) het Ruilbod gestand wordt gedaan; (ii) er nog steeds onzekerheid is over de vervulling van enige Voorwaarden; of (iii) dat het Ruilbod wordt ingetrokken omdat de Voorwaarden niet zijn vervuld of omdat daarvan geen afstand is gedaan door Unibail, alles met inachtneming van artikel 9t lid 4 Bte 1995.

#### **13.15 Verlenging van de Aanmeldingstermijn**

Unibail kan de Aanmeldingstermijn verlengen overeenkomstig artikel 9o lid 5 Bte 1995 en artikel 6 lid 1 sub d Tijdelijke Vrijstellingsregeling Overnamebiedingen. Indien de Aanmeldingstermijn wordt verlengd met als gevolg dat de verplichting van artikel 9t Bte 1995 om aan te kondigen of het Ruilbod al dan niet gestand wordt gedaan, wordt uitgesteld, zal dit, met inachtneming van de toepasselijke wetgeving, maar in elk geval uiterlijk op de derde Euronext Handelsdag na de oorspronkelijke Uiterste Dag van Aanmelding openbaar worden aangekondigd, met inachtneming van het bepaalde in artikel 9o lid 5 Bte 1995.

#### **13.16 Na-aanmeldingstermijn**

Indien het Ruilbod gestand wordt gedaan op de Dag van Gestanddoening, welke onder voorbehoud van verlenging van de Aanmeldingstermijn verwacht wordt 21 juni 2007 te zijn, zal Unibail een Na-aanmeldingstermijn aankondigen van uiterlijk 15 Euronext Handelsdagen. De Na-aanmeldingstermijn wordt verwacht te lopen vanaf de verwachte Dag van Gestanddoening zoals hierboven beschreven tot en met 10 juli 2007, er van uitgaande dat de Aanmeldingstermijn niet is verlengd en de Na-aanmeldingstermijn 13 Euronext Handelsdagen zal duren.

Rodamco Aandeelhouders die hun Aandelen Rodamco gedurende de Aanmeldingstermijn hebben aangemeld en welke Aandelen Rodamco onder de voorwaarden en bepalingen van het Ruilbod zijn geaccepteerd, noch Rodamco Aandeelhouders die gedurende de Na-aanmeldingstermijn Aandelen Rodamco aanmelden, hebben gedurende de Na-aanmeldingstermijn enig recht om hun aanmelding in te trekken.

Indien en voor zover de Unibail ORAs op de Dag van Overdracht zijn toegewezen aan de Rodamco Aandeelhouders die hun Aandelen Rodamco gedurende de Aanmeldingstermijn hebben aangemeld en ervoor gekozen hebben de ORA Vergoeding te ontvangen, zullen deze Unibail ORAs niet langer beschikbaar zijn onder de ORA Vergoeding aan de Rodamco Aandeelhouders, die hun Aandelen Rodamco aanmelden gedurende de Na-aanmeldingstermijn. De Rodamco Aandeelhouders, die hun Aandelen Rodamco niet hebben aangemeld onder het Ruilbod gedurende de Aanmeldingstermijn, dienen zich dan ook bewust te zijn van het risico dat dat ze geen Unibail ORAs meer kunnen verkrijgen gedurende de Na-aanmeldingstermijn.

In geval van overtekening op de ORA Vergoeding door Rodamco Aandeelhouders tijdens de Na-aanmeldingstermijn (d.w.z. wanneer het totaal aantal Unibail ORAs dat zou moeten worden uitgegeven in ruil voor Aandelen Rodamco ten aanzien waarvan een juiste keuze voor de ORA Vergoeding is gemaakt tijdens de Na-aanmeldingstermijn, groter zou zijn dan het aantal Unibail ORAs dat tijdens de Na-aanmeldingstermijn nog beschikbaar is), zullen de Unibail ORAs naar evenredigheid worden toegewezen aan de Rodamco Aandeelhouders die tijdens de Na-aanmeldingstermijn hebben gekozen voor de ORA Vergoeding (naar beneden afgerond op hele aantallen). Voor de overige tijdens de Na-aanmeldingstermijn aangemelde Aandelen Rodamco, die niet zullen worden geruild tegen Unibail ORAs, zullen Rodamco Aandeelhouders de Aandelen Vergoeding ontvangen.

#### **13.17 Overdracht**

Op de Dag van Overdracht, die in geen geval later zal zijn dan drie Euronext Handelsdagen na de Dag van Gestanddoening, behoudens dat in geval van onvoorziene omstandigheden (zoals bijvoorbeeld in geval van overmacht) Overdracht plaatsvindt zodra die omstandigheden dat toelaten, zal een zodanig aantal Aandelen Unibail en Unibail ORAs worden overgedragen aan de Rodamco Aandeelhouders die gedurende de Aanmeldingstermijn hun Aandelen Rodamco op juiste wijze hebben aangemeld (of op onjuiste wijze, indien Unibail de

aanmelding desalniettemin aanvaardt) en geleverd, als overeenstemt met de Ruilverhouding voor de betreffende aangemelde en geleverde Aandelen Rodamco.

Niet later dan drie Euronext Handelsdagen na het einde van de Na-aanmeldingstermijn, zal overeenkomstig de voorwaarden en bepalingen van het Ruilbod een zodanig aantal Aandelen Unibail en Unibail ORAs worden overgedragen aan de Rodamco Aandeelhouders die hun Aandelen Rodamco op juiste wijze hebben aangemeld (of op onjuiste wijze, indien Unibail de aanmelding desalniettemin aanvaardt) en geleverd gedurende de Na-aanmeldingstermijn, als overeenstemt met de Ruilverhouding voor de betreffende aangemelde en geleverde Aandelen Rodamco.

De nieuwe Aandelen Unibail en Unibail ORAs zullen worden opgenomen in de girale effectensystemen van Euroclear Frankrijk. De nieuwe Aandelen Unibail en Unibail ORAs zullen worden geleverd via de girale effectensystemen van Euroclear Frankrijk, Euroclear Nederland en Euroclear België.

Ontbinding of vernietiging van de Aanmeldingen, de overeenkomst tot ruil van de Aandelen Rodamco conform de Voorwaarden van het Ruilbod, de levering van Aandelen Rodamco of de Overdracht is niet toegestaan.

### **13.18 Provisie**

Levering van Aandelen Rodamco door Rodamco Aandeelhouders aan Unibail alsmede levering van Aandelen Unibail en Unibail ORAs door Unibail aan Rodamco Aandeelhouders zal voor Rodamco Aandeelhouders in principe kosteloos geschieden (hoewel Unibail niet kan uitsluiten dat Toegelaten Instellingen kosten in rekening brengen). Toegelaten Instellingen zullen van het Omwissel- en Betaalkantoor handelend namens Unibail een provisie van EUR 0,0422 ontvangen, met betrekking tot ieder Aandeel Rodamco dat op juiste wijze is aangemeld (of op onjuiste wijze, indien Unibail de aanmelding desalniettemin aanvaardt) en geleverd met een maximum van EUR 1000 (duizend euro) per Rodamco Aandeelhouder, alsmede een additionele compensatie van EUR 2,50 per cliënt voor afronding van fracties met betrekking tot Aandelen Unibail of Unibail ORAs. De provisie per Aandeel Rodamco moet binnen 30 dagen na de Dag van Gestanddoening via het Omwissel- en Betaalkantoor bij Unibail worden geclaimd.

### **13.19 Notering Aandelen Unibail en Unibail ORAs**

De Aandelen Unibail zijn genoteerd aan Euronext Parijs onder het teken "UL". Unibail heeft, onder voorwaarde van gestanddoening van het Ruilbod, bij Euronext Parijs de notering aangevraagd van de vanwege het Ruilbod uit te geven Aandelen Unibail en Unibail ORAs. De Unibail ORAs zullen worden genoteerd aan Euronext Parijs onder het teken "ULO". Onder voorwaarde van gestanddoening van het Ruilbod wordt de verhandeling van Aandelen Unibail en Unibail ORAs op de beurs van Euronext Parijs op of omstreeks de Dag van Overdracht verwacht, behoudens dat in geval van onvoorziene omstandigheden (zoals bijvoorbeeld in geval van overmacht) verhandeling plaatsvindt zodra die omstandigheden dat toelaten.

Unibail heeft, onder voorwaarde van gestanddoening van het Ruilbod, bij Euronext Amsterdam de notering aangevraagd van de vanwege het Ruilbod uit te geven Aandelen Unibail en Unibail ORAs. De Aandelen Unibail zullen worden genoteerd aan Euronext Amsterdam onder het teken "ULA". De Unibail ORAs zullen worden genoteerd aan Euronext Amsterdam onder het teken "ULO". Onder voorwaarde van gestanddoening van het Ruilbod wordt de verhandeling van Aandelen Unibail en Unibail ORAs op de beurs van Euronext Amsterdam op of omstreeks de Dag van Overdracht verwacht, behoudens dat in geval van onvoorziene omstandigheden (zoals bijvoorbeeld in geval van overmacht) verhandeling plaatsvindt zodra die omstandigheden dat toelaten.

### **13.20 Beëindiging Beursnotering Aandelen Rodamco**

Indien het Ruilbod gestand wordt gedaan, is het de intentie van Unibail en Rodamco om de notering van de Aandelen Rodamco aan de Frankfurt Stock Exchange, Euronext Parijs, Euronext Brussel en Euronext Amsterdam te beëindigen, zodra dit redelijkerwijs en praktisch gezien mogelijk is en in overeenstemming is met de toepasselijke beursreglementen en voorschriften. In het geval van een openbaar bod staat Euronext geen beëindiging van de beursnotering toe, indien niet ten minste 95% van de genoteerde aandelen worden gehouden door één entiteit of door een groep die wordt gecontroleerd door één entiteit. Unibail en Rodamco verwachten, onder voorbehoud van de toepasselijke beursreglementen en voorschriften en wettelijke verplichtingen, de notering aan de bovengenoemde beurzen zo snel mogelijk te beëindigen na de verkrijging van de Aandelen Rodamco die zijn aangemeld gedurende de Na-aanmeldingstermijn (zie Paragraaf 4.11.2). De beëindiging van één of meer van deze noteringen kan de liquiditeit van de Aandelen Rodamco negatief beïnvloeden.

### 13.21 Juridische structuur Rodamco in navolging van het Ruilbod

Unibail en Rodamco behouden zich het recht voor om elke wettelijk toegestane methode aan te wenden ter effectuering van een juridische herstructurering, teneinde hun gezamenlijke belangen op één lijn te brengen, verwachte synergie- en andere voordelen van de combinatie te bereiken en de lasten te vermijden, die voortvloeien uit de afzonderlijke notering van effecten, die door Rodamco en Unibail zijn uitgegeven. Hiertoe kunnen Unibail en Rodamco, met inachtneming van wettelijke en administratieve vereisten, onder meer de volgende maatregelen en/of processen in overweging nemen:

- i. een uitkoopprocedure als bedoeld in artikel 92a van Boek 2 van het Burgerlijk Wetboek;
- ii. een (grensoverschrijdende) of andere juridische fusie tussen Rodamco en Unibail;
- iii. een juridische splitsing;
- iv. de inbreng, verkoop en/of overdracht van alle of delen van de activa van Rodamco, een inbreng van activa door Unibail in Rodamco op nieuwe aan Unibail uit te geven Aandelen Rodamco met uitsluiting van het voorkeursrecht van andere Rodamco Aandeelhouders;
- v. de verkoop of ruil van (bijna) alle activa van Rodamco, direct of indirect, direct of indirect volgende op de overdracht van deze activa aan een dochtervennootschap van Rodamco;
- vi. de uitkering van opbrengsten aan Rodamco Aandeelhouders;
- vii. de ontbinding van Rodamco en de vereffening van haar vermogen;
- viii. de overgang van Rodamco's werknemers;
- ix. de oprichting van, of fusie van Unibail en/of Rodamco in een Europese vennootschap (*Societas Europaea*);
- x. de omzetting van Rodamco in een besloten vennootschap met beperkte aansprakelijkheid;
- xi. iedere andere geschikte juridische herstructurering; of
- xii. elke mogelijke combinatie van voornoemde rechtshandelingen.

Ter voorkoming van misverstanden, Unibail en Rodamco hebben volledige vrijheid om, met in achtneming van de bepalingen van toepasselijk Nederlands recht en/of ander toepasselijk recht, de maatregelen en processen zoals hierboven beschreven (en meer specifiek in Paragraaf 4.11.3) cumulatief, alternatief, of in het geheel niet toe te passen.

Met het oog op de naleving door de leden van de Raad van Commissarissen van de toepasselijke regels met betrekking tot tegenstrijdig belang en de behartiging van de belangen van de Rodamco Aandeelhouders (waaronder, na Overdracht, Unibail) en voor zolang als de hierboven bedoelde juridische herstructurering niet is geëffectueerd en Rodamco's beursnotering nog niet is beëindigd, zal iedere materiële transactie tussen Rodamco enerzijds, en Unibail anderzijds (waaronder iedere aangelegenheid verband houdende met enige uitkoop, grensoverschrijdende of andere fusie, of enige andere hierboven genoemde herstructurering), de voorafgaande goedkeuring behoeven van de onafhankelijke leden van de Raad van Commissarissen. De onafhankelijke leden van de Raad van Commissarissen mogen verlangen dat onafhankelijke financieel, fiscaal, juridisch of andere specialisten worden benoemd om hen te adviseren omtrent de redelijkheid van de voorgestelde transacties.

### 13.22 Fiscale status

#### *Fiscale status van Rodamco*

Rodamco kwalificeert als een FBI voor toepassing van de wet op de vennootschapsbelasting 1969 ("Wet Vpb"). Een samenvatting van het toepasselijke regime ("FBI Regime") is hieronder in deze Paragraaf opgenomen.

Voorts heeft Rodamco in Frankrijk met betrekking tot circa één derde deel van haar Franse beleggingen vanaf 2004 geopteerd voor toepassing van het SIIC Regime, dat van toepassing is op beursgenoteerde beleggingsinstellingen. Een samenvatting van het SIIC Regime is hieronder in deze Paragraaf opgenomen, bij de beschrijving van de fiscale status van Unibail. Vanaf 2005 is het SIIC Regime van toepassing op Rodamco's gehele Franse beleggingsportefeuille.

### *Samenvatting van het FBI Regime*

Een in Nederland gevestigde entiteit kan gebruik maken van het FBI Regime indien aan de in artikel 28 Wet Vpb gestelde voorwaarden, alsmede de voorwaarden in het Besluit Belëggingsinstellingen van 29 april 1970, wordt voldaan.

Een FBI is onderworpen aan Nederlandse vennootschapsbelasting tegen een tarief van 0%.

Een FBI dient jaarlijks de voor uitdeling beschikbare winst binnen acht maanden na afloop van het boekjaar uit te keren (de zogenoemde 'doorstootverplichting'), met uitzondering van koerswinsten (gesaldeerd met koersverliezen) op effecten en van winsten en verliezen ter zake van vervreemding van overige beleggingen, welke mogen worden opgenomen in een zogenoemde 'herbeleggingsreserve'.

Voor toepassing van het FBI Regime dient onder meer (en in het kort) aan de volgende voorwaarden te worden voldaan:

- De FBI dient een rechtsvorm te hebben van een Nederlandse naamloze vennootschap, besloten vennootschap met beperkte aansprakelijkheid, of fonds voor gemene rekening. Onder voorwaarden kan de FBI een vennootschap zijn welke is opgericht naar het recht van een lidstaat van de EU.
- De FBI dient in Nederland gevestigd te zijn voor fiscale doeleinden.
- Doel en feitelijke werkzaamheid van de FBI dient te bestaan uit het beleggen van vermogen. Een FBI mag geen ondernemingsactiviteiten uitoefenen.
- De FBI mag zijn beleggingen financieren met vreemd vermogen tot maximaal 60% van de fiscale boekwaarde van de onroerende zaken en maximaal 20% van de fiscale boekwaarde van de overige beleggingen.
- De FBI dient te voldoen aan bepaalde voorwaarden ten aanzien van aandeelhouders, waarbij onderscheid wordt gemaakt tussen een beursgenoteerde FBI en een niet-beursgenoteerde FBI. Voor een beursgenoteerde FBI gelden de volgende aandeelhoudersvoorwaarden:
  - a. Een lichaam — niet zijnde een beursgenoteerde FBI — dat is onderworpen aan een winstbelasting of waarvan de winst in een zodanige belasting wordt betrokken bij de gerechtigden tot het vermogen of de winst van dat lichaam, bezit niet (al dan niet samen met verbonden lichamen) 45% of meer van de aandelen van de FBI.
  - b. Een niet in Nederland gevestigd fonds voor gemene rekening dan wel een niet in Nederland gevestigde vennootschap met een in aandelen verdeeld kapitaal heeft niet een belang van 25% of meer in de FBI.
  - c. In Nederland gevestigde lichamen hebben niet een belang van 25% of meer in de FBI door tussenkomst van niet in Nederland gevestigde fondsen voor gemene rekening dan wel niet in Nederland gevestigde vennootschappen met een in aandelen verdeeld kapitaal.
  - d. Een enkel natuurlijk persoon heeft niet een belang van 25% of meer in de FBI.
- De FBI dient te voldoen aan bepaalde voorwaarden ten aanzien van bestuurders.

### *Wetsvoorstellen*

Wetsvoorstel 30.533 is aanhangig bij de Eerste Kamer (welke reeds is goedgekeurd door de Tweede Kamer), met wijzigingen in de voorwaarden van artikel 28 Wet Vpb. Indien dit wetsvoorstel wordt aangenomen en in werking treedt, zal het onder andere niet langer vereist zijn dat de FBI voor fiscale doeleinden in Nederland is gevestigd.

Wetsvoorstel 30.689, eveneens aanhangig bij de Eerste Kamer en reeds goedgekeurd door de Tweede Kamer, voorziet in een wijziging van artikel 28 Wet Vpb zodanig dat, indien het wordt aangenomen en in werking treedt, het een FBI zal zijn toegestaan om vastgoed te ontwikkelen ten behoeve van de eigen beleggingsportefeuille.

### *Fiscale status van Unibail*

Unibail heeft in 2003 in Frankrijk geopteerd voor toepassing van het SIIC Regime, dat van toepassing is op beursgenoteerde beleggingsinstellingen (*sociétés d'investissements immobiliers cotées*).

### *Samenvatting van het SIIC Regime*

Op basis van het SIIC Regime kan een SIIC, met niet-transparante dochtermaatschappijen waarin de SIIC een belang heeft van tenminste 95%, ervoor kiezen om vrijgesteld te zijn van belastingheffing op bepaalde

huuropbrengsten, op inkomen uit fiscaal transparante lichamen met soortgelijke activiteiten, alsmede op bepaalde boekwinsten, onder de volgende voorwaarden:

- Het voornaamste doel van de SIIC (of diens dochtermaatschappij) is het beleggen in en/of de bouw van vastgoed voor verhuurdoeleinden, of het direct dan wel indirect houden van belangen in lichamen welke hetzelfde doel nastreven.
- 85% van de huuropbrengsten, 50% van de gerealiseerde meerwaarden op de verkoop van bezittingen en 100% van dividenden ontvangen van dochtermaatschappijen welke gekozen hebben voor toepassing van het SIIC Regime, wordt uitgekeerd aan aandeelhouders.
- De SIIC heeft een aandelenkapitaal van ten minste EUR 15 miljoen.
- De aandelen van de SIIC zijn genoteerd aan een Franse beurs.
- Een aandeelhouder, daaronder begrepen meerdere aandeelhouders die handelen onder een gemeenschappelijk doel, bezit niet 60% of meer van het aandelenkapitaal van de SIIC.

Het is een SIIC toegestaan andere activiteiten te hebben dan de activiteiten welke verband houden met het voornaamste doel, voorzover de bruto boekwaarde van de activa die gebruikt worden voor deze andere activiteiten niet hoger is dan 20% van de bruto boekwaarde van de totale activa.

Bijzondere bepalingen zijn van toepassing ten aanzien van financial lease (*crédit-bail*) activiteiten. Inkomsten uit dergelijke toekomstige activiteiten zijn onderworpen aan reguliere Franse vennootschapsbelasting.

### 13.23 Werknemersoverleg

Op 10 april 2007 hebben Unibail en Rodamco de Sociaal-Economische Raad (SER) geïnformeerd en voldaan aan alle verplichtingen voortvloeiende uit het SER-Besluit Fusiegedragsregels 2000 ter bescherming van de belangen van werknemers.

### 13.24 BAVA Unibail en BAVA Rodamco

De Unibail BAVA zal worden gehouden op 21 mei 2007. De agenda voor de Unibail BAVA bevat onder meer voorstellen die benodigd zijn ter goedkeuring van de vermeerdering van het kapitaal van Unibail middels het uitgeven van Aandelen Unibail, alsmede ter goedkeuring van het uitgeven van Unibail ORAs en ter vaststelling van de structuur van ondernemingsbestuur zoals uiteengezet in Paragraaf 4.7.

De Unibail BAVA van 21 mei 2007 heeft een quorumeis van één vierde deel van het uitstaande aandelenkapitaal van Unibail. Indien dat quorum niet wordt gehaald, zal een tweede Unibail BAVA worden bijeengeroepen op de vroegst mogelijke datum na de eerste Unibail BAVA, ten minste zes dagen volgende op publicatie van de aankondiging van deze tweede Unibail BAVA. Voor deze tweede Unibail BAVA geldt een quorumeis van een vijfde deel van het uitstaande aandelenkapitaal van Unibail.

De Rodamco BAVA zal naar verwachting op 6 juni 2007 plaatsvinden. De agenda voor de Rodamco BAVA zal in ieder geval de bespreking van het Ruilbod conform artikel 9q Bte 1995 bevatten, alsmede bepaalde voorstellen aangaande de toekomstige structuur van ondernemingsbestuur van Rodamco.

### 13.25 Aankondigingen

Iedere aankondiging met betrekking tot het Ruilbod zal geschieden, voor zover wetten of andere regelingen daartoe nopen, door een persbericht en een publicatie in de Officiële Prijscourant, ten minste één landelijk Nederlands dagblad (Het Financieele Dagblad en/of NRC Handelsblad), één landelijk Frans dagblad (*La Tribune*), twee Belgische dagbladen (*L'Echo* en *De Tijd*) en/of één landelijk Duits dagblad (*Frankfurter Allgemeine Zeitung*).

### 13.26 Beoogd tijdschema

21 mei 2007	Publicatie waarin (i) de verkrijgbaarstelling van het Biedingsbericht en het Prospectus, vanaf 21 mei 2007, en (ii) het uitbrengen van het Ruilbod, vanaf 22 mei 2007, worden aangekondigd
	Verrijgbaarstelling van het Biedingsbericht en het Prospectus, uitbrengen van het Ruilbod
22 mei 2007	Eerste dag van de Aanmeldingstermijn
21 mei 2007	BAVA Unibail

6 juni 2007	BAVA Rodamco
20 juni 2007, 15.00 uur CEST	Einde van de Aanmeldingstermijn (behoudens verlenging)
21 juni 2007 (behoudens verlenging van de Aanmeldingstermijn)	Dag van Gestanddoening: dag waarop Unibail aankondigt of het Ruilbod gestand wordt gedaan
22 juni 2007 (behoudens verlenging van de Aanmeldingstermijn)	Eerste dag van de Na-aanmeldingstermijn, uitgaande van 21 juni 2007 als Dag van Gestanddoening
22 juni 2007, 09.00 uur CEST (behoudens verlenging van de Aanmeldingstermijn)	Verwachte datum van notering van en aanvang van handel in Aandelen Unibail en Unibail ORAs aan Euronext Parijs en Euronext Amsterdam, uitgaande van 21 juni 2007 als Dag van Gestanddoening
25 juni 2007 (behoudens verlenging van de Aanmeldingstermijn)	Dag van Overdracht
10 juli 2007 (behoudens verlenging van de Aanmeldingstermijn)	Laatste dag van de Na-aanmeldingstermijn, uitgaande van 21 juni 2007 als Dag van Gestanddoening en een Na-aanmeldingstermijn van 13 Euronext Handelsdagen

### 13.27 Verkrijgbaarheid Informatie

Exemplaren van dit Biedingsbericht en het Prospectus zijn kosteloos verkrijgbaar ten kantore van Unibail, Rodamco en het Omwissel- en Betalingskantoor en kunnen worden verkregen door contact op te nemen met Unibail, Rodamco, of het Omwissel- en Betalingskantoor op de adressen of telefoonnummers hieronder:

Unibail Holding S.A.

Adres: 5 Boulevard Malesherbes, F-75802 Paris Cedex 08, Frankrijk

Telefoon: +33 1 53 43 74 37

Fax: +33 1 53 43 74 38

Rodamco Europe N.V.

Adres: Hofplein 20, 3032 AC Rotterdam, Nederland

Telefoon: +31 (0)10 2176400

Fax: +31 (0)10 2176401

Email: [investors@rodamco.com](mailto:investors@rodamco.com)

ABN AMRO Bank N.V.

Adres: Kemelste 2, 4817 ST Breda, Nederland

Telefoon: +31 76 579 9455 of +800 2222 0024

Fax: +31 (0)76 579 9643

Email: [SO.Servicedesk.C&CC@nl.abnamro.com](mailto:SO.Servicedesk.C&CC@nl.abnamro.com)

Voor exemplaren van dit Biedingsbericht en het Prospectus wordt tevens verwezen naar de website van Unibail ([www.unibail.com](http://www.unibail.com)) en naar de website van Rodamco ([www.rodamco.com](http://www.rodamco.com)).

Voor exemplaren van de statuten van Unibail, de financiële informatie van Unibail met betrekking tot de jaarrekeningen van Unibail in het boekjaar 2006, eindigend op 31 december 2006, in het boekjaar 2005, eindigend op 31 december 2005, en in het boekjaar 2004, eindigend op 31 december 2004, wordt verwezen naar de website van Unibail ([www.unibail.com](http://www.unibail.com)). Exemplaren kunnen kosteloos verkregen worden ten kantore van Unibail door contact op te nemen met Unibail op bovenstaand adres of telefoonnummer.

Exemplaren van de statuten van Rodamco, de financiële informatie van Rodamco met betrekking tot de jaarrekeningen van Rodamco in het boekjaar 2006, eindigend op 31 december 2006, in het boekjaar 2005, eindigend op 31 december 2005, en in het boekjaar 2004, eindigend op 31 december 2004, kunnen kosteloos worden verkregen ten kantore van Rodamco door contact op te nemen met Rodamco op bovenstaand adres of telefoonnummer.

#### **14. PRO FORMA FINANCIAL INFORMATION**

As to the Pro Forma Financial Information over the year 2006 and the relevant auditors' report, reference is made to paragraphs 10.5 and 10.6 of the Securities Note.



## 15. FINANCIAL STATEMENTS OF RODAMCO

### 15.1 Comparative overview of the balance sheet and profit and loss accounts of the financial years 2006, 2005 and 2004

The table below provides a comparative overview of Rodamco's audited consolidated balance sheet and profit and loss accounts of the years 2006, 2005 and 2004 and of the first quarter of 2007.

#### Rodamco — Consolidated Balance Sheet

IFRS — Dec Year End

	2006A	2005A	2004A
	€ million		
<b>Assets</b>			
Investment property . . . . .	10,349	8,831	7,056
Renovation property . . . . .	—	—	9
Pipeline projects . . . . .	233	264	453
	<b>10,582</b>	<b>9,095</b>	<b>7,518</b>
Goodwill . . . . .	33	20	—
Investments in associates . . . . .	1	1	—
Other investments . . . . .	1	—	—
Other property, plants and equipment . . . . .	25	11	8
Deferred tax assets . . . . .	18	24	29
Derivative financial incentives . . . . .	1	11	—
Deferred lease incentives . . . . .	10	9	5
Other assets . . . . .	5	—	—
<b>Total non-current assets</b> . . . . .	<b>10,676</b>	<b>9,171</b>	<b>7,560</b>
Income tax receivables . . . . .	1	2	2
Derivative financial instruments . . . . .	—	10	—
Trade and other receivables . . . . .	75	109	80
Cash at banks . . . . .	46	88	65
<b>Total current assets</b> . . . . .	<b>122</b>	<b>209</b>	<b>147</b>
<b>Total Assets</b> . . . . .	<b>10,798</b>	<b>9,380</b>	<b>7,707</b>
<b>Shareholders' equity</b>			
Share capital . . . . .	717	717	717
Share premium reserve . . . . .	2,956	2,956	2,956
Legal reserves . . . . .	3	(4)	377
Retained earnings . . . . .	2,811	1,603	247
Total shareholders' equity . . . . .	6,487	5,272	4,297
Minority interest . . . . .	11	8	7
<b>Total Equity</b> . . . . .	<b>6,498</b>	<b>5,280</b>	<b>4,304</b>
<b>Liabilities</b>			
Bonds . . . . .	2,098	1,791	1,184
Interest-bearing loans and borrowings . . . . .	1,014	1,094	1,584
Derivative financial instruments . . . . .	28	28	—
	<b>3,140</b>	<b>2,913</b>	<b>2,768</b>
Employee benefits . . . . .	5	5	5
Provisions . . . . .	35	21	21
Deferred tax liabilities . . . . .	577	385	364
Income tax payable . . . . .	24	51	—
Deferred lease incentives . . . . .	7	4	—
<b>Total non-current liabilities</b> . . . . .	<b>3,788</b>	<b>3,379</b>	<b>3,158</b>
Bank overdrafts . . . . .	31	16	—
Bonds . . . . .	200	—	—
Interest-bearing loans and borrowings . . . . .	8	418	22
Trade and other payables . . . . .	273	287	223
<b>Total current liabilities</b> . . . . .	<b>512</b>	<b>721</b>	<b>245</b>
<b>Total Liabilities</b> . . . . .	<b>4,300</b>	<b>4,100</b>	<b>3,403</b>
<b>Total Equity and Liabilities</b> . . . . .	<b>10,798</b>	<b>9,380</b>	<b>7,707</b>

## Rodamco — Consolidated Profit and Loss Accounts

IFRS — Dec Year End

	2006A	2005A	2004A
	€ million		
<b>Gross rental income</b> .....	<b>652</b>	<b>594</b>	<b>543</b>
Service charge income .....	98	83	78
Total revenues .....	750	677	621
Service charge expenses .....	(103)	(89)	(86)
Property operating expenses .....	(84)	(85)	(77)
<b>Net rental income</b> .....	<b>563</b>	<b>503</b>	<b>458</b>
Valuation result investment property .....	1,270	965	103
Valuation result renovation projects .....	—	—	—
Valuation result pipeline projects .....	37	63	(4)
<b>Valuation result</b> .....	<b>1,307</b>	<b>1,028</b>	<b>99</b>
Result on disposal of investment property and pipeline .....	27	10	1
Administrative expenses .....	(52)	(44)	(36)
Other income and expenses .....	—	2	—
<b>Net operating profit</b> .....	<b>1,845</b>	<b>1,499</b>	<b>522</b>
Interest income .....	3	2	3
Interest expenses .....	(136)	(113)	(104)
Fair value result derivative financial instruments .....	7	7	—
Net foreign exchange result .....	—	—	—
<b>Net financing result</b> .....	<b>(126)</b>	<b>(104)</b>	<b>(101)</b>
Share of the profit of associates .....	(0)	0	—
<b>Net profit before tax</b> .....	<b>1,719</b>	<b>1,395</b>	<b>421</b>
Deferred income tax expense .....	(181)	(103)	—
Income tax expense .....	(9)	(8)	(32)
<b>Net profit for the year</b> .....	<b>1,529</b>	<b>1,284</b>	<b>389</b>
Attributable to:			
Minority interest .....	4	2	1
<b>Equity holders of the parent</b> (net shareholder profit for the year) .....	<b>1,525</b>	<b>1,282</b>	<b>388</b>

### 15.2 Notes to the balance sheet and profit and loss accounts of the financial year 2006

#### 15.2.1 General information

Rodamco Europe N.V. ('the Company') is a public limited company domiciled in Rotterdam and is engaged in the holding of group companies that invest in and manage property. The address of its registered office is Hofplein 20, 3032 AC in Rotterdam, the Netherlands. The consolidated financial statements of the Company for the year ended December 31, 2006 comprise the Company and its subsidiaries (together referred to as the 'Group') and the Group's interest in associates and jointly controlled entities.

The Company is listed on the stock exchanges in Amsterdam, Paris, Frankfurt and Brussels.

The financial statements were authorized for issue by the supervisory board on March 16, 2007 and will be proposed for adoption to the Annual General Meeting of shareholders to be held on April 27, 2007.

On July 19, 2006, the Company has been granted a license under the Act on the Supervision of Collective Investment Schemes by the Netherlands Authority for the Financial Markets ('Autoriteit Financiële Markten' or AFM) and as a consequence has become subject to AFM supervision. The AFM is responsible for the supervision of market conduct and focuses on the question of whether the participants in the financial markets are handled properly and whether they have accurate information.

### 15.2.2 Significant accounting policies

#### (a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) and as adopted by the European Commission per December 31, 2006.

Standards, interpretations and amendments to published standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published prior to the issue of the Group's financial statements that are mandatory for the Group's accounting periods beginning on or after January 1, 2007 or later. The Group has decided against early adoption of such standards, amendments and interpretations.

#### (b) Basis of preparation

The financial statements are presented in euros, rounded to the nearest thousand and as a result roundings up to EUR 1 could exist. They are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: Investment property, Renovation projects and Derivative financial instruments. Bonds and interest-bearing loans and borrowings are stated at amortized cost.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised if the revisions affect only that period. If the revision to accounting estimates affect both current and future periods, the revision is recognized in the current year and future periods.

Judgements made by management in the application of IFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 15.2.32.

The profit and loss account included in the Company financial statements is presented in abbreviated form in accordance with article 402 of the Dutch Civil Code.

Amendments to published standards effective in 2006

IAS 19 (Amendment), Employee Benefits. The impact of this amendment on the accounts of the Group is nil, as actuarial gains and losses are not recognized outside the profit and loss.

IAS 21 (Amendment), Net Investment in a Foreign Operation. The impact of this amendment on the accounts of the Group is nil. The Group reviews balances between foreign operations and other entities on a regular basis as part of its treasury policy and none of these balances are considered to be part of the net investment.

IAS 39 (Amendment), Cash Flow Hedge Accounting of Forecast Intragroup Transactions. The presentation of these accounts is not affected by this amendment.

IAS 39 (Amendment), The Fair Value Option. The Group did not choose to apply the election measuring assets and liabilities at fair value, but applies amortized cost instead.

IFRIC 4, Determining whether an Arrangement contains a Lease. The presentation of these accounts is not affected by this new interpretation.

Standards and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

IAS 1 (Amendment), Presentation of Financial Statements

IFRIC 7, Applying the Restatement Approach under IAS 29, Financial Reporting in Hyperinflationary Economies

IFRIC 8, Scope of IFRS 2

IFRIC 9, Reassessment of Embedded Derivatives

IFRIC 10, Interim Financial Reporting and Impairment  
IFRIC 11, IFRS 2- Group and Treasury Share Transactions  
IFRIC 12, Service Concession Arrangements  
IFRS 7, Financial Instruments: Disclosures  
IFRS 8, Operating segments

Standards, amendments and interpretations effective in 2006 but not relevant

The following standards, amendments and interpretations are mandatory for accounting periods beginning on or after January 1, 2006 but are not relevant for the Group's operations:

IAS 39 and IFRS 4 (Amendment), Financial Guarantee Contracts  
IFRS 1 (Amendment), First-time Adoption of International Financial Reporting Standards  
IFRS 6 (Amendment), Exploration for and Evaluation of Mineral Resources  
IFRIC 5, Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds  
IFRIC 6, Liabilities arising from Participating in a Specific Market — Waste Electrical and Electronic Equipment

*(c) Basis of consolidation*

*(i) Subsidiaries*

Subsidiaries are those entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the profit and loss account.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

*(ii) Associates*

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Group's share of the total post-acquisition recognized gains and losses of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost.

When the Group's share of losses exceeds interest in the associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

*(iii) Joint ventures*

A joint venture is a contractual agreement whereby the Group, together with one or more parties, undertakes an economic activity that is subject to joint control. Joint control is established by contractual agreement and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control.

For jointly controlled assets, the Group recognizes its share of the assets, any liabilities it has incurred (including those incurred jointly with the other venturers), any income from the sale or use of its share of the output, and any expenses it has incurred in respect of its interest.

For jointly controlled entities, the Group recognizes its interest using proportionate consolidation and remains proportionally consolidated until the date on which the Group ceases to have joint control over the joint venture. Unrealized gains and losses are proportionally eliminated.

With respect to the interest in jointly controlled operations, the Group recognizes in its financial statements:

- the assets and liabilities it has incurred;
- the expenses that it has incurred and its share of the income that it earns from the sale of goods or services by the joint venture.

(iv) Transactions eliminated on consolidation

Intragroup transactions, balances and any unrealized gains and losses arising from intragroup transactions are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with associates are eliminated to the extent of the Group's interest in the entity. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

(v) Goodwill

All business combinations are accounted for by applying the 'purchase method of accounting'.

The cost of an acquisition of subsidiaries or joint ventures are measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Goodwill represents the excess of the costs of the acquired business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities at acquisition date. Goodwill acquired in a business combination represents a payment made by the acquirer in anticipation of future economic benefits from assets that are not capable of being individually identified and separately recognized.

After initial recognition in the balance sheet, goodwill is recognized as an asset, allocated to the cash-generating units and measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. Impairment losses recognized for goodwill are not reversed in a subsequent period.

Gains and losses on disposal of an entity include the carrying amount of goodwill.

Negative goodwill that arises if the cost of the business combination is less than the acquired fair value of all assets and liabilities (including property, plant and equipment), is recognized immediately in the profit and loss account.

(d) *Foreign currency*

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). Consideration in determining the functional currency is given to the denomination of the major cash flows of the entity e.g. revenues and financing activities. As a consequence, the Group does not use the local currency for the following entities:

- euro for the property companies in Czech Republic, Hungary and Slovak Republic;
- US dollar for Poland and Ukraine.

The consolidated financial statements are presented in euros, which is the Group's functional and presentation currency.

(ii) Foreign currency transactions and balances

Transactions in foreign currencies are translated into euros at the spot foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into euros at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognized in the profit and loss account. Non-monetary assets and liabilities that are measured in

terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into euros at foreign exchange rates ruling at the dates the fair value was determined.

Exchange differences arising on the settlement of foreign currency transactions and monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the year or in previous financial statements, are recognized in the profit and loss account in the year in which they arise. Translation differences on non-monetary financial assets and liabilities that are stated at fair value are reported as part of the fair value gain or loss.

Foreign currency transactions are translated into the functional currency of the Group using the exchange rates at the date of the transactions. Foreign exchange gains and losses resulting from settlement of these transactions are recognized in the income statement. Foreign exchange gains and losses resulting from the retranslation of monetary assets and liabilities denominated in foreign currencies are also recognized in the income statement with the exception of:

- unrealized translation results on net investments;
- unrealized translation results on intercompany loans that, in substance, form part of the net investment.

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way that is similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized directly in equity, whereas those relating to the ineffective portion are recognized in the profit and loss account.

#### (iii) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- the assets and liabilities of Group companies, including goodwill and fair value adjustments arising on consolidation; are translated into euros at foreign exchange rates ruling at the balance sheet date;
- income and expenses of Group companies are translated into euros at rates approximating the foreign exchange rates ruling at the dates of the transactions;
- all resulting exchange rate differences are recognized as a separate component of equity (currency translation reserve);
- when a Group company is sold, exchange differences that were recorded in equity are recognized in the income statement as part of the gain or loss on sale.

#### (iv) Net investment in foreign operations

Exchange rate differences arising from the translation of the net investment in foreign operations and of related hedges, are recognized as a separate component of equity (currency translation reserve). The cumulative amount of these exchange differences are recognized in the profit and loss account upon (partial) disposal of the foreign operation.

#### (e) *Derivative financial instruments*

The Group uses derivative financial instruments to hedge its exposure to movements in interest and currency exchange rates. These financial instruments include, but are not limited to, interest rate swaps, cross currency swaps and forward rate agreements. The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

#### Interest rate swaps

Both fixed to floating interest rate swaps, as well as floating to fixed interest rate swaps, entered into prior to January 1, 2005 are designated as hedges with the purpose of managing interest rate exposures on the Group's borrowing portfolio at a macro level. If there is no direct relationship with an underlying loan, no hedge accounting

is applied for these swaps. Consequently, the fair value changes are recorded as 'fair value changes derivative financial instruments' as part of the financing result in the profit and loss account as these instruments are designated as hedging instruments.

As from January 1, 2005, the Group classifies all new floating to fixed interest rate swaps as cash flow hedges and states them at fair value. The fair value of swaps at January 1, 2005 was adjusted against the opening balance of the retained earnings at that date. Fair value changes as from that date are recorded directly in equity (hedging reserve), for the effective part of the hedge.

#### Currency swaps and forward contracts

The majority of currency swaps and forward contracts are designated as a net investment hedge as from January 1, 2005. The portion of the gain or loss on these instruments that is determined to be an effective hedge, is recognized directly in equity (currency translation reserve). The ineffective portion is recognized directly in the profit and loss account, as fair value changes derivative financial instruments.

The Group classifies its forward exchange contracts used for hedging forecasted transactions as cash flow hedges and states them at fair value. The fair value of forward exchange contracts at January 1, 2005 was adjusted against retained earnings.

Changes in the fair value of forward exchange contracts that economically hedge monetary assets and liabilities in foreign currencies and for which no hedge accounting is applied, are recognized in the profit and loss account. Both the changes in fair value of the forward contracts and the foreign exchange gains and losses relating to the monetary items are recognized as part of 'financing result' as these instruments are designated as hedging instruments.

#### (f) *Investment property*

Investment property is property held by the Group as owner which is held either to earn rental income for the long-term or for capital appreciation or for both. Investment properties are initially recognized at cost, being the acquisition cost at the time of purchase and adjusted for any balance sheet items in respect of lease incentives. Total acquisition costs include any directly attributable acquisition expenditure, for example, fees for legal services, property transfer taxes, brokerage costs, the costs of due diligence investigations and other transaction costs.

After initial recognition, the property is carried at fair value whereby the property portfolio is appraised in accordance with the 5th edition of the Appraisal and Valuation Standards ("Red Book") published by the Royal Institute of Chartered Surveyors (RICS) and the 7th edition of International Valuation Standards published by the International Valuation Standards Committee (IVSC). Both documents contain mandatory rules, best practice guidance and related commentary for all RICS members and appraisers undertaking property valuations. The basis for determining the fair value of Rodamco Europe's property portfolio is the net open market value, which is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion, excluding estimated costs that a buyer needs to make for obtaining the property. All investment properties are externally appraised per June 30 and December 31, except for the high-street shop portfolio in the Netherlands and Belgium. The valuations of these high-street shops are equally spread throughout the year by externally appraising 25% of this portfolio each quarter. At year-end, 75% of the portfolio, which is already assessed during the year, is additionally supported by external updates as per the end of the year.

The Group has a shortlist of independent appraisers, determined based on a number of solid qualifications, e.g. reputation, credibility, compliance with RICS and IVSC and code of conducts. The shortlist is used for selecting appraisers and comprises of: CB Richard Ellis, Cushman & Wakefield, Healey & Baker, Jones Lang LaSalle and DTZ. The appraisers should rotate every three years to safeguard independence and credibility. Valuation fees are not related to the property value and valuation result.

The professionally derived open market value is an objective valuation of identified ownership rights to specific property as of a given date. The open market value takes into account the return required by investors for comparable property investments, state of maintenance and anticipated changes in future generated cash flows (e.g. rent adjustments, vacancy). Except for the high-street shop portfolio as described above, each individual property valuation is supported by an external appraisal.

Any gains or losses arising from a change in fair value are recognized in the profit and loss account as 'valuation result investment property'. Rental income from investment property is accounted for as described in accounting policy (s).

Except to an insignificant extent by the Nordic countries and Central Europe region, investment property is not occupied by the companies in the consolidated group. If an investment property becomes (partly) owner-occupied, it is (partly) reclassified as other property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes of subsequent reporting.

A property interest under an operating lease is classified and accounted for as an investment property at the fair value model when the Group holds it to earn rentals or for capital appreciation or both. The operating lease is accounted for as if it were a finance lease.

Lease payments are accounted for as described in accounting policy (u).

Subsequent expenditures are charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of an item can be measured reliably. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Investment property held for sale without redevelopment is classified as non-current assets held for sale under IFRS 5. Non-current assets (or disposal groups) are classified as assets held for sale and stated at fair value less selling costs if their carrying amount is recovered principally through a sale transaction rather than through a continuing use. If the investment property is available for immediate sale in its present condition, significant risks and rewards have been transferred to the buyer and the sale conditions are secured, the fair value will be determined on the basis of the offer made by the willing buyer. In cases whereby the property is available for sale, significant risks and rewards have not yet been transferred to the buyer and the sale is less probable or unlikely to occur, the applicable fair value is the value as determined by the aforementioned professional appraisal company and the property will not be reclassified as non-current assets held for sale but remains classified as investment property.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

#### *(g) Renovation projects*

Renovation projects are projects whereby the Group begins to refurbish or renovate an existing investment property for continued future use as such. Renovation projects are stated at fair value as determined on the same basis as investment property.

Subsequent costs of renovation projects comprise acquisition costs, purchase taxes, and any directly attributable costs to bring the asset to working order for its intended use. Administrative expenses are not included unless these can be directly attributed to specific projects. Related borrowing costs are capitalized up to the completion date. Completion date is the date on which the project is available for operation. Basis for capitalization is the additional investment over the project only.

#### *(h) Pipeline projects*

New constructions for future use as investment property are classified as a pipeline project and stated at cost, less any expected impairment losses. At completion it is reclassified and subsequently accounted for as investment property.

The costs of pipeline projects comprise acquisition costs, purchase taxes, and any directly attributable costs to bring the asset to working condition for its intended use. Administrative expenses are not included unless these can be directly attributed to specific projects. Directly attributable costs are costs incurred for bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Overhead costs are not capitalized. Related borrowing costs are capitalized from the moment in which activities preparatory to the construction of the project start up to the completion date. If the resulting carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized. Borrowing costs are capitalized on the basis of the actual costs of the specific borrowing attached to pipeline projects. In the absence of specific funding, an interest rate is used for capitalization that is based on the weighted average of borrowing costs of the Group's general funding pool during a quarterly period. The general funding pool, as a basis for determining the weighted average borrowing costs, excludes all borrowings that are specifically obtained for financing the acquisition or construction of a qualifying asset.

Pipeline projects are transferred to investment property at their respective market value at completion, and positive fair value changes are recorded as 'valuation result pipeline projects' in the profit and loss account at the time of transfer. As soon as an indication for an impairment exists and an impairment is identified, any impairment loss is charged to the profit and loss account as 'valuation result pipeline projects'. Completion date is the date on which



the project is available for operation and generates rental income, being the shorter of contract date or technical completion date. A property is transferred from 'investment property' to 'pipeline project' at its carrying value only in case of major reconstruction whereby starting the project results in a reduction of nearly all net rental income and the projected capital expenditure more or less equals or exceeds the carrying value. Any other reconstruction is accounted for as renovation projects.

*(i) Other property, plant and equipment*

*(i) Owned assets*

Other property, plant and equipment are stated at cost less any accumulated depreciation (see below) and any impairment losses (refer accounting policy (m)). These assets are reviewed for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The cost of other property, plant and equipment comprise the purchase price, any costs attributable to bringing the assets to operating condition, and the initial estimate of the cost of dismantling and removing the items and restoring the site on which they are located.

Where the Group uses only part of a property it owns, utilization of less than 10% of the individual property is regarded as immaterial, which means that the whole property is stated at fair value model as an investment property. If the Group itself uses more than 10% of the space of the individual property, the whole property is stated as property, plant and equipment, unless the property can be split in components that are individually transferable. In case of the latter, only part of the property is stated as property, plant and equipment.

Where parts of an item of other property, plant and equipment have different useful lives, they are accounted for as separate items of other property, plant and equipment.

Gains and losses on disposals are determined by comparing proceeds with carrying amount less selling costs. These are included in the profit and loss account.

*(ii) Subsequent expenditure*

The Group recognizes in the carrying amount of an item of other property, plant and equipment the cost of subsequent expenditure of such an item when that cost is incurred, if it is probable that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognized in profit or loss as incurred.

*(iii) Depreciation*

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of items of other property, plant and equipment, and major components that are accounted for separately. Land is not depreciated. The estimated useful lives are as follows:

- land                                      indefinite
- property                                25 years
- plant and equipment    5-10 years
- office equipment        2-5 years

The residual value and the useful life of an asset is reviewed at least at each financial year-end.

*(j) Investments in associates*

Investments in associates are accounted for using the equity method whereby the investment is initially recognized at cost and the carrying amount is increased or decreased to recognize the Group's share of profit or loss of the investee after the date of acquisition. Goodwill recognized from an acquisition of an associate is presented as part of the investment in the associate. The Group's share of profit or loss is recognized under share of the profit of associates in the profit and loss account.

Changes in the associates' equity that have not been recognized in the profit and loss account are recognized directly in the Group's equity for its share. Unrealized gains on transactions between the Group and associates are eliminated to the extent of the Group's interest. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

*(k) Trade and other receivables*

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables and recognized in the profit and loss account (see accounting policy (m)). Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and evaluation of the days outstanding are considered indicators that the trade receivable could be impaired. Subsequent recoveries of amounts previously written off are credited in the profit and loss account.

*(l) Cash at banks*

Cash at banks comprises cash balances and cash deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, with an original 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.

*(m) Impairment*

The carrying amounts of the Group's assets, other than investment property (refer accounting policy (f)), deferred tax assets (refer accounting policy (v)), derivative financial instruments (refer accounting policy (e)), and assets arising from employee benefits (refer accounting policy (p)) are assessed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. Assets including goodwill that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization or depreciation are reviewed for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the profit and loss account.

The recoverable amount of other assets is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses recognized in respect of cash-generating units were allocated first to reduce the carrying amount of any goodwill allocated to cash generating units (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount (except for impairment on goodwill which is not reversed).

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

*(n) 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 reserve*

Share premium reserve represents amounts realized by the issuance of shares above and beyond the par value.

*(iii) Legal reserves*

Legal reserves are reserves to be maintained, following IFRS, and comprise hedging reserves and currency translation reserves. The amounts recognized by these reserves are not freely distributable.

(iv) Retained earnings

Retained earnings include amounts which were formed from the undistributed net profit in the business year or in previous business years.

(v) 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.

(o) *Interest-bearing loans and borrowings*

Interest-bearing loans and borrowings (including bonds) are recognized initially at fair value, less transaction costs that are directly attributable to the issuance of these borrowings. Subsequent to initial recognition, interest-bearing loans and borrowings are stated at amortized cost with any difference proceeds and redemption value being recognized in the profit and loss account over the year of the borrowings using the effective interest method.

(p) *Employee benefits*

(i) Defined contribution pension plans

Obligations for contributions to defined contribution pension plans are recognized as an expense in the profit and loss account as incurred.

(ii) Defined benefit pension plans

The Group operates a number of pension plans throughout the various regions. The Group considers these plans to be defined contribution plans in cases whereby it pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis.

Once these contributions have been paid, the Group has no further payment obligations. All other plans that are operated by the Group are considered to be defined benefit plans.

The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine the present value, and the fair value of any plan assets is deducted (together with any adjustments for unrecognized actuarial profit and losses). The discount rate is the yield at balance sheet date on high quality company bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed by a qualified actuary on a yearly basis using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past services by employees is recognized as an expense in the profit and loss account on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in the profit and loss account.

In calculating the Group's obligation in respect of a plan, to the extent that any cumulative unrecognized actuarial gain or loss exceeds 10% of the greater of the present value of the defined benefit obligation and the fair value of plan assets, that portion is recognized in the profit and loss account over the expected average remaining working lives of the employees participating in the plan. Otherwise, the actuarial gain or loss is not recognized. Where the calculation results in a benefit to the Group, the recognized asset is limited to the present value of available contribution reductions or refunds plus unrecognized actuarial losses and unrecognized past service costs.

(iii) Equity-settled share-based payments

In 2006, the Group introduced a Long-Term Incentive Plan for the management board and senior management. This plan is classified as an equity-settled share-based compensation plan. The fair value of the services received in exchange for the grant of shares, is recognized as an expense. The total amount to be expensed equally over the vesting period is determined by reference to the fair value of the shares granted. The fair value is measured by a generally accepted valuation methodology for pricing financial instruments and incorporates all factors and assumptions that knowledgeable, willing market participants would consider in setting the price.

*(q) Provisions*

A provision is recognized in the balance sheet when the Group has a legal or constructive obligation as result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Interest charges arising from the passage of time before settlement are accounted for as interest expense in the profit and loss account.

*(i) Restructuring*

A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Future operating costs are not provided for.

*(ii) Site restoration*

In accordance with the Group's published environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land is recognized when the land is contaminated.

*(iii) Onerous contracts*

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

*(r) Trade and other payables*

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

*(s) Revenue*

Revenue comprises gross rental income plus the net amount of service charges.

*(i) Rental income*

Gross rental income is determined based on contractual lease term entitlements. Gross rental income is recognized as lease services are rendered and comprise: contractual gross rental income minus rental discounts and provision doubtful debtor plus/(minus) amortized lease incentives.

Gross rental income does not include service costs, such as heating, electricity and security, which are prepaid and separately charged to tenants, with the exception of Sweden and Denmark where the major part of service costs are legally a part of the rental income.

Rental income is recognized in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income. Lease incentives are recognized in the profit and loss account over the lease term on a straight line basis as a change in net rental income. Differences that arise between the contractual lease payments and the periodic net lease income are capitalized on the balance sheet.

Turnover based rents are recorded as income in the years in which they are earned.

*(t) Result on disposal of investment property and pipeline*

The gain or loss on disposal of investment property and pipeline is measured as the difference between the net disposal proceeds and the carrying amount of the property at the date of the last published (interim) balance sheet.

*(u) Expenses*

*(i) Service costs and property operating expenses*

Service costs for service contracts entered into and property operating expenses are directly related to rental income and include costs, such as day-to-day property management, property taxes, maintenance, insurance premiums, valuation fees, service costs, et cetera that are for the account of the property owner.

Property operating expenses do not include general and administrative expenses, which are part of administrative expenses.

Costs for service contracts entered into and property operating expenses are expensed as incurred. The Group acts as a principal with respect to service costs. Accordingly, the services invoiced to the tenant and the corresponding expenses are shown separately in the profit and loss account.

#### (ii) Lease payments

Leases whereby a Group company is the lessor: payments made under operating leases are recognized in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives received are recognized in the profit and loss account as an integral part of the total lease expense. Lease incentives are straight lined over the shorter of the life of the lease or the year to the first rent review. Differences that arise between the contractual lease payments and the periodic net lease expense are accrued on the balance sheet. There are no investment properties leased out under a finance lease. Leases whereby a Group company is the lessee: leases in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to the profit and loss account on a straight-line basis over the period of the lease. Leases of assets where the Group has substantially all the risks and rewards of ownership are classified as finance leases and are capitalized at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. There are no investment properties acquired under a finance lease.

#### (iii) Financing result

Financing result comprises interest expenses, fair value result of derivative financial instruments and foreign exchange results.

Interest expenses consist of interest payable on interest-bearing loans and borrowings, bonds and derivative financial instruments calculated using the effective interest rate method net of interest capitalized and interest income.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout 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 includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Interest income is recognized in the profit and loss account as it accrues, taking into account the effective yield on the asset. Dividend income is recognized in the profit and loss account on the date the entity's right to receive payments is established which in a case of quoted securities is usually the ex-dividend date.

Fair value result on derivative instruments relates to fair value movements of derivatives for which no hedge accounting is applied.

Foreign currency transactions are translated into the functional currency of the Group using the exchange rates at the date of the transactions. Foreign exchange gains and losses resulting from settlement of these transactions are recognized in the income statement. Foreign exchange gains and losses resulting from the retranslation of monetary assets and liabilities denominated in foreign currencies are also recognized in the income statement with the exception of:

- unrealized translation results on net investments;
- unrealized translation results on intercompany loans that in substance form part of the net investment.

#### (v) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the profit and loss account except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for the initial recognition of assets or liabilities in a transaction other than a business combination that at the time of the acquisition affect neither accounting nor taxable profit. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates except when the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. In the real estate business, different tax rates and taxable bases exist for capital gains arising from investment property transactions ('asset transactions') or capital gains arising from share transactions of property investment companies. The Group uses the corporate income tax rate or the capital gain tax rate as the basis for the deferred tax calculation depending on how the temporary difference can be recovered (through use of the investment property or sale of the investment property or a combination of both). The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets are offset against deferred tax liabilities only if the Group has a legal enforceable right to offset, the settlement dates are similar and the tax is levied by the same tax authority on the same taxable entity or taxable unity.

### ***15.2.3 Segment reporting***

Segment information is presented in respect of the Group's business and geographical segments. Both formats, geographical and business segments, are based on the Group's management and internal reporting structure. A segment is a distinguishable component of the Group that is engaged either in providing products or services (Retail, Offices, Industrials/Other), or in providing products or services within a particular economic environment (Netherlands and Belgium, France, Spain, Nordic countries, Central Europe), which is subject to risks and rewards that are different from those of other segments. The geographic segmentation is primary.

Inter-segment pricing is determined on normal commercial terms.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses. Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one period.

#### ***Geographical segments***

Geographical segments are determined on the basis of Rodamco Europe's definition of a home region.

At Rodamco Europe, a home region is defined as a region with more than EUR 1 billion in property investment and a local organisation dedicated to all three business lines: asset selection and management including pipeline or the 'owner' function; retail management or the 'operator' function, and finance or the 'controller' function. The Netherlands and Belgium (managed from the Netherlands), France, Spain, Nordic countries (Sweden, Denmark, Finland, managed from Sweden), and Central Europe (Austria, Germany, Czech Republic, Hungary, Poland, the Slovak Republic and Ukraine, managed from Austria) are considered home regions based on specific operational and strategic factors.

#### ***Business segments***

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

The Group comprises the following main business segments:

- Retail
- Offices
- Industrials/Other

	Netherlands/ Belgium		France		Spain		Nordic Countries		Central Europe		Total	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
	(€ million)											
Income from external customers:												
Gross rental income . . . .	240	217	101	96	94	86	128	119	89	76	652	594
Net service charge expenses . . . . .	(1)	(2)	(1)	(1)	(2)	(1)	—	—	(1)	(2)	(5)	(6)
Property operating expenses . . . . .	(28)	(27)	(7)	(6)	(7)	(8)	(34)	(36)	(8)	(8)	(84)	(85)
Valuation result . . . . .	357	168	313	322	260	223	246	156	131	159	1,307	1,028
Net result on disposals of investment property . . .	19	4	1	—	7	—	—	4	—	2	27	10
Other income and expenses . . . . .	—	—	—	—	—	2	—	—	—	—	—	2
<b>TOTAL INCOME . . . . .</b>	<b>587</b>	<b>360</b>	<b>407</b>	<b>411</b>	<b>352</b>	<b>300</b>	<b>340</b>	<b>243</b>	<b>211</b>	<b>227</b>	<b>1,897</b>	<b>1,543</b>
Administrative and interest expenses . . . . .	(51)	(43)	(52)	(52)	(63)	(46)	(65)	(48)	(78)	(80)	(309)	(271)
Income tax expenses . . . . .	(5)	(2)	(1)	30	(75)	(50)	(74)	(56)	(35)	(33)	(190)	(111)
<b>SEGMENT RESULT . . . .</b>	<b>531</b>	<b>315</b>	<b>354</b>	<b>389</b>	<b>214</b>	<b>204</b>	<b>201</b>	<b>139</b>	<b>98</b>	<b>114</b>	<b>1,398</b>	<b>1,161</b>
Intra-group income at holding level . . . . .											127	121
<b>NET SHAREHOLDERS' PROFIT FOR THE YEAR . . . . .</b>											<b>1,525</b>	<b>1,282</b>
Investment property and pipeline . . . . .	3,637	3,385	1,940	1,617	1,689	1,387	1,951	1,571	1,365	1,135	10,582	9,095
Other segment assets . . . . .	44	50	26	22	29	21	27	41	61	104	187	238
Investment in associates . . .	—	—	—	—	—	—	—	—	—	—	—	1
Unallocated assets <sup>(1)</sup> . . . . .	—	—	—	—	—	—	—	—	—	—	29	46
<b>TOTAL ASSETS . . . . .</b>	<b>3,681</b>	<b>3,435</b>	<b>1,966</b>	<b>1,639</b>	<b>1,718</b>	<b>1,408</b>	<b>1,978</b>	<b>1,612</b>	<b>1,426</b>	<b>1,239</b>	<b>10,798</b>	<b>9,380</b>

(1) Unallocated assets relate to intra-group assets.

	Netherlands/ Belgium		France		Spain		Nordic Countries		Central Europe		Total	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
	(€ million)											
Segment liabilities . . . . .	655	945	912	940	1,242	1,141	1,582	1,427	1,228	1,176	5,619	5,629
Unallocated liabilities <sup>(2)</sup> . . . . .	—	—	—	—	—	—	—	—	—	—	(1,319)	(1,529)
<b>TOTAL LIABILITIES . . . . .</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>4,299</b>	<b>4,100</b>
Costs capitalized (including capitalized interest) . . . . .	86	110	26	26	20	54	70	32	27	115	229	337
Impairment losses . . . . .	(3)	(8)	—	—	1	—	—	—	—	—	(2)	(8)
Capital expenditure . . . . .	—	—	—	—	—	—	—	—	3	—	3	—

(2) Unallocated liabilities relate to intra-group liabilities.

	Retail		Offices		Industries/ Other		Total	
	2006	2005	2006	2005	2006	2005	2006	2005
	(€ million)							
Income from external customers:								
Gross rental income . . . . .		583		513		62		652
Net service charge expenses . . . . .		(4)		(5)		(1)		(5)
Property operating expenses . . . . .		(72)		(71)		(10)		(84)
Valuation result . . . . .		1,236		998		61		1,307
Net result on disposals of investment property . . . . .		18		6		2		27
Other income and expenses . . . . .		—		2		—		—
<b>TOTAL INCOME FROM EXTERNAL CUSTOMERS . . . . .</b>		<b>1,761</b>		<b>1,443</b>		<b>114</b>		<b>1,897</b>
<b>SEGMENT ASSETS . . . . .</b>		<b>9,603</b>		<b>8,471</b>		<b>766</b>		<b>10,582</b>
<b>COSTS CAPITALIZED (INCLUDING CAPITALIZED INTEREST) . . . . .</b>		<b>214</b>		<b>320</b>		<b>12</b>		<b>228</b>
Impairment losses . . . . .		—		(6)		(3)		(2)

#### 15.2.4 Gross rental income

	<u>2006</u>	<u>2005</u>
	<i>(€ million)</i>	
Gross lease payments collected/accrued . . . . .	668	609
Provision for doubtful debtors . . . . .	(14)	(13)
Amortization of deferred lease incentives . . . . .	<u>(2)</u>	<u>(2)</u>
	<u><b>652</b></u>	<u><b>594</b></u>

The Group leases out its investment property under operating leases and defines a lease contract as a signed agreement between landlord and tenant whereby the right to the possession and use of property is transferred for a defined period of time. The period varies greatly by region, most often varying from 3 to 10 years, with a Group-wide average of 5.2 years. This agreement establishes responsibility and sets standards for both parties. In general, agreed rental levels are indexed with inflation during the tenure of the lease agreement.

The future aggregate minimum lease receivables under non-cancellable operating leases as of December 31, 2006 is approximately as follows:

- Not later than 1 year: 87
- Later than 1 year and not later than 5 years: 267
- Later than 5 years: 278

Approximately 2% of 2006 gross rental income relates to turnover based rent (2005: 1%).

#### 15.2.5 Net service charges

	<u>2006</u>			<u>2005</u>		
	<u>Vacant</u>	<u>Rented Out</u>	<u>Total</u>	<u>Vacant</u>	<u>Rented Out</u>	<u>Total</u>
	<i>(€ million)</i>					
Service charge income . . . . .	—	98	98	—	83	83
Service charge expenses . . . . .	<u>(4)</u>	<u>(99)</u>	<u>(103)</u>	<u>(5)</u>	<u>(84)</u>	<u>(89)</u>
	<u><b>(4)</b></u>	<u><b>(1)</b></u>	<u><b>(5)</b></u>	<u><b>(5)</b></u>	<u><b>(1)</b></u>	<u><b>(6)</b></u>

Service charge income represents income receivable from tenants for the services of utilities when the Group acts as principal.

#### 15.2.6 Property operating expenses

	<u>2006</u>	<u>2005</u>
	<i>(€ million)</i>	
Property taxes . . . . .	13	11
Property insurance premium . . . . .	3	2
Property management expenses . . . . .	34	31
Maintenance expenses . . . . .	14	14
Valuation fees . . . . .	2	2
Letting fees . . . . .	8	11
Other operating expenses . . . . .	<u>10</u>	<u>14</u>
<b>TOTAL PROPERTY OPERATING EXPENSES . . . . .</b>	<u><b>84</b></u>	<u><b>85</b></u>



### 15.2.7 Valuation results and result on disposals

	<u>Positive 2006</u>	<u>Negative 2006</u>	<u>Total 2006</u>	<u>Total 2005</u>
	<i>(€ million)</i>			
Valuation result investment property and renovation projects				
Netherlands/Belgium . . . . .	345	(15)	330	154
Spain . . . . .	260	—	260	215
France . . . . .	313	—	313	322
Nordic countries . . . . .	243	—	243	156
Central Europe . . . . .	128	(4)	124	118
	<u>1,289</u>	<u>(19)</u>	<u>1,270</u>	<u>965</u>
Valuation result pipeline projects . . . . .	39	(2)	37	63
<b>TOTAL VALUATION RESULT . . . . .</b>	<u><u>      </u></u>	<u><u>      </u></u>	<u><u>1,307</u></u>	<u><u>1,028</u></u>

### Net Result on Disposal of Investment Property and Pipeline

	<u>2006</u>	<u>2005</u>
	<i>(€ million)</i>	
Disposal proceeds investment property and pipeline . . . . .	266	291
Carrying amount of investment property and pipeline sold . . . . .	239	281
<b>NET RESULT ON DISPOSAL OF INVESTMENT PROPERTY AND PIPELINE . . . . .</b>	<u><u>27</u></u>	<u><u>10</u></u>

### 15.2.8 Administrative expenses

	<u>2006</u>	<u>2005</u>
	<i>(€ million)</i>	
Wages and social security expenses . . . . .	53	47
ICT services . . . . .	8	8
Housing and office costs . . . . .	8	7
Consultancy and advisory costs . . . . .	5	5
Listing and marketing costs . . . . .	4	3
Other administrative expenses . . . . .	8	5
<b>GROSS ADMINISTRATIVE EXPENSES . . . . .</b>	<u><u>86</u></u>	<u><u>75</u></u>
Charged to pipeline projects . . . . .	(4)	(4)
Charged to operating expenses . . . . .	(16)	(14)
Charged to third parties . . . . .	(14)	(13)
<b>ADMINISTRATIVE EXPENSES . . . . .</b>	<u><u>52</u></u>	<u><u>44</u></u>

The total fees of our statutory auditor comprise of 80% of auditor services (2005: 73%) and 20% for IFRS, tax and other advisory services (2005: 27%). Wages and social security expenses include EUR 2 (2005: EUR 1) of contributions to the defined contribution plans and EUR 1 (2005: EUR 2) relating to the defined benefit pension expenses.

The average number of personnel at year-end was 602 (2005: 552) employed in the following functional areas:

	<u>2006</u>	<u>2005</u>
Asset selection . . . . .	79	68
Retail management . . . . .	318	291
Finance . . . . .	137	128
Other . . . . .	68	65
<b>AVERAGE NUMBER OF PERSONNEL . . . . .</b>	<u><u>602</u></u>	<u><u>552</u></u>

The geographical spread of our average number of personnel has been:

	<u>2006</u>	<u>2005</u>
Central Europe . . . . .	113	99
Corporate Center . . . . .	60	51
France . . . . .	75	67
Netherlands/Belgium . . . . .	74	65
Nordic countries . . . . .	150	147
Spain . . . . .	130	123
<b>AVERAGE NUMBER OF PERSONNEL . . . . .</b>	<b><u>602</u></b>	<b><u>552</u></b>

#### 15.2.9 Other income and expenses

	<u>2006</u>	<u>2005</u>
	<i>(€ million)</i>	
Income from cancellation of pipeline project Azul Talavera, Spain . . . . .	—	2
	<u>—</u>	<u>2</u>

#### 15.2.10 Financing result

	<u>2006</u>	<u>2005</u>
	<i>(€ million)</i>	
Interest income . . . . .	3	2
Interest capitalized . . . . .	8	13
Interest expenses . . . . .	(144)	(126)
<b>NET INTEREST EXPENSES . . . . .</b>	<b><u>(133)</u></b>	<b><u>(111)</u></b>
Foreign exchange result . . . . .	—	—
Fair value result derivative financial instruments . . . . .	7	7
	<u>(126)</u>	<u>(104)</u>

Interest expenses include commitment and other financing fees of EUR 1 (2005 EUR 1).

#### 15.2.11 Income tax expense

<u>Recognized in the Profit and Loss Account</u>	<u>2006</u>	<u>2005</u>
	<i>(€ million)</i>	
<b>CURRENT INCOME TAX EXPENSES</b>		
Current year . . . . .	9	8
	<u>9</u>	<u>8</u>
<b>DEFERRED INCOME TAX EXPENSES</b>		
Origination and reversal of timing differences . . . . .	152	91
Increase/(Reduction) in tax rates . . . . .	26	—
Benefit of tax losses recognized . . . . .	3	12
	<u>181</u>	<u>103</u>
<b>TOTAL INCOME TAX EXPENSE IN THE PROFIT AND LOSS ACCOUNT . . . .</b>	<b><u>190</u></b>	<b><u>111</u></b>

<u>Reconciliation of Effective Tax Rate</u>	<u>(%)</u>	<u>2006</u> <i>(€ million)</i>	<u>(%)</u>	<u>2005</u> <i>(€ million)</i>
Profit before tax . . . . .		1,719		1,395
Income tax using the average tax rate . . . . .	27.2	467	27.5	384
Tax exempt profits (incl. effect of FBI and SIIC) . . . . .	(17.8)	(305)	(17.0)	(238)
Tax exempt costs . . . . .	0.1	1	(0.4)	(5)
Effect of tax losses utilized . . . . .	—	—	(0.1)	(2)
Effect of tax provisions . . . . .	—	—	0.4	5
Effect of non-recognized tax losses . . . . .	0.2	3	(0.1)	(1)
Effect of change in tax rates . . . . .	1.5	26	(2.2)	(31)
Other . . . . .	(0.2)	(2)	(0.1)	(1)
	<u>11.0</u>	<u>190</u>	<u>8.0</u>	<u>111</u>

The relatively low effective tax rate of 11% (2005: 8%) is mainly caused by tax exempt profits in the Netherlands and France following the FBI and SIIC regimes, respectively.

#### 15.2.12 Reconciliation direct and indirect result

The European Public Real Estate Association (EPRA) has issued its Best Practice Policy Recommendation for transparent, uniform and comparable financial information by real estate companies. Rodamco Europe states its shareholders' profit for the year based on IFRS, but additionally splits it into a direct result and an indirect result following EPRA guidelines. This split does not replace the IFRS measures but provide additional information to help investors understand the Group's performance even better.

Direct result after tax approximates the net cash earnings of the group over the period. It comprises net rental income, other income and expenses minus the administrative expenses (also referred to as EBITDAV) minus the net interest expenses, the foreign exchange result, the current part of income tax expense (excluding the part related to indirect result) and a part of the minority interest.

A reconciliation of direct and indirect result to the Group's net shareholders' profit is as follows:

	<u>2006</u> <i>(€ million)</i>	<u>2005</u> <i>(€ million)</i>
<b>DIRECT RESULT</b>		
Net rental income . . . . .	563	503
Administrative expenses . . . . .	(52)	(44)
Interest income . . . . .	3	2
Interest expenses . . . . .	(136)	(113)
Income tax expenses . . . . .	(7)	(8)
Foreign exchange result . . . . .	(1)	—
Other income and expenses . . . . .	—	2
Minority interest . . . . .	(1)	(1)
<b>TOTAL . . . . .</b>	<u>369</u>	<u>341</u>
<b>INDIRECT RESULT</b>		
Valuation result . . . . .	1,307	1,028
Result on disposal of investment property and pipeline . . . . .	27	10
Fair value result derivative financial instruments . . . . .	7	7
Income tax expenses . . . . .	(2)	—
Deferred income tax expenses . . . . .	(181)	(103)
Minority interest . . . . .	(2)	(1)
<b>TOTAL . . . . .</b>	<u>1,156</u>	<u>941</u>
<b>TOTAL NET SHAREHOLDERS' PROFIT . . . . .</b>	<u>1,525</u>	<u>1,282</u>

### 15.2.13 Investment property

	<u>Investment Property</u>	<u>Renovation Projects</u>	<u>Total</u>
		(€ million)	
Balance at January 1, 2005	7,056	9	7,065
Acquisitions	524	—	524
Transfer from/to renovation projects	9	(9)	—
Capital expenditure	43	—	43
Transfer from/to pipeline projects	543	—	543
Disposals (carrying value)	(277)	—	(277)
Revaluations (incl. lease incentives)	965	—	965
Currency translation differences	(32)	—	(32)
<b>BALANCE AT DECEMBER 31, 2005</b>	<b><u>8,831</u></b>	<b><u>—</u></b>	<b><u>8,831</u></b>
Balance at January 1, 2006	8,831	—	8,831
Acquisitions	125	—	125
Transfer from/to renovation projects	—	—	—
Capital expenditure	64	—	64
Transfer from/to pipeline projects	259	—	259
Disposals (carrying value)	(230)	—	(230)
Transfer from/to other property, plant and equipment	(7)	—	(7)
Revaluations (incl. lease incentives)	1,270	—	1,270
Currency translation differences	37	—	37
<b>BALANCE AT DECEMBER 31, 2006</b>	<b><u>10,349</u></b>	<b><u>—</u></b>	<b><u>10,349</u></b>

The total of property, plant and equipment (including investment property, pipeline projects and other property, plant and equipment) amounts to EUR 10,607 (2005: EUR 9,106) broken down as follows:

	<u>2006</u>	<u>2005</u>
	(€ million)	
Investment property	10,349	8,831
Pipeline	233	264
Other property, plant and equipment	25	11
<b>TOTAL</b>	<b><u>10,607</u></b>	<b><u>9,106</u></b>

### Security

At December 31, 2006, properties with a carrying amount of EUR 1,191 (2005: EUR 975) are subject to a registered debenture to secure bank loans (refer to note 15.2.28).

### 15.2.14 Pipeline projects

	<u>2006</u>	<u>2005</u>
	(€ million)	
Balance at January 1	264	453
Cost capitalized	156	282
Investments	34	—
Upward revaluation	39	71
Impairments	(2)	(8)
Interest capitalized	8	12
Disposals	(9)	(4)
Transfer from/to investment property	(259)	(543)
Currency translation differences	2	1
<b>BALANCE AS AT DECEMBER 31</b>	<b><u>233</u></b>	<b><u>264</u></b>

The total of property, plant and equipment (including pipeline projects and other property, plant and equipment) amounts to EUR 258 (2005: EUR 275). During the year, completed pipeline projects mainly are: Stadshart, Almere (Netherlands), Parade, Bergen op Zoom (Netherlands) and Allee-Center, Magdeburg (Germany). These projects have consequently been reclassified to investment property.

#### 15.2.15 Investment in associates

Associates are those entities over which the Group has significant influence, but no operating power over the financial and operating policies. The Group has the following investments in associates:

<u>Operation</u>	<u>Ownership</u>	<u>Through</u>	<u>Legal Seat</u>
Sovalec .....	50%	Rodamco Europe France SA	Paris
PFA Betriebsgesellschaft .....	22%	Rodamco Germany	Berlin

Summary financial information on associates — 100% basis:

	<u>Assets</u>	<u>Liabilities</u>	<u>Equity</u> (€ million)	<u>Revenues</u>	<u>Profit/(Loss)</u>
<b>2005</b>					
Sovalec .....	3	2	1	2	—
PFA Betriebsgesellschaft .....	<u>1</u>	<u>1</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<u><b>4</b></u>	<u><b>3</b></u>	<u><b>1</b></u>	<u><b>2</b></u>	<u><b>—</b></u>
<b>2006</b>					
Sovalec .....	3	2	1	1	—
PFA Betriebsgesellschaft .....	<u>1</u>	<u>1</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<u><b>4</b></u>	<u><b>3</b></u>	<u><b>1</b></u>	<u><b>1</b></u>	<u><b>—</b></u>

#### 15.2.16 Joint ventures

Joint ventures are those entities in which the Group has joint control established by contractual agreement. Joint ventures are proportionally consolidated based on Rodamco's share of ownership.

The Group has the following investments in joint ventures:

<u>Operation</u>	<u>Ownership</u>	<u>Through</u>	<u>Legal Seat</u>
Ring-Center I .....	67%	Geschäftszentrum Frankfurter Allee	Berlin
Allee-Center .....	50%	Mülhauser & Co Einkaufszenter Magdeburg	Hamburg
Aupark .....	50%	Rodamco Inversiones SI	Madrid
Árkád Örs Vezér Tére .....	33%	Vezér Center Kft.	Budapest
Galeria Mokotów .....	50%	Rodamco Europe CH1 Sp. Z.o.o.	Warsaw
Kiinteistö OY Vantaanportin Liiketalat ....	21%	Rodamco Sverige AB	Vanda
Kiinteistö OY Vantaanportin Liikekeskus ..	60%	Rodamco Sverige AB	Vanda
Pankrac k.s. ....	50%	Rodamco Sverige AB	Prague

Included in the consolidated financial statements are the following items that represent the Group's proportionate interest in the assets and liabilities, revenues and expenses of the joint ventures:

	<u>2006</u>	<u>2005</u>
	(€ million)	
Non-current assets .....	468	338
Current assets .....	16	18
Non-current liabilities .....	122	56
Current liabilities .....	<u>118</u>	<u>118</u>
<b>NET ASSETS</b> .....	<u><b>244</b></u>	<u><b>182</b></u>
Income .....	71	25
Expenses .....	<u>(9)</u>	<u>(6)</u>
<b>NET PROFIT</b> .....	<u><b>62</b></u>	<u><b>19</b></u>

The movement in the net asset value of the joint ventures is mainly caused by the first time proportional consolidation in 2006 of Aupark.

### 15.2.17 Goodwill

	<u>2006</u>	<u>2005</u>
	<i>(€ million)</i>	
Balance at January 1 .....	20	—
Acquisitions through business combinations .....	<u>13</u>	<u>20</u>
<b>BALANCE AT DECEMBER 31 .....</b>	<b><u>33</u></b>	<b><u>20</u></b>

The goodwill acquired through business combinations in 2005 relates to the goodwill paid on the acquisition of the Jumbo shopping center in Helsinki, Finland, as a result of recording the total deferred income tax liability in Finland at nominal value. Annually, the Group carries out impairment tests on goodwill balances using the relevant cash-generating unit. The Groups unit's impairment test is based on fair value less selling costs.

In the first half of 2006, Rodamco completed the acquisition of a 50% stake in the Aupark shopping and entertainment center. Aupark is a large shopping center in Bratislava, the capital of the Slovak Republic. The acquisition was announced on December 14, 2005 and was subject to approval of the Slovak Antimonopoly Office. Formal approval has been obtained in the second quarter of 2006. The goodwill following the Aupark acquisition mainly relates to the recognition of a deferred tax liability at nominal value. Please refer to note 15.2.26 Provisions for a recognized purchase price adjustment in respect of the Aupark acquisition.

Rodamco has an option to extend its stake to 90% as from 2013; the vendor also has an option to sell its stake from the final closing date. The option to increase the Group's stake to 90%, either by the Group's offer to acquire the additional 40% interest or by the vendor's offer to sell it, does not have a value within the scope of IAS 32/39 and has consequently not been recognized in these accounts because:

- though the option gives the right to both the Group and the vendor, it does not constitute a present obligation as the execution of the transfer is suspended until such a time that an offer is made and accepted by both parties. As a consequence, the possible obligation to purchase the additional shares does not give rise to a liability;
- the option has no fixed price, yet is exercisable at the fair value prevailing in 2013.

	<u>(€ million)</u>
<b>PURCHASE CONSIDERATION</b>	
Cash paid .....	43
Earn-out consideration .....	14
Direct costs relating to the acquisition .....	<u>3</u>
<b>TOTAL PURCHASE CONSIDERATION .....</b>	<b><u>60</u></b>
<b>FAIR VALUE OF NET IDENTIFIABLE ASSETS .....</b>	<b>47</b>
<b>GOODWILL .....</b>	<b>13</b>

The goodwill is largely explained by the recognition of a deferred tax liability of EUR 12.

The assets and liabilities arising from the acquisition are as follows:

	<u>Acquiree's</u>	<u>Fair Value</u>
	<u>Carrying Amount</u>	
	<i>(€ million)</i>	
Non-current assets .....	31	90
Current assets .....	3	2
Non-current liabilities .....	26	39
Current liabilities .....	<u>5</u>	<u>6</u>
<b>NET ASSET VALUE .....</b>	<b><u>3</u></b>	<b><u>47</u></b>

### 15.2.18 Other property, plant and equipment

	Land & Buildings		Furniture & Equipment		Total	
	2006	2005	2006	2005	2006	2005
	(€ million)					
Balance at January 1	—	—	11	8	11	8
Transfer from/(to) investment property	7	—	—	—	7	—
Acquisitions	—	—	1	1	1	1
Additions	—	—	10	6	10	6
Divestments	—	—	(1)	—	(1)	—
Depreciation	—	—	(3)	(4)	(3)	(4)
<b>BALANCE AT DECEMBER 31</b>	<b>7</b>	<b>—</b>	<b>18</b>	<b>11</b>	<b>25</b>	<b>11</b>

Following a change in the use of a part of an investment property, i.e. the move of Rodamco Nederland BV in Amsterdam to the owned property Oostelijke Handelskade, the Netherlands, an amount of EUR 7 has been transferred from 'Investment property' to 'Other property, plant and equipment' in 2006.

### 15.2.19 Deferred tax assets and liabilities

#### Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following items:

	Net assets		Net Liabilities		Total	
	2006	2005	2006	2005	2006	2005
	(€ million)					
Investment property	—	(2)	604	413	604	411
Other items	—	—	4	2	4	2
Value of tax losses carry-forward recognized	(18)	(22)	(31)	(30)	(49)	(52)
<b>TAX (ASSETS)/LIABILITIES</b>	<b>(18)</b>	<b>(24)</b>	<b>577</b>	<b>385</b>	<b>559</b>	<b>361</b>

The appropriateness of the deferred tax asset recognition has been assessed against the useful life of the tax loss and realization of positive revaluations on investment properties.

From the total net deferred tax liability of EUR 559, an amount of EUR (14) will be recovered through use and the remaining balance of EUR 573 will be recovered through sale.

#### Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	2006	2005
	(€ million)	
Temporary differences investment properties	18	20
Tax losses carry-forward not recognized	64	80
<b>TOTAL UNRECOGNIZED LOSSES</b>	<b>82</b>	<b>100</b>

The temporary differences and tax losses are mainly related to real estate operations in Germany. They do not expire under current tax legislation. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available which can be offset against these assets.

<b>Movement in Temporary Differences During the Year</b>	<b>Balance 01/01/2005</b>	<b>Recognized in Profit and Loss Account</b>	<b>Movement Through Balance<sup>(1)</sup></b>	<b>Balance 12/31/2005</b>
			(€ million)	
Investment property . . . . .	388	87	(64)	411
Other items . . . . .	(2)	4	—	2
Value of loss carry-forwards recognized . . . . .	(53)	12	(11)	(52)
	<u>333</u>	<u>103</u>	<u>(75)</u>	<u>361</u>

(1) 2005: Movement from deferred tax liabilities to current liabilities mainly due to election SIIC regime France and recognition of deferred tax resulting from acquisition of Jumbo. Under the SIIC regime, income and capital gains from the full French portfolio are exempt from tax in France.

	<b>Balance 01/01/2006</b>	<b>Recognized in Profit and Loss Account</b>	<b>Movement Through Balance<sup>(1)</sup></b>	<b>Balance 12/31/2006</b>
			(€ million)	
Investment property . . . . .	411	176	17	604
Other items . . . . .	2	2	—	4
Value of loss carry-forwards recognized . . . . .	(52)	3	—	(49)
	<u>361</u>	<u>181</u>	<u>17</u>	<u>559</u>

(1) 2006: Movement resulting from the acquisition of Aupark as well as currency translation differences.

#### 15.2.20 Trade and other receivables

	<b>2006</b>	<b>2005</b>
	(€ million)	
Rent receivables . . . . .	30	26
Tax receivables . . . . .	15	11
Other receivables . . . . .	30	72
	<u>75</u>	<u>109</u>

Trade and other receivables are shown net of impairment losses amounting to EUR 14 (2005: EUR 11) arising from identified doubtful receivables from tenants. Any possible impairment losses are charged to the profit and loss account under 'gross rental income'. There are no receivables expected to be realized after more than 12 months.

#### 15.2.21 Cash at banks

	<b>2006</b>	<b>2005</b>
	(€ million)	
Cash deposits . . . . .	8	67
Current bank accounts . . . . .	38	21
<b>Cash at banks . . . . .</b>	<b>46</b>	<b>88</b>
Bank overdrafts . . . . .	(31)	(16)
<b>CASH AT BANKS IN THE STATEMENT OF CASH FLOWS . . . . .</b>	<b>15</b>	<b>72</b>



## 15.2.22 Capital and reserves

Reconciliation of Movement in Capital and Reserves	Share Capital	Share Premium	Legal Reserves (IFRS)		Retained Earnings	Share-Holders Equity	Minority Interest	Total Equity
			Hedging	Currency Translation				
					(€ million)			
Balance at January 1, 2005 . . . . .	717	2,956	—	3	603	4,279	7	4,286
Changes in equity . . . . .	—	—	(2)	(5)	1,282	1,275	1	1,276
Dividends to shareholders . . . . .	—	—	—	—	(282)	(282)	—	(282)
Appropriation of net profit 2004 . . . . .	—	—	—	—	—	—	—	—
<b>BALANCE AT DECEMBER 31, 2005 . .</b>	<b>717</b>	<b>2,956</b>	<b>(2)</b>	<b>(2)</b>	<b>1,603</b>	<b>5,272</b>	<b>8</b>	<b>5,280</b>
Balance at January 1, 2006 . . . . .	717	2,956	(2)	(2)	1,603	5,272	8	5,280
Changes in equity . . . . .	—	—	2	5	1,526	1,533	4	1,537
Dividends to shareholders . . . . .	—	—	—	—	(317)	(317)	—	(317)
Other movements . . . . .	—	—	—	—	(1)	(1)	(1)	(2)
<b>BALANCE AT DECEMBER 31, 2006 . .</b>	<b>717</b>	<b>2,956</b>	<b>—</b>	<b>3</b>	<b>2,811</b>	<b>6,487</b>	<b>11</b>	<b>6,498</b>

### Share capital and share premium reserve

The share capital consists of 204,524,430 authorized shares of which 89,639,292 shares are issued and fully paid up at December 31, 2006, similar to 2005. The shares have a par value of EUR 8 each. No movements occurred in 2006, as was the case in 2005.

### Legal reserves

Legal reserves are reserves to be maintained following IFRS and comprise of hedging reserves and currency translation reserves. The amounts recognized by these reserves, totalling EUR 3, are not freely distributable. A brief description of the legal reserves is as follows:

#### Currency translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations with a functional currency other than the Group's functional currency, as well as from the translation of liabilities (including quasi-equity loans) that hedge the Group's net investment in a foreign subsidiary.

#### Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments where the hedged transaction has not yet occurred.

### Retained earnings

The retained earnings include an amount of EUR 2,889 that represents the cumulative increase in the fair value of the property as compared to the total cost price, net of deferred tax. This amount is not freely distributable.

### Dividends

After the balance sheet date, the following final dividend was proposed by the management board in agreement with the supervisory board. The dividends have not been recorded as a liability and there are no corporate income tax consequences.

	2006	2005
	(€ thousands)	
€2.34 per qualifying ordinary share (final dividend 2005: €2.17) . . . . .	209,755	194,517

## 15.2.23 Earnings per share

The calculation of basic earnings per share at December 31, 2006 is based on the net profit attributable to ordinary shareholders of EUR 1,525 (2005: EUR 1,282) and a weighted average number of ordinary shares outstanding during the year ended December 31, 2006 of 89,639,292 (2005: 89,639,292). Except for the PSP plan (see note 15.2.25) for which the Group has not yet decided whether new shares will be issued, there are no dilutive potential ordinary shares, therefore the diluted earnings per share are the same as the basic earnings per share.

### 15.2.24 Bonds, interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's bonds, interest-bearing loans and borrowings. For more information about the Group's exposure to interest rate and currency risk, refer to note 15.2.28.

	<u>2006</u>	<u>2005</u>
	<i>(€ million)</i>	
<b>NON-CURRENT LIABILITIES</b>		
Eurobond 7 yr (till 2012), nominal €500, fixed rate 3.75% . . . . .	498	498
Eurobond 7 yr (till 2010), nominal €500, fixed rate 3.75% . . . . .	495	494
Eurobond 10 yr (till 2014), nominal €500, fixed rate 4.375% . . . . .	494	493
Eurobond 3 yr (till 2007), nominal €200, 3 month EURIBOR + 0.21% . . . . .	—	200
Swedish Krona bond 3 yr (till 2008), nominal SEK 1000, 3 month STIBOR + 0.12% . . . . .	111	106
Eurobond 5 yr (till 2011), nominal €500, fixed rate 4.125% . . . . .	492	—
Other bonds and credit institutions . . . . .	<u>1,022</u>	<u>1,094</u>
	<b><u>3,112</u></b>	<b><u>2,885</u></b>
<b>CURRENT LIABILITIES</b>		
Swedish Krona bond 1.5 yr (till 2006), nominal SEK 720, 3 month STIBOR + 0.11% . . . . .	—	77
Eurobond 3 yr (till 2007), nominal €200, 3 month EURIBOR + 0.21% . . . . .	200	—
Current portion of loans from credit institutions . . . . .	<u>8</u>	<u>341</u>
<b>TOTAL DEBT</b> . . . . .	<b><u>3,320</u></b>	<b><u>3,303</u></b>

In August 2005, the Group terminated the November 2003 Credit Facility to benefit from the market conditions at that moment and replaced it with the August 2005 Credit Facility. This facility has a maturity of five years with two extension options for another year. In 2006 the Group exercised its extension option. The facility will now mature on August 12, 2011 with another one year extension option. In August 2005, the Group arranged a EUR 600 multicurrency revolving credit facility. As at December 31, 2006, no drawings are outstanding under this committed syndicated credit facility. The commitment fee is five basis points and an interest margin of 17 basis points over Euribor. The facility is for general corporate purposes and to support commercial paper obligations.

In April 2006, the Group issued a EUR 500 five year fixed rate bond. The issuance carries a coupon of 4.125% and was sold to international institutional investors. The proceeds were used to refinance short-term debt and for general corporate purposes.

<u>Loan Maturity Profile</u>	<u>December 31, 2006</u>			<u>December 31, 2005</u>
	<u>Secured</u>	<u>Unsecured</u>	<u>Total Debt</u>	<u>Total Debt</u>
			<i>(€ million)</i>	
After 5 years . . . . .	212	1,210	1,422	1,471
Between 1-5 years <sup>(1)</sup> . . . . .	247	1,443	1,690	1,414
<b>Total liabilities &gt; 1 year</b> . . . . .	<b>459</b>	<b>2,653</b>	<b>3,112</b>	<b>2,885</b>
<b>Total liabilities due within 1 year</b> . . . . .	<b><u>8</u></b>	<b><u>200</u></b>	<b><u>208</u></b>	<b><u>418</u></b>
<b>TOTAL DEBT</b> . . . . .	<b><u>467</u></b>	<b><u>2,853</u></b>	<b><u>3,320</u></b>	<b><u>3,303</u></b>

(1) European Commercial Paper due within one year mainly have a long-term character and are fully backed by the existing long-term committed credit facility of €600, therefore these are classified as non-current debt.

Currency and Interest Rate Profile	Fixed Rate Debt <sup>(1)</sup> (€ million)	Floating Rate Debt <sup>(2)</sup> (€ million)	Total Debt Amount (€ million)	Weighted Average Interest Rate in %	Interest Maturity in Years	Weighted Average Maturity of Debt in Years
<b>2005</b>						
Euro . . . . .	2,027	241	2,268	4.36	5.9	6.2
Swedish krona . . . . .	184	627	811	2.38	0.4	3.3
Danish krone . . . . .	—	25	25	5.00	0.8	3.8
US dollar . . . . .	46	44	90	5.86	3.2	7.3
Czech koruna . . . . .	—	109	109	2.42	0.1	0.2
	<u>2,257</u>	<u>1,046</u>	<u>3,303</u>	<u>3.86</u>	<u>4.3</u>	<u>5.3</u>
<b>2006</b>						
Euro . . . . .	2,113	49	2,162	4.32	5.4	5.6
Swedish krona . . . . .	80	823	903	3.21	0.2	3.7
Danish krone . . . . .	174	—	174	4.18	5.6	5.6
US dollar . . . . .	36	45	81	6.45	2.2	6.8
	<u>2,403</u>	<u>917</u>	<u>3,320</u>	<u>4.06</u>	<u>4.7</u>	<u>5.1</u>

(1) Fixed rate debt consists of all external financing with a remaining interest period of more than one year taking into account the effect of interest rate swaps and cross currency (interest rate) swaps.

(2) Floating rate debt consists of all external financing with a remaining interest period of less than one year taking into account the effect of interest rate swaps and cross currency (interest rate) swaps.

#### 15.2.25 Employee benefits and pension plans

	2006	2005	2004
	(€ million)		
Present value of funded obligations . . . . .	33	23	20
Fair value of plan assets. . . . .	(21)	(20)	(17)
<b>PRESENT VALUE OF NET OBLIGATIONS . . . . .</b>	<b>12</b>	<b>3</b>	<b>3</b>
<b>UNRECOGNIZED ACTUARIAL GAINS AND LOSSES . . . . .</b>	<b>(7)</b>	<b>2</b>	<b>2</b>
<b>RECOGNIZED LIABILITY FOR DEFINED BENEFIT OBLIGATIONS . .</b>	<b>5</b>	<b>5</b>	<b>5</b>

The 2006 increase in the present value of funded obligations is caused by an increased percentage of assumed future pension increases from 0.8% to 2.0%.

The movement in the present value of funded obligation over the year is as follows:

	2006	2005	2004
	(€ million)		
Beginning of the year . . . . .	23	20	17
Current service cost . . . . .	1	2	2
Interest costs . . . . .	1	1	1
Contributions . . . . .	—	—	—
Benefit payments . . . . .	—	—	—
Curtailments . . . . .	(1)	—	—
Actuarial gains and losses . . . . .	10	—	—
Settlements . . . . .	(1)	—	—
<b>END OF YEAR . . . . .</b>	<b><u>33</u></b>	<b><u>23</u></b>	<b><u>20</u></b>

The movement in the fair value of plan assets over the year is as follows:

	<u>2006</u>	<u>2005</u>	<u>2004</u>
	(€ million)		
Beginning of the year . . . . .	(20)	(17)	(14)
Expected return on plan assets . . . . .	(1)	(1)	(1)
Contributions . . . . .	(1)	(1)	(5)
Benefit payments . . . . .	—	—	—
Curtailments . . . . .	—	—	—
Actuarial gains and losses . . . . .	—	(1)	3
Settlements . . . . .	<u>1</u>	<u>—</u>	<u>—</u>
<b>END OF YEAR . . . . .</b>	<b><u>(21)</u></b>	<b><u>(20)</u></b>	<b><u>(17)</u></b>

*Net liability for defined benefit obligations*

The majority of the Group's pension schemes in its home regions are defined contribution plans. The Dutch Group companies have pension plans (final pay and average pay) with both defined benefit as well as defined contribution components.

The Group has elected to recognize all cumulative actuarial gains and losses at the transition date of January 1, 2004 and subsequently use the corridor method.

*Movements in the net liability recognized in the balance sheet*

	<u>2006</u>	<u>2005</u>	<u>2004</u>
	(€ million)		
Beginning of year . . . . .	5	5	8
Contributions paid . . . . .	(1)	(2)	(5)
Expense recognized in the profit and loss account . . . . .	<u>1</u>	<u>2</u>	<u>2</u>
<b>END OF YEAR . . . . .</b>	<b><u>5</u></b>	<b><u>5</u></b>	<b><u>5</u></b>

*Expense recognized in the profit and loss account*

	<u>2006</u>	<u>2005</u>	<u>2004</u>
	(€ million)		
Current service costs . . . . .	1	2	2
Interest costs . . . . .	1	1	1
Expected return on plan assets . . . . .	<u>(1)</u>	<u>(1)</u>	<u>(1)</u>
<b>TOTAL FOR THE YEAR . . . . .</b>	<b><u>1</u></b>	<b><u>2</u></b>	<b><u>2</u></b>

The expense is recognized within administrative expenses.

Principal actuarial assumptions used were:

	<u>2006</u>	<u>2005</u>	<u>2004</u>
	(%)		
Discount rate . . . . .	4.3	4.1	4.75
Expected return on plan assets . . . . .	4.10 - 4.30	3.7	4.4
Future salary increase . . . . .	3.75 - 4.50	2.25	2.25
Future inflation . . . . .	2	2	2
Future pension increase . . . . .	2.00 - 3.00	0.8	0.8

In view of the relatively short history of the pension plan, no actuarial experience is available yet.

*Share based payments*

In 2006, the Group introduced a Long-Term Incentive Plan for the management board and senior management and conditionally granted shares to the management board, with grant date April 24, 2006, and other senior management, with grant date May 18, 2006. The number of shares that will actually be delivered is based on meeting

performance conditions. The fair value of the plan has been calculated by a professional actuarial firm and is equally spread over the vesting period (until vesting date April 24, 2009).

This plan falls under the scope of IFRS 2 Share Based Payment as the Group receives services from the management board and senior management during the vesting period and will pay for these services in its own shares.

The fair value is measured using the Monte Carlo simulation model, a generally accepted valuation methodology for pricing financial instruments and incorporates all factors and assumptions that knowledgeable, willing market participants would consider in setting the price.

The significant inputs into the model are as follows:

<u>Grant Date</u>	<u>24 April 2006</u>	<u>18 May 2006</u>
Vesting date . . . . .	24-Apr-09	24-Apr-09
Share price at grant date (€) . . . . .	86.35	78.05
Expected volatility (%) . . . . .	13.7	13.7
Dividend yield (%) . . . . .	4.9	4.9
Risk-free interest rate (%) . . . . .	3.775	3.775
Correlation coefficient . . . . .	0.33	0.33

With the introduction of this plan, no more grants under the former Share Purchase Plan will be done. For further details, see also note 15.2.30: Related Parties.

#### 15.2.26 Provisions

	<u>2006</u>	<u>2005</u>
	<i>(€ million)</i>	
Balance at January 1 . . . . .	21	21
Provisions made during the year . . . . .	14	7
Provisions used during the year . . . . .	—	(2)
Provisions reversed during the year . . . . .	—	(5)
<b>Balance at December 31 . . . . .</b>	<b><u>35</u></b>	<b><u>21</u></b>
Non-current . . . . .	35	21
Current . . . . .	—	—

Provisions consist of provisions for tax claims and other obligations. A number of corporate income tax positions are being challenged by local tax authorities or may be challenged in the future. Some items are being litigated before courts. The total potential tax exposure may range from nil to a maximum of EUR 68, of which EUR 20 is provided for in the balance sheet.

The other obligations relate for EUR 16 to the contractual agreed 'earn-out' in respect of the Aupark acquisition. The earn-out amount is based on the expected net rental income of 2008 and the adjustment has subsequently been discounted for 2006, amounting to EUR 14.

#### 15.2.27 Trade and other payables

	<u>2006</u>	<u>2005</u>
	<i>(€ million)</i>	
Accounts payable . . . . .	42	41
Rents received in advance . . . . .	42	45
Operating expenses payable . . . . .	18	12
Interest payable . . . . .	31	23
Income tax payable . . . . .	32	27
VAT payable . . . . .	8	17
Security deposits . . . . .	37	33
Investment creditors (pipeline projects) . . . . .	34	55
Accrued liabilities . . . . .	<u>29</u>	<u>34</u>
	<b><u>273</u></b>	<b><u>287</u></b>

The interest payable relates to interest on short-term loans and mortgages. The income tax payable relates to the tax payable due to the SIIC elections in 2005 and 2004. The amount is payable in four annual installments. The long-term part of EUR 24 is classified in the balance sheet as non-current income tax payable.

### **15.2.28 Financial instruments**

#### *Treasury risk management*

The Group reviews and monitors its exposure and risks related to credit liquidity, interest rates and foreign exchange. The Group utilizes (derivative) financial instruments to manage these exposures. These instruments are not considered specialized or high-risk and are generally available from numerous sources. The Group enters into contracts to hedge economic risks and does not enter into contracts or utilize derivatives for speculative purposes. Established controls are in place covering the execution and monitoring of these contracts. These include policies, guidelines, reporting and segregation of duties. The Group carefully monitors cash flow, interest cover, leverage, debt and interest maturity and derivatives schedules against its finance policy's target ratios. Additionally, asset and liability management techniques are used to assess and optimise the Group's financial management and decision-making process.

#### *Credit risk management*

A large number of major international financial institutions are counterparties to the interest rate swaps, foreign exchange contracts and deposits transacted by the Group. Such transactions are only entered into with counterparties with a long-term credit rating as defined by S&P of A- or better. The counterparty risk associated with these transactions is the cost of replacing these agreements at the current market rates, in the event of default by these counterparties. Management believes that the risk of incurring losses as a result of default is remote.

The credit risk associated with lease debtors is mitigated by acquiring deposits and up-front payments.

#### *Liquidity risk management*

In order to spread liquidity risk, the Group has financed its activities through a variety of instruments in the capital markets and with a large number of banks in a mix of both debt and equity capital. The debt maturity profile is managed by spreading the repayment dates. The group adopts a policy of ensuring that a maximum of 25% of debt is redeemable within a year (for year-end 2006 6.22%). In August 2005, the Group terminated the November 2003 Credit Facility to benefit from the market conditions at that moment and replaced it with the August 2005 Credit Facility. This facility has a maturity of five years with two extension options for another year. In 2006 the Group exercised its extension option. The facility will now mature on August 12, 2011 with another one year extension option. As at December 31, 2006, no drawings are outstanding under the committed syndicated credit facility. For further details with respect to this facility, reference is made to note 15.2.24.

#### *Interest rate risk management*

The Group runs a structural interest rate risk in its balance sheet. Interest rate exposure could be triggered due to increases in interest rates by the European, Swedish and US Central Banks, steepening of the interest curve (short versus long-term interest), and widening of supply/demand gaps on international debt capital markets.

The Group adopts a policy of ensuring that a range of 60-70% of its exposure to changes in interest rates on external debt is on a fixed rate basis (this excludes pipeline commitments). The Group uses interest rate derivatives to manage and structure its interest rate profile. The outstanding interest rate swaps as of year-end 2006 are presented in the table below. At December 31, 2006, the Group had interest swaps with a notional contract amount of EUR 930 and a mark-to-market of EUR (27). The fixed to floating ratio per December 31, 2006 is 73% (excluding unfunded pipeline commitments).

The net fair value of interest rate swaps at December 31, 2006 was EUR (27) comprising assets of EUR 1 and liabilities of EUR 28. These amounts were recognized as derivative financial instruments under the assets and liabilities, respectively.

	<u>Number of Contracts</u>	<u>Nominal</u> (€ million)	<u>Fair Value</u> (€ million)
Interest rate swaps			
Up to 1 year . . . . .	3	130	—
From 1 year to 5 years . . . . .	3	414	(14)
From 5 years to 10 years . . . . .	<u>5</u>	<u>386</u>	<u>(13)</u>
<b>TOTAL INTEREST RATE SWAPS . . . . .</b>	<b><u>11</u></b>	<b><u>930</u></b>	<b><u>(27)</u></b>

For more information on the average interest costs of loans and the interest durations, refer to note 15.2.24.

#### *Foreign currency risk management*

The Group has activities and investments in countries outside the euro-zone, primarily in Sweden. When converted into euros, the income and value of the Group's net investment may be influenced by fluctuations in exchange rates against the euro.

Wherever possible, the Group aims to match foreign currency income with expenses in the same currency, reducing earnings volatility. Translation risks are hedged by either matching cash investments in a specific currency with debt in the same currency or using derivatives to achieve the same goal from a risk point of view. Currency risk in the building period of pipeline investments are covered as quickly as possible after the signing of the actual building contract. In respect of other monetary assets and liabilities held in currencies other than the euro, the Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

#### *Sensitivity analysis*

Rodamco Europe runs a structural interest rate risk in its balance sheet. The Group has adopted a policy of ensuring that a range of 60% to 70% of its exposure to changes in interest rates on external debt is at fixed rate. We use interest rate derivatives to manage and structure the interest rate profile. However, a parallel shift of the yield curve with 100 basis points will result in an increase in interest expenses of EUR 9 million. This is for illustrative purposes only, as in practice market rates rarely change in isolation of other factors that also affect Rodamco Europe financial position and results.

Rodamco Europe has activities and investments in countries outside the euro-zone, primarily in Sweden. When converted into euros, the income and value of Rodamco Europe net investment may be influenced by fluctuations in exchange rates against the euro. A 10% change in the exchange rate in EUR/SEK can result in an increase/decrease of EUR 35 million in shareholders equity.

#### *Forecasted transactions*

The fair value of forward exchange contracts used as hedges of forecasted transactions at December 31, 2006 was EUR 0 (2005: EUR 0).

#### *Recognized assets and liabilities*

The fair value of forward exchange contracts used as economic hedges of monetary assets and liabilities in foreign currencies at December 31, 2006 was EUR 0 (2005: EUR 10) recognized in trade receivables.

#### *Hedge of net investment in foreign subsidiary*

The Group's SEK denominated European Commercial Paper and Bonds, as well as some of the foreign currency derivatives, are designated as a hedge of the Group's investment in its subsidiary in Sweden. The carrying amount of the loan and derivatives at December 31, 2006 was EUR 190 (2005: EUR 351). A foreign exchange loss of EUR 9 (2005: gain of EUR 18) was recognized in equity on translation of the loan and derivatives into euros.

The following table contains the euro equivalents of the Group's main foreign currency positions at the balance sheet date.

	<u>Assets</u>	<u>Liabilities</u>	<u>Net Exposure</u>	<u>Hedging Instruments<sup>(1)</sup></u>	<u>Exposure Net of Hedges<sup>(2)</sup></u>	<u>Managed Exposure Net of Hedges<sup>(3)</sup></u>
SEK .....	1,493	522	971	586	385	16
DKK .....	258	76	182	127	55	38
HUF .....	2	—	2	—	2	2
USD .....	168	55	113	51	62	1
CZK .....	3	—	3	—	3	3
SKK .....	—	1	(1)	—	(1)	(1)
	<u>1,924</u>	<u>654</u>	<u>1,270</u>	<u>764</u>	<u>506</u>	<u>59</u>

- (1) Hedging instruments consist of foreign currency legs of forward exchange contracts and cross currency (interest rate) swaps.
- (2) This includes capex, revaluation adjustments and deferred tax on our investment properties which are not part of the Group's hedging policy. Exchange rate differences on these items are recognized in the currency translation reserve.
- (3) Managed exposure is the remaining exposure after exclusion of accepted exposures resulting from capex, revaluations and deferred taxes. Exchange rate differences on these items are recognized in the currency translation reserve.

#### *Fair values*

The fair values together with the carrying amounts shown in the balance sheet are as follows:

	<u>Carrying Amount</u>	<u>2006 Fair Value</u>	<u>Carrying Amount</u>	<u>2005 Fair Value</u>
		<i>(€ million)</i>		
Trade and other receivables .....	76	76	111	111
Cash at banks .....	46	46	88	88
Interest rate swaps:				
Assets .....	1	1	6	6
Liabilities .....	(14)	(14)	(28)	(28)
Cross currency interest rate swaps				
Assets .....	—	—	15	15
Liabilities .....	(14)	(14)	—	—
Bank loans:				
EUR loan .....	(488)	(500)	(733)	(768)
CZK loan .....	—	—	(109)	(109)
SEK loan .....	(406)	(406)	(478)	(478)
DKK loan .....	(47)	(47)	(25)	(26)
USD loan .....	(81)	(86)	(90)	(96)
Bond issues:				
EUR bonds .....	(2,187)	(2,152)	(1,685)	(1,710)
SEK bonds .....	(111)	(111)	(183)	(183)
Trade and other payables .....	(297)	(297)	(338)	(338)
Bank overdrafts .....	(31)	(31)	(16)	(16)
<b>TOTAL .....</b>	<b><u>(3,553)</u></b>	<b><u>(3,535)</u></b>	<b><u>(3,465)</u></b>	<b><u>(3,532)</u></b>
<b>UNRECOGNIZED PROFITS/(LOSSES) .....</b>		<b>18</b>		<b>(67)</b>

#### *Estimation of fair values*

The carrying amounts of cash, accounts receivable, accounts payable and current loans payable approximate their 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 interest rates from similar types of borrowing arrangements or at quoted market prices, where applicable. The fair value of derivative financial instruments is estimated by discounting the future cash flows to net present values using appropriate market rates prevailing at year-end or by third-party pricing models.



### 15.2.29 Off balance sheet commitments

#### *Operating leases as lessee*

Non-cancellable operating lease rentals are payable as follows:

	2006	2005
	(€ million)	
Less than 1 year .....	1	3
Between 1 and 5 years .....	9	7
More than 5 years .....	<u>4</u>	<u>1</u>
	<u>14</u>	<u>11</u>

The Group leases a number of offices under operating leases. The leases typically run for an initial period of between five and ten years, with an option to renew the lease after that date. Lease payments are increased annually to reflect market rentals. None of the leases include contingent rentals.

During the year ended December 31, 2006, EUR 3 was recognized as an expense in the profit and loss account in respect of operating leases (2005: EUR 3).

#### *Capital commitments*

The Group has a substantial committed pipeline (EUR 1,308) to support its growth in the coming years and actively works on new opportunities in both new projects and (extension of) current shopping centers. Of this EUR 1,308, EUR 201 was invested until December 31, 2006. The Group strategically accepts letting risk as it considers early involvement in shopping center design and tenant mix as with strong anchor tenants as crucial for minimizing future operational risks and safeguarding the value of its properties.

#### *Contingencies*

Potential consequences of claims and legal procedures towards the Group have been provided where considered necessary. The assessment of these cases have been made using internal and, if necessary, external expert opinions. A number of tax positions are being challenged by the local tax authorities or may be challenged in the future. Some items are being litigated before courts. The total potential tax exposure may range from nil to a maximum of EUR 68, of which EUR 20 is provided for in the balance sheet.

On April 23, 2002, RoProperty Holding BV ('RoProperty') completed the sale of RREEF US. As part of the transaction, Rodamco Europe N.V. issued a letter of credit to Deutsche Asset Management amounting to US\$27 at the end of 2004 which will expire in 2008, according to warranties under the stock purchase agreement. Rodamco Europe N.V. settled the main part of this risk through an insurance structure in 2003. A liability has been accrued for which covers costs and non-insured commitments for Rodamco Europe relating to this transaction.

As part of the Jumbo swap transaction on September 30, 2005, Rodamco Europe N.V. granted to IVG Immobilien AG the exclusive right to purchase the real estate located in Paris 8eme at numbers 18 to 20 Av. Hoche, once the real estate has been redeveloped and 90% of the surface has been leased. The purchase price will be based on the market value the date of purchase. This right expires on December 31, 2009.

On December 27, 2006 Rodamco Europe announced the acquisition of 50% of the Metropolis shopping center development in Moscow for approximately EUR 200. Conditional to the building permit being obtained and the receipt by Rodamco Europe of a first demand guarantee, Rodamco Europe will remit EUR 15 as an advance payment to the purchase price. In 2005 the Group announced the acquisition of the Arkády Pankrác shopping center in Czech Republic. Upon receipt of the building permit, the Group will acquire an additional 25% interest.

The Group has entered into an off balance sheet arrangement in respect of the Aupark acquisition. For further details see note 15.2.17.

### 15.2.30 Related parties

#### *Identity of related parties*

The Group has a related party relationship with its subsidiaries, joint ventures (see note 15.2.16), associates (see note 15.2.15), employees (see note 15.2.25) and with its key management personnel. Key management personnel comprise both members of the management board and senior management. There were no related party

relationships with close members of the family of members of supervisory board and the management board. Compensation of key management personnel is outlined in this note and note 15.2.31.

One of our major shareholders Aegon, a large life insurance and pension company, has its headquarters in The Hague, the Netherlands, a property that in return is owned by the Group. In addition, Aegon provides the Group with a customized local pension and employee benefits program. For the purpose of these financial accounts, these transactions qualify as related party transactions, yet these transactions have all been done based on arm's length conditions. There have been no related party transactions with other large shareholders.

The relations between the parent and its subsidiaries involve transactions that are necessary for managing the Group's normal operations.

All transactions between the Group and its related parties are done at an arm's length basis.

#### *Long-term incentive plans*

As per December 31, 2006 the Group had the following long-term incentive remuneration plans:

- (1) Share Purchase Plan;
- (2) Performance Share Plan.

#### *Share Purchase Plan*

##### *Main features*

From 2002, the Group has operated a Share Purchase Plan (SPP) for Group and country management. This long-term incentive plan aims to align the interests of management and shareholders. Under the SPP, participants receive an interest-free loan from the company to buy Rodamco Europe N.V. shares at the prevailing market price. The SPP requires a personal contribution from the participants themselves; consequently alignment is not only achieved when markets are strong, but also when they deteriorate. The value of the shares acquired using the interest-free loan may fluctuate. This means the participant's own investment (shares acquired with own contribution) may also fluctuate. Shares acquired under the scheme must be held for at least three years. However, participants receive dividend on all of their shares and as such benefit from the scheme right from the start.

With the introduction of the Performance Share Plan (see hereafter), no more grants have been done in 2006 nor will be done in the future under the SPP. Shares purchased under the SPP must be retained for a period of three years. The loan is to be repaid when shares purchased with this loan under the SPP are sold after the three-year tie-up period or ultimately after five years. The Company waives part of this loan if the share price at repayment is below the purchase price of shares acquired through this loan; the level of individual contribution and the actual decline of the share price determine how much may be waived. The waiver is applicable when the share price falls by more than 5%, 10% or 15% of the original share purchase price, depending on the level of personal contribution.

If the decline is more than 25%, Rodamco Europe has the right to demand full repayment of the loan. If an employee leaves the Group within the three-year tie-up period, then the loan must be repaid in full. In such cases, a portion of the gains made on increases in share price and dividend received will also have to be reimbursed to the Group.

#### *Transactions with the management board*

Under the SPP the following number of shares were acquired:

	Number of SPP Shares at 01/01/2006	Weighted Average Purchase Price SPP Shares Acquired before 2006 (€)	Number of SPP Shares Disposed of in 2006	Number of SPP Shares at 12/31/2006	Other Shares <sup>(1)</sup>	Total Number of Shares at 12/31/2006
M.J. Hulshoff . . . . .	23,470	45.66	13,500	9,970	—	9,970
J.A. Bomhoff . . . . .	8,065	48.26	3,637	4,428	—	4,428
K.W. Ledeboer . . . . .	2,530	48.16	—	2,530	884	3,414
P.M. van Rossum . . . . .	—	—	—	—	—	—
	<u>34,065</u>	<u>—</u>	<u>17,137</u>	<u>16,928</u>	<u>884</u>	<u>17,812</u>

(1) K.W. Ledeboer additionally privately owns 884 shares Rodamco Europe.

In 2006, the Group provided no new interest-free loans for participation in the SPP to the management board members. At year-end 2006, these loans have a nominal value of EUR 1 (2005: EUR 1).

	Outstanding Loans at 12/31/2005	New Loans 2006	Redemption Loans 2006 (€ thousands)	Outstanding Loans at 12/31/2006	Value of SPP Shares at 12/31/2006
M.J. Hulshoff . . . . .	810	—	433	377	1,005
J.A. Bomhoff . . . . .	320	—	133	187	446
K.W. Ledeboer . . . . .	125	—	6	119	255
P.M. van Rossum . . . . .	—	—	—	—	—
	<u>1,255</u>	<u>—</u>	<u>572</u>	<u>683</u>	<u>1,706</u>

#### Transaction with other employees

At year-end 2006, interest-free loans to other employees under the SPP have a total nominal value of EUR 1 (2005: EUR 2).

	Outstanding Loans at 12/31/2005	New Loans 2006	Redemption Loans 2006 (€ thousands)	Outstanding Loans at 12/31/2006	Value of SPP Shares at 12/31/2006
Other Employees . . . . .	1,937	—	405	1,532	3,321

#### Performance Share Plan

##### Main features

As from 2006, the Group operates an equity-settled, share-based compensation plan, the so-called Performance Share Plan. Under the Performance Share Plan (PSP), the participant will obtain the right to conditionally receive without cost a number of shares after a three-year period, subject to Rodamco Europe's relative total shareholder return (TSR) performance over a three-year period. After this so-called performance period, the performance shares will vest and the shares become unconditional or are unconditionally granted through a transfer of ownership to the participants. After vesting of the performance shares, the shares are subject to a holding restriction of two years, aligning the interests of the management board with those of the shareholders even further. During this holding period, the participant cannot sell, transfer, trade or otherwise dispose of the shares that have been obtained through vesting of these shares.

TSR measures returns received by shareholders, capturing both the share price increase and dividends paid. TSR is measured relative to a peer group of direct competitors. To ensure objectivity and independence in the composition of this peer group, Rodamco Europe's TSR performance is measured against the European Public Real Estate Association (EPRA), European Retail sector peer group. For this comparison, the Group itself is excluded from the peer group and any changes made by EPRA to the composition of the peer group will be taken into account for the purpose of this plan.

The TSR of the Group and each company in the selected comparison group is calculated as the percentage of change in the closing value versus the opening value over the three-year performance period. The number of shares that will vest depends on the difference between the TSR of the Group and the TSR of the peer group.

As noted above, under this plan, Rodamco Europe N.V. grants the management board and other senior staff rights to its own equity instruments in return for their services and subsequently this plan qualifies as an equity settled share-based plan. As a consequence, these financial statements are affected by the recognition of the employee benefits expenses for a total amount of EUR 1. These expenses are based on the fair value of the services received in exchange for the right to receive a number of shares. The basis of determination of the fair value of the goods or services received, or the fair value of the equity instruments granted, is a valuation model that is developed in assistance of a professional actuarial services firm.

The inputs used in this model are: date of award and performance period, share price and volatility thereof, dividend yield, risk-free interest rate and the correlation coefficient (see also note 15.2.25 Employee benefits).

The total amount to be expensed over the vesting period is determined by reference to the fair value of the right to receive the performance shares.

### 15.2.31 Remuneration members of the management board and supervisory board

In the reporting year, Rodamco Europe's remuneration policy resulted in the following variable and non-variable rewards to the management board. The total remuneration of management board members amounts to EUR 3 (2005: EUR 2) and is specified as follows:

	Base Salary <sup>(1)</sup>		Other Periodic Compensation <sup>(2)</sup>		Total Periodic Compensation	
	2006	2005	2006	2005	2006	2005
	(€ thousands)					
M.J. Hulshoff . . . . .	435	397	19	22	454	419
J.A. Bomhoff . . . . .	291	267	28	29	319	296
K.W. Ledeboer . . . . .	291	273	28	31	319	304
P.M. van Rossum <sup>(3)</sup> . . . . .	212	—	16	—	228	—
J.A. de Die . . . . .	—	182	—	18	—	200
	<u>1,229</u>	<u>1,119</u>	<u>91</u>	<u>100</u>	<u>1,320</u>	<u>1,219</u>

(1) Base salary includes holiday allowances.

(2) MB members receive periodical allowances and benefits in accordance with the general Group rules for usage of a company car (also for private use), mortgage suppletion (gross 25% of mortgage interest, capped at 3.5 times the base salary). Right on mortgage suppletion exists also after pension date. For M.J. Hulshoff no compensation is included for company car as he does not use the company car for private purposes.

(3) As from April 1, 2006.

	Total Periodic Compensation		Performance Related Bonus <sup>(1)</sup>		Other <sup>(2)</sup>		Pension <sup>(3)</sup>		Total Remuneration	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
	(€ thousands)									
M.J. Hulshoff . . . . .	454	419	186	158	211	—	146	135	997	712
J.A. Bomhoff . . . . .	319	296	98	83	98	—	92	85	608	464
K.W. Ledeboer . . . . .	319	304	96	88	98	—	77	79	590	471
P.M. van Rossum <sup>(6)</sup> . . . . .	228	—	—	—	299	—	49	—	576	—
J.A. de Die <sup>(4) (5)</sup> . . . . .	—	200	—	64	—	50	—	30	—	344
	<u>1,320</u>	<u>1,219</u>	<u>380</u>	<u>393</u>	<u>706</u>	<u>50</u>	<u>365</u>	<u>329</u>	<u>2,771</u>	<u>1,991</u>

(1) (Short-term) performance-related bonus is related to previous year performance.

(2) These amounts include the economic cost recognized in 2006 associated with the 'at target' grant of conditional shares under the Performance Share Plan (PSP). Upon commencement of employment P.M. van Rossum received cash compensation of €225 for the lost rights on shares and option schemes at his previous employment.

(3) MB members appointed prior to April 2003 enjoy a defined benefit arrangement up to a certain pensionable salary above which a capped defined contribution applies. MB members appointed thereafter enjoy a pension scheme combining elements of a revalued career average and defined contribution plan. Reported costs relate to actual pension costs in 2006.

(4) Resigned August 31, 2005.

(5) J.A. de Die received €50 bonus for his performance in 2005.

(6) As from April 1, 2006.

Management board members also participate in the Group's share option program (see note 15.2.30).

#### Supervisory board (in EUR thousands)

The total remuneration of the supervisory board members amounts to EUR 313 (2005: EUR 229) and is specified below. The remuneration for the Chairman and each member of the supervisory board is set at EUR 45 and EUR 35, respectively, per year. In addition, for each committee membership, a committee member receives EUR 4.5 and the chairman of a committee EUR 6.

Reimbursement of expenses amounts to EUR 1.8 and EUR 2.4 for the chairman.

	<u>2,006</u>	<u>2,005</u>
	€ thousands)	
R.F.W. van Oordt .....	55	40
F.J.G.M. Cremers .....	44	30
K.T. Dornbush .....	40	30
R. ter Haar .....	44	30
B.R. Okkens .....	45	30
A.P. Timmermans <sup>(1)</sup> .....	—	9
J.W.B. Westerburgen <sup>(2)</sup> .....	44	30
H.B. van Wijk .....	41	30
	<u>313</u>	<u>229</u>

(1) Resigned April 19, 2005.

(2) J.W. Westerburgen privately owns 1,272 shares in Rodamco Europe.

Supervisory board members do not receive options on or compensation in Rodamco Europe shares, nor will personal loans or guarantees be granted by Rodamco Europe.

Total remuneration is included in 'personnel expenses' (see note 15.2.8).

#### **15.2.32 Accounting estimates and adjustments**

The management board discussed with the supervisory board the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates.

##### *Critical accounting estimates and assumptions*

Accounting estimates and assumptions discussed in this section are considered to be the most critical to an understanding of the financial statements because they inherently involve significant judgements and uncertainties. For all of these estimates, management cautions that future events rarely develop exactly as forecast, and the best estimates routinely require adjustment.

##### *Critical accounting judgements in applying the Group's accounting policies*

The critical accounting judgements in applying the Group's accounting policies have been described in the investment property and lease accounting policy notes (see Paragraph 15.2.2 (f) and (s)).

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

##### **(a) Estimate of fair value of investment properties**

The basis for determining the fair value of Rodamco Europe's property portfolio is the net open market value, which is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction.

##### **(b) Principal assumptions for management's estimation of fair value**

The principle assumptions underlying management's estimation of fair value are those related to: the receipt of contractual rentals, expected future market rentals, maintenance requirements and appropriate discount rates.

##### **(c) Income taxes**

The Group is liable for taxes in several countries and management makes judgements when determining the consolidated tax asset and tax liability. The tax consequences however are primarily determined by the above-mentioned judgements and estimates.

##### **(d) Provisions**

The Group has entered into an 'earn-out' agreement in connection with the Aupark acquisition (see also note 15.2.26). Additional cash consideration will be payable by the Group based on the expected net rental

income of Aupark in 2008. For the purpose of these accounts, management has made assumptions in respect of the future performance of Aupark for determining the best estimated amount to be provided for to settle this obligation in 2009.

#### **15.2.33 Post balance sheet events**

In line with the Group's policy to divest non-core investments and increase its focus on high quality retail, primarily dominant shopping centers in key European cities, the Group announced the following transactions:

- the divestment of an office building in Rotterdam, the Netherlands, also known as Robeco huis, to KanAm Grundinvest. The sale will take place for an amount of approximately EUR 75 and will result in a disposal profit of approximately EUR 5;
- the divestment of 'Zeilgalerie' shopping center in Frankfurt, Germany to Signature Capital, an Irish based real estate company, for an amount of EUR 42 will result in a disposal profit of approximately EUR 8;
- the acquisition of six office buildings in shopping center Leidsenhage in Leidschendam, the Netherlands, from IEF Capital for an amount of approximately EUR 24. Rodamco Europe has the intention to convert the offices into retail units in future time.

#### **15.2.34 Changes in the composition of the group**

In early 2006, Rodamco completed the formal purchase of a 50% stake in the Aupark shopping and entertainment center. Aupark is the largest and most successful regional shopping center in Bratislava, the capital of the Slovak Republic. The acquisition was announced on December 14, 2005 and was subject to approval of the Slovak Antimonopoly Office. Formal approval was received in the second quarter of 2006.

### **15.3 Auditors' report financial statements 2006**

To the Management Board of Rodamco Europe N.V.

#### **Auditor's report**

##### *Introduction*

We have audited whether the Comparative Overview and Notes of Rodamco Europe N.V. as set out in Paragraphs 15.1 and 15.2 has been correctly derived from the audited financial statements for the years 2006 and 2005 of Rodamco Europe N.V. The Comparative Overview and Notes consist of the balance sheet and profit and loss accounts for the financial years 2006, 2005 and 2004, and the notes to the balance sheet as at 31 December 2006 and profit and loss account for the financial year 2006. In our auditors' reports dated 16 March 2007 and 3 March 2006, we expressed an unqualified opinion on these financial statements. The Comparative Overview and Notes are the responsibility of the company's management board. Our responsibility is to express an opinion on the Comparative Overview and Notes based on our audit.

##### *Scope*

We conducted our audit in accordance with Dutch law. This law requires that we plan and perform the audit to obtain reasonable assurance that the Comparative Overview and Notes have been correctly derived from the respective 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 Comparative Overview and Notes has in all material respects, been correctly derived from the respective financial statements.

##### *Emphasis of matter*

For a better understanding of the company's financial position and results and for an adequate understanding of the scope of our audits, the Comparative Overview and Notes should be read in conjunction with the respective

unabridged financial statements from which the Comparative Overview and Notes has been derived and our auditors' reports, dated 16 March 2007 and 3 March 2006. Our opinion is not qualified in respect of this matter.

Rotterdam, 16 May 2007

PricewaterhouseCoopers Accountants N.V.

J. ten Kate RA

#### 15.4 Condensed financial report first quarter 2007

(All amounts in euro millions unless otherwise stated.)

##### 15.4.1 Condensed consolidated interim income statement

	Period ending March 2007	Period ending March 2006	Difference
Gross rental income . . . . .	169.6	157.9	7.4%
Service charge income . . . . .	25.7	24.2	
<b>Revenues . . . . .</b>	<b>195.3</b>	<b>182.1</b>	
Service charge expenses . . . . .	-27.3	-25.2	
Property operating expenses . . . . .	-20.2	-20.7	2.4%
	-47.5	-45.9	-3.5%
<b>Net rental income . . . . .</b>	<b>147.8</b>	<b>136.2</b>	<b>8.5%</b>
Valuation result investment property . . . . .	323.4	167.1	93.5%
Valuation result renovation projects . . . . .	0.0	0.0	
Valuation result pipeline projects . . . . .	7.2	4.7	
<b>Valuation result . . . . .</b>	<b>330.6</b>	<b>171.8</b>	
Result on disposal of investment property and pipeline . . . . .	6.7	0.0	
Administrative expenses . . . . .	-14.1	-11.2	-25.9%
Other income and expenses . . . . .	0.0	0.0	
<b>Operating profit . . . . .</b>	<b>471.0</b>	<b>296.8</b>	<b>58.7%</b>
Interest expenses . . . . .	-34.9	-30.7	-13.7%
Fair value result derivative financial instruments . . . . .	0.7	2.7	
Foreign exchange result . . . . .	0.7	0.3	
<b>Financing result . . . . .</b>	<b>-33.5</b>	<b>-27.7</b>	<b>-20.9%</b>
Share of the profit of associates . . . . .	0.0	0.0	
<b>Profit before tax . . . . .</b>	<b>437.5</b>	<b>269.1</b>	<b>62.6%</b>
Deferred income tax expense . . . . .	-47.0	-22.9	
Income tax expense . . . . .	-3.5	-0.7	
<b>Net profit for the period . . . . .</b>	<b>387.0</b>	<b>245.5</b>	<b>57.6%</b>
Attributable to :			
Minority interest . . . . .	0.9	0.7	
<b>Equity holders of the parent</b> <b>(net shareholders' profit for the period)<sup>(1)</sup> . . . . .</b>	<b>386.1</b>	<b>244.8</b>	<b>57.7%</b>
Basic earnings per share (euro) . . . . .	4.31	2.74	
Diluted earnings per share (euro) . . . . .	4.31	2.74	

(1) Note: The net shareholders' profit for the year can be split as follows

##### Split net shareholders' profit for the period

	Period ending March 2007	Period ending March 2006	Difference
Direct result . . . . .	96.1	93.7	2.6%
Indirect result . . . . .	290.0	151.1	
<b>Net shareholders' profit for the period . . . . .</b>	<b>386.1</b>	<b>244.8</b>	<b>57.7%</b>

#### 15.4.2 Reconciliation direct and indirect result

The European Public Real Estate Association (EPRA) has issued its Best Practice Policy Recommendation for transparent, uniform and comparable financial information by real estate companies. Rodamco Europe states its shareholders' profit for the year based on IFRS, but additionally splits it into a direct result and an indirect result following EPRA guidelines. This split does not replace the IFRS measures but provide additional information to help investors understand the Group's performance even better.

Direct result after tax approximates the net cash earnings of the group over the period. It comprises net rental income, other income and expenses minus the administrative expenses (also referred to as EBITDAV) minus the net interest expenses, the foreign exchange result, the current part of income tax expense (excluding the part related to indirect result) and a part of the minority interest.

A reconciliation of direct and indirect result to the Group's net shareholders' profit is as follows:

	<u>2007</u>	<u>2006</u>
	<i>(in € millions)</i>	
<b>DIRECT RESULT</b>		
Net rental income . . . . .	147.8	136.2
Administrative expenses . . . . .	(14.1)	(11.2)
Interest income . . . . .	2.3	2.9
Interest expenses . . . . .	(37.2)	(33.6)
Income tax expenses . . . . .	(3.0)	(0.7)
Foreign exchange result . . . . .	0.7	0.3
Other income and expenses . . . . .	—	—
Minority interest . . . . .	(0.4)	(0.2)
<b>Total . . . . .</b>	<b><u>96.1</u></b>	<b><u>93.7</u></b>
<b>INDIRECT RESULT</b>		
Valuation result . . . . .	330.6	171.8
Result on disposal of investments property and pipeline . . . . .	6.7	—
Fair value result derivative financial instruments . . . . .	0.7	2.7
Income tax expenses . . . . .	(0.5)	—
Deferred income tax expenses . . . . .	(47.0)	(22.9)
Minority interest . . . . .	(0.5)	(0.5)
<b>Total . . . . .</b>	<b><u>290.0</u></b>	<b><u>151.1</u></b>
<b>TOTAL NET SHAREHOLDERS' PROFIT . . . . .</b>	<b><u>386.1</u></b>	<b><u>244.8</u></b>



### 15.4.3 Condensed consolidated interim balance sheet

	<u>note</u>	<u>as per 03/ 31/2007</u>	<u>as per 12/ 31/2006</u>
<b>Assets</b>			
Investment property . . . . .		10,649	10,349
Pipeline projects . . . . .		<u>230</u>	<u>233</u>
	5	<b>10,879</b>	<b>10,582</b>
Goodwill . . . . .		31	33
Investments in associates . . . . .		1	1
Other investments . . . . .		—	1
Other property, plant and equipment . . . . .		25	25
Deferred tax assets . . . . .		18	18
Derivative financial instruments . . . . .		1	1
Deferred lease incentives . . . . .		9	10
Other assets . . . . .		<u>5</u>	<u>5</u>
<b>Total non-current assets . . . . .</b>		<b>10,969</b>	<b>10,676</b>
Income tax receivables . . . . .		1	1
Derivative financial instruments . . . . .		3	—
Trade and other receivables . . . . .		100	75
Cash at banks . . . . .		<u>64</u>	<u>46</u>
<b>Total current assets . . . . .</b>		<b>168</b>	<b>122</b>
<b>Total Assets . . . . .</b>		<b><u>11,137</u></b>	<b><u>10,798</u></b>
<b>Shareholders' equity</b>			
Share capital . . . . .		717	717
Share premium . . . . .		2,956	2,956
Other reserves . . . . .		—12	3
Retained earnings . . . . .		<u>3,197</u>	<u>2,811</u>
<b>Total shareholders' equity . . . . .</b>		<b>6,858</b>	<b>6,487</b>
Minority interest . . . . .		<u>12</u>	<u>11</u>
<b>Total equity . . . . .</b>		<b>6,870</b>	<b>6,498</b>
<b>Liabilities</b>			
Bonds . . . . .	7	1,980	2,098
Interest-bearing loans and borrowings . . . . .	7	939	1,014
Derivative financial instruments . . . . .		<u>18</u>	<u>28</u>
		<b>2,937</b>	<b>3,140</b>
Employee benefits . . . . .	8	5	5
Provisions . . . . .	9	35	35
Deferred tax liabilities . . . . .		616	577
Income tax payable . . . . .		24	24
Deferred lease incentives . . . . .		<u>7</u>	<u>7</u>
<b>Total non-current liabilities . . . . .</b>		<b>3,624</b>	<b>3,788</b>
Bank overdrafts . . . . .		16	31
Bonds . . . . .	7	307	200
Interest-bearing loans and borrowings . . . . .	7	33	8
Trade and other payables . . . . .		<u>287</u>	<u>273</u>
<b>Total current liabilities . . . . .</b>		<b>643</b>	<b>512</b>
<b>Total liabilities . . . . .</b>		<b><u>4,267</u></b>	<b><u>4,300</u></b>
<b>Total Equity and Liabilities . . . . .</b>		<b><u>11,137</u></b>	<b><u>10,798</u></b>

#### 15.4.4 Condensed consolidated interim statement of changes in equity

	Attributable to equity holders of the parent								
			Legal Reserves						
	note	Share capital	Share premium reserve	Hedging	Currency translation	Retained earnings	Total	Minority interest	Total Equity
Balance at January 1, 2006. . . . .		717	2,956	−2	−2	1,603	5,272	8	5,280
Foreign currency translation . . . . .		—	—	−3	—	—	−3	—	−3
Gain/(loss) on net investment hedge . . . . .		—	—	—	—	—	—	—	—
Net gains on cash flow hedges . . . . .		—	—	—	2	—	2	—	2
Total income and expense for the year recognized directly in equity . . . . .		—	—	−3	2	—	−1	—	−1
Profit for the year . . . . .		—	—	—	—	245	245	—	245
Total income and expense for the year . . . . .		—	—	−3	2	245	244	—	244
Issue of share capital . . . . .		—	—	—	—	—	—	—	—
Share-based payment . . . . .		—	—	—	—	—	—	—	—
Dividends to shareholders . . . . .		—	—	—	—	—	—	—	—
Other movements . . . . .		—	—	—	—	—	—	—	—
Balance at March 31, 2006. . . . .		717	2,956	−5	—	1,848	5,516	8	5,524
Balance at January 1, 2007. . . . .		717	2,956	3	—	2,811	6,487	11	6,498
Foreign currency translation . . . . .		—	—	−25	—	—	−25	—	−25
Gain/(loss) on net investment hedge . . . . .		—	—	10	—	—	10	—	10
Net gains on cash flow hedges . . . . .		—	—	—	—	—	—	—	—
Total income and expense for the year recognized directly in equity . . . . .		—	—	−15	—	—	−15	—	−15
Profit for the year . . . . .		—	—	—	—	386	386	1	387
Total income and expense for the year . . . . .		—	—	−15	—	386	371	1	372
Issue of share capital . . . . .		—	—	—	—	—	—	—	—
Share-based payment . . . . .		—	—	—	—	—	—	—	—
Dividends to shareholders . . . . .		—	—	—	—	—	—	—	—
Other movements . . . . .		—	—	—	—	—	—	—	—
Balance at March 31, 2007. . . . .		717	2,956	−12	—	3,197	6,858	12	6,870

The share capital consists of 204,524,430 authorized shares of which 89,639,292 shares are issued and fully paid up at 31 March 2007, similar to 2006. The shares have a par value of € 8 each.

Legal reserves are reserves to be maintained following IFRS and comprise, hedging reserves and currency translation reserves. The amounts recognized by these reserves, totaling € -12 (2005: totalling € -5), are not freely distributable.

#### 15.4.5 Condensed consolidated interim statement of cash flows under indirect method

	Period ending March 2007	Period ending March 2006
<b>OPERATING ACTIVITIES</b>		
<b>Net profit before tax</b> . . . . .	<b>437.5</b>	<b>269.1</b>
Adjustments for :		
Valuation result . . . . .	-330.6	-171.8
Net result on disposal of investment properties and pipeline . . . . .	-6.7	0.0
Net interest expenses . . . . .	34.9	30.7
Movement in trade and other receivables . . . . .	-5.4	12.0
Movement in trade and other payables . . . . .	17.5	8.2
Movement in derivative financial instruments . . . . .	-1.7	4.3
Increase in provisions and employee benefits . . . . .	0.1	0.6
Movement in deferred income tax . . . . .	0.0	-0.9
Other adjustments . . . . .	1.1	0.4
	<u>-290.8</u>	<u>-116.5</u>
<b>Cash generated from operations</b> . . . . .	<b>146.7</b>	<b>152.6</b>
Interest paid . . . . .	-37.7	-19.2
Interest received . . . . .	0.6	0.6
Current income taxes paid . . . . .	-3.5	-0.7
	<u>-40.6</u>	<u>-19.3</u>
<b>Cash flow from operating activities</b> . . . . .	<b>106.1</b>	<b>133.3</b>
<b>INVESTING ACTIVITIES</b>		
Divestments in investment property and pipeline . . . . .	52.1	0.9
Investments in property and pipeline . . . . .	-31.8	0.0
Cost capitalized on investment property and renovation projects . . . . .	-13.8	-17.6
Capital expenditure on pipeline projects . . . . .	-36.7	-43.6
Other divestments/(investments) . . . . .	-0.9	-2.8
<b>Cash flow from investing activities</b> . . . . .	<b>-31.1</b>	<b>-63.1</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from bonds and interest-bearing loans and other borrowings . . . . .	63.7	163.5
Repayment of bonds and interest-bearing loans and other borrowings . . . . .	-105.9	-213.6
Payment of transaction costs . . . . .	0.0	0.0
Dividends paid . . . . .	0.0	0.0
<b>Cash flow from financing activities</b> . . . . .	<b>-42.2</b>	<b>-50.1</b>
<b>Net increase/(decrease) in cash and banks</b> . . . . .	<b>32.8</b>	<b>20.1</b>
Cash at banks at January 1 . . . . .	14.5	72.3
Effect of exchange rate fluctuations on cash held . . . . .	0.3	0.3
<b>Cash at banks at March 31</b> . . . . .	<b>47.6</b>	<b>92.7</b>

#### 15.4.6 Selected explanatory notes to the condensed consolidated interim financial report

##### 1 General information

Rodamco Europe N.V. (the 'Company') is a public limited company in Rotterdam and is engaged in the holding of group companies that invest in and manage property. The address of its registered office is Hofplein 20, 3032 AC in Rotterdam, the Netherlands. The consolidated financial report comprises the Company and its subsidiaries

(together referred to as the 'Group') and the Group's interest in associates and jointly controlled entities. The Company is listed on the stock exchanges in Amsterdam, Paris, Frankfurt and Brussels.

On July 19, 2006, the Company has been granted a renewed license under the Act on the Supervision of Investment Institutions by the Netherlands Authority for Financial Markets ("Autoriteit Financiële Markten" or AFM) and as a consequence has become subject to AFM supervision. Together with a number of other supervision acts, the Act on the Supervision of Investment Institutions has been incorporated into a single Act: the Act on Financial Supervision. The Act on Financial Supervision has come into effect on January 1, 2007 and as a consequence has replaced the existing supervision acts. The AFM is responsible for the supervision of market conduct and focuses on the question of whether the participants in the financial markets are handled properly and whether they have accurate information.

## *2 Basis of preparation*

This condensed consolidated interim financial report for the period ending March 31, 2007 has been prepared in accordance with the IAS 34 standard named 'Interim financial reporting'. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial group statements as per December 31, 2006.

## *3 Accounting policies*

The accounting policies applied by the Group are consistent with those disclosed in the consolidated annual financial statements for the year ended December 31, 2006.

The following new standards, amendments to standards and interpretations are mandatory for financial year beginning on or after January 1, 2007:

- Amendment to IAS 1: Capital Disclosures. The impact of this amendment on the financial statements is adding disclosures that enable an evaluation of the Group's objectives and policies for managing its capital;
- IFRIC 7, Applying the Restatement Approach under IAS 29, Financial Reporting in Hyperinflationary Economies. The impact of this interpretation is nil as the Group has no identified investments in hyperinflationary economies;
- IFRIC 8, Scope of IFRS 2. The impact of this interpretation is nil as the Group has not granted shares for apparently nil or inadequate consideration;
- IFRIC 9, Reassessment of Embedded Derivatives. Application of this interpretation has not resulted in the recognition of new contracts ;
- IFRIC 10, Interim Financial Reporting and Impairment. The impact of this interpretation is nil as the Group had no identified impairment reversals;
- IFRS 7, Financial Instruments: Disclosures. This new standard will replace the disclosure requirements of IAS 32 Financial Instruments: Disclosure and Presentation and adds new disclosure requirements for outlining the risks arising from financial instruments and the management thereof.

There are no new standards, amendments and interpretations mandatory for accounting periods beginning on January 1, 2007 that are not relevant for the Group's operations.

New standards, amendments to standards and interpretations have been issued but are not effective for 2007. The Group has decided not to early adopt the following standards, amendments and interpretations:

- Amendments to IAS 23, Borrowing Costs;
- IFRIC 11, IFRS 2 Group and Treasury Share Transactions;
- IFRIC 12, Service Concession Arrangements;
- IFRS 8, Operating Segments

#### 4 Segment information

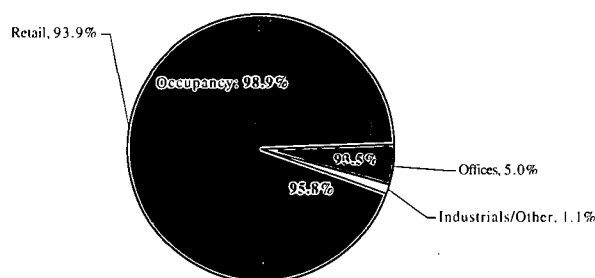
Business Segments Period ending March	Retail		Offices		Industrials / other		Total	
	2007	2006	2007	2006	2007	2006	2007	2006
Gross rental income . . . . .	151.5	139.5	14.4	14.5	3.7	3.9	169.6	157.9
Net service charge expenses . . . . .	-1.7	-0.6	0.1	-0.2	0.0	-0.2	-1.6	-1.0
Property operating expenses . . . . .	-17.6	-17.5	-2.1	-2.4	-0.5	-0.8	-20.2	-20.7
<b>Net rental income . . . . .</b>	<b>132.2</b>	<b>121.4</b>	<b>12.4</b>	<b>11.9</b>	<b>3.2</b>	<b>2.9</b>	<b>147.8</b>	<b>136.2</b>
Valuation result investment properties (excluding pipeline) . . . . .	297.9	154.4	22.1	9.5	3.4	3.2	323.4	167.1

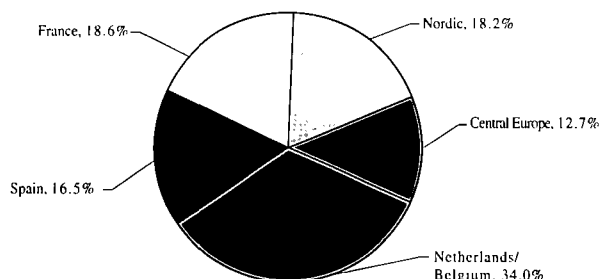
Geographical Segments Period ending March	Netherlands/ Belgium		France		Spain		Nordic		Central Europe		Consolidate group	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Gross rental income . . . . .	59.9	58.5	27.4	24.1	24.7	22.9	33.9	31.8	23.7	20.6	169.6	157.9
Net service charge expenses . . . . .	-0.2	-0.4	-0.9	-0.4	-0.4	-0.1	0.0	0.0	-0.1	-0.1	-1.6	-1.0
Property operating expenses . . . . .	-6.3	-5.8	-2.1	-2.1	-1.4	-2.0	-8.7	-9.1	-1.7	-1.7	-20.2	-20.7
<b>Net rental income . . . . .</b>	<b>53.4</b>	<b>52.3</b>	<b>24.4</b>	<b>21.6</b>	<b>22.9</b>	<b>20.8</b>	<b>25.2</b>	<b>22.7</b>	<b>21.9</b>	<b>18.8</b>	<b>147.8</b>	<b>136.2</b>
Valuation result investment properties (excluding pipeline) . . . . .	32.9	51.5	76.1	32.1	98.9	40.2	59.7	29.8	55.8	13.5	323.4	167.1

Retail 93.9 % including offices Sweden.

**Sector spread of property assets %  
(as per 31/3/2007)**



**Geographical spread of property assets %  
(as per 31/3/2007)**



## 5 Property assets

The Group's property assets increased as follows:

	Period ending March 2007	Period ending March 2006
<b>Balance at January 1</b> .....	10,582	9,095
Acquisitions .....	26	—
Pipeline investments .....	6	—
Capital expenditure .....	17	18
Cost capitalized on pipeline projects .....	36	45
Interest capitalized .....	2	2
Disposals (carrying value) .....	(45)	(1)
Revaluations (including lease incentives) .....	330	172
Currency translation differences .....	(55)	(12)
Other .....	(20)	—
<b>Balance at March 31</b> .....	<b><u>10,879</u></b>	<b><u>9,319</u></b>

## 6 Equity

See condensed consolidated interim statement of changes in equity for reconciliation of movements in equity.

## 7 Movements in bonds, interest-bearing loans and borrowings

<u>Total debt</u>	Period ending March 2007	Period ending March 2006
<b>Balance at January 1</b> .....	3,320	3,303
New loans .....	64	164
New bonds .....	—	—
Redemptions .....	(106)	(214)
Other movements (such as currency translation differences and amortization) .....	(19)	(6)
<b>Balance at March 31</b> .....	<b><u>3,259</u></b>	<b><u>3,247</u></b>

Total debt comprises:

	as per 03/31/2007	as per 03/31/2006
Non-current bonds .....	1,980	1,791
Non-current interest-bearing loans and borrowings .....	939	1,199
Current bonds .....	307	—
Current interest-bearing loans and borrowings .....	33	257
<b>Balance at March 31</b> .....	<b><u>3,259</u></b>	<b><u>3,247</u></b>

## 8 EMPLOYEE BENEFITS

### Share based payments

In 2006, the Group introduced a Long Term Incentive Plan for the Management Board and other senior staff and conditionally granted shares to the management board, with grant date April 24, 2006, and other senior staff, with grant date May 18, 2006. As in 2006, with grant date March 1, 2007, the Group conditionally granted shares to management board and other senior staff in 2007. The number of shares that will actually be delivered is based on meeting performance conditions. The fair value of the plan has been calculated by a professional actuarial firm and is equally spread over the vesting period (until vesting date April 24, 2009).

This plan falls under the scope of IFRS 2 Share Based Payment as the Group receives services from the management board and senior staff during the vesting period and will pay for these services in its own shares.

The fair value is measured using the Monte Carlo simulation model, a generally accepted valuation methodology for pricing financial instruments and incorporates all factors and assumptions that knowledgeable, willing market participants would consider in setting the price.

With the introduction of this plan, no more grants under the Share Purchase Plan will be done.

#### Pension plan

The majority of the Group's pension schemes in its home regions are defined contribution plans. The Dutch Group companies have pension plans (final pay and average pay) with both defined benefit as well as defined contribution components.

The movements in the net liability for defined benefit obligations are:

	Period ending March 2007	Period ending March 2006
Employee benefits January 1 . . . . .	5	5
Contributions paid . . . . .	(1)	(1)
Expense recognized in the profit and loss account . . . . .	<u>1</u>	<u>1</u>
<b>Employee benefits March 31 . . . . .</b>	<b><u>5</u></b>	<b><u>5</u></b>

The amounts recognized in the income statement were as follows:

	Period ending March 2007	Period ending March 2006
Current service costs . . . . .	1	1
Interest on obligations . . . . .	—	—
Expected return on plan assets . . . . .	<u>—</u>	<u>—</u>
<b>Total for the period . . . . .</b>	<b><u>1</u></b>	<b><u>1</u></b>

#### 9 Provisions

A provision is recognized in the balance sheet when the Group has a legal or constructive obligation as result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Interest charges arising from the passage of time before settlement are accounted for as interest expense in the profit and loss account.

	Period ending March 2007	Period ending March 2006
<b>Balance at January 1 . . . . .</b>	<b>35</b>	<b>21</b>
Provisions made during the year . . . . .	—	—
Provisions used during the year . . . . .	—	—
Provisions reversed during the year . . . . .	<u>—</u>	<u>—</u>
<b>Balance at March 31 . . . . .</b>	<b><u>35</u></b>	<b><u>21</u></b>

Provisions consist of provisions for tax claims and other obligations. A number of tax positions are being challenged by the local tax authorities or may be challenged in the future. Some items are being litigated before courts. The total potential tax exposure may range from nil to a maximum of €65, of which €20 is provided for in the balance sheet. The other obligations relate to the contractual agreed earn out in respect of the Aupark acquisition. The earn out is based on the expected net rental income of 2008 and the adjustment has subsequently been discounted to March 2007.

#### 10 Taxes

Income tax expense is recognized on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

## *11 Capital commitments*

The Group has a substantial committed pipeline (€1,311) to support its growth in the coming years and actively works on new opportunities in both new projects and (extension of) current shopping centers. Of this €1,311, €216 was invested until March 31, 2007.

## *12 Dividends*

See condensed consolidated interim statement of changes in equity for dividends paid.

## *13 Changes in contingent liabilities/assets*

Potential consequences of claims and legal procedures towards the Group have been provided where necessary. The assessment of these cases has been made using internal and if necessary external expert opinions. A number of tax positions are being challenged by the local tax authorities or may be challenged in the future. Some items are being litigated before courts. The total potential tax exposure may range from 0 to a maximum of €65 of which €20 is provided for in the balance sheet. Other contingent liabilities are not expected to give rise to any material loss.

## *14 Related party transactions*

The Group has a related party relationship with its subsidiaries, joint ventures, associates, employees and with its key-management personnel. Key-management personnel comprise both members of the management board and senior managers. There were no related party relationships with close members of the family of members of supervisory board and the management board. One of our major shareholders Aegon, a large life insurance and pension company, has its headquarters in The Hague, the Netherlands, a property that in return is owned by the Group. In 2007, both parties have agreed to jointly participate in an improvement plan of the building starting later this year. In addition, Aegon provides the Group with a customized local pension and employee benefits program. For the purpose of this financial reporting, these transactions qualify as related party transactions, yet these transactions have all been done based on arm's length conditions. There have been no related party transactions with other large shareholders.

The relations between the parent and its subsidiaries, joint ventures and associates involve transactions that are necessary for managing the Group's normal operations.

All transactions between the Group and its related parties are done at an arm's length basis.

Transactions with key management personnel comprise:

### *Share Purchase Plan*

- The management board disposed in Q1 2007 nihil shares under the SPP and simultaneously redeemed nihil interest-free loans for participation in the SPP. As at March 31, 2007 the management board holds 16,298 number of shares under the SPP and total outstanding interest-free loans for participation in the SPP amount to € 1;
- Other employees disposed of in the three months period ending March 31, 2007 2,907 of shares under the SPP and simultaneously redeemed € 0 interest-free loans for participation in the SPP in Q1 2007. As at March 31, 2007 other employees hold 30,043 number of shares under the SPP and total outstanding interest-free loans for participation in the SPP amount to € 1.

- 1) One of the management board members privately owns 884 shares of Rodamco Europe

### *Performance Share Plan*

See note 8 for transactions long-term incentive plan. In 2006 number of shares granted to the management board is 18,883 and other senior staff 30,870 and in 2007 respectively 8,148 and 18,819 number of shares were granted. No shares have been actually vested and delivered yet. The fair value of the plan has been calculated by a professional actuarial firm and over Q1 2007 an expense of € 0.4 has been recognized as such, total for management board and other senior staff.



## Remuneration of the management board and supervisory board

In Q1 2007, the Group's remuneration policy resulted in the following variable and non-variable rewards to the management board and is specified as follows:

	Period ending March 2007	Period ending March 2006
Base salary . . . . .	0.3	0.2
Other (e.g. performance related bonus and pension) . . . . .	<u>0.3</u>	<u>0.1</u>
	<u><b>0.6</b></u>	<u><b>0.3</b></u>

The total remuneration in Q1 2007 of the supervisory board members amounts to € 0.1 (Q1 2006 € 0.1). Supervisory board members do not receive options on or compensation in Rodamco Europe shares, nor will personal loans or guarantees be granted by the Group.

## 15 Capital risk management

The Group's objectives when managing capital are to safeguard the 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 Group may issue new debt or buy-back existing outstanding debt, adjust the amount of dividends paid to shareholders (subject to the FBI and SIIC regimes), return capital to shareholders, issue new shares or buy-back outstanding shares or sell assets to reduce debt. The Group has disclosed the loan-to-value ratio (LTV) as this is the measure the Group uses to monitor capital. This ratio is calculated as the net debt expressed as a percentage of total capital. Net debt is calculated as the total carrying amount of debt (including bank overdrafts, operating leases and post-retirement benefit obligations). Total capital is calculated as the total carrying amount of property assets adjusted for deferred tax liability, as shown in the consolidated balance sheet.

The loan-to-value ratios at March 31, 2007 and December 31, 2006 were as follows:

	Period ending March 2007	Period ending December 2006
Total borrowings . . . . .	3,259	3,320
Plus: bank overdrafts . . . . .	16	31
Plus: operating leases <sup>(1)</sup> . . . . .	—	11
Plus: post-retirement benefit obligations <sup>(2)</sup> . . . . .	<u>—</u>	<u>3</u>
<b>Total net debt</b> . . . . .	<u><b>3,275</b></u>	<u><b>3,365</b></u>
Total property assets . . . . .	10,879	10,582
Less: deferred tax liability . . . . .	<u>(616)</u>	<u>(577)</u>
<b>Total capital</b> . . . . .	<u><b>10,263</b></u>	<u><b>10,005</b></u>
<b>Loan-to-value ratio</b> . . . . .	31.9%	33.6%

(1) Only at year end there will be corrections on operating leases. This has an (marginal) impact on the LTV ratio.

(2) Only at year end there will be corrections on postretirement benefit obligations. This has an (marginal) impact on the LTV ratio.

During 2007, the Group's strategy, which was unchanged from 2006, was to maintain a loan-to-value ratio of between 40% (comfortable) and 45% (maximum). However, leverage is still well below the 40% level at 32% at the end of first quarter 2007. The impact of revaluations combined with low levels of acquisitions, due to tight market conditions, more than matched divestments.

## 16 Events occurring after the balance sheet date

In January, the Group has announced its intention to propose to the next Annual General Meeting of Shareholders to split its shares in a ratio of 4 new shares for 1 existing share. In view of the announced business combination (see hereafter), the share split proposal will be subject to the completion of the business combination and as a consequence can only be conditionally approved. This proposal has been approved by The Annual General Meeting on April 27, 2007.

On April 10, 2007, the Group has announced in a joint communiqué with Unibail Holding S.A. ('Unibail') their intention to combine both companies to create the leading pan-European commercial property company. The

merger will be implemented through an exchange offer (the 'Offer') initiated by Unibail consisting of 0.530 of a Unibail common share for each Rodamco common share.

Rotterdam, May 7, 2007

**Supervisory Board**

Robert F.W. van Oordt, chairman  
Frans J.G.M. Cremers  
Rob ter Haar  
Bart R. Okkens  
Jos W.B. Westerburgen  
Henk B. van Wijk

**Management Board**

Maarten J. Hulshoff, CEO  
Joost A. Bomhoff  
K. Willem Ledeboer  
Peter M. van Rossum

***15.4.7 Auditors' review statement condensed financial information first quarter 2007***

To the Management Board of Rodamco Europe N.V.

**Report on Review of Interim Financial Information**

*Introduction*

We have reviewed the accompanying condensed consolidated interim financial information of Rodamco Europe N.V. as of 31 March 2007 which comprises the condensed consolidated interim balance sheet as of 31 March 2007 and the related condensed consolidated interim income statement, condensed interim statement of changes in equity and condensed consolidated interim statement of cash flows under indirect method for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. The management board is responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard (IAS) 34 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this interim financial information based on our review.

*Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410 'Review of Interim Financial Information by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Dutch Law and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information does not present fairly, in all material respects, the financial position of the entity as at 31 March 2007, and of its financial performance and its cash flows for the three month period then ended in accordance with International Accounting Standard (IAS) 34 'Interim Financial Reporting'.

Rotterdam, 16 May 2007

PricewaterhouseCoopers Accountants N.V.

J. ten Kate RA

## 16. FINANCIAL STATEMENTS OF UNIBAIL

### 16.1 Comparative overview of the balance sheet and profit and loss accounts of the financial years 2006, 2005 and 2004

The table below provides a comparative overview of Unibail's audited consolidated balance sheet and profit and loss accounts of the years 2006, 2005 and 2004.

#### Unibail — Consolidated Balance Sheet IFRS — Dec Year End

	2006A	2005A	2004A
	€ million		
<b>Non current assets</b> . . . . .	<b>10,233</b>	<b>8,144</b>	<b>6,757</b>
Tangible assets . . . . .	249	453	450
Investment properties . . . . .	9,046	7,047	6,001
Goodwill . . . . .	168	152	10
Intangible assets . . . . .	308	268	77
Loans . . . . .	36	41	52
Derivatives at fair value . . . . .	100	20	26
Shares of companies consolidated under equity method . . . . .	326	164	140
<b>Current Assets</b> . . . . .	<b>610</b>	<b>534</b>	<b>617</b>
<b>Properties under promise or mandate of sale</b> . . . . .	<b>96</b>	<b>138</b>	<b>—</b>
<b>Stocks</b> . . . . .	<b>28</b>	<b>14</b>	<b>—</b>
<b>Trade receivables from activity</b> . . . . .	<b>156</b>	<b>108</b>	<b>96</b>
Property portfolio . . . . .	129	80	77
Other activities . . . . .	27	28	19
<b>Other trade receivables</b> . . . . .	<b>297</b>	<b>252</b>	<b>338</b>
Tax receivables . . . . .	97	74	61
Receivables on sale of property . . . . .	0	—	102
Other receivables . . . . .	161	143	147
Accrued income and deferred expenses . . . . .	39	35	28
<b>Cash and equivalent</b> . . . . .	<b>32</b>	<b>22</b>	<b>183</b>
Financial assets . . . . .	3	3	176
Cash . . . . .	29	19	8
<b>Total Assets</b> . . . . .	<b>10,843</b>	<b>8,677</b>	<b>7,374</b>
<b>Shareholders' equity (group share)</b> . . . . .	<b>6,053</b>	<b>4,076</b>	<b>2,808</b>
Share capital . . . . .	231	229	227
Additional paid-in capital . . . . .	65	47	33
Consolidated reserves . . . . .	3,354	2,188	1,815
Hedging reserve . . . . .	1	(2)	(1)
Retained earnings . . . . .	355	316	31
Result . . . . .	2,140	1,385	826
Dividend down payment . . . . .	(92)	(87)	(123)
<b>Minority Interests</b> . . . . .	<b>781</b>	<b>592</b>	<b>449</b>
<b>Total Shareholders' equity</b> . . . . .	<b>6,834</b>	<b>4,668</b>	<b>3,257</b>
Non Current Liabilities . . . . .	2,672	2,359	2,208
Commitment to purchase minority interests . . . . .	116	64	—
Long term bonds . . . . .	2,238	1,976	1,900
Derivatives at fair value . . . . .	11	21	16
Deferred tax liabilities . . . . .	197	187	78
Long term provisions . . . . .	31	33	48
Provisions for retirements . . . . .	3	4	2
Guarantee deposits . . . . .	74	72	68
Tax liabilities . . . . .	3	3	97

	2006A	2005A	2004A
	€ million		
<b>Current Liabilities</b> . . . . .	<b>1,336</b>	<b>1,650</b>	<b>1,909</b>
Amounts owed to shareholders . . . . .	46	44	1,125
Amounts due to suppliers and other current debt . . . . .	505	433	307
Amounts due to suppliers . . . . .	97	98	121
Amounts due on investments . . . . .	119	96	68
Sundry creditors . . . . .	210	142	80
Accrued expenses . . . . .	79	97	39
Current borrowings and amounts due to credit institutions . . . . .	670	949	339
Tax & social security liabilities . . . . .	95	208	133
Contingencies and other current liabilities . . . . .	21	16	4
<b>Total Liabilities</b> . . . . .	<b>10,843</b>	<b>8,677</b>	<b>7,374</b>

**Unibail — Consolidated Profit and Loss Accounts**  
IFRS — Dec Year End

	2006A	2005A	2004A
	€ million		
<b>Gross rental income</b> . . . . .	<b>490</b>	<b>472</b>	<b>522</b>
Ground rents paid . . . . .	(12)	(12)	(13)
Net service charge expenses . . . . .	(7)	(8)	(12)
Property operating expenses . . . . .	(60)	(51)	(58)
<b>Net rental income</b> . . . . .	<b>411</b>	<b>401</b>	<b>439</b>
Corporate expenses . . . . .	(25)	(22)	(21)
Development expenses . . . . .	(5)	(1)	(3)
Depreciation . . . . .	(1)	5	(5)
<b>Administrative expenses</b> . . . . .	<b>(31)</b>	<b>(18)</b>	<b>(28)</b>
Other activities . . . . .	232	115	101
Other expenses . . . . .	(185)	(107)	(95)
<b>Net other income</b> . . . . .	<b>47</b>	<b>8</b>	<b>7</b>
Proceeds from disposal of investment property . . . . .	527	586	982
Carrying value of investment property . . . . .	(428)	(449)	(918)
<b>Profit on disposal of investment property</b> . . . . .	<b>99</b>	<b>138</b>	<b>65</b>
Valuation gains . . . . .	1,710	1,152	563
Valuation losses . . . . .	(8)	(8)	(15)
<b>Valuation movements</b> . . . . .	<b>1,701</b>	<b>1,143</b>	<b>548</b>
<b>Net Operating profit before financing cost</b> . . . . .	<b>2,227</b>	<b>1,672</b>	<b>1,030</b>
Dividend income from non-consolidated companies . . . . .	0	(0)	0
Net financing costs . . . . .	(84)	(99)	(91)
Fair value adjustments to financial instruments . . . . .	87	(17)	—
Net gain or loss on disposal of financial instruments . . . . .	(1)	(2)	—
Debt discounting . . . . .	(5)	(6)	(12)
Share of the profit of associates . . . . .	163	25	29
Income on financial assets . . . . .	9	9	5
<b>Profit Before Tax</b> . . . . .	<b>2,396</b>	<b>1,581</b>	<b>962</b>
Income tax expense . . . . .	(19)	(55)	(27)
<b>Net Profit for the Period</b> . . . . .	<b>2,377</b>	<b>1,526</b>	<b>934</b>
Minority interests . . . . .	237	140	109
<b>Net Profit — Group Share</b> . . . . .	<b>2,140</b>	<b>1,385</b>	<b>826</b>

## **16.2 Notes to the balance sheet and profit and loss accounts of the financial year 2006**

As to the notes to the balance sheet and profit and loss accounts of the financial year 2006, reference is made to the Registration Document, pages 67-103.

## **16.3 Statement on comparative overview**

The comparative overview of Unibail's audited consolidated balance sheet and profit and loss accounts in respect of the years 2006, 2005 and 2004 as included in Paragraph 16.1 are consistent, in all material aspects, with the annual financial statements of Unibail for the financial year 2006 ended on 31 December 2006, the financial year 2005 ended on 31 December 2005 and the financial year 2004 ended on 31 December 2004, respectively. Auditors issued unqualified auditors' opinions regarding these financial statements. Reference is made to the website of Unibail ([www.unibail.com](http://www.unibail.com)). Copies of the annual financial statements are available free of charge at the offices of Unibail and can be obtained by contacting Unibail at the address mentioned in Chapter II (Important Information).

## 17. PRESS RELEASES

### 17.1 Rodamco and Unibail to create the leading pan-European commercial property company (10 April 2007)

[quote]



#### PRESS RELEASE

#### RODAMCO AND UNIBAIL TO CREATE THE LEADING PAN-EUROPEAN COMMERCIAL PROPERTY COMPANY

Paris, France and Rotterdam, the Netherlands — 10 April 2007 —

Rodamco Europe N.V. (“Rodamco”) and Unibail Holding S.A. (“Unibail”), in a joint communiqué, announce they intend to combine both companies to create the leading pan-European commercial property company. The combination will be a merger of equals which will offer investors a unique investment platform with the following characteristics:

- The leading pan-European commercial property company with a combined pro-forma 2006 portfolio appraised at € 21.7 billion and a pro-forma 2006 net rental income of € 974 million:
  - Combination of two companies with superior track records and best in class skills and expertise
  - Creation of the largest pan-European portfolio of class-A shopping centres with over 700 million visits per year
  - Further opportunities for value creation through significant positions in the Paris Office and Convention & Exhibition markets
- A compelling profile as an integrated Developer — Investor — Manager encompassing the whole value chain and benefiting from a combined development pipeline of over 1.5 million SqMt representing € 6.1 billion in expected investment expenditure as at 31/12/2006 and a significant driver of future rental growth.
- A clear strategic rationale leading to significant synergies that should increase NRI (net rental income) by € 40 million to € 65 million annually by 2012. The combination will also allow the group to take advantage of a pan-European platform to bolster its value-accretive development pipeline.
- The Supervisory Board and Management Board of the combined group will reflect a balanced contribution from the two companies. The combined company’s registered office will be in Paris and international headquarters operations will be based in the Netherlands.
- Mr. Robert F.W. van Oordt, Rodamco’s current Chairman of the Supervisory Board, will become Chairman of the Supervisory Board of the combined group. Mr. Guillaume Poitrinal, current Chairman and Chief Executive Officer of Unibail, will be Chairman of the Management Board and CEO of the combined group.
- A Euro-denominated investment vehicle attractive to investors with a pro forma combined market capitalisation of € 21 billion, listed on Euronext Paris (primary listing) and Euronext Amsterdam.
- Rodamco’s and Unibail’s tax efficient Dutch FBI and French SIIC status are anticipated to be preserved.

The merger will be implemented through an exchange offer (the “Offer”) initiated by Unibail consisting of 0.530 of a Unibail common share for each Rodamco common share (the “Share Offer”), with an alternative Offer open to Rodamco shareholders of 0.530 of a Unibail mandatory redeemable bond (“ORA”) for each Rodamco common share up to a maximum of 20% of the Offer (the “Alternative Offer”).

The terms of the Offer reflect broad neutrality in EPS and NNAV for all shareholders. Both sets of investors will equally benefit from the expected synergies.

The envisaged transaction values each Rodamco share at € 124.8 based on Unibail’s closing share price of € 235.5 as of 5 April 2007, representing:

- a 15% premium based on Unibail's and Rodamco's closing share prices as of 5 April 2007
- a 15% premium based on Unibail's and Rodamco's volume weighted average closing share prices over the month ending 5 April 2007

The Supervisory Board and Management Board of Rodamco, unanimously support the intended Share Offer, with the exception of Mr Terry Dornbush who has resigned from the Supervisory Board and abstained from voting. The two boards recommend that shareholders accept the intended Share Offer, when made.

The Board of Directors of Unibail has unanimously approved the Share Offer and the Alternative Offer and also unanimously recommends the transaction.

PGGM, Rodamco's largest shareholder with approximately 25% of the outstanding shares, has expressed its strong support for the combination between Rodamco and Unibail given the sound industrial logic of this merger and its value enhancing prospects for shareholders.

Mr Maarten Hulshoff, Chief Executive Officer of Rodamco, said: *"The combination of the development skills of Unibail and the European retail footprint of Rodamco, as well as our investment skills and experience, provides a unique platform for long-term value creation. The balanced nature of the combined entity's corporate governance and the attractive valuation of the offer made to Rodamco's shareholders are a tribute both to the strategy successfully implemented by Rodamco and to the quality of our staff."*

Mr Guillaume Poirinal, Chairman and Chief Executive Officer of Unibail, said *"Today, we announce a combination with Rodamco that will create the leading pan-European commercial property company with a unique pan-European footprint and an unrivalled portfolio of prime commercial assets. The new company will play the role of market leader in various European geographic areas. Capitalising on the complementary strengths of both companies, we will be able to seize new growth opportunities and deliver enhanced returns to our shareholders."*

### **Creating the leading pan-European commercial property company**

The combined group will be the leading pan-European commercial property company with a total pro forma portfolio of over € 21.7 billion in property value and € 974 million in net rental income. It will be predominantly retail focused with 73% of its portfolio property value in shopping centres. The combined group's office assets (20% of the portfolio) are primarily located in the attractive Paris market. The Convention and Exhibition activities (7% of the portfolio including others) will further support the value creation potential of the combined entity.

The combined group will benefit from:

- A unique network of 95 prime shopping centres totalling 3.3 million SqMt of retail space and €15.8 billion of appraised property value, with a leading position in key European retail markets, especially France, the Netherlands, Spain and Sweden complemented by strong positions in high growth emerging markets (Central Europe and Russia). The combined shopping centre portfolio will have over 700 million visits per year.
- A highly attractive prime quality office portfolio of 628,378 SqMt and € 4.4 billion of property value, as at 31/12/2006, predominantly in Paris, historically one of the most resilient markets in Europe and one with significant further growth potential, as well as attractive development projects in La Défense (Tour Phare and Majunga).
- A highly visible retail and office development pipeline of over 1.5 million SqMt representing approximately € 6.1 billion in investment expenditure (of which 72% retail and 28% mainly office). This development pipeline will be around twice the size of the combined group's competitors and is expected to deliver € 530 million of additional net rental income upon completion (an increase of 54% over the new group's combined pro forma 2006 net rental income).
- The network of key Convention & Exhibition centre sites operated by Unibail in the Paris region, under the name of Paris Expo provides the combined group with additional growth opportunities. The potential merger between Unibail's and the Paris Chamber of Commerce and Industry (CCIP) Convention & Exhibition businesses will further enhance the current position and future potential of this business.

### **Significant value creation potential**

The combined group will develop a single marketing and retail management strategy for its entire pan-European retail portfolio. Key value creation drivers include:

- Implementing a pan-European marketing approach to drive traffic and sales to extract more like-for-like rental growth on the existing retail portfolio; and

- Leveraging an unrivalled footfall of over 700 million visits per year to drive marketing revenues (e.g. kiosks, poster-based advertising, vending machines, promotional campaigns).

The combined group will leverage Unibail's demonstrated in-house development expertise with Rodamco's extensive pan-European network in leading shopping centres, thereby accelerating pipeline growth and optimising development capital expenditure. Furthermore, through sharing of best practices, the combined group will generate even more value across the entire Developer-Investor-Manager value chain.

Synergies have been identified relating to reduction of non-personnel related general and administration costs by eliminating redundant costs.

Furthermore, synergies related to the existing portfolio alone are expected to generate an increase in NRI of € 40 million to € 65 million annually, by 2012. The combination will also enable the new group to take advantage of Rodamco's existing pan-European platform to bolster value accretive development pipeline.

### **Preservation tax efficient status for both Rodamco and Unibail**

Rodamco and Unibail have obtained or expect to obtain very shortly the necessary assurances and formal rulings from the Dutch and French tax authorities on relevant tax matters, including that the new group will be able to maintain Rodamco's tax-efficient status, provided Unibail complies with and obtains Dutch FBI status within a given grace period.

### **Governance and organisation**

CEO Maarten Hulshoff (59) of Rodamco has decided not to take a seat on the new management board of the new company. *"I am proud of what we have achieved with a very dedicated staff all around Europe. This merger is a stimulating next phase for Rodamco and its stakeholders, whom with this combination will enter a new era. I feel my task of bringing Rodamco into this next phase is now fulfilled and I want to provide the new leadership with all the room to fully explore the opportunities of this great new company,"* says Mr. Hulshoff. He will officially step down upon settlement of the Offer.

The combined group will adopt a two-tier Board structure with a Supervisory Board and a Management Board, whose composition will reflect the balanced contribution of Rodamco and Unibail to the combined group.

The combined Supervisory Board will be comprised of five Rodamco Supervisory Board members, five Unibail Board members and two independent Board members. Mr. Robert F.W. van Oordt, Rodamco's current Chairman of the Supervisory Board will become Chairman of the Supervisory Board of the combined group.

The combined Management Board will be composed of three Rodamco Management Board members and three Unibail Executive Committee members. Mr. Guillaume Poitral, current Chairman and Chief Executive Officer of Unibail, will be Chairman of the Management Board and CEO of the combined group.

A Management Team composed of ten regional and centralised managers, both from Rodamco and Unibail, will assist the Management Board in the execution of the group strategy. An Integration Committee will be in charge of the implementation of the combination.

The international headquarter operations will be based in the Netherlands and the registered office will be in Paris. It is expected the combination will introduce a new company name at a later stage.

### **Main Financial Terms of the proposed Offer**

Share Offer	• 0.530 of a Unibail share for each Rodamco share
Alternative Offer	• 0.530 of a Unibail ORA for each Rodamco share
	• The total consideration to be offered in ORAs in the context of the Alternative Offer shall not exceed 20% of the total effective consideration for Rodamco
Indicative value of the Offer	• € 124.8 per Rodamco share based on Unibail's closing share price of € 235.5 as of 5 April 2007
	• 15% premium based on Unibail's and Rodamco's closing share prices as of 5 April 2007
	• 15% premium based on Unibail's and Rodamco's volume weighted average closing share prices over the month ending 5 April 2007



Based on Unibail's closing share price of € 235.5 as of 5 April 2007, the proposed Offer values the common share capital of Rodamco at € 11.2 billion. The proposed Offer represents a premium of 15% based on the closing share prices of Unibail and Rodamco as of 5 April 2007 and a premium of 15% based on Unibail's and Rodamco's volume weighted average closing share prices over the month ending 5 April 2007.

Rodamco shareholders will have the option to tender their Rodamco Shares for Unibail ordinary shares (the "Unibail Shares"). As an alternative to the Share Offer, Unibail will also provide an election for Rodamco shareholders to tender their Rodamco Shares for ORAs with the total consideration being offered in the form of ORAs being limited to 20% of the total consideration offered in exchange for Rodamco Shares. In the event of oversubscription, allocation of ORAs will be scaled down on a pro rata basis.

Each ORA will be convertible into one Unibail Share at any time at the option of the ORA holder and will be entitled to a coupon that equals the Unibail ordinary dividend with a minimum yield of 1.5% of the ORA par value (the par value being equal to the value received for one Rodamco Share in the Share Offer at settlement) and a maximum yield of 17.5% of the ORA par value. The ORAs will have a 50-year maturity and will be callable by Unibail after 12 years.

The Exchange Ratio of 0.530 of a Unibail share for each Rodamco share will be adjusted for any dividends paid or becoming payable prior to settlement of the intended Offer. Currently it is anticipated that the Exchange ratio will be 0.522 on settlement, reflecting the announced Unibail interim dividend of € 1 per share payable on 16 April 2007 and the Rodamco final dividend of € 2.34 per share payable on 2 May 2007.

Following the settlement of the Offer, the Unibail Shares and ORAs will be listed on Euronext Paris (primary listing) and Euronext Amsterdam. It is the intention that Rodamco's listing on Euronext Amsterdam will be terminated as soon as possible.

The combined entity is expected to benefit from inclusion in the CAC 40 index leading to enhanced visibility of the combined company and to greater liquidity in its shares.

#### **Further Process and Indicative Timetable**

Rodamco and Unibail expect to reach full agreement on the final Offer documentation shortly, subject inter alia to confirmatory due diligence and the receipt of certain tax rulings. When made, the Offer will be subject to customary conditions, including an acceptance threshold of at least 60% of the outstanding share capital of Rodamco and the approval by Unibail shareholders of the issuance of Unibail Shares and ORAs for the purpose of the Offer at the Unibail extraordinary general meeting of shareholders to be scheduled in the course of May 2007.

The offering memorandum, containing the terms and conditions of the Offer (the "Offering Memorandum") as well as the prospectus relating to the issuance of Unibail shares and ORAs (the "Prospectus") in connection with this transaction, are expected to be published in the course of May 2007. Following the publication of the Offering Memorandum, Rodamco will convene an extraordinary general meeting of shareholders to inform its shareholders about the Offer.

With due observance of the contractual notice period of 6 months ending as per 31 December 2007, Mr. Maarten Hulshoff, currently CEO of Rodamco, will receive a payment equal to three times the sum of the average annual total fixed income and average annual short term bonus over the three preceding years. The payment is in line with arrangements agreed between Mr. Hulshoff and Rodamco at the time of his employment, incorrectly reflected in recent Rodamco annual reports.

The Netherlands Authority Financial Markets (Autoriteit Financiële Markten), Euronext Amsterdam N.V. and the Social Economic Council (Sociaal Economische Raad) have been informed of the intended Offer. Unibail has applied for a license as an investment institution under the Dutch Financial Supervision Act (Article 2:65) also in view of the envisaged Offer. Clearance for this transaction will also be sought from the French competition authorities.

#### *Indicative Timetable*

Early May, 2007	Publication of Offering Memorandum and Prospectus
End May, 2007	General Meeting of Shareholders of Unibail
End May, 2007	General Meeting of Shareholders of Rodamco
Early June, 2007	Closing of the proposed Offer

## Financial, legal and tax Advisors

Goldman Sachs International and UBS Investment Bank are acting for Rodamco as financial advisors. Clifford Chance LLP is acting for Rodamco as legal advisor. Loyens & Loeff and Jones Day are acting for Rodamco as tax advisors.

Morgan Stanley & Co. Limited, ABN AMRO Corporate Finance and Perella Weinberg Partners are acting for Unibail as financial advisors. Darrois Villey Maillot Brochier and NautaDutilh N.V. are acting for Unibail as legal advisors. CMS Bureau Francis Lefebvre and CMS Derks Star Busmann are acting for Unibail as tax advisors.

## Media Events and Investor Community Information

### Press Conferences

- 09.30am CET: Sheraton Schiphol, Schiphol Airport, The Netherlands
- 2.30 pm CET: Carrousel du Louvre, Paris

Both press conferences will be accessible via live video webcast on the Unibail website at <http://www.unibail.com> and on the Rodamco website at <http://www.rodamco.com>

## For more information

### Unibail

Brunswick

Laurant Perpère

+ 33 1 53 96 83 86

Citigate

Wouter van de Putte

+31 (0) 20 575 40 10

Ogilvy

Anne N'Guyen

+ 33 (1) 53 67 12 80

Unibail Investor Relations

Fabrice Mouchel

+ 33.1.53.43.73.03

### Rodamco Europe

Hill & Knowlton

Frans van der Grint

Charlotte de la Rambelje

+31 (0) 20 404 47 07

Rodamco Europe Investor Relations

Carina Hamaker

+ 31 (0) 10 217 6480

This is a public announcement as meant within section 9b paragraph 2 sub a of the Dutch Securities Markets Decree (Besluit toezicht effectenverkeer 1995)

## Profile of Rodamco Europe

Rodamco, headquartered in Rotterdam, the Netherlands, is both investor and manager of a portfolio of dominant shopping centres in its home regions The Netherlands & Belgium, the Nordic countries, France, Spain and Central Europe. Top quality shops and shopping centres comprise 94% of Rodamco Europe's € 10.58 billion property assets. This makes Rodamco Europe the largest listed property investment and management company in the retail sector in Europe. Rodamco Europe is listed on the Stock Exchanges in Amsterdam, Paris, Frankfurt and Brussels. A Euronext 100 company, Rodamco Europe is included in the Euronext AEX Index (AEX) and in the MSCI World Index.

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**The Offers will not be made, directly or indirectly, in or into, the United States, Canada, Australia or Japan and the Offers will not be capable of acceptance from within the United States, Canada, Australia or Japan.**

Accordingly, copies of this announcement are not being, and must not be, mailed or otherwise distributed or sent in or into or from the United States, Canada, Australia or Japan.

The statements contained in this press release, particularly those regarding synergies, performance, costs, divestments, and growth are or may be forward looking statements and reflect each management's current analysis and expectations, based on reasonable assumptions. Actual results may differ materially from the statements made depending on a variety of factors.

Factors leading thereto may include without limitations general economic conditions, conditions in the markets Unibail and Rodamco are engaged in, behaviour of customers, suppliers and competitors, technological developments, as well as legal and regulatory rules affecting Unibail's and Rodamco's business.

This press release does not constitute an offer to purchase or exchange or the solicitation of an offer to sell or exchange any Rodamco shares or an offer to sell or exchange or the solicitation of an offer to buy or exchange any Unibail shares, nor shall there be any sale, purchase or exchange of such securities in any jurisdiction (including the United States of America, Japan, Australia and Canada) in which such offer or solicitation or sale, purchase or exchange would be unlawful prior to the registration or qualification under the laws of such jurisdiction. The distribution of this communication may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this document should inform themselves of and observe these restrictions. To the fullest extent permitted by applicable law, Unibail disclaims any responsibility or liability for the violation of any such restrictions by any person.

The Unibail shares and the Unibail ORAs to be issued and delivered in settlement of the Offers have not been, and will not be, registered by Unibail under the United States Securities Act of 1933, as amended (the "Securities Act"), and, as a result, may not be offered for sale or exchange or sold or exchanged in the United States except pursuant to a registration statement or a valid exemption from the registration requirements of the Securities Act. *Unibail does not intend to file a registration statement. The Unibail shares and the Unibail ORAs to be issued and delivered in settlement of the Offer will be offered and exchanged outside the United States of America in reliance on and in accordance with Regulation S under the Securities Act. The Offer will not be made, directly or indirectly, in or into the United States of America or to any person in the United States of America and may not be accepted in or from the United States of America.*

The Offer will not be made, directly or indirectly, in or into the United Kingdom or to or for the account or benefit of any national, resident or citizen of the United Kingdom or any person located therein ("UK Persons") and will, when made, not be capable of acceptance, directly or indirectly, by or for the account or benefit of any UK Person. No investment activity will be engaged in by Unibail with any UK Person. No actions have been taken to allow a public offering of the Unibail shares or ORAs referred to in this presentation under the applicable securities laws of the United Kingdom or to or for the account or benefit of any UK Person. The contents of this press release have not been approved by an authorised person for the purposes of section 21 of the UK Financial Services and Markets Acts 2000 ("FSMA").

## Appendix 1

### Statement of the Supervisory Board of Rodamco

The Supervisory Board of Rodamco grants its unanimous (with the exception of Mr Terry Dornbush who has resigned from the Supervisory Board and abstained from voting) support to the contemplated merger of equals announced today by the Management Board of Rodamco and the Board of Directors of Unibail.

The Supervisory Board of Rodamco supports the transaction as the proposed combination relies on an excellent fit between two complementary companies with superior track-records, aiming at combining their respective expertise in an outstanding project to create the number one commercial real estate player in Europe

In granting its recommendation, the Supervisory Board outlines the value creation potential of the contemplated transaction for shareholders and stakeholders, based on the implementation of a pan-European strategy designed to generate additional significant revenues and relying on a balanced governance structure, including the international headquarters operations based in the Netherlands. In addition to offer a unique opportunity to reunify the co-ownership of major landmark shopping centres such as Vélizy 2 and Lyon Part-Dieu, the combined portfolio will constitute a unique development platform for active retailers throughout Europe and will benefit from significant additional marketing revenues based on some 700 million customer visits per annum.

The combined entity would rely its business model on the very attractive Developer — Investor — Manager profile, encompassing the whole value creation chain. It would benefit from an unrivalled immediate pipeline and

would then trigger further development opportunities to provide even more significant growth and value potential for the shareholders.

In addition, the combined entity is expected, based on rulings obtained from the relevant tax authorities, to benefit from tax efficient Dutch BI and French SIIC status and from inclusion in CAC 40 index which will enhance the combined entity's visibility and the liquidity of its shares.

Finally the combined entity would be a Euro-denominated investment vehicle which should be attractive to our combined set of existing shareholders.

For all those reasons the Supervisory Board of Rodamco reiterates that the proposed merger of equals is in the best interest of all stakeholders of Rodamco and therefore recommends the shareholders of Rodamco to tender their shares to Unibail.

## Appendix 2

### Statement of the Board of Directors of Unibail

The Board of Directors of Unibail met on Monday the 9th of April 2007 and approved unanimously an agreement with the company Rodamco intended to create the leading European commercial property company. This merger of equals will be effected via a public exchange offer of 0.53 Unibail shares for each Rodamco share.

The Board emphasised in particular the potential for value creation of this combination due to the exceptional complementarity of the two companies in terms of know-how and geographic positioning.

The combination of these two companies is the result of a common strategic vision based on investment in, management of and development of major commercial properties with superior upside potential in the medium term. The combination will also give rise to substantial synergies and will consolidate ownership positions in several major shopping centres including Vélizy 2, Lyon Part-Dieu and Ulis 2.

This transaction represents a unique opportunity for Unibail and its shareholders to benefit from the significant international footprint created by Rodamco, leading to increased growth and to expansion of the real estate know-how that has driven Unibail's success for the last fifteen years. The Board hereby unanimously recommends that Unibail's shareholders approve the transaction at the time of the Extraordinary General Meeting that shall be called for this purpose.

[unquote]

### 17.2 PGGM and Rodamco directors to tender their Rodamco Shares (20 April 2007)

[quote]



Press Release

### PGGM AND RODAMCO DIRECTORS COMMIT TO TENDER THEIR RODAMCO SHARES

**Zeist and Rotterdam, the Netherlands and Paris, France — 20 April 2007**

PGGM, the largest shareholder of Rodamco Europe N.V. ("Rodamco") with approximately 25% of the outstanding shares, Rodamco and Unibail Holding S.A. ("Unibail") jointly announce that PGGM has entered into a commitment to vote its Rodamco and Unibail shares in favour of the combination between Rodamco and Unibail and to tender its Rodamco shares into the intended exchange offer.

The combination of Rodamco and Unibail, which was announced on 10 April 2007, will create the leading pan-European commercial property company with attractive value creation opportunities through its significant development activities, further portfolio optimisation and realisation of synergy potential.

Last week, PGGM had already expressed its strong support for the combination between Rodamco and Unibail given the sound industrial logic of the merger and its value enhancing prospects for shareholders.

In addition, the chairman of the management board, Mr. M.J. Hulshoff and two other management board members, Messrs. J.A. Bomhoff and K.W. Ledebor, have also committed to tender their Rodamco shares into the intended exchange offer.

This announcement is a public announcement as referred to in section 9b, par. 1, of the Dutch Securities Trading Supervision Decree (*Besluit Toezicht Effectenverkeer 1995*).

#### **For more information**

##### **RODAMCO EUROPE**

###### ***Hill & Knowlton***

Frans van der Grint  
Charlotte de la Rambelje  
+31 20 404 47 07

##### **UNIBAIL**

###### ***Brunswick***

Laurent Perpère  
+33 6 87 80 18 13

###### ***CitigateFirst Financial***

Wouter van de Putte  
+31 20 575 40 10

###### ***Ogilvy***

Anne Nguyen  
+331 53 67 12 80

##### ***Rodamco Europe Investor Relations***

Carina Hamaker  
+31 10 217 6480

##### ***Unibail Investor Relations***

Fabrice Mouchel  
+33 1 53 43 73 03

#### **Profile of Rodamco Europe**

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#### **Profile of Unibail**

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The statements contained in this press release, particularly those regarding synergies, performance, costs, divestments, and growth are or may be forward looking statements and reflect each management's current analysis and expectations, based on reasonable assumptions. Actual results may differ materially from the statements made depending on a variety of factors.

Factors leading thereto may include without limitations general economic conditions, conditions in the markets Unibail and Rodamco are engaged in, behavior of customers, suppliers and competitors, technological developments, as well as legal and regulatory rules affecting Unibail's and Rodamco's business.

This press release does not constitute an offer to purchase or exchange or the solicitation of an offer to sell or exchange any Rodamco shares or an offer to sell or exchange or the solicitation of an offer to buy or exchange any Unibail shares, nor shall there be any sale, purchase or exchange of such securities in any jurisdiction (including the United States of America, Japan, Australia and Canada) in which such offer or solicitation or sale, purchase or exchange would be unlawful prior to the registration or qualification under the laws of such jurisdiction. The distribution of this communication may, in some countries, be restricted by law or regulation. Accordingly, persons

who come into possession of this document should inform themselves of and observe these restrictions. To the fullest extent permitted by applicable law, Unibail disclaims any responsibility or liability for the violation of any such restrictions by any person.

The Unibail shares and the Unibail ORAs to be issued and delivered in settlement of the Offers have not been, and will not be, registered by Unibail under the United States Securities Act of 1933, as amended (the "Securities Act"), and, as a result, may not be offered for sale or exchange or sold or exchanged in the United States except pursuant to a registration statement or a valid exemption from the registration requirements of the Securities Act. Unibail does not intend to file a registration statement. The Unibail shares and the Unibail ORAs to be issued and delivered in settlement of the Offer will be offered and exchanged outside the United States of America in reliance on and in accordance with Regulation S under the Securities Act. The Offer will not be made, directly or indirectly, in or into the United States of America or to any person in the United States of America and may not be accepted in or from the United States of America.

The Offer is not being made, directly or indirectly, in, into or from the United Kingdom or to or for the account or benefit of any resident of the United Kingdom or any person located therein ("UK Persons"). Accordingly, this press release and any other offer documentation is not directed at and is not intended to be distributed or passed on, directly or indirectly, to any UK Person and under no circumstances should a UK Person rely or act upon the contents of this press release or any other offer documentation. No investment activity will be engaged in by Unibail with any UK Person. If a UK Person receives a copy of this press release or any other offer documentation he, she or it should return it immediately to Unibail and take no further action.

No actions have been taken to allow a public offering of the Unibail Shares or Unibail ORAs offered pursuant to the Offer under the applicable securities laws of the United Kingdom or to or for the account or benefit of any UK Person. In particular, this press release or any other offer documentation has not been approved by the United Kingdom's Financial Services Authority (the "FSA"), is not an approved prospectus for the purposes of section 85 of the UK Financial Services and Markets Acts 2000 ("FSMA") pursuant to section 87H of that Act, nor has it been prepared in accordance with the provisions of the FSMA or the Prospectus Rules issued by the FSA. Furthermore, the contents of this press release or any other offer documentation have not been approved by a UK authorised person for the purposes of section 21 of the FSMA.

[unquote]

### **17.3 Unibail Shareholders' meeting of 21 May 2007 convened to authorise consideration for Rodamco offer (4 May 2007)**

[quote]



**unibail**

**Press Release**

## **UNIBAIL SHAREHOLDERS' MEETING OF 21 MAY 2007 CONVENED TO AUTHORISE CONSIDERATION FOR RODAMCO OFFER**

**Paris, France — 4 May 2007**

Unibail Holding S.A. ("Unibail") has today issued the notice (*avis de convocation*) to its shareholders to convene an extraordinary meeting of shareholders to be held on 21 May 2007 in Paris. At this shareholders meeting Unibail shareholders will be asked to resolve to authorise the Unibail board of directors to issue new Unibail shares and bonds redeemable for shares ("ORA"s). These shares and ORAs will be issued in consideration for shares in Rodamco Europe N.V. ("Rodamco") tendered by Rodamco shareholders in the Exchange Offer. The Exchange Offer is expected to be announced within the next two weeks.

In connection with the assessment by Rodamco shareholders of the contemplated Exchange Offer, Unibail confirms that by convening the extraordinary shareholders meeting referred to above, at this stage it has taken all reasonable measures in accordance with section 6, par. 1 sub (a) of the Dutch Temporary Exemption Regulation on Public Takeovers (*Tijdelijke Vrijstellingsregeling Overnamebiedingen*) to ensure availability of the consideration to be paid in the Exchange Offer if the Exchange Offer is declared unconditional.

Unibail and Rodamco announced the contemplated Exchange Offer by Unibail for all shares of Rodamco by press release of 10 April 2007.

This announcement is a public announcement as referred to in section 9b, par. 1, of the Dutch Securities Trading Supervision Decree (*Besluit toezicht effectenverkeer 1995*).

#### **For more information**

##### **UNIBAIL**

###### **Brunswick**

Laurent Perpère  
+33 6 87 80 18 13

###### **CitigateFirst Financial**

Wouter van de Putte  
+31 20 575 40 10

###### **Ogilvy**

Anne Nguyen  
+331 53 67 12 80

###### **Unibail Investor Relations**

Fabrice Mouchel  
+33 1 53 43 73 03

#### **Profile of Unibail**

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[unquote]

## 17.4 Unibail and Rodamco exchange offer launch expected within 2 weeks (9 May 2007)

[quote]



Rodamco Europe

Press Release

### UNIBAIL AND RODAMCO EXCHANGE OFFER LAUNCH EXPECTED WITHIN 2 WEEKS

**Rotterdam, the Netherlands and Paris, France — 9 May 2007**

Rodamco Europe N.V. ("Rodamco") and Unibail Holding S.A. ("Unibail") jointly confirm that the preparations for the Exchange Offer by Unibail for all outstanding shares of Rodamco are in a very advanced stage. Unibail believes it will be in a position to make the Exchange Offer within the next 2 to 3 weeks.

Following the first announcement of the contemplated Exchange Offer on 10 April 2007, the draft offer document has been filed with the Dutch *Autoriteit Financiële Markten*, the prospectus regarding the Unibail shares and bonds redeemable for shares ("ORA"s) to be issued in exchange for tendered Rodamco shares has been filed with the French *Autorité des Marchés Financiers* and the Dutch certain funds rule has been satisfied as announced in Unibail's press release of 4 May 2007. The Exchange Offer will be launched when the competent authorities have approved the offer document and the prospectus and other regulatory clearances have been obtained.

This announcement is a public announcement as referred to in section 9g, par. 1 sub a, of the Dutch Securities Trading Supervision Decree (*Besluit toezicht effectenverkeer 1995*). This announcement does not constitute an offer for ordinary shares in Rodamco.

#### For more information

##### RODAMCO EUROPE

###### **Hill & Knowlton**

Frans van der Grint  
Charlotte de la Rambelje  
+31 20 404 47 07

###### **Rodamco Europe Investor Relations**

Carina Hamaker  
+31 10 217 6480

##### UNIBAIL

###### **Brunswick**

Laurent Perpère  
+33 6 87 80 18 13

###### **CitigateFirst Financial**

Wouter van de Putte  
+31 20 575 40 10

###### **Ogilvy**

Anne Nguyen  
+331 53 67 12 80

###### **Unibail Investor Relations**

Fabrice Mouchel  
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[unquote]

## 18. ADVISERS

### Advisers to Rodamco

Financial adviser  
Goldman Sachs International  
Peterborough Court  
133 Fleet Street  
London, EC4A 2BB  
United Kingdom

Financial adviser  
UBS Limited  
1 Finsbury Avenue  
London, EC2M 2PP  
United Kingdom

Dutch legal adviser  
Clifford Chance LLP  
Droogbak 1A  
1013 GE Amsterdam  
The Netherlands

Dutch tax adviser  
Loyens & Loeff N.V.  
Fred. Roeskestraat 100  
1076 ED Amsterdam  
The Netherlands

French legal adviser  
Clifford Chance LLP  
9, place Vendôme  
CS 50018  
75038 Paris Cedex 01  
France

French tax adviser  
Jones Day  
120, rue du Faubourg Saint-Honoré  
75008 Paris  
France

### Advisers to Unibail

Financial adviser  
Morgan Stanley & Co. Limited  
25 Cabot Square  
Canary Wharf  
London E14 4QA

Financial adviser  
ABN AMRO Bank N.V.  
Gustav Mahlerlaan 10  
1082 PP Amsterdam  
The Netherlands

Dutch legal adviser and  
Belgian legal and tax adviser  
NautaDutilh N.V.  
Strawinskylaan 1999  
1077 XV Amsterdam  
The Netherlands

Dutch tax adviser  
CMS Derks Star Busmann  
Pythagoraslaan 2  
3584 BB Utrecht  
The Netherlands

French legal adviser  
Darrois Villey Maillot Brochier  
69 Avenue Victor Hugo  
75116 Paris  
France

French tax adviser  
CMS Bureau Francis Lefevre  
1-3 Villa Emile Bergerat  
92522 Neuilly sur Seine  
France

German legal adviser  
Hengeler Mueller  
Bockenheimer Landstraße 24  
D-60323 Frankfurt am Main  
Germany

English legal adviser  
Macfarlanes  
10 Norwich Street  
London EC4A 1BD  
United Kingdom

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## UNIBAIL HOLDING

A limited liability company (société anonyme) with share capital of 230,730,080 Euro  
Registered office: 5 boulevard Malesherbes  
75008 Paris

### NOTE D'OPERATION

made available to the public in connection with:

- a share capital increase without preferential subscription right (*droit préférentiel de souscription*) by the issue of a maximum number of 46,818,602 shares and the concomitant issue without preferential subscription right of a maximum number of 9,363,720 bonds redeemable for new or existing shares in consideration for the public exchange offer governed by Dutch law on RODAMCO EUROPE N.V. shares;
- the admission to trading on Eurolist by Euronext of the new shares and the bonds redeemable for new or existing shares, as well as the shares that could be issued in case of redemption of the bonds redeemable for shares, i.e. a possible total number of 9,363,720 shares.

The issue of new shares and bonds redeemable for new or existing shares is conditional upon the settlement of the public exchange offer, which is itself subject to a certain number of conditions described in paragraph 6.1.1.

The legal notice will be published in the *Bulletin des annonces légales obligatoires* on May 23, 2007



In accordance with Articles L. 412-1 and L. 621-8 of the Monetary and Financial Code and Articles 212-1 and following of its General Regulation, the *Autorité des marchés financiers* ("AMF") has granted this prospectus visa no. 07-152 dated May 18 2007.

This prospectus was drawn up by the issuer, and its signatories are responsible for its contents. In accordance with the provisions of Article L. 621-8-1-I of the Monetary and Financial Code, the visa was granted after the AMF verified "*whether the document is complete and comprehensible and whether the information it contains is consistent*". The visa does not imply confirmation that the transaction is appropriate or authentication of the accounting and financial information presented.

This prospectus comprises:

- Unibail Holding's *document de référence* filed with the *Autorité des marchés financiers* on March 13th, 2007 under number D.07-0169,
- this *note d'opération* (including the summary of the prospectus).

Copies of the prospectus may be obtained free of charge from Unibail Holding, at 5, Boulevard Malesherbes in Paris (75008). The prospectus is also available on Unibail Holding's website ([www.unibail.com](http://www.unibail.com)) and on the AMF's website ([www.amf-france.org](http://www.amf-france.org)).

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## SUMMARY OF THE PROSPECTUS

This summary should be read as an introduction to the prospectus. Any decision to invest in the financial instruments subject of the operation must be based on a comprehensive study of the full prospectus. Where a claim relating to the information contained in the prospectus is brought before a court, the plaintiff investor might, under the national legislation of European Union Member States or of countries party to the European Economic Area Agreement, have to bear the translation costs of the prospectus before the legal proceedings are initiated. Civil liability attaches to the persons who presented the summary, and any translation thereof, and who requested its notification within the meaning of Article 212-41 of the AMF General Regulation, but only if the content of the summary is misleading, inaccurate or inconsistent when read with other parts of the prospectus.

### A. IDENTITY OF UNIBAIL'S DIRECTORS, MANAGERS AND STATUTORY AUDITORS

#### • Composition of the Board of Directors on the date of this document

- Chief Executive Officer: Guillaume Poitrinal
- Directors<sup>(1)</sup>: Jacques Dermagne  
Jean-Pierre Duport\* (whose appointment is effective as from July 12, 2007)  
François Jaclot\*  
Jean-Louis Laurens\*  
Yves Lyon-Caen\*  
Bernard Michel\*  
Henri Moulard\*  
Jean-Louis Solal\*  
Claude Tendil\*

#### • Composition of the executive committee on the date of this document

- Guillaume Poitrinal — Chairman and Chief Executive Officer;
- Olivier Bossard — Executive Vice-President in charge of development and strategy;
- Michel Dessolain — General Manager of the shopping centre division;
- Renaud Hamaide — General Manager of Paris Expo;
- Peter Hazelzet — CEO of Exposium.
- Jean-Jacques Lefebvre — General Manager of large buildings construction;
- Catherine Pourre — Executive Vice-President responsible for the Group's central support functions;
- Jean-Marie Tritant — General Manager of the office division.

#### • Statutory Auditors

##### *Statutory Auditors:*

- Ernst & Young Audit — Faubourg de l'Arche — 11 allée de l'Arche, Paris — La Défense (92037).
- BDO Marque & Gendrot SA — 23 rue de Cronstadt, Paris (75015).

##### *Alternate Auditors:*

- Barbier Frinault & Autres SAS — 41 rue Ybry, Neuilly Sur Seine (92200).
- Mazars & Guérard — 39 rue de Wattignies, Paris (75012).

### B. KEY ELEMENTS OF THE TRANSACTION AND ESTIMATED TIMETABLE

#### Context and conditions

The purpose of the capital increase without preferential subscription right by the issue of a maximum number of 46,818,602 shares (the “**New Shares**”) and the concomitant issue without preferential subscription right of a maximum number of 9,363,720 bonds redeemable for new or existing shares (the “**ORA**”) is to pay for the public exchange offer governed by Dutch law on RODAMCO EUROPE N.V. (“**Rodamco**”) shares (the “**Offer**”). The

<sup>(1)</sup> Independent directors are indicated by an asterisk.



Offer is made within the context of the combination of the two groups as announced on April 10th, 2007, whose purpose will be the creation of the leading European commercial real estate company. The maximum number of New Shares and ORA is calculated on the basis of a number of Rodamco shares of 89,639,292 and on the basis of an exchange ratio of 0.5223 of a Unibail New Share or a ORA for one Rodamco share (the "**Exchange Ratio**"), corresponding to the exchange ratio of 0.5300 of a Unibail share or ORA for one Rodamco share (the "**Initial Exchange Ratio**"), announced on April 10th, 2007, the date of the public announcement of the combination, adjusted to reflect the impact of the interim dividend of 1.00 Euro per share paid by Unibail on April 16th, 2007, and the final dividend relating to fiscal year 2006 of 2.34 Euro per share paid by Rodamco on May 8th, 2007. This Exchange Ratio will be adjusted to reflect the impact of any other dividend whose payment or ex-dividend date, would intervene before the settlement of the New Shares and ORA issued in the context of the Offer.

Rodamco is a Dutch company and its share capital is currently divided into 89,639,292 shares, the nominal value of each share is 8 Euro. The Offer will be made in the Netherlands, which is the principal market where the Rodamco shares are listed, and in France, Belgium, Germany and the United Kingdom. The Offer in France will be made on the basis of an offer document subject to supervision by the *Autoriteit Financiële Markten* ("**AFM**") and translated into French. This translation and a supplement for the French Rodamco shareholders will be made available to the public.

The issue of the New Shares and ORA is conditional upon the settlement of the Offer. The Offer is subject to a certain number of conditions described in paragraph 6.1.1 of the *Note d'opération*, principal among which are: (i) that the number of Rodamco shares tendered to Unibail in the context of the Offer represents at least 60% of Rodamco share capital on the closing date of the Offer and (ii) that no material adverse change has occurred before the closing of the Offer.

#### **Amount of the transaction**

In the context of the Offer, Unibail will make an offer to Rodamco's shareholders, from May 22<sup>nd</sup> to June 20<sup>th</sup>, 2007, on the basis of the Exchange Ratio of 0.5223 of a Unibail New Share or ORA for one Rodamco share, corresponding to the Initial Exchange Ratio of 0.5300 of a Unibail New Share or ORA for one Rodamco share announced on April 10th, 2007, the date of public announcement of the combination, adjusted to reflect the impact of the interim dividend of 1.00 Euro per share paid by Unibail on April 16th, 2007, and the final dividend relating to fiscal year 2006 of 2.34 Euro per share paid by Rodamco on May 8th, 2007.

Instead of receiving New Shares, Rodamco's shareholders may elect to receive ORA for all or part of their Rodamco shares, on the basis of the Exchange Ratio, up to a maximum amount representing 20% of the consideration offered in exchange for all Rodamco shares tendered to Unibail in the context of the Offer. In the event that the number of ORA applied for by Rodamco's shareholders exceeds this maximum percentage, the number of ORA allocated to those shareholders will be reduced pro rata according to the number of Rodamco shares tendered by such Rodamco shareholders (rounded downwards to the nearest whole number), and the balance of the Rodamco shares not paid for with ORA will be paid for with New Shares. If no election is made, Rodamco shareholders will be deemed to have elected to be paid exclusively in New Shares. Consequently, on the basis of the Exchange Ratio of 0.5223 of a Unibail New Share or ORA for one Rodamco share and a number of 89,639,292 Rodamco shares on the date of the *Note d'Opération*:

- The maximum number of New Shares to be issued is 46,818,602, on the assumption that all Rodamco's shareholders choose to have their Rodamco shares paid for with New Shares.
- The maximum number of ORA to be issued is 9,363,720, representing 20% of the payment for all Rodamco shares.

The Exchange Ratio, which takes into account the interim dividend of 1.00 Euro per share paid by Unibail on April 16th, 2007, the final dividend relating to the 2006 fiscal year of 2.34 Euro per share paid by Rodamco on May 8th, 2007, and a settlement delivery of the securities within the Offer before payment by Unibail of the final dividend in respect of the 2006 fiscal year, of 2.00 Euro, due to take place on July 16, 2007. The Exchange Ratio shall be adjusted accordingly in the event that these assumptions prove not to be correct and/or in the event of any other distribution by Rodamco and/or Unibail, or in the event of an alteration by Rodamco and/or Unibail of its authorized share capital affecting the value of the remuneration within the Offer. The maximum number of New Shares to be issued and the maximum number of ORA to be issued will be adjusted as a result.

#### **Issue Price of the New Shares and ORA**

The issue price of a New Share will be equal to the closing price of Unibail shares on the Eurolist by Euronext Paris on the date of closing of the Offer.

The ORA will be issued at their nominal value, which shall be equal to the issue price of the New Shares (nominal value plus issue premium) issued during the initial period of the Offer.

### Characteristics of the New Shares and ORA

The New Shares will carry rights (*jouissance*) with effect from their date of issue, and will be entirely assimilated to the existing shares with effect from that date. The final dividend relating to fiscal year 2006 of 2.00 Euro per share, which should be paid by Unibail on July 16th, 2007, will be attributed to the New Shares, assuming a settlement and delivery of the New Shares before the payment of the final dividend.

The ORA will carry rights (*jouissance*) with effect from their date of issue. Each ORA will be redeemable into one Unibail share, subject to the anti-dilution measures provided by the issue agreement (the “**Reimbursement Ratio**”) (see paragraph 5.10 of the *note d’opération*). The ORA will have a 50 year term. Upon the expiry of a 3-month period following the issue of the ORA, the ORA holders may apply at any time for their redemption in the form of Unibail shares at the Reimbursement Ratio. Unibail will have the right to demand the redemption of the ORA after the expiry of a period of 12 years. Each ORA will bear an annual interest in respect of each fiscal year, equal to the dividend paid in respect of one Unibail share relating to this given fiscal year, without however being less than 1.5% of the nominal value of the ORA or more than 17.5% of the nominal value of the ORA. The ORA will bear a 2.00 Euro interest per ORA corresponding to the dividend of 2.00 Euro per share relating to fiscal year 2006, which should be paid by Unibail on July 16th, 2007, assuming a settlement and delivery of the ORA issued within the Offer before the payment date of the 2.00 Euro dividend.

### Indicative timetable

May 18, 2007	AMF visa on the prospectus. AFM visa on the Offer Document AMF visa on the completed Offer Document
May 21, 2007	Extraordinary General Meeting of Unibail shareholders
May 22, 2007	Opening of the Offer in the Netherlands, France, Belgium, Germany and the United Kingdom (initial period of the Offer)
June 6, 2007	Extraordinary General Meeting of Rodamco shareholders, for information
June 20, 2007	Closing of the Offer in the Netherlands, France, Belgium, Germany and the United Kingdom (subject to the extension of the Offer period*)
June 21, 2007	Announcement whether the Offer is declared unconditional
June 22, 2007	First day of the subsequent acceptance period
June 22, 2007	Publication of the Euronext notice of admission of the New Shares and ORA
June 22, 2007	Admission and commencement of trading on the Eurolist by Euronext of the New Shares and ORA
June 25, 2007	Settlement and delivery
June 27, 2007	Publication of the notice in the <i>Bulletin des annonces légales</i> relating to the issue and the admission of the New Shares and ORA to the Euronext by Eurolist
July 10, 2007	Last day of the subsequent acceptance period
July 13, 2007	Second settlement and delivery
July 16, 2007	Payment by Unibail of the final dividend of 2.00 Euro per share

\* Unibail may ask for an extension of the Offer period. In any event, the announcement of the unconditional nature of the Offer must take place at the latest on the 5th trading day following the closing of the Offer.

If and to the extent that the maximum number of Unibail ORA are issued upon first settlement of the Offer to Rodamco shareholders that tender Rodamco shares during the initial Offer period, such ORA will no longer be available to Rodamco shareholders that tender their Rodamco shares during the subsequent acceptance period.

### C. BASIC INFORMATION CONCERNING SELECTED FINANCIAL DATA; REASONS FOR THE OPERATION AND ANTICIPATED USE OF THE PROCEEDS; RISK FACTORS

#### Selected financial information

The tables set out below contain extracts from the balance sheets, income statements and consolidated cash flow statements of the Unibail group (the “**Group**”) for the fiscal years ending December 31st, 2005, and 2006.

### Summary of Consolidated Income Statement 2005-2006 (IFRS)

	Financial Year Ending December 31st		Variation 2005-2006
	2005	2006	
	(in million Euro)		
Gross rental income . . . . .	472	490	3.7%
<b>Net rents . . . . .</b>	<b>401</b>	<b>411</b>	<b>2.5%</b>
Operating expenses . . . . .	(18)	(31)	
Income from other activities . . . . .	8	47	
<b>Operating profit before sales of assets and value adjustments . . . . .</b>	<b>391</b>	<b>427</b>	<b>9.2%</b>
Profit from sales of assets and value adjustments . . . . .	138	99	
Balance net of adjustments of value . . . . .	1,143	1,701	
<b>Net operating profit . . . . .</b>	<b>1,672</b>	<b>2,227</b>	<b>33.2%</b>
Investment income and expenses . . . . .	(116)	6	
Share results of the companies with equity method . . . . .	25	163	
Corporation tax . . . . .	(55)	(19)	
<b>Net profit . . . . .</b>	<b>1,526</b>	<b>2,377</b>	<b>55.8%</b>
Minority share of net profit . . . . .	(140)	(237)	
<b>Group share of net profit . . . . .</b>	<b>1,385</b>	<b>2,140</b>	<b>54.5%</b>

### Summary of Consolidated Balance Sheet 2005-2006 (IFRS)

	As at December 31st	
	2005	2006
	(in million Euro)	
Non-current assets . . . . .	8,144	10,233
Current assets (excluding cash) . . . . .	511	577
Cash and cash equivalents . . . . .	22	32
<b>TOTAL ASSETS . . . . .</b>	<b>8,677</b>	<b>10,843</b>
Group share of equity capital . . . . .	4,076	6,053
Minority interests . . . . .	592	781
<b>Total equity capital . . . . .</b>	<b>4,668</b>	<b>6,834</b>
Non-current liabilities . . . . .	2,359	2,672
Current liabilities . . . . .	1,650	1,336
<b>TOTAL EQUITY CAPITAL AND LIABILITIES . . . . .</b>	<b>8,677</b>	<b>10,843</b>

### Summary of Consolidated Cash Flow 2005-2006 (IFRS)

	Financial Year Ending December 31st	
	2005	2006
	(in million Euro)	
Cash flow from operational activities . . . . .	635	376
Cash flow from investment activities . . . . .	(167)	(66)
Cash flow from financing activities . . . . .	(613)	(296)
Variation of cash flow and cash equivalents . . . . .	(144)	14

## **Net Indebtedness as at December 31st 2005 and 2006 (IFRS)**

	<b>As at December 31st 2005</b>	<b>As at December 31st 2006</b>
	<i>(in million Euro)</i>	
Sub-total of net debt . . . . .	<b>2,925</b>	<b>2,908</b>
Financial instruments derived from liabilities . . . . .	<b>21</b>	<b>11</b>
Gross debt . . . . .	<b>2,946</b>	<b>2,919</b>
Financial instruments derived from assets . . . . .	<b>(20)</b>	<b>(100)</b>
Cash and cash equivalents . . . . .	<b>(22)</b>	<b>(32)</b>
Net debt . . . . .	<b>2,904</b>	<b>2,787</b>

## **Asset Values (Included Transfer Taxes) as at December 31st 2005 and 2006 (Management Data)**

	<b>As at December 31st 2005</b>	<b>As at December 31st 2006</b>
	<i>(in million Euro)</i>	
Offices . . . . .	3,210	3,904
Shopping centres . . . . .	4,187	5,523
Convention and exhibition centres . . . . .	881	936
Services ( <i>Exposium</i> and <i>Espace Expansion</i> ) . . . . .	<u>278</u>	<u>493</u>
<b>Total . . . . .</b>	<b>8,556</b>	<b>10,856</b>

## **Group Share of Liquidation Net Asset Value as at December 31st 2005 and 2006 (Management Data)**

	<b>As at December 31st 2005</b>	<b>As at December 31st 2006</b>
Group share of liquidation net asset value . . . . .	<b>4,511 million Euro</b>	<b>6,750 million Euro</b>
Number of shares (totally diluted) . . . . .	47,606,343	48,004,323
Liquidation net asset value per share totally diluted . . . . .	<b>94.80 Euro</b>	<b>140.60 Euro</b>
Variation . . . . .		48.3%

No significant change in the financial or commercial situation of the Company has occurred since the closing of the 2006 fiscal year, with the exception of the announced sale on March 26th, 2007 by Unibail of its 49% equity stake in SCI Karanis, the company that owns the Coeur Défense office complex. After the transaction, the net financial indebtedness of Unibail will be reduced by 438 million Euro, 78 million Euro of which corresponding to the reimbursement of Unibail's participation in the subordinated loan to SCI Karanis.

## **Net Working Capital**

Unibail certifies that, in its view, the Group's consolidated net working capital is sufficient to meet its obligations during the next 12 months.

## Equity and indebtedness

In accordance with the recommendations of the *Committee of European Securities Regulators* (CESR), the following table sets out the situation with respect to indebtedness and capitalisation upon consolidation, prepared as of February 28<sup>th</sup>, 2007 in accordance with IFRS:

### Equity and indebtedness as of February 28<sup>th</sup>, 2007

1 Equity and indebtedness	In millions of Euro
<b>Current debts</b> . . . . .	<b>844.2</b>
Subject to security interests ( <i>garantie</i> ) . . . . .	0.4
Subject to pledges . . . . .	0.8
Without security or pledges . . . . .	842.9
<b>Non-current debts</b> . . . . .	<b>1,980.3</b>
Subject to security interests ( <i>garantie</i> ) . . . . .	2.5
Subject to pledges . . . . .	0.5
Without security or pledges . . . . .	1,977.3
<b>Equity (excluding interim results)</b> . . . . .	<b>6,053.10</b>
Share capital . . . . .	230.7
Legal reserve . . . . .	22.9
Other reserves . . . . .	3,304.3
Retained earnings . . . . .	355.4
2006 results . . . . .	2,139.8
<b>2 Net financial indebtedness analysis</b>	
<b>Short term net financial indebtedness</b> . . . . .	<b>837.2</b>
<b>Cash</b> . . . . .	<b>7.0</b>
Net cash . . . . .	4.5
Cash equivalents . . . . .	
Investment securities . . . . .	2.5
<b>Short term financial receivables</b> . . . . .	<b>—</b>
<b>Short term current financial debt</b> . . . . .	<b>844.2</b>
Short term banking debt . . . . .	5.5
Medium term debts, proportion with less than one year . . . . .	772.9
Other short term financial debts . . . . .	65.8
<b>Medium and long term net financial indebtedness</b> . . . . .	<b>1,980.3</b>
Banking loan with more than one year . . . . .	1,026.4
Issued bonds . . . . .	820.0
Other loans with more than one year . . . . .	133.9
<b>Net financial indebtedness</b> . . . . .	<b>2,817.5</b>

There has been no material change in shareholders' equity (excluding interim earnings) and consolidated net financial indebtedness since February 28<sup>th</sup>, 2007 with the exception of the announced sale by Unibail of its 49% equity stake in SCI Karanis, the company that owns the Coeur Défense office complex. After the transaction, the net financial indebtedness of Unibail will be reduced by 438 million Euro, 78 million Euro of which corresponding to the reimbursement of Unibail's participation in the subordinated loan to SCI Karanis.

## Reason for and use of the New Shares and the ORA in Respect of Which the Application for Admission to Trading is Made

The New Shares and ORA subject to the prospectus are intended to be delivered in exchange for Rodamco shares tendered to Unibail in the context of the Offer.

## **Risk Factors**

Investors should take into account the risks indicated below and described in the section entitled “Legal Information”, paragraph 7, pages 129-130 of Unibail’s *document de référence* filed with the AMF on March 13th, 2007 under number D.07-0169, and in section 2 of the *note d’opération* before making any investment decision:

- Risks associated with the Company’s strategy and activities (risks relating to the evolution of the property market, concentration on the shopping centres business line, and investment, risks relating to acquisition, risks relating to the insolvability of tenants;
- Risk related to legal, regulatory, environmental, insurance and tax matters (fiscal regime relating to the SIIC regime and similar fiscal regimes elsewhere);
- Risks associated with the Company’s financing policy and financial activities (risks associated with interest rates, liquidity risks, counterparty risks, etc.);
- Risks of conflicts of interest;
- Risks relating to the securities in respect of which the application for admission to trading is made;
- Risks relating to the ORA in respect of which the application for admission to trading is made;
- Risks relating to the combination with Rodamco.

## **D. INFORMATION RELATING TO UNIBAIL**

Unibail is the leading French commercial property owner. With a property portfolio valued at 10.9 billion Euro as of December 31, 2006, Unibail is a real estate company active in three major real estate areas: shopping centres, office buildings and convention & exhibition centres.

Unibail has a clear focus on high-quality assets with a leading competitive edge in their respective markets, in terms of size, technological features, location or reputation. Unibail aims at maximizing shareholder value and return on investment through proactive management, a dynamic acquisition and disposal policy, and a high level of expertise in managing major development or refurbishment projects.

Unibail has the largest free float of all listed property investment stocks in continental Europe with a total market capitalization as of April 5th 2007 of 11.3 billion Euro. The company is rated A- by Standard & Poor’s and A3 by Moody’s.

## **E. EXAMINATION OF THE RESULTS AND FINANCIAL SITUATION, AND PROSPECTS**

### **Progress of the Business in the 1st Quarter of 2007**

Unibail’s consolidated income for the first quarter amounts to 207.5 million Euro, representing an increase of 10.1 % compared to the first quarter of 2006 (188.5 million Euro).

### **Perspectives of the Company**

#### *Recurring Net Earnings*

In light of its positive performance, Unibail has increased its growth target for group share of recurring net earnings per share for 2007, from 10% to 15%. The announced combination should make way for further increase in this growth target, thanks to expected accretive impact of the Rodamco deal.

For the period 2007-2010, commercial actions on shopping centre leasing activities in portfolio and the deliveries of outstanding development schemes such as Carré Sénart II, Rivétoile, Docks 76, Lyon Confluence, Metropolis, Arkady Pankrac, Forum Nacka, and Cerny Most, should significantly contribute to the rental growth of the Group.

The Group will benefit from a development projects portfolio with a significant growth, representing 6.1 billion Euro of future investment and additional forecasts rents of 530 million Euro over the medium term.

Over the years 2007 and 2008, more than 130,000 m<sup>2</sup> of new or renovated office space (including renewal of leases) will be available for let or relet. The particularly sound and buoyant Paris market offers the best conditions for the Group to benefit from further rental income growth opportunities.

As a result of the combination, through sharing of best practices and the implementation of a unified marketing strategy of commercial management regarding all of the shopping centre portfolio for the entire pan-European retail portfolio, the Group intends to further increase a like-for-like rental growth in all countries of operations and to

develop new sources of revenues (primarily marketing). The Group also intends to increase its projects portfolio by around 1 million square meters at the European scale as of 2011, thanks to local presence in 14 countries and internal expertise of real estate projects.

The combination of those elements allows to confirm, in the mid-term, the target of average annual growth of at least 10% in the group share of recurring net earnings per share over the next 4 years, including within the context of the expected combination.

#### Dividends

Unibail intends to increase its dividend distribution rate to the level from 85% to 95% of the group share of recurring net earnings and will continue to distribute its dividend on a quarterly basis.

Regarding the 2007 financial year, Unibail will pay three interim dividends, each of 1.70 Euro, in October 2007, January 2008 and April 2008, and the final dividend relating to the financial year ended on December 31st, 2007 in July 2008. The corresponding cash amounts related to the ORA will be paid concomitantly and for the same amounts under the conditions and limits mentioned under chapter 5 of the *note d'opération*.

The distribution objective to ensure shareholders a significant, regular and evolving income benefit in line with the group share of recurring net earnings per share is also maintained.

## F. MAIN SHAREHOLDERS

### Amount and Distribution of Unibail's Share Capital and Voting Rights on the Date Hereof

On the date hereof, Unibail's share capital amounts to 230,730,080 Euro; it is composed of 46,146,016 shares each of a par value of 5 Euro, representing 46,146,016 voting rights distributed as follows:

Shareholders	Number of Shares	% of the Share Capital	Number of Voting Rights	% of the Voting Rights
Public .....	45,883,922	99.43%	45,883,922	99.43%
Treasury shares.....	None	—	None	—
Officers .....	56,235	0.12%	56,235	0.12%
Employees .....	205,859	0.45%	205,859	0.45%

To the best of the Company's knowledge and on the basis of notices relating to the crossing of statutory and legal thresholds given by the shareholders to the Company and/or to the AMF, the main Unibail shareholders are the following:

Shareholders	Number of Shares	% of the Share Capital on the Notification Date	Number of Voting Rights	% of Voting Rights on the Notification Date
Crédit Agricole SA <sup>(a)</sup> .....	2,725,244	5.94%	2,725,244	5.94%
Barclays Plc <sup>(b)</sup> .....	2,498,159	5.42%	2,498,159	5.42%
Wellington Management Company, LLP (on behalf of clients) <sup>(c)</sup> .....	2,286,717	4.96%	2,286,717	4.96%
Stichting Pensionfonds ABP <sup>(d)</sup> .....	2,199,030	4.82%	2,199,030	4.82%
UBS Global Asset Management <sup>(e)</sup> .....	1,343,334	2.93%	1,343,334	2.93%
PGGM .....	1,258,430	2.73%	1,258,430	2.73%
Société Générale <sup>(f)</sup> .....	1,241,856	2.69%	1,241,856	2.69%
UBS Investment Bank <sup>(g)</sup> ..	1,117,318	2.42%	1,117,318	2.42%
Cohen & Steers <sup>(h)</sup> .....	951,963	2.06%	951,963	2.06%
Caisse Nationale des Caisses d'Épargne et de Prévoyance <sup>(i)</sup> .....	905,753	1.98%	905,753	1.98%
Crédit Agricole Asset Management <sup>(j)</sup> .....	723,871	1.50%	723,871	1.50%

<sup>(a)</sup> Calculated on the basis of the threshold excess notification dated November 8th, 2005 (decision and information of the AMF no. 205C01896).

- (b) Calculated on the basis of the threshold excess notification dated March 20<sup>th</sup>, 2007 (decision and information of the AMF no. 207C0532).
- (c) Calculated on the basis of the threshold excess notification dated April 4<sup>th</sup>, 2007 (decision and information of the AMF no. 207C0614).
- (d) Calculated on the basis of the threshold excess notification dated March 8<sup>th</sup>, 2006 (decision and information of the AMF no. 267C0434).
- (e) On the basis of a letter dated February 19<sup>th</sup>, 2007 sent to the Company.
- (f) On the basis of the threshold excess notification dated January 18<sup>th</sup>, 2007 (decision and information of the AMF no. 207C0141).
- (g) On the basis of a letter dated April 26<sup>th</sup>, 2007 sent to the Company.
- (h) On the basis of a letter dated April 6<sup>th</sup>, 2007 sent to the Company.
- (i) On the basis of the threshold excess notification dated January 18<sup>th</sup>, 2006 (decision and information of the AMF no. 206C0113).
- (j) On the basis of a letter dated December 20<sup>th</sup>, 2006 sent to the Company.

## G. TERMS AND CONDITIONS OF THE ISSUE AND OF THE ADMISSION TO TRADING

### Number of New Shares and ORA to be Issued

An application will be made for the admission to Eurolist by Euronext Paris of all New Shares and ORA, which will be issued in the context of the Offer as well as of the shares to be issued upon redemption of the ORA into shares in accordance with the issue agreement.

### Determination of Exchange Ratios

The Exchange Ratio is 0.5223 of a Unibail New Share or ORA for one Rodamco share, corresponding to the Initial Exchange Ratio of 0.5300 of a Unibail New Share or ORA for one Rodamco share announced on April 10<sup>th</sup>, 2007, the date of public announcement of the combination, adjusted to reflect the impact of the interim dividend of 1.00 Euro per share paid by Unibail on April 16<sup>th</sup>, 2007, and the final dividend relating to fiscal year 2006 of 2.34 Euro per share paid by Rodamco on May 8<sup>th</sup>, 2007. This Exchange Ratio will be adjusted to reflect the impact of any other dividend whose payment or ex-dividend date would intervene before the settlement of the securities issued in the context of the Offer.

### Distribution Plan

The distribution of the prospectus and/or the sale, subscription or purchase of the Company's New Shares and ORA may be subject to specific regulations in certain countries. Persons in possession of Unibail's prospectus should apprise themselves of any restrictions resulting from local regulations, and must comply with such restrictions.

### Listing Markets

The New Shares and the ORA will be admitted to trading on Eurolist by Euronext Paris and on the Eurolist by Euronext Amsterdam. The shares which could be issued upon redemption of the ORA will also be admitted to trading on the Eurolist by Euronext Paris and on the Eurolist by Euronext Amsterdam.

### Dilution

The impact of the issue of the New Shares and ORA on the proportion of the shareholders' equity, Group share for the owner of one Unibail share prior to the issue of the New Shares and the redemption of the ORA into shares, calculated on the basis of the consolidated shareholders' equity, Group share as at December 31<sup>st</sup>, 2006 (as shown in the audited consolidated accounts as at December 31<sup>st</sup>, 2006), is the following:

	Share of Shareholders' Equity	
	Undiluted Basis	Diluted Basis <sup>(1)</sup>
Before issue of the New Shares and ORA .....	131.2 Euro	129.6 Euro
After issue of 46,818,602 New Shares, in the event that all the Rodamco shares subject to the Offer are tendered to the Offer and that all Rodamco's shareholders choose to be paid into New Shares .....	183.8 Euro	181.9 Euro
After issue of 37,454,882 New Shares and 9,363,720 ORA, in the event that all the Rodamco shares subject to the Offer are tendered to the Offer and that all Rodamco's shareholders choose to be paid by a number of ORA at least equal to the maximum number of ORA that could be issued .....	180.5 Euro	178.7 Euro



	Share of Shareholders' Equity	
	Undiluted Basis	Diluted Basis <sup>(1)</sup>
After issue of 37,454,882 New Shares and after redemption of 9,363,720 ORA, in the event that all the Rodamco shares subject to the Offer are tendered to the Offer and that all Rodamco's shareholders choose to be paid by a number of ORA at least equal to the maximum number of ORA that could be issued . . . . .	183.8 Euro	181.9 Euro

<sup>(1)</sup> The calculations are based on the assumption that all options to subscribe or purchase shares are exercised.

### Expenses in connection with the issue

The global amount of the expenses connected with the issue of the New Shares and ORA is estimated at about 43 million Euro.

## H. ADDITIONAL INFORMATION

### Authorized share capital

On the date hereof, Unibail's authorized share capital is 230,730,080 Euro, divided into 46,146,016 shares with a par value of 5 Euro each.

### Articles of Association

The Company is organized in accordance with its Articles of Association. The most up-to-date articles of association have been filed at the office of the clerk of the Paris Commercial Court.

### Documents available to the public

All legal and company documents relating to Unibail which must be made available to the public in accordance with the applicable regulations can be consulted at the Company's registered office.

### Availability of the prospectus

Copies of the prospectus can be obtained free of charge at Unibail's registered office. The prospectus can also be consulted on the AMF's website at [www.amf-france.org](http://www.amf-france.org) and on Unibail's website at [www.unibail.com](http://www.unibail.com).

## **1 PERSON RESPONSIBLE FOR THE PROSPECTUS**

### **1.1 Person Responsible for the Prospectus**

Mr Guillaume Poitrinal

Chief Executive Officer

### **1.2 Certificate of the Person Responsible for the Prospectus**

*“Having taken all reasonable steps in this regard, we certify that the information contained in this prospectus is, to our knowledge, true, and that nothing has been omitted that would alter its effect.*

*Having completed their work, the statutory auditors have provided us with a letter in which they indicate that they have verified the information relating to the financial situation and accounts presented in this prospectus, which they have read in full.*

*The pro forma financial information and forecast information presented in this note d’opération are the subject of reports from the statutory auditors, which appear in Annex A and Annex B, respectively, the last of which containing an observation.*

Guillaume Poitrinal  
Chief Executive Officer

### **1.3 Person Responsible for Investor Relations**

Fabrice Mouchel

+33 1 53 43 73 03

### **1.4 Statutory Auditors**

*Statutory Auditors:*

- Ernst & Young Audit — Faubourg de l’Arche — 11 allée de l’Arche, Paris – La Défense (92037).
- BDO Marque & Gendrot SA — 23 rue de Cronstadt, Paris (75015).

*Alternate Auditors:*

- Barbier Frinault & Autres SAS — 41 rue Ybry, Neuilly Sur Seine (92200).
- Mazars & Guérard — 39 rue de Wattignies, Paris (75012).

## 2 RISK FACTORS RELATING TO THE OPERATION

*An investment in the Company's shares entails risks. In addition to the risk factors described in Unibail's document de référence filed with the Autorité des marchés financiers on March 13th, 2007 under number D.07-0169 (the "Registration Document"), prospective investors should also take into account the following risk factors and the other information contained in this prospectus before deciding to invest in the Company's securities. All the material risks identified by the Company as of the prospectus date are described in the Registration Document as supplemented by the information set out below. However, other risks and contingencies not known to the Company at this time or considered by it at this time to be immaterial could also adversely affect its business. If those risks or any of them were to materialise, its business, its financial situation, its results or its outlook could be significantly affected. In those circumstances, the price of the Company's securities could fall and investors could lose all or part of sums invested in the Company's securities.*

### **Risks Relating to the Unibail Securities for Which Admission to Trading is Sought**

#### ***Volatility in the Price of Unibail Securities***

Stock markets may experience major fluctuations, including those which are unrelated to the results of the companies whose shares are traded on regulated markets. The price of Unibail's securities (of shares and ORA) could be volatile and could be affected by several events affecting Unibail, its competitors or the financial markets in general. For example, the price of Unibail's securities could fluctuate appreciably in response to various factors and events, among which could be included:

- changes in the liquidity of the market for Unibail shares;
- variations in the financial results of Unibail or of its competitors from one accounting period to another;
- differences between Unibail's financial or operating results and those expected by investors and analysts;
- changes in analysts' recommendations or forecasts;
- changes in general market conditions or in the economic environment;
- the promulgation of any new law or regulation or any change in the interpretation of existing laws and regulations relating to Unibail's business;
- market fluctuations;
- an announcement by Unibail that significant leases are not being renewed;
- the extension of the completion periods of development operations due to the consideration of administrative authorizations necessary for their completion, or due to the duration of the works;
- announcements concerning changes in the Group's management team or key employees;
- new developments in relation to the Group's business; or
- an announcement by Unibail of external growth operations.

#### ***The Possibility of Securities Being Sold on the Market During the Offer or After the Offer Closes Could Have an Adverse Effect on the Prices of Unibail's Securities.***

If a certain number of Unibail's securities are sold on the market, or if there is a feeling that such sales could take place during the Offer or after the Offer closes, particularly from new shareholders having acquired a significant number of shares or ORA as a result of the Offer, the price of Unibail's securities could be adversely affected. Unibail cannot predict the potential effects on the price of its securities of market sales by such shareholders.

#### ***The Market Value of Unibail Shares Could Fall as a Result of the Increase in the Number of Outstanding Shares, as Well as Due to the Issue of the ORA.***

The number of Unibail shares admitted to trading on Eurolist by Euronext Paris and Amsterdam will increase as a result of the Offer. The increase in the number of Unibail shares and the issue of the Unibail ORA, or their perception by the market, could have an adverse impact on the market value of the Unibail shares. In addition, Unibail could issue capital securities or securities linked to the capital in the future in order to finance its operations. This could have a negative impact on the market or on the price of its shares.

## **Risks Relating to the ORA for Which the Application for Admission to Trading is Made**

### ***Comparison of the ORA with Other Financial Instruments Representing Debt and Limitation of the Rights Linked to the Shares.***

The characteristics and terms of the ORA differ from those of other debt financial instruments, insofar as the value of the Unibail shares that the holders of ORA will receive on the redemption date is not fixed (see Chapter 5 "Information on ORA to be issued and admitted to trading on Eurolist by Euronext Paris and Amsterdam"). The ORA are different insofar as the ORA principal amount is only repayable in Unibail shares. Neither Unibail nor the holders of ORA have the right, respectively, to pay or to receive the reimbursement of the principal amount of the ORA in cash save in the event of compulsory liquidation. No warranty can be given that the value of the Unibail shares received by the holders of ORA on the redemption date will be equal to or higher than the issue price of the ORA. If the value of the Unibail shares on the redemption date is lower than the issue price of the ORA, the investment could result in a loss for the investor. Consequently, the holders of ORA assume the risk that the price of the Unibail shares could fall, possibly substantially.

### ***Impact of the Issue of the ORA on the Share Market.***

It is not possible to predict how the price of the ORA will change and any market for ORA that may develop may have an impact on and be influenced by the market for shares. For example, the price of the shares could fall due to the possibility of sales of shares by investors, considering the ORA to represent a more attractive mean of investing in the Unibail's capital, due to hedging or arbitrage operations involving the ORA or the shares, which could develop, or due to the investors anticipating the potential sale of substantial quantities of Unibail shares on the market on the redemption date or upon redemption of the ORA.

### ***Possible Lack of Liquidity of the ORA Market.***

Although the ORA are redeemable in Unibail shares at any time after the expiry of a non redemption period of three months from the date of first issue of the ORA, it is not possible to predict how the ORA will be traded on the secondary market or to give an opinion on the liquidity or lack of liquidity of that market. An application has been made for the admission of the ORA to trading on Eurolist by Euronext Paris and Amsterdam. However, there is no certainty that an active market for the ORA will develop, that such a market will provide the holders of ORA with satisfactory liquidity, or that the ORA will not subsequently be removed from trading (*radier*) on Eurolist by Euronext Paris and Amsterdam, or that the trading thereof will not be suspended. If the ORA are not traded on any market or if trading in the ORA is suspended, the price of the ORA could be more difficult to determine and the liquidity of the market in the ORA could be affected as a result.

### ***Limitations on the Rights Associated to the Shares***

The holders of ORA will not be entitled to exercise the rights attached to the shares (and, in particular, voting rights) before and until Unibail has delivered the Unibail shares to them on the redemption date.

## **Risks Relating to the Combination with Rodamco**

### ***The Integration of Unibail and Rodamco Could Prove Difficult and Costly and Might Not Bring About the Synergies and Gains Expected to be Realised from Their Coming Together***

Whether the benefits of the combination between Rodamco and Unibail are realised and in particular whether the synergies and savings expected can be delivered will depend in part on whether the businesses of Rodamco and Unibail are integrated speedily and effectively.

Unibail could encounter major difficulties with the integration of its business with that of Rodamco, and might not realise the synergies envisaged. Factors that could affect all the anticipated benefits and synergies include, in particular, the potential difficulties:

- of implementing synergies within a consolidated entity carrying on business over a wide area;
- of coordinating the activities and personnel of Rodamco and Unibail;
- of mobilising the personnel and focusing the management team on those questions.

Until Unibail acquires more than 95% of Rodamco share capital, Rodamco shares will retain a separate listing, which may reduce and/or delay the parties' ability to achieve the expected synergies and savings.

The combination might even result in an increase in costs particularly due to:

- the loss of key employees;
- differences in the standards, controls and procedures applied, in current policies, business cultures and remuneration structures, and the necessity to set up, integrate and harmonise several operational procedures and specific systems of Rodamco and Unibail, particularly financial, accounting and information systems; and
- the necessity for managers to concentrate on problems associated with the integration, which could divert their attention from their other responsibilities.

For the reasons referred to above, the integration and the anticipated benefits might not be fully realised. Furthermore, the reduction in costs and the positive effects expected at operational level could be lower than current expectations or could be achieved less rapidly than was initially envisaged.

***Unibail's Results and Financial Situation Could Differ Significantly from Those Presented in the Combined and Summarised Pro Forma Unaudited Financial Statements Relating to the Combination with Rodamco Included in this Note D'opération***

This *note d'opération* includes combined pro forma unaudited financial statements as at, and for the fiscal year ending, 31 December 2006. These pro forma financial statements are presented in this *note d'opération* for information purposes only. They do not necessarily give an indication of the operating results or financial situation of the combined entities on the assumption that the combination with Rodamco is finalised during the period presented. Similarly, they do not constitute an indication of the operating results or of the future financial situation of the combined entities. Furthermore, the pro forma financial statements do not report exceptional items such as payments associated with the change of control or the costs of integration, which could result from the combination with Rodamco. In addition, the financial effects of any rationalisation or synergies are not reflected in the combined and summarised pro forma unaudited financial statements. Consequently, Unibail's results and financial situation could differ significantly from those presented in the combined pro forma unaudited financial statements relating to the combination with Rodamco, included in this *note d'opération*.

***A Downgrading of the Group's Credit Rating Could Result in Additional Costs for the Purposes of Subsequent Financing.***

Unibail's credit ratings with Standard & Poor's and Moody's could be affected by the announcement of the combination with Rodamco. Thus, Unibail could be given a lower credit rating by those rating agencies following the Offer. A lower credit rating could affect Unibail's capacity to finance its activities or to contract future borrowing.

***The Clauses Relating to Changes of Shareholdings Contained in the Contracts Entered into by Rodamco Could Have an Adverse Impact on its Integration Within the Group.***

Rodamco is a party to contracts containing clauses relating to changes of shareholdings which could be implemented following its acquisition by Unibail.

The contracts containing clauses relating to changes of shareholdings typically provide for the possibility of terminating the contract in the event of a change of shareholdings of one of the parties.

There is no certainty or reason to believe that when they appear in contracts entered into by Rodamco, such clauses will be implemented by the contracting parties and Rodamco may ask for its counterparties to waive the benefit of such clauses.

If no waiver is given, the implementation of such clauses could result in the loss of contractual rights and benefits and in the termination of the contracts. The implementation of such clauses could also result in renegotiation costs in respect of contracts that Rodamco wished to continue, on the understanding that the terms and conditions of the renegotiated contracts could be less favourable than those contained in the contracts previously in force. The implementation of such clauses could have an adverse impact on Unibail's business and financial situation following the combination with Rodamco. Nevertheless, this impact would be limited due to the small number of contracts to which Rodamco is party containing such clauses.

Finally, certain employment contracts with members of Rodamco's senior management and certain other of its employees might contain clauses relating to changes of shareholdings, providing for the payment of compensation following the completion of the combination, in the event of termination of the employment contracts entered into with those employees, whether by Rodamco or by the employees themselves.

### ***Risks Concerning the FBI Status***

For a more precise description of the FBI regime please refer to paragraphs 10.4.2 and 10.4.3 of the *Note d'Opération*.

A Dutch bill no. 30.533 proposes certain changes to the current FBI regime which would enable a company incorporated in a member state of the European Union to adopt the FBI regime.

While the Bill has been approved by the Dutch House of Representatives ("*Tweede Kamer*") and is currently pending before the Dutch Upper House ("*Eerste Kamer*"), there is no guarantee that the bill will be finally adopted in its current form, or as to the exact date on which it will come into force.

If Unibail proves unable to comply with the proposed FBI regime resulting from the bill mentioned above, or if the bill is rejected post settlement of the Offer and Unibail does not take appropriate alternative steps to obtain the FBI status, then Rodamco will default under the shareholder conditions and lose its FBI status with retroactive effect as at the beginning of the relevant financial year. In this respect, Rodamco obtained a ruling from the Dutch tax authorities confirming that, in the event the bill is rejected, Rodamco will maintain its FBI status for one year following the date the bill is rejected provided that Rodamco will meet all requirements of the FBI regime by the end of that one year period. A loss of FBI status would result in Rodamco's current year income and gains becoming subject to Dutch corporate tax at regular rates, with retroactive effect as at the beginning of the financial year. Furthermore, any gains that may have accrued in respect of Rodamco's assets and liabilities in previous years may become subject to Dutch corporate tax at regular rates upon a future realisation event.

In order to obtain FBI status, Unibail must be exclusively engaged in "passive investment" activities at the latest on expiry of the two years period mentioned in paragraph 10.4.3. Consequently, Unibail may need to reorganise or restructure some of its activities in order to obtain FBI status, which may have a material adverse effect on Unibail's business, results of operations or financial condition. In respect of the scope of the activities test, it is noted that a separate legislative proposal no. 30.689, approved by the Dutch House of Representatives on 17 April 2007 is now pending before the Dutch Upper House. By virtue of this bill, an FBI company could carry out property development activities for its own account. To date, there is no guarantee that the Bill will be finally adopted in its current form, or as to the exact date on which it will come into force.

### 3 BASIC INFORMATION

#### 3.1 Net Working Capital

Unibail declares that, in its view, the Group's consolidated net working capital is sufficient to meet its requirements over the coming 12 months.

#### 3.2 Capitalisation and Indebtedness

In accordance with the recommendations of the *Committee of European Securities Regulators* (CESR), the following table sets out the situation with respect to indebtedness and capitalisation upon consolidation, prepared as of February 28th, 2007 in accordance with the IFRS standards:

##### Equity and indebtedness as of February 28th, 2007

	<u>In millions of Euro</u>
<b>1 Equity and indebtedness</b>	
<b>Current debts</b> .....	<b>844.2</b>
Subject to security interests ( <i>garantie</i> ) .....	0.4
Subject to pledges .....	0.8
Without security or pledges .....	842.9
<b>Non-current debts</b> .....	<b>1,980.3</b>
Subject to security interests ( <i>garantie</i> ) .....	2,5
Subject to pledges .....	0,5
Without security or pledges .....	1,977.3
<b>Equity (excluding interim results)</b> .....	<b>6,053.10</b>
Share capital .....	230.7
Legal reserve .....	22.9
Other reserves .....	3,304.3
Retained earnings .....	355.4
2006 results .....	2,139.8
<b>2 Net financial indebtedness analysis</b>	
<b>Short term net financial indebtedness</b> .....	<b>837.2</b>
<b>Cash</b> .....	<b>7.0</b>
Net cash .....	4.5
Cash equivalents .....	
Investment securities .....	2.5
<b>Short term financial receivables</b> .....	—
<b>Short term current financial debt</b> .....	<b>844.2</b>
Short term banking debt .....	5.5
Medium term debts, proportion with less than one year .....	772.9
Other short term financial debts .....	65.8
<b>Medium and long term net financial indebtedness</b> .....	<b>1,980.3</b>
Banking loan with more than one year .....	1,026.4
Issued bonds .....	820.0
Other loans with more than one year .....	133.9
<b>Net financial indebtedness</b> .....	<b>2,817.5</b>

There has been no material change in shareholders' equity (excluding interim results) and consolidated net financial indebtedness since February 28th, 2007 with the exception of the announced sale by Unibail of its 49% equity stake in SCI Karanis, the company that owns the Coeur Défense office complex. After the transaction, the net financial indebtedness of Unibail will be reduced by 438 million Euro, 78 million Euro of which corresponding to the reimbursement of Unibail's participation in the subordinated loan to SCI Karanis.

### 3.3 Interests of Natural and Legal Persons Involved in the Issue

ABN AMRO Bank, N.V., which acts as the centralising agent for the Offer, and certain of its affiliates have provided and may in future provide various banking, investment, commercial or other services to the Company, to Rodamco or to their shareholders, in connection with which they may receive payment.

### 3.4 Reasons for the Issue and Use of the Proceeds

The purpose of the capital increase without preferential subscription right by the issue of a maximum number of 46,818,602 shares (the “**New Shares**”) and of the concomitant issue without preferential subscription right of a maximum number of 9,363,720 bonds redeemable for shares (the “**ORA**”) is to pay for the public exchange offer governed by Dutch law on Rodamco shares (the “**Offer**”).

These maximum numbers of New Shares and ORA are calculated on the basis of an Exchange Ratio of 0.5223 of a Unibail New Share or ORA for one Rodamco share after taking into account the interim dividend of 1.00 Euro paid by Unibail on April 16th, 2007, and the final dividend relating to fiscal year 2006 of 2.34 Euro per share paid by Rodamco on May 8th, 2007 and on the basis of the number of 89,639,292 Rodamco shares on the date of this *note d'opération*. This Exchange Ratio will be adjusted to reflect the impact of any other dividend whose payment or ex-dividend date would intervene before the settlement and delivery of the securities issued in the context of the Offer.

The detailed rules of the Offer are set out in Section 6.1.1 of this prospectus.



## **4 INFORMATION ON THE SHARES TO BE ISSUED AND ADMITTED TO TRADING ON EURO-LIST BY EURONEXT PARIS AND AMSTERDAM**

### **4.1 Nature, class and dividend-entitlement date of the shares to be issued and admitted to trading**

The New Shares to be issued will be ordinary shares in the Company of the same class as the existing shares. They will carry a right to any distribution decided by the Company as from their issue, except for the interim dividend paid prior to their issue.

As a result, as from their admission to trading they will immediately be equivalent to the existing shares in the Company already traded on Eurolist by Euronext Paris. They will give right to the payment of any dividend which should be paid as from this issue, included the payment of the 2.00 Euro dividend decided by the ordinary general meeting on April 27th, 2007 and which should be paid on July 16th, 2007, provided they are issued before this date.

They will be traded under the same ISIN code as the existing shares of the Company i.e. FR0000124711, under symbol UL.

### **4.2 Governing law and jurisdiction**

The New Shares are issued in accordance with French law and the courts having jurisdiction in the event of a dispute will be those of the place of the Company's registered office if the Company is the defendant and will be appointed on the basis of the nature of the dispute, unless otherwise provided by the New Code of Civil Procedure.

### **4.3 Form of shares and book-entry of the shares to be issued**

The New Shares may be held in registered form or bearer form, at the option of subscribers.

Pursuant to Article L.211-4 of the Monetary and Financial Code, the shares, either held in registered or bearer forms will be dematerialized and will therefore be recorded in books held either by the Company or by an accredited intermediary, as the case may be. The rights of shareholders will be represented by a book-entry in their name at:

- Caceis, empowered by the Company for shares in pure registered form (*titres nominatifs purs*);
- an accredited financial intermediary of their choice and Caceis, empowered by the Company for shares in administered registered form (*titres nominatifs administrés*);
- an accredited financial intermediary of their choice for shares in bearer form.

Transfer of title to the New Shares will be made by an entry in the purchaser's account in accordance with the provisions of Article L.431-2 of the Monetary and Financial Code.

The New Shares will be subject to an application for the Euroclear France operations, Euroclear Bank S.A./N.V. and Euroclear Netherlands.

### **4.4 Admission to listing and trading**

A listing and admission to trading will be sought for the New Shares on the Eurolist by Euronext Paris and Eurolist by Euronext Amsterdam.

### **4.5 Currency of issue**

The issue will be denominated in Euro.

### **4.6 Rights attached to the New Shares**

The New Shares will, as from their creation, be subject to all the provisions of the Company's articles of association. On the basis of the current French legislation and the articles of association of Unibail currently in force, the principal rights carried by the New Shares are as follows:

#### *Right to dividends*

The New Shares issued will carry rights to receive in respect of the 2007 fiscal year and subsequent years in respect of the same nominal value, the same dividend, as shall be allocated to the other shares having the same dividend entitlement date (*date de jouissance*).

The shareholders' meeting held to approve the annual accounts of the fiscal year may, upon board of directors' proposal, grant a dividend to all shareholders.

The shareholders' meeting may grant each shareholder, in respect of all or part of the dividend or interim dividends distributed the option of having the dividend or interim dividends in question paid either in cash or in shares issued by the Company, subject to applicable laws and regulations. Dividends on shares that are not claimed within legal delays, i.e. five years, revert to the French State.

Pursuant to its SIIC regime, the Company shall comply with specific distribution obligations and will have to comply with certain conditions set forth by the Dutch tax administration in order to maintain the FBI status of Rodamco following the Offer (see paragraph 10.4).

#### *Voting rights*

The voting rights attached to the shares are proportional to the share capital they represent and each share shall carry the right to at least one vote.

Where shares are the subject of beneficial ownership (*usufruit*), the voting rights attached to such shares in ordinary and extraordinary shareholders' meetings belong to the owner of the beneficial interest.

#### *Preferential subscription rights in relation to shares of the same class*

Under current French legislation, in particular Article L. 225-132 of the French Commercial Code, any capital increase in cash give right to the existing shareholders to a preferential subscription right to the new shares on a pro rata basis.

The shareholders' meeting which decides or authorizes a capital increase may, pursuant to Article L. 225-135 of the French Commercial Code, waive the preferential subscription right in respect of the entire capital increase or in respect of one or more tranches of the increase and may or may not provide for a priority right (*délai de priorité*) to subscribe. If the issue is made by way of a public offering, without preferential subscription right, the issue price must be set in accordance with Article L. 225-136 of the French Commercial Code.

In addition, the shareholders' meeting which decides to carry out a capital increase may reserve the issue to persons identified by name or to categories of persons defined by particular characteristics, in accordance with Article L. 225-138 of the French Commercial Code.

The shareholders' meeting may also reserve the issue to shareholders of another company subject to a public exchange offer made by the Company in accordance with Article L. 225-148 of the Commercial Code or to specific persons in the case of contributions in kind in accordance with Article L. 225-147 of the French Commercial Code.

#### *Right to the issuer's profits*

The Company's shareholders have a right to profits subject to the conditions set forth in Articles L. 232-10 *et seq.* of the French Commercial Code.

#### *Right to any surplus on liquidation*

Every share, of any class whatsoever, carries a right of ownership in the company's assets and in the surplus on a liquidation, in respect of a fraction equal to that of the share capital it represents, taking into account where relevant, whether or not the share capital has been amortized or whether or not the share capital has been fully paid-up.

All shares, of any class whatsoever, which comprise or will in future comprise the share capital of the company, will always be treated equally as far as tax charges are concerned. Consequently, all taxes and charges which might, for any reason, upon full or partial repayment of the nominal value of the shares, become due in respect of some of them only, whether during the lifetime of the Company or upon its liquidation, shall be allocated among all the shares comprising the share capital, at the time of the repayment(s) so that all the current or future shares will confer to their owners, taking into account, where relevant, the nominal and unredeemed amount of the shares and the rights of the different classes of shares, the same effective benefits and give them the right to receive the same net amount.

Subject to the legislative rules relating to voting rights at shareholders' meetings and the right of information granted to shareholders, the shares are undivided vis-à-vis the company.

#### *Buyback clauses — reimbursement clauses*

The articles of association do not include any buyback or conversion clause in relation to the shares.

## Other

The company is authorized to make use of the statutory provisions governing the identification of holders of shares in bearer form.

### 4.7 Authorizations

#### 4.7.1 Authorizations required to be given by the general meeting of Unibail

The following resolution is submitted to the vote of the ordinary and extraordinary shareholders' meeting to be held on May 21st, 2007:

*"The general meeting, acting in accordance with the quorum and majority requirements of an extraordinary general meeting, having considered the report of the board of directors and the special report of the Company's auditors, and in accordance with the provisions of the French Commercial Code, and in particular Articles L. 225-129 to L. 225-129-6, Article L. 225-148 and Article L. 228-92,*

- delegates to the board of directors its competence, which the board of directors may sub-delegate in accordance with applicable law, to issue, in the context of the link-up with RODAMCO EUROPE N.V., ordinary shares and/or various securities giving immediate or future access to the share capital of the Company, in particular Obligations Remboursables en Actions (bonds redeemable in shares; 'ORA'), as consideration for the securities contributed to the public exchange offer made by the Company for the securities of the Dutch company RODAMCO EUROPE N.V. admitted to trading on the Euronext Amsterdam Eurolist, the Euronext Paris Eurolist, the Euronext Brussels Eurolist and the Frankfurt stock exchange (Germany),*
- resolves, where necessary, to exclude, for the benefit of the holders of the securities which are the subject of the public offer, the preferential subscription right of shareholders in relation to the ordinary shares and other securities thereby issued;*
- acknowledges that this delegation of competence entails the waiver by shareholders of their preferential subscription right in relation to the ordinary shares to which securities issued on the basis of the competence hereby delegated may give entitlement;*
- resolves that the sum received or to be received by the Company for each of the shares issued or to be issued pursuant to the above delegation of competence, account being taken of the issue price of any warrants that may be issued, shall be not less than the minimum price provided for by the statutory and/or regulatory provisions in effect on the date of issue, whether or not the securities to be issued immediately or on a deferred basis are the same as the equity securities already issued.*

*The general meeting resolves to fix as follows the maximum amounts of the authorized issues in the event that the board of directors should exercise the competence hereby delegated:*

- the maximum nominal amount of capital increases by the issue of ordinary shares or of securities other than securities representing present or future claims against the Company which may be carried out pursuant to the competence hereby delegated is fixed at EUR 240 million, it being specified that this amount will not count for the purposes of the overall ceiling referred to in the 6th resolution;*
- this ceiling will be increased, if appropriate, by the nominal amount of any additional shares that have to be issued, as a consequence of any future financial operations, in order to preserve the rights of the holders of securities giving access to capital;*
- the maximum nominal amount of securities representing claims against the Company, in particular Obligations Remboursables en Actions (ORA) may not exceed a ceiling of EUR 2.3 billion or the counter-value of this amount, it being specified that this amount will count only for the purposes of the overall ceiling referred to in the 6th resolution.*

*The general meeting resolves that the board of directors shall have all necessary competence, which it may sub-delegate in accordance with applicable law, to give effect to the public offer referred to in this resolution and, in particular:*

- to fix the exchange ratio and the amount of any balancing amount payable in cash;*
- to confirm the number of securities contributed to the exchange;*
- to determine the dates and terms of issue, in particular the price and the date of dividend entitlement of the new ordinary shares or, as the case may be, of the securities giving immediate and/or future access to ordinary shares in the Company;*

- to enter in a 'contribution premium account' on the liabilities side of the balance sheet, which will be subject to the rights of all shareholders, the difference between the issue price of the new ordinary shares and their nominal value;
- to charge to the said 'contribution premium account', if necessary, all expenses and charges arising from the measure hereby authorized;
- to acknowledge the resulting increase or increases in capital and to make the necessary amendments to the articles of association, and, in general, to enter into any contract, in particular for the purpose of ensuring the successful completion of the proposed issues, to take all measures and decisions and to carry out all formalities conducive to the issue, the listing and the servicing of the securities issued pursuant to the competence hereby delegated or to the exercise of the rights attached thereto or consequential upon the capital increases carried out.

The general meeting fixes at 26 months, as from the date of this general meeting, the period of validity of the competence hereby delegated and notes that this delegation of competence revokes, with effect from the same date, the competence delegated for the same purpose in accordance with the 15th resolution passed by the extraordinary and ordinary general meeting held on April 27th, 2007."

#### **4.7.2 Authorizations required to be given by the board of directors of Unibail**

At its meeting on April 9th, 2007, Unibail's board of directors decided on the principle, on condition of its adoption by the general meeting, of using the delegation of competence referred to in paragraph 4.7.1 for the purpose of deciding to issue New Shares intended to be issued to Rodamco shareholders tendering their shares in the context of the Offer.

Unibail's board of directors (or its chairman, upon subdelegation) will meet in order to decide, in particular, in view of the notice of results of the Offer, on the issue of New Shares in consideration for the Rodamco shares tendered in the context of the Offer. In the event of a subsequent acceptance period, Unibail's board of directors (or its chairman, upon subdelegation) will meet again in order to decide, in view of the further notice of results, on the issue of New Shares in consideration for the Rodamco shares tendered during the subsequent acceptance period.

#### **4.8 Scheduled date for the issue of the New Shares**

The date scheduled for the issue of the New Shares is the settlement and delivery date of the securities issued for the payment of the Rodamco shares tendered to the Offer.

#### **4.9 Restrictions on the free negotiability of the New Shares**

There is no provision in the articles of association limiting the free negotiability of the shares comprising the Company's share capital.

#### **4.10 French regulations on public offerings**

Unibail is subject to the French rules governing mandatory takeovers (*offres publiques d'achat obligatoires*), price guarantees (*garanties de cours*), squeeze-outs (*offres publiques de retrait*) and mandatory squeeze-outs (*retrait obligatoires*).

##### **4.10.1 Mandatory public takeover offer and price guarantee**

Article 433-3 of the Monetary and Financial Code and Article 234-1 *et seq.* of the General Regulation of the *Autorité des marchés financiers* specify the circumstances in which a public takeover bid is required to be made for the entirety of the share capital of a company whose shares are admitted to trading on Eurolist by Euronext Paris. Article L. 433-3 of the Monetary and Financial Code and Articles 235-1 *et seq.* of the General Regulation of the *Autorité des marchés financiers* specify the circumstances in which a price guarantee is required to be filed by one or more shareholders in respect of the totality of the shares in the share capital of a company whose shares are admitted to trading on Eurolist by Euronext Paris.

##### **4.10.2 Public buyout offer and mandatory buyout**

Article L. 433-4 of the Monetary and Financial Code, Articles 236-1 *et seq.* (squeeze-outs), and Article 237.1 *et seq.* (mandatory squeeze-outs) of the general regulations of the *Autorité des marchés financiers* specify the circumstances in which a public buyout offer is required to be made and the circumstances in which a buyout is mandatory

in respect of minority shareholders in a company whose shares are admitted to trading on Eurolist by Euronext Paris.

**4.11 Public takeover bids launched by third parties in respect of the issuer's shares during the previous fiscal year and during the current fiscal year.**

None.

**4.12 Tax regime governing the shares**

The following sets out a summary of the French tax consequences applicable to the Company's shareholders. This summary is based on the French legislation in effect on the date hereof and therefore may be affected by any change in such legislation and its interpretation by the French tax administration.

The attention of investors is drawn on the fact that this information is a summary of the applicable tax regime and their specific situation must be addressed with their usual tax advisor. Since this summary is for information purposes only, Unibail does not guarantee that the interpretation of current law and/or case law by the tax administration or by the courts may not differ from the information below.

Shareholders who do not have their tax residence in France must comply with the tax legislation in effect in their State of residence, subject to the application of a tax treaty between France and this State.

**4.12.1 French tax residents**

**(a) French individual shareholders holding the shares as a private investment and who do not carry out trading operations in conditions similar to a professional for this type of operation**

*(i) Dividends*

Dividends are taken into account for the determination of the taxable income of their beneficiary and are taxed at the progressive rate of French personal income tax as securities income for the tax year when they are paid.

According to Article 158 of the French Tax Code ("FTC"), such dividends benefit, firstly, from a general allowance, not capped, equal to 40% of the gross amount of the dividends distributed and, secondly, after taking into account the general 40% allowance and deductible costs and expenses, an annual flat allowance amounting to 3,050 Euro for jointly taxed married people or couples jointly taxed by reason of a "*pacte civil de solidarité*" as defined in Article 515-1 of the French Civil Code, and to 1,525 Euro for single, widowed and divorced individuals as well as separately taxed married people.

In addition, according to Article 200 septies of the FTC, dividends are entitled to a global tax credit equal to 50% of the amount, before allowances, of the dividends received. This tax credit is capped at 230 Euro annually for jointly taxed married people or couples jointly taxed by reason of a "*pacte civil de solidarité*" as defined in Article 515-1 of the French Civil Code and at 115 Euro for single, widowed and divorced individuals as well as separately taxed married people. This 50% tax credit is usable on the global amount of personal income tax. Any excess tax credit is reimbursed. The amount of the tax credit is at least 8 Euro.

Furthermore, dividends, before allowances, are subject to:

- the general social security contribution (*contribution sociale généralisée* "CSG") at the rate of 8.2%; up to 5.8%, the CSG due on dividend distributions is deductible from the taxable income of the year of payment of the CSG;
- the *prélèvement social* at a rate of 2%, non-deductible for income tax purposes;
- the contribution to the reimbursement of the social debt ("CRDS") at a rate of 0.5%, non-deductible for income tax purposes;
- the additional contribution to the 2% *prélèvement social* at a rate of 0.3%, non-deductible for income tax purposes.

*(ii) Capital gains*

Pursuant to Article 150-0 A of the FTC, capital gains realised by the individuals referred to above on the sale of the Company's shares are subject, from the first Euro, to income tax at the rate of 16%, if the annual amount of the proceeds of sales of shares realized by the members of the taxpayer's household (excluding, in particular, exempt sales of shares held in the context of an employee savings plan ("PEA") and exchanges of shares benefiting from the deferral of taxation provided for by Article 150-0 B of the FTC) exceeds a threshold equal to 20,000 Euro for the taxation of 2007 income.

Under the same condition regarding the annual amount of proceeds from sales of shares, capital gains shall also be subject to:

- the CSG at the rate of 8.2%, non-deductible for income tax purposes;
- the *prélèvement social* at the rate of 2%, non-deductible for income tax purposes;
- the CRDS at the rate of 0.5%, non-deductible for income tax purposes;
- the additional contribution of 0.3% to the *prélèvement social*, non-deductible for income tax purposes.

Therefore, the effective tax rate is 27% for sales of shares occurring in 2007.

The holding period allowance as provided by Article 150-0 D bis of the FTC is not applicable to the capital gains derived from the sale of the Company's shares.

Pursuant to Article 150-0 D 11° of the FTC, capital losses realised on the sale of shares, if any, can be offset against capital gains of the same nature realized during the same year or the ten following years, provided that the amount of the share sales has exceeded the 20,000 Euro annual threshold mentioned above.

(iii) *Specific regime applicable to the Plan d'Epargne en Actions (or "PEA")*

The shares of the Company may be regarded as assets eligible to the PEA.

Under certain conditions, a PEA confers a right:

- during the PEA holding period, to an exemption from personal income tax and social security contributions on the proceeds and capital gains derived from the investments made through the PEA;
- upon the closing of the PEA (as long as it occurs more than 5 years after the PEA was opened) or at the time of a partial removal (as long as it occurs more than 8 years after the PEA was opened), to an exemption from personal income tax on the net capital gain realised since the PEA was opened (that gain however remains subject to the CSG, the 2% *prélèvement social* and its 0.3% additional contribution and to the CRDS, on the understanding that the rates of these social security contributions may change with time).

Dividends received as of January 1st, 2005 by reason of shares held through a PEA will confer a right to the 50% tax credit capped at 115 Euro or 230 Euro (see (i) above). This tax credit will be usable (under the same conditions as applicable to dividends received from shares held outside a PEA) on the global amount of personal income tax due for the year of dividend payment. Any excess tax credit is reimbursable.

Capital losses suffered on the sale of shares held through a PEA can only be offset against capital gains realized within the PEA. However, it is provided that in the event case of the PEA being closed early before the end of the 5th year or, as from January 1, 2005 and under certain circumstances, in the event that it closes after the 5th year when the liquidation value or capitalization agreement repurchase value is inferior to the payments made on the plan as from its opening, the losses so realised, if any, can be offset against capital gains of the same nature realized during the same year or the ten following years, provided the threshold with respect to the annual amount of proceeds from sales of shares, applicable at the time of the realization of the loss would be exceeded.

(iv) *Wealth tax*

Shares held by individuals as a private investment will, if applicable, form part of their taxable assets for French wealth tax purposes.

(v) *Gift, Estate and Inheritance Tax*

Shares held by individuals as a result of gift or inheritance will be subject to French gift and inheritance tax.

**(b) French entities subject to corporate income tax**

(i) *Dividends*

Dividends are included in the profits subject to corporate tax under standard conditions, at the rate of 33<sup>1/3</sup>%, increased, if applicable, by a social security contribution amounting to 3.3% of the corporate tax amount exceeding 763,000 Euro per 12 month period.

However, should the turnover of the company net of tax be less than to 7,630,000 Euro and if at least 75% of its share capital, fully paid, is held in a continuous manner for the whole fiscal year in question by individuals or by companies which satisfy all these conditions, the corporate tax rate will be 15% up to 38,120 Euro, applicable to the

taxable profits per 12 month period. These companies are exempt from the above-mentioned 3.3% social security contribution.

Under certain conditions, dividends paid to companies holding at least 5% of the share capital of the distributing company may, upon election, be exempt from corporate income tax under the participation exemption regime provided for by Articles 145 and 216 of the FTC (subject to the obligation for the benefiting company to include in its taxable profits under standard conditions a 5% service charge, increased by the tax credits relating to such dividends, capped to the total amount of the expenses incurred by the company during the fiscal year).

Dividends distributed by the Company which arise from exempt profits under the SIIC regime will not benefit from the participation exemption regime provided for by Articles 145 and 216 of the FTC, and consequently will be subject to corporate income tax under the above-mentioned standard regime.

#### (ii) *Capital gains*

- **Standard regime**

Capital gains or losses derived from the sale of the Company shares are subject to corporate income tax at the rate of 33.⅓% (or, if applicable, at the rate of 15% up to 38,120 Euro on a 12 month basis with respect to companies which meet the requirements described above), if applicable, subject to the 3.3% social security contribution mentioned above.

Following the amendments to the long term capital gains regime brought about by the Finance bill for 2005, this standard regime also applies, for fiscal years closed as of December 31, 2006, to the capital gains on shares which do not meet the requirements set forth in Article 219-I a *quinquies* paragraph 3 of the FTC, the value of which is at least 22,800,000 Euro and which fulfil the requirements to benefit from the parent company regime provided for by Articles 145 and 216 of the FTC, other than the ownership of at least 5% of the subsidiary's capital.

Capital losses derived from the sale of the company shares will, in principle, be deducted from the results liable to be taxed at the corporate income tax standard rate.

- **Long term capital gains**

For fiscal years opened as from January 1, 2006, Article 219-I a *quinquies* of the FTC provides for a separated taxation sector with respect to long-term capital gains derived from the sale of qualifying shareholdings.

According to Article 219-I a *quinquies* of the FTC, long term capital gains derived from the sale of qualifying shareholdings which have been held for more than 2 years are subject to a reduced taxation rate of 8% for tax periods opened as of January 1st, 2006 (increased by the 3.3% social security contribution), and 0% for tax periods opened as of January 1, 2007. For tax periods opened as of January 1, 2007, a service charge amounting to 5% of the net amount of capital gains is taken into account to determine the profits taxable under the standard rate.

For the purposes of Article 219-I *quinquies* referred to above, shares are regarded as qualifying shareholdings if they have such status from an accounting viewpoint, as, together with, subject to certain conditions, are shares acquired through a public tender or exchange offer by the company that initiated it, as well as shares which confer a right to the parent company tax regime provided for by Articles 145 and 216 of the FTC, except for the shares of predominantly real estate companies.

The shares of predominantly real estate companies are excluded from the separate taxation sector. Capital gains derived from the sale of such shares held for at least 2 years are subject to corporate income tax at the reduced rate of 15%, increased, if applicable, by the 3.3% social security contribution referred to above.

The Company is a predominantly real estate company within the meaning of the long term capital gains regime. Consequently, capital gains derived from the sale of shares of the Company held for at least 2 years will be subject to corporate income tax at the reduced rate of 15%, increased, if applicable, by the 3.3% social security contribution.

The offset and carry forward of long-term capital losses are subject to specific tax provisions, so that concerned taxpayers should ask for information from their usual tax advisor to determine the applicable provisions.

#### **4.12.2 Non French tax residents**

##### (i) *Dividends*

Under French law, dividends distributed by a company whose registered office is in France to its shareholders whose tax residence or registered office is located abroad, are subject in principle to a 25% withholding tax.

However, shareholders whose effective place of management is located within the European Union, may, if applicable, benefit from a withholding tax exemption, subject to the provisions of Article 119 ter of the FTC. In any event, dividends distributed by the Company which arose from exempt profits under the SIIC regime are not entitled to the exemption from withholding tax provided for by Article 119 ter of the FTC.

Furthermore, shareholders whose tax residence or place of management is located in a country which has entered into a tax treaty with France may benefit, under certain conditions particularly relating to compliance with the procedure for the granting of treaty benefits, from a partial or total exemption from the withholding tax.

Concerned shareholders should require information with their usual tax advisor to determine whether the above-mentioned provisions may apply to their specific situation.

*(ii) Capital gains*

Subject to the provisions of applicable tax treaties, capital gains derived from the sale of shares by individuals who are not French tax residents within the meaning of Article 4 B of the FTC, or by entities whose place of management is located abroad, and the ownership of whose shares is not attached to a permanent establishment or fixed base in France, are not subject to taxation in France, to the extent that the vendor, directly or indirectly, on its own or with the members of his family, has not held more than 25% of the rights to the profits of the company at any time within the 5 years preceding the sale of the shares.

*(iii) Wealth tax*

Subject to the provisions of tax treaties, individuals who are not French tax residents within the meaning of Article 4 B of the FTC and who directly or indirectly hold less than 10% of the share capital of the Company, to the extent that their shareholding does not place them in a position to have an influence on the management of the Company, are not subject to French wealth tax.

*(iv) Gift and inheritance tax*

Investors are advised to ask their usual tax advisor for information regarding their liability to French gift and inheritance tax with respect to their shareholding in the Company, and, if applicable, under which conditions they could benefit from an exemption from the French gift and inheritance tax, pursuant to a tax treaty.

#### **4.12.3 Specific rules regarding Netherlands tax residents**

The tax treaty between France and the Netherlands limits the withholding tax rate provided for by French tax law to generally 15% or to 5%, provided the beneficiary of the dividends is a stock company or a limited liability company, which is a Dutch resident with respect to this agreement, and which holds at least 25% of the distributing company, subject to compliance with the procedure for the granting of treaty benefits.

#### **4.12.4 Other shareholders**

Shareholders that are subject to a tax regime other than the above-mentioned regimes and which take part to the offer, and in particular taxpayers whose dealings in securities exceed the mere management of private assets or which have entered their shares on their commercial balance sheet, must seek information on the tax regime applicable to their specific situation.



## **5 INFORMATION ON ORA TO BE ISSUED AND TO BE LISTED ON EUROLIST BY EURONEXT PARIS AND AMSTERDAM**

### **5.1 Nature, Category and Interest Entitlement Date of the ORA to be Issued and Admitted to Trading**

Each ORA will be issued at its nominal value. The nominal value of each ORA will be equal to the unitary issue price (i.e. the nominal value of a share plus the issue premium — see Chapter 6) of the New Shares of Unibail, which will be issued in consideration for the Rodamco shares upon first settlement of the Offer.

Unless otherwise specified below, each ORA will be redeemed by the delivery to the ORA holder of one Unibail ordinary share. This redemption ratio may subsequently be adjusted based on the anti-dilution provisions described in paragraph 5.10 below (the ratio “one ORA entitles to one share”, as may be adjusted from time to time, being the “**Redemption Ratio**”).

The ORA will carry entitlement to interest from their issue date.

They will be traded under number ISIN FR0010474056 and under the symbol ULO on the Eurolist by Euronext Paris and ULOA on the Eurolist by Euronext Amsterdam.

### **5.2 Governing Law- Jurisdiction**

The ORA will be issued within the framework of the French legislation and governed by French law. The competent courts in the event of disputes will be those where Unibail’s registered office is located in the event of a dispute where Unibail is the defendant, and will be designated according to the nature of the dispute in the absence of provision to the contrary in the New French Code of Civil Procedure.

### **5.3 Form and Method of Registration of the ORA to be Issued**

The ORA may be in registered or bearer form, at the ORA holders’ option. They must be registered in accounts held, as the case may be:

- by a financial institution appointed by Unibail, in the case of ORA in pure registered form;
- by an accredited financial intermediary of the holders’ choice, or by the financial institution appointed by Unibail, in the case of ORA in administered registered form;
- by an accredited financial intermediary of the holders’ choice, in the case of ORA in bearer form.

The right of bondholders to participate in bondholders’ meetings will be established by the registration of the bonds at midnight, Paris time, on the third business day before the meeting, either in the registered securities accounts held by the company, or in the accounts of the holders of bearer securities held by the accredited intermediary.

An application will be made for the admission of the ORA to the operations of Euroclear France, Euroclear Bank SA/NV and Euroclear Netherlands.

### **5.4 Listing and Trading**

An application will be made for the admission of the ORA to trading on Eurolist by Euronext Paris and on Eurolist by Euronext Amsterdam.

Any shares issued in the event of redemption of ORA will also be subject of an application for admission to trading.

### **5.5 Entity in Charge of the Financial Servicing of the ORA**

Unibail has appointed Caceis to act as issuing and paying agent (the “**Paying Agent**”).

Each notification to the Paying Agent shall be sent to the following address:

CACEIS Corporate Trust  
14, rue Rouget de Lisle  
92130 Issy-les-Moulineaux  
France

### **5.6 Currency Denomination**

The ORA will be denominated in Euro.

## 5.7 ORA Ranking and Security

### 5.7.1 Seniority

The ORA in respect of principal and as the case may be, the attached Cash Amount (as defined in paragraph 5.8.1), if any, will constitute unsecured, direct, unconditional, subordinated obligations of Unibail. The ORA will rank senior to Unibail shares and, if applicable, participating loans (*prêts participatifs*).

For as long as any ORA are outstanding, Unibail will not issue any security (excluding ordinary shares and, if applicable participating loans) nor enter into other obligations ranking or expressed by their terms to rank junior to the ORA within the meaning of Article L. 228-97 of the French Commercial Code.

### 5.7.2 Security

The servicing of the ORA in terms of interest, redemption, taxes, expenses and incidentals is not guaranteed by any particular security.

## 5.8 Cash Amount

### 5.8.1 Amount, Calculation and Payment of Cash Amount

a) Interest (the “**Cash Amount**”) will accrue on each outstanding ORA on an annual basis from August 1st of one year to July 31st of the following year or over a period longer than 12 months as is necessary in order to include the payment date of the final dividend on the Unibail shares in respect of any fiscal year (the “**Accrual Period**”).

#### (i) First Accrual Period

The first Accrual Period will start on the ORA issue date and will end on July 31st, 2007.

The Minimum Cash Amount and the Maximum Cash Amount will not apply to the first Accrual Period.

The Final Dividend (as defined below) of 2.00 Euro paid by Unibail on July 16th, 2007 for the 2006 fiscal year, will give rise to the payment of the corresponding Cash Amount, provided the ORA have been issued before this date.

If the ORA are issued after July 16th, 2007, they will not carry a right to any Cash Amount for the First Accrual Period.

#### (ii) Adjustment of the Accrual Period

Unless the Accrual Period is permanently adjusted in the manner provided for in the following paragraph, if an Interim Dividend and/or Final Dividend (both as defined below) for a given fiscal year is paid after July 31st of the following year, the Final Cash Amount (as defined below) will include the amount of such delayed dividends for the calculation of the Maximum Cash Amount and Minimum Cash Amount.

The Accrual Period is currently based on the fact that Unibail pays the Final Dividend in respect of a given fiscal year during the month of July of the following year. If the dates of payment of the Interim Dividend and Final Dividends are substantially modified on a long-term basis, the Accrual Period will be adjusted by Unibail accordingly, so that it will always end on the last day of the month in which the payment of the Final Dividend is made. The next Accrual Period will start on the first day of the following month.

b) The Cash Amount for each ORA will be equal to 100% of the dividend paid on each Unibail share during the relevant Accrual Period multiplied by the number of Unibail share(s) into which one ORA is redeemable on the basis of the Redemption Ratio. For the avoidance of doubt, the amount of dividends taken in consideration (i) will include any dividend which is not an Exceptional Dividend (as defined in paragraph 5.10 (ii) 9) and (ii) will not include any Exceptional Dividend, distribution of reserves or issue premiums in cash or in kind, such circumstances being dealt with in paragraph 5.10 “Anti-Dilution measures”.

c) Notwithstanding the above, the minimum Cash Amount due in respect of each Accrual Period will be equal to 1.5% of the nominal value of each ORA (the “**Minimum Cash Amount**”) and the maximum Cash Amount due in respect of each Accrual Period will be equal to 17.5% of the nominal value of each ORA (the “**Maximum Cash Amount**”).

d) The dividend in respect of a given fiscal year may be paid by Unibail to its shareholders in several instalments (each an “**Interim Dividend**”), the last instalment corresponding to the final dividend paid for this fiscal year (the “**Final Dividend**”).

The Cash Amount in respect of each Accrual Period will be paid to the ORA holders in several instalments (each an **"Interim Cash Amount"**), based on the number of Interim Dividends paid during the relevant period, with a final payment (the **"Final Cash Amount"**) corresponding to the Final Dividend.

e) Each Interim Cash Amount will be paid on the date of payment of the Interim Dividend, or as soon as possible after that date in the event of exceptional circumstances rendering it technically impossible to pay that amount on the same day as the date of payment of the Interim Dividend, and in any event, no later than on the 5th trading day on Euronext Paris (each, a **"Trading Day"**) following the date of payment of the Interim Dividend (the **"Interim Cash Amount Payment Date"**). The Final Cash Amount will be paid on the date of payment of the Final Dividend, or as soon as possible following that date in the event of exceptional circumstances rendering it technically impossible to pay that amount on the same day as the date of payment of the Final Dividend, and in any event, no later than on the 5th Trading Day following the date of payment of the Final Dividend (the **"Final Cash Amount Payment Date"**). For the avoidance of doubt, it is specified that the payment of a Cash Amount shall in no event occur before the actual payment of the corresponding Interim Dividend or, if applicable, Final Dividend.

f) If the sum of the Interim Cash Amounts and Final Dividend for a given Accrual Period is less than the Minimum Cash Amount, the Final Cash Amount will be increased by the difference between (i) the Minimum Cash Amount and (ii) the sum of the Interim Cash Amounts and the Final Dividend paid for that Accrual Period.

The sum of all Interim Cash Amounts and Final Cash Amounts due for each Accrual Period will not exceed the Maximum Cash Amount. If the envisaged payment of any Interim Cash Amount or Final Cash Amount (which would be due pursuant to paragraphs (b) and (d) above), would result in the payment, for a given Accrual Period, of Cash Amounts exceeding the Maximum Cash Amount, that envisaged Interim (or Final) Cash Amount will be reduced accordingly so that the Cash Amount paid in respect of that Accrual Period is equal to the Maximum Cash Amount and no further Interim (or Final) Cash Amount will be paid until the end of the Accrual Period.

If, for a given Accrual Period, an Interim (or a Final) Dividend is less than 0.40 Euro per Unibail share, divided by the number of Interim and Final Cash Amounts for that Accrual Period, no Interim (or Final) Cash Amount will be paid on the Interim (or Final) Cash Amount Payment Date. In addition, if the sum of the Dividends paid to shareholders is less than 0.40 Euro per Unibail share for an Accrual Period, the difference between the Minimum Cash Amount and the Cash Amount actually paid during the Accrual Period (the **"Deferred Cash Amount"**) will be paid as provided for in paragraph 5.8.2. If, for a given Accrual Period, the sum of the Interim Dividends or, if applicable, Final Dividend paid to shareholders is greater than 0.40 Euro per Unibail share but less than the Minimum Cash Amount, then the Final Cash Amount will be increased by the difference between (i) the Minimum Cash Amount and (ii) the sum of the Interim Cash Amounts and the Final Dividend paid for such Accrual Period. The amount of 0.40 Euro per Unibail share is based on the share capital outstanding on the date of issue of the ORA. In the event of a share split or a share regrouping the amount of 0.40 Euro per Unibail share will be adjusted accordingly.

### 5.8.2 Cash Amount Deferral

Any Deferred Cash Amount must be paid on the Final Cash Amount Payment Date of the first Accrual Period for which an amount of Interim Dividends and Final Dividend exceeding 0.40 Euro per Unibail share has been paid. If no such amount of Interim Dividends and Final Dividends is paid, the Deferred Cash Amount will be paid upon the final maturity of the ORA, upon Unibail exercising the Issuer Call Option (see paragraph 5.9.2), upon Accelerated Redemption (see paragraph 5.9.6) or upon the exercise of the Withholding Tax Option (see paragraph 5.9.8).

Any Deferred Cash Amount must be paid in cash or by delivery of new ORA, at Unibail's election. The holders of ORA will be notified of this choice at least 20 days before the contemplated date of payment of such Deferred Cash Amount. Notice will be given by registered letter with acknowledgment of receipt and/or by insertion of a notice published in a national newspaper in France and the Netherlands, informing holders of the amount in cash or the number of new ORA that will be transferred to them.

If a Deferred Cash Amount is paid in ORA, the value of the ORA will be equal to the volume-weighted average closing prices of the Unibail shares multiplied by the Redemption Ratio, during the 10 Trading Days immediately preceding its payment (but excluding that date). Where the number of ORA calculated in that way would not be a whole number, ORA holders will receive, at their election (of which notice must be given to the Paying Agent no later than 10 days before the contemplated payment date):

- either the immediately lower whole number of ORA, in which case the holder will be paid a cash amount equal to the product of the fractional ORA multiplied by the value of the ORA;

- or the immediately higher whole number of ORA, in which case, the holder will pay a cash amount to Unibail equal to the value of the additional fraction of the ORA thus requested, valued on the basis provided for in the preceding paragraph.

## **5.9 Maturity Date, Redemption Conditions and Procedures**

### **5.9.1 Maturity Date**

The ORA will have a fifty year term as from their issue date. On the redemption date, each ORA will be fully redeemed in Unibail shares on the basis of the Redemption Ratio (see paragraph 5.10 “Anti-Dilution measures”). No cash reimbursement will be possible (with the exception of paragraph 5.9.7).

### **5.9.2 Unibail Call Option**

Unibail will have the right to demand the redemption of the ORA on the first Final Cash Amount Payment Date falling after the expiry of a period of 12 years following the ORA issue date and then, on each Final Cash Amount Payment Date (the “**Issuer Call Option**”). Redemption will take place in Unibail shares on the basis of the Redemption Ratio and may not take place in cash. Any fractional ORA will be dealt with according to the provisions of paragraph 5.11. The holders of ORA will be notified of the exercise of the Issuer Call Option at least 30 days before the date of redemption. Notice will be given by registered letter with acknowledgment of receipt and/or by insertion of a notice published in a national newspaper in France and the Netherlands, informing ORA holders of the number of shares that will be allotted to them for the redemption of each ORA.

The Issuer Call Option may only be exercised if there are no outstanding and unpaid Cash Amounts at the time of its exercise. In order to fulfil this condition, Unibail will be entitled to pay any outstanding and unpaid Cash Amounts immediately prior to exercising the Call Option, in cash or by the delivery of new ORA. If a Cash Amount is paid in ORA, the value of the ORA will be equal to the volume-weighted average closing prices of the Unibail share multiplied by the Redemption Ratio, during the 10 Trading Days immediately preceding the Issuer Call Option date (but excluding that date). Where the number of ORA calculated in that way would not be a whole number, ORA holders will receive, at their election (of which notice must be given to the Paying Agent no later than 10 days before the contemplated payment date):

- either the immediately lower whole number of ORA, in which case the holder will be paid a cash amount equal to the product of the fractional ORA multiplied by the value of the ORA;
- or the immediately higher whole number of ORA, in which case, the holder will pay a cash amount to Unibail equal to the value of the additional fraction of the ORA thus requested, valued on the basis provided by the preceding paragraph.

### **5.9.3 Terms of Exercise of the Redemption Right at any Time**

ORA holders may at any time after the expiry of a non-redemption period of three months from the date of issue of the ORA in the context of the first settlement of the Offer, request the redemption of all or part of their ORA into Unibail shares on the basis of the Redemption Ratio (the “**Redemption Right**”) by sending a written notice to the Paying Agent. Any fractional ORA will be dealt with in accordance with the provisions of paragraph 5.11., the choice made by the ORA holder being expressed in the notice mentioned above.

Any ORA holder exercising this Redemption Right will forego any right to unpaid Cash Amounts or Deferred Cash Amounts.

At the latest at 5.00 p.m. (Paris time) on the Trading Day following receipt of the notice of exercise of the Redemption Right, the Paying Agent will inform Unibail of the total number of ORA to be redeemed, of the number of Unibail shares to be transferred to the ORA holder(s) having exercised the Redemption Right and of any amount in cash due to the ORA holder(s) having exercised the Redemption Right for any fractional Unibail shares.

The Unibail shares resulting from the exercise of the Redemption Right must be delivered at the latest on the 4th Trading Day following receipt by the Paying Agent of the notice of exercise of the Redemption Right.

### **5.9.4 Shares Issued in the Event of Redemption of ORA**

Unibail shares delivered upon redemption of ORA will be new shares or existing treasury shares at Unibail's election, and will (in all cases) be subject to Unibail's articles of association. Each of these shares will carry entitlement to any dividend distributed as from the date of redemption. The shares will be admitted to clearing by Euroclear France. The shares will be immediately tradable on Eurolist by Euronext Paris and Euronext Amsterdam.

### 5.9.5 Cases of Suspension of the ORA Redemption Right

In the event of a share capital increase or issue of securities giving access to share capital, merger, spin-off or any financial transactions involving a preferential subscription right or reserving a priority subscription period for the benefit of Unibail shareholders, Unibail reserves the right to suspend the exercise of the Redemption Right for a period not exceeding three months.

A notice will be published in the *Bulletin des annonces légales obligatoires* (Bulletin of Compulsory Legal Announcements) at least 20 days before the date of entry into force of the suspension; it will mention the date of entry into force of the suspension and the date on which it will terminate. This information will also be published in a notice in a national financial newspaper in France and the Netherlands and in a notice from Euronext Paris SA.

### 5.9.6 Accelerated Redemption of ORA

#### (i) Accelerated redemption by the issuer — Buyback of ORA

As long as there are any ORA outstanding, Unibail may not accelerate the redemption of the ORA except in the circumstances of the Issuer Call Option (see paragraph 5.9.2) and the Withholding Tax Option (see paragraph 5.9.8).

However, Unibail may, at any time and with no limitation as to the price or quantity, purchase, in consideration for Unibail shares, the ORA privately, on the public markets, or through a public exchange offer. Any ORA purchased in this manner will be cancelled, to the extent permitted by applicable law. The number of Unibail shares received in consideration of each ORA acquired in this way will be determined on the basis of the then applicable Redemption Ratio.

#### (ii) Accelerated redemption by holders within 3 months of the issue

During the non-redemption period referred to in article 5.9.3 (i.e. during the first three months from issue of the ORA in the context of the first settlement of the Offer), the redemption of the ORA may be accelerated at the option of each ORA holder by written notice to Unibail and the Paying Agent, upon the occurrence of any of the following events (the “**Accelerated Redemption**”):

- a public tender or exchange offer or any similar operation relating to the entirety of the securities conferring a right to Unibail’s share capital, on condition that this tender offer has been declared admissible by the competent market authorities and that the relevant opening notice has been published by the market authorities;
- the acquisition by any person, whether directly or indirectly, acting alone or in concert, of exclusive control of Unibail within the meaning of Article L. 233-3 of the French Commercial Code;
- Unibail fails to pay an Interim Cash Amount or a Final Cash Amount, when due and does not cure this failure within 15 days following receipt by Unibail of notification of such failure;
- Unibail is in breach of a material obligation in respect of the ORA and does not cure this failure within 15 days of being notified of such breach.

If the redemption of the ORA is accelerated for any of the reasons mentioned above, Unibail will be entitled to choose whether to pay the Cash Amounts remaining due either in cash or by the delivery of ORA. If a Cash Amount is paid in ORA, the value of the ORA will be equal to the volume-weighted average closing prices of the Unibail share multiplied by the Redemption Ratio, during the 10 Trading Days immediately preceding the Accelerated Redemption date (this last date being excluded). Where the number of ORA calculated in that way would not be a whole number, ORA holders will receive, at their election (of which notice must be given to the Paying Agent no later than 10 days before the contemplated payment date):

- either the immediately lower whole number of ORA, in which case the holder will be paid a cash amount equal to the product of the fractional ORA multiplied by the value of the ORA;
- or the immediately higher whole number of ORA, in which case, the holder will pay a cash amount to Unibail equal to the value of the additional fraction of the ORA thus requested, valued on the basis provided by the preceding paragraph.

### 5.9.7 Compulsory or Voluntary Liquidation

In the event of the compulsory liquidation (*liquidation judiciaire*) of Unibail, and only in this case, ORA holders will be entitled to request for payment of the nominal value of the ORA in cash. In the event of the voluntary liquidation (*liquidation conventionnelle*) of Unibail, each ORA holder will be entitled to choose between

(i) redemption of the ORA in Unibail shares on the basis of the Redemption Ratio and (ii) redemption of the ORA in cash.

### 5.9.8 Withholding Tax Option

In each event of a change in the law whereby the French government requires Unibail (including any paying establishment) to withhold tax in respect of the Cash Amounts paid to holders who are not French tax residents (the “**Withholding Tax**”), subject to any applicable tax treaties, Unibail will pay each ORA holder who is not a French tax resident and to whom the Withholding Tax applies, an additional amount so that the net amount after tax received by the holder is equal to what he would have received if no Withholding Tax had been imposed.

If Unibail is required to pay an additional amount pursuant to the above paragraph, or if any other adverse change in French tax law should increase the cost of payment of the Cash Amount for Unibail, Unibail will be entitled, upon the expiry of a one year period from the date of the effectiveness of the change in the law referred to above, to accelerate the redemption of the ORA on the basis of the Redemption Ratio (as potentially adjusted as contemplated by paragraph 5.10) (the “**Withholding Tax Option**”). This option may only be exercised on an Interim Cash Amount Payment Date or on a Final Cash Amount Payment Date, and only if there are no outstanding Cash Amounts.

For the avoidance of doubt, the Redemption Ratio will only be adjusted as indicated in paragraph 5.10. 8) if (i) the ORA holder has (directly or indirectly) paid the Withholding Tax or if Unibail (including any paying establishment) has received a notification from the French tax authorities compelling Unibail to pay the Withholding Tax on an Interim Cash Amount Payment or a Final Cash Amount Payment and (ii) such Withholding Tax has not already been compensated by Unibail.

### 5.10 Anti-Dilution Measures

#### i) Commitments on the part of the Issuer

Unibail may amend its corporate form or purpose.

Unibail may also amend the rules governing the allocation of its profits including by way of issue of preference shares (*actions de préférence*). In this event, the new Redemption Ratio shall be equal to the then current Redemption Ratio multiplied by the following ratio:

$$\frac{\text{share value before modification of profit allocation}}{\text{share value before modification of profit allocation} - \text{value per share of the capitalised reduction of the right to profit}}$$

For the purposes of calculating this ratio, the Unibail share value before the modification of the profit allocation will be determined according to the weighted average trading price of the Unibail shares on Euronext Paris during the last three Trading Days preceding the date of the modification. The fair value of the capitalized amount of the reduction per share of the right to profit will be determined by an expert chosen by Unibail among the list of experts with the *Cour d'appel de Paris*.

Unibail will also be entitled to redeem its share capital (see paragraph 5.10.4(ii), provided the rights of ORA holders are maintained in accordance with the provisions of paragraph ii) below).

#### ii) Adjustments in the event of financial transactions

Upon the occurrence of certain dilutive events described in more detail below, the Redemption Ratio will be adjusted to maintain the rights of ORA holders.

These events are as follows:

- 1) An issue of securities in any form including a listed preferential subscription right in favour of Unibail shareholders.
- 2) A share capital increase by the capitalisation of reserves, profits or issue premiums, by way of an increase in the nominal value of Unibail shares or by way of a distribution of free Unibail shares or other financial instruments to current shareholders.
- 3) A reduction of the share capital due to losses either by way of a reduction of the nominal value of Unibail shares or by way of a reduction in the number of Unibail shares.

- 4) A distribution by Unibail of reserves or issue premiums in cash and/or in kind, or an amortization of share capital.
- 5) A merger or absorption of Unibail involving one or more companies by way of the creation of a new company or Unibail spin-off by way of a transfer to existing or new companies (in accordance with the provisions of Article L. 228-101 of the French Commercial Code).
- 6) A split or consolidation of Unibail shares.
- 7) A buyback by Unibail of its own shares (by public offer or otherwise) at a price higher than the market price.
- 8) The ORA being subject to Withholding Tax in respect of the Cash Amount due.
- 9) Distribution of an Exceptional Dividend by Unibail.

Adjustment of the Redemption Ratio will be made in accordance with French Law and the provisions of the issue agreement (*contrat d'émission*), so that the aggregate value of the number of Unibail shares to which one ORA confers a right immediately after the occurrence of any of the events mentioned below, is equal to the aggregate value of the number of shares to which one ORA confers a right immediately before any such event.

The new Redemption Ratio will be calculated to the nearest one hundredth. Any adjustments will take place on the basis of the preceding Redemption Ratio calculated and rounded up or down in this way.

However, ORA may only be redeemed into a whole number of shares, any fractional shares being dealt with as provided for in paragraph 5.11.

**1) An issue of securities in any form including a listed preferential subscription right in favour of Unibail shareholders.**

The new number of shares that may be obtained for each ORA will be determined by multiplying the number of shares that would have been delivered for each ORA before the beginning of the operation in question by the following coefficient:

$$\frac{\text{ex-subscription right share value} + \text{subscription right value}}{\text{ex-subscription right share value}}$$

For the purposes of calculating this ratio, the ex-subscription right share value and subscription right value will be determined according to the average of the first trading prices on Eurolist by Euronext Paris during all the trading sessions included in the subscription period during which ex-right shares and subscription rights will be listed simultaneously.

**2) A share capital increase by the capitalisation of reserves, profits or issue premiums, by way of an increase in the nominal value of Unibail shares or by way of a distribution of free Unibail shares or any other financial instruments to current shareholders.**

- (i) In the event of a share capital increase by way of capitalisation of reserves, profits or issue premiums and by way of an increase in the nominal value of the shares, the Redemption Ratio will not be adjusted, but the nominal value of the shares used to redeem an ORA will be increased accordingly.
- (ii) In the event of a share capital increase by way of capitalisation of reserves, profits or issue premiums and by way of a distribution of free shares, the new number of shares which may be obtained by way of redemption of each ORA will be determined by multiplying the number of shares that could be obtained in that way before the start of the operation in question by the following coefficient:

$$\frac{\text{Number of shares comprising the share capital after the event}}{\text{Number of shares comprising the share capital before the event}}$$

- (iii) In the event of a share capital increase by way of capitalisation of reserves, profits or issue premiums and by way of a free allotment to shareholders of simple or composed financial instrument(s) other than Unibail

shares, the new number of shares that would be delivered by way of redemption of the ORA will be determined as follows:

- If the allotment right in respect of the financial instrument(s) is listed on Euronext Paris, the new number of shares delivered by way of redemption of each ORA will be determined by multiplying the number of shares which could be obtained in that way before the allocation of the financial instrument(s), by the following coefficient:

$$\frac{\text{share value ex-free allotment right} + \text{value of the free allotment right}}{\text{share value ex-free allotment right}}$$

For the purposes of calculating this ratio, the share value ex-free allotment right and the value of the free allotment right will be determined according to the weighted average of the trading prices on the three trading sessions before the date of allotment.

- If the financial instrument(s) allotment right is not listed on Euronext Paris, the new number of shares delivered by way of redemption of each ORA will be determined by multiplying the number of shares which could be obtained in that way before the allocation of the financial instrument(s), by the following coefficient:

$$\frac{\text{share value ex-free allotment right} + \text{value of the financial instrument(s) allotted per share}}{\text{ex-free allocation right share value}}$$

For the purposes of calculating this ratio, the share value ex-free allotment right and the value of the financial instrument(s) allotted per share, if the latter is or are listed on a regulated or similar market, will be determined by reference to the weighted average of the trading prices during the last three trading sessions preceding the date of allotment. If the allotted financial instrument(s) is or are not listed on a regulated or similar market, they will be valued by an expert chosen by Unibail among the list of experts with the *Cour d'appel de Paris*.

**3) A reduction of the share capital due to losses either by way of a reduction of the nominal value of Unibail shares or by way of a reduction in the number of Unibail shares.**

- In the event of a reduction of the share capital due to losses by way of a reduction of the nominal value of Unibail shares, the Redemption Ratio will not be adjusted but the nominal value of the shares used to redeem an ORA will be reduced accordingly.
- In the event of a reduction of Unibail's share capital due to losses by way of a reduction in the number of Unibail shares, the new Redemption Ratio will be determined by multiplying the Redemption Ratio applicable before the operation by the following coefficient:

$$\frac{\text{Number of shares comprising the share capital after the event}}{\text{Number of shares comprising the share capital before the event}}$$

**(4) A distribution by Unibail of reserves or issue premiums in cash and/or in kind, or an amortization of share capital.**

- Distribution of reserves or premiums in cash and/or in kind

The new number of shares that may be obtained by way of redemption of each ORA will be determined by multiplying the number of shares that could be obtained by way of redemption of the ORA before the beginning of the operation in question by the following coefficient:

$$\frac{\text{Share value before the distribution}}{\text{Share value before the distribution minus the amount of the distribution per share}}$$

For the purposes of calculating this coefficient, the share value before the distribution will be determined according to the weighted average of the trading prices on Euronext Paris during the last three trading sessions preceding the date of distribution.



(ii) Amortization of share capital

The new number of shares that may be obtained by way of redemption of each ORA will be determined by multiplying the number of shares that could be obtained by way of redemption of the ORA before the beginning of the operation in question by the following coefficient:

$$\frac{\text{Share value before the amortization}}{\text{Share value before the amortization minus the amount of the amortization per share}}$$

For the purposes of calculating this coefficient, the share value before the amortization will be determined according to the weighted average of the trading prices on Euronext Paris during the last three trading sessions preceding the date of amortization.

**5) A merger or absorption of Unibail involving one or more companies by way of the creation of a new company or Unibail spin-off by way of a transfer to existing or new companies** (in accordance with the provisions of Article L. 228-101 of the French Commercial Code).

The ORA will be redeemed in shares of the absorbing or new company according to the conditions provided herein. The number of shares of the absorbing or new company delivered by way of redemption of the ORA will be equal to the number of Unibail shares which an ORA holder would have received, corrected by the exchange ratio between the Unibail shares and the shares of the absorbing or new company or of the companies benefiting from the spin-off.

The absorbing or new company will be substituted for the issuer company for the purposes of the provisions set out below, which are intended, if necessary, to reserve the rights of ORA holders in the event of financial operations or operations relating to securities and, more generally, for the purpose of assuming all Unibail's obligations in connection with the ORA in accordance with legal, regulatory or contractual provisions.

**6) A split or consolidation of Unibail shares.**

The new number of shares that may be obtained by way of redemption of each ORA will be determined by multiplying the number of shares that could be obtained by way of redemption of the ORA before the beginning of the operation in question by the following coefficient:

$$\frac{\text{Number of shares comprising the share capital after the event}}{\text{Number of shares comprising the share capital before the event}}$$

**7) A buyback by Unibail of its own shares (by public offer or otherwise) at a price higher than the market price.**

In case of buyback by Unibail of its own shares at a price higher than the market price, the new Redemption Ratio will be equal to the current Redemption Ratio multiplied by the following coefficient calculated to the nearest hundredth of a share:

$$\frac{\text{share Value} + \text{Pc\%} \times (\text{Buyback price} - \text{share Value})}{\text{share Value}}$$

For the purposes of calculating this coefficient:

- Share Value means the weighted average of the trading prices of the last three trading sessions on Euronext Paris before the buyback;
- Pc% means the percentage of the share capital bought back;
- Buyback price means the actual buyback price.

**8) The ORA being subject to Withholding Tax in respect of the Cash Amount due**

In each event that Withholding Tax is charged to an Interim Cash Amount or a Final Cash Amount, and in the event that this Withholding Tax is not compensated by Unibail in accordance with the provisions of paragraph 5.9.8 (Withholding Tax), the Redemption Ratio will be adjusted as follows:

$$\text{NRA} = \text{RA} \times [1 + \text{W}/(\text{Share Price} - \text{D})]$$

Where:

- “NRA” means the new Redemption Ratio;
- “W” means the Withholding Tax in respect of one Cash Amount due, expressed in Euro per share;
- “RA” means the last Redemption Ratio in effect immediately before the date on which the Withholding Tax is deducted from the distributions made in respect of the ORA;
- “Share Price” means the average price of the Unibail share listed on Euronext Paris on the Trading Day immediately preceding the date of payment or distribution of the Interim Dividend or, if applicable, Final Dividend;
- “D” means the Interim Dividend or, if applicable, Final Dividend, in Euro per share, corresponding to a Cash Amount in respect of which the Withholding Tax is deducted.

## 9) Distribution of an Exceptional Dividend by Unibail

If Unibail distributes an Exceptional Dividend, the new Redemption Ratio will be calculated as set below.

The term “**Exceptional Dividend**” means any dividend paid in cash or in kind to shareholders, where the total amount of such dividend exceeds by 50% or more the total annual dividends per share paid in cash or in kind in respect to the previous fiscal year (the “**Total Annual Dividend**”). For the avoidance of doubt, the Total Annual Dividend for a given fiscal year shall not include any Exceptional Dividend, distribution of reserves or premiums in cash or in kind. Any dividend which does not meet the definition of an Exceptional Dividend shall be dealt with in accordance with the provisions of paragraph 5.8.1(b).

Any dividend triggering an adjustment of the Redemption Ratio by virtue of the events listed in sub-sections 1 to 8 above will not lead to an adjustment pursuant to this sub-section 9.

In case of payment by Unibail of an Exceptional Dividend, the Redemption Ratio will be adjusted as follows:

$$\text{NRA} = \text{RA} \times [1 + \text{D}/(\text{Share Price} - \text{D})]$$

Where:

- “NRA” means the new Redemption Ratio;
- “RA” means the last Redemption Ratio in effect immediately before the payment of the Exceptional Dividend; this last Redemption Ratio may have been adjusted on the occurrence of prior events, in which case it would be the more recent NRA;
- “D” means the Exceptional Dividend in Euro per share; and
- “Share Price” means the average price of the Unibail share listed on Euronext Paris on the trading day immediately preceding the date of payment or distribution of the Exceptional Dividend.

Unibail’s management bodies will report on the calculation components and on the results of any adjustment in the annual report following such adjustment.

## 5.11 Settlement in respect of fractional shares

Every ORA holder will be entitled to obtain a number of shares calculated by applying the current Redemption Ratio to the number of ORA presented.

When the number of shares thus calculated is not a whole number, the ORA holder will, at its election (of which notice must be given to the Paying Agent no later than 10 days before the contemplated payment date), receive (in accordance with the detailed conditions set out in paragraph 5.9.3):

- either the immediately lower whole number of shares, in which case the holder will be paid a cash amount equal to the product of the fractional shares multiplied by the Unibail share price on Eurolist by Euronext Paris based on the opening trading price before the notification of the redemption.
- or the immediately higher whole number of shares, in which case the holder will have to pay to Unibail an amount equal to the value of the additional fraction of the share thus requested, valued on the basis of the previous paragraph.

## 5.12 Representation of ORA holders

In accordance with applicable French law, ORA holders will be grouped together for the purpose of defending their common interests, in a group (*masse*) (the “**Group**”) which will have legal personality.

According to the terms of the issue agreement, the Group representatives are:

- Ms Isabelle CASTETS, as principal;
- Ms Nathalie LECOMTE, as deputy.

Address :  
CACEIS  
Corporate Trust  
14, rue Rouget de Lisle  
92862 Issy Les Moulineaux Cedex 09  
France  
Tel : + 33 1 57 78 31 57

The remuneration of the Group representative is 1,000 Euro per year and will be paid by Unibail on the last Trading Day of the year as long as there are any ORA outstanding on that date. The deputy representative will not be remunerated unless and until he replaces the principal.

The Group representatives may be dismissed by the general meeting of ORA holders.

Unless the general meeting of ORA holders decides otherwise, the Group representatives will have the power to carry out any acts of management on behalf of the Group for the defence of the common interests of ORA holders.

Only the Group representatives will have the capacity, on behalf of the ORA holders, to commence actions in nullity against Unibail, or to take action or adopt resolutions after its incorporation, as well as any actions taken in the defence of the common interest of ORA holders. Legal actions against all the holders in a single Group can only be brought against the representative of that Group.

The Group representatives cannot interfere in the management of the business. They have access to the shareholders general meetings, but without voting rights. They have the right to obtain the documents made available to the shareholders, under the same conditions.

### *General meeting of ORA holders*

A general meeting of ORA holders belonging to the same Group may take place at any time. ORA holders' general meetings are convened by the management board, by the Group representatives or by the liquidators during a liquidation period. One or more ORA holders, having at least thirtieth of the securities of a Group, may send Unibail and the Group representative a request to convene a meeting. If the general meeting is not convened within the period determined by a Decree of the *Conseil d'Etat*, the persons who made the request may appoint one of them to commence legal proceedings for the appointment of an agent (*mandataire*) to convene the meeting.

Notices of ORA holders' general meetings are issued in the same form and manner, and subject to the same time limits, as those for shareholders' meetings.

The agenda of meetings is set by the person responsible for issuing the notice of meeting. However, under the conditions provided by the second paragraph of Article L. 228-58 of the French Commercial Code, one or more ORA holders may request the inclusion of draft resolutions in the agenda. These resolutions will be included in the agenda and put to the vote by the chairman of the meeting. Meeting may not deliberate on questions that are not included in the agenda. Upon a second notice of meeting, the agenda for the meeting may not be amended.

The right of ORA holders to participate in general meetings will be established by the registration of the ORA at midnight, Paris time, on the third Trading Day preceding the relevant general meeting, in the accounts held by the relevant accredited financial intermediaries.

An attendance register is kept for each meeting. The decisions taken at each meeting are recorded in minutes signed by the members of the committee and kept in a special register at the registered office.

Any ORA holder has the right to participate in meetings or to be represented by an agent of his choice. Any ORA holder may vote by post using a proxy form. If the articles of association so provide, bondholders attending the meeting by videoconferencing or by other means of telecommunication enabling them to be identified, will be deemed to have attended for the purpose of calculating the quorum and majority.

Pursuant to the provisions of Article L. 228-69 of the French Commercial Code, ORA holders are entitled, within a period of 15 days before the general meeting of the Group to which they belong and whether by themselves or through representatives, to consult or take a copy of the resolutions proposed and reports presented to the general meeting, either at the registered office of the debtor company, or at the address of the company's administrative management or, if applicable, at any other places mentioned in the notice of meeting,

The right of ORA holders to consult or receive a copy of the minutes and general meeting attendance sheets of the Group to which they belong will be exercised at the place of filing decided by the meeting. ORA holders may exercise this right themselves or through the agents appointed by name to represent them at the meeting.

Meetings are chaired by a Group representative. In the event of absence of the representatives the meeting will appoint a person to act as chairman. In the event that the notice of meeting was issued by an agent appointed by the court (*mandataire de justice*), that agent will chair the meeting. In the absence of representatives of the Group appointed under the conditions provided by Articles L. 228-50 and L. 228-51 of the French Commercial Code, the first meeting will be opened under the provisional chairmanship of the holder of the largest number of ORA or of the agent representing the largest number of ORA holders.

The general meeting will deliberate on any measures whose purpose is to protect the bondholders and the execution of the issue agreement, as well as on any proposals to amend the agreement under the conditions provided by law and by the issue agreement.

The general meeting may deliberate validly on first being convened only if ORA holders present or represented hold at least one fifth of the number of ORA then outstanding. Upon the meeting being convened for a second time, no quorum shall be required.

Decisions of the general meeting will be passed by a majority of two thirds of the votes held by the ORA holders present or represented.

The voting right attached to the bonds will be proportional to the amount of the ORA issue that they represent. Each ORA will carry one voting right.

### **5.13 Amendment of Conditions, and Waivers**

In accordance with applicable French law, any amendments to the conditions governing the ORA (including conditions governing Cash Amounts and redemption provisions) will require the approval of the Group.

### **5.14 Authorizations**

#### **5.14.1 Authorizations to be given by Unibail's General Meeting**

The following resolution is submitted to the vote of the ordinary and extraordinary shareholders' meeting to be held on May 21st, 2007:

*"The general meeting, acting in accordance with the quorum and majority requirements of an extraordinary general meeting, having considered the report of the board of directors and the special report of the Company's auditors, and in accordance with the provisions of the Commercial Code, and in particular Articles L. 225-129 to L. 225-129-6, Article L. 225-148 and Article L. 228-92,*

- *delegates to the board of directors its competence, which the board of directors may sub-delegate in accordance with applicable law, to issue, in the context of the link-up with RODAMCO EUROPE N.V., ordinary shares and/or various securities giving immediate or future access to the share capital of the Company, in particular Obligations Remboursables en Actions (bonds redeemable in shares; 'ORA'), as consideration for the securities contributed to the public exchange offer made by the Company for the securities of the Dutch company RODAMCO EUROPE N.V. admitted to trading on the Euronext Amsterdam Eurolist, the Euronext Paris Eurolist, the Euronext Brussels Eurolist and the Frankfurt stock exchange (Germany),*
- *resolves, where necessary, to exclude, for the benefit of the holders of the securities which are the subject of the public offer, the preferential subscription right of shareholders in relation to the ordinary shares and other securities thereby issued;*
- *acknowledges that this delegation of competence entails the waiver by shareholders of their preferential subscription right in relation to the ordinary shares to which securities issued on the basis of the competence hereby delegated may give entitlement;*
- *resolves that the sum received or to be received by the Company for each of the shares issued or to be issued pursuant to the above delegation of competence, account being taken of the issue price of any warrants that may*

*be issued, shall be not less than the minimum price provided for by the statutory and/or regulatory provisions in effect on the date of issue, whether or not the securities to be issued immediately or on a deferred basis are the same as the equity securities already issued.*

*The general meeting resolves to fix as follows the maximum amounts of the authorized issues in the event that the board of directors should exercise the competence hereby delegated:*

- the maximum nominal amount of capital increases by the issue of ordinary shares or of securities other than securities representing present or future claims against the Company which may be carried out pursuant to the competence hereby delegated is fixed at EUR 240 million, it being specified that this amount will not count for the purposes of the overall ceiling referred to in the 6th resolution;*
- this ceiling will be increased, if appropriate, by the nominal amount of any additional shares that have to be issued, as a consequence of any future financial operations, in order to preserve the rights of the holders of securities giving access to capital;*
- the maximum nominal amount of securities representing claims against the Company, in particular Obligations Remboursables en Actions (ORA) may not exceed a ceiling of EUR 2.3 billion or the counter-value of this amount, it being specified that this amount will count only for the purposes of the overall ceiling referred to in the 6th resolution.*

*The general meeting resolves that the board of directors shall have all necessary competence, which it may sub-delegate in accordance with applicable law, to give effect to the public offer referred to in this resolution and, in particular:*

- to fix the exchange ratio and the amount of any balancing amount payable in cash;*
- to confirm the number of securities contributed to the exchange;*
- to determine the dates and terms of issue, in particular the price and the date of dividend entitlement of the new ordinary shares or, as the case may be, of the securities giving immediate and/or future access to ordinary shares in the Company;*
- to enter in a 'contribution premium account' on the liabilities side of the balance sheet, which will be subject to the rights of all shareholders, the difference between the issue price of the new ordinary shares and their nominal value;*
- to charge to the said 'contribution premium account', if necessary, all expenses and charges arising from the measure hereby authorized;*
- to acknowledge the resulting increase or increases in capital and to make the necessary amendments to the articles of association, and, in general, to enter into any contract, in particular for the purpose of ensuring the successful completion of the proposed issues, to take all measures and decisions and to carry out all formalities conducive to the issue, the listing and the servicing of the securities issued pursuant to the competence hereby delegated or to the exercise of the rights attached thereto or consequential upon the capital increases carried out.*

*The general meeting fixes at 26 months, as from the date of this general meeting, the period of validity of the competence hereby delegated and notes that this delegation of competence revokes, with effect from the same date, the competence delegated for the same purpose in accordance with the 15th resolution passed by the extraordinary and ordinary general meeting held on April 27th, 2007."*

#### **5.14.2 Authorizations to be given by Unibail's Board of Directors**

At its meeting on April 9th, 2007, Unibail's board of directors decided on the principle, on condition of its adoption by the general meeting, of using the delegation of competence referred to in paragraph 5.14.1 for the purpose of deciding to issue ORA intended to be issued to Rodamco shareholders tendering their shares in the context of the Offer.

Unibail's board of directors (or its chairman, upon subdelegation) will meet in order to decide, in particular, in view of the notice of results of the Offer, on the issue of ORA in consideration for the Rodamco shares tendered in the context of the Offer. In the event of a subsequent acceptance period, Unibail's board of directors (or its chairman, upon subdelegation) will meet again in order to decide, in view of the further notice of results, on the issue of ORA in consideration for the Rodamco shares tendered during the subsequent acceptance period.

### 5.15 Anticipated issue date

The anticipated date for the issue of the ORA is the date of delivery and settlement of the New Shares and the ORA issued for the payment of the Rodamco shares tendered to the Offer.

### 5.16 Restrictions on the free negotiability of the ORA

There are no restrictions on the free negotiability of the ORA in the issue agreement.

### 5.17 Tax regime applicable to the ORA

The following sets out a summary of the French tax consequences applicable to the holders of Unibail ORA. This summary is based on the French legislation in force on the date hereof and therefore may be affected by any change in such legislation and its interpretation by the French tax Administration.

The attention of the investors is drawn on the fact that this information is a summary of the applicable tax regime and their specific situation must be addressed with their usual tax advisor. Since this summary is for information purposes only, Unibail does not guarantee that the interpretation of current law and/or case law by the tax administration or by the courts may not differ from the information below.

Persons who do not have their tax residence in France must comply with the tax legislation in effect in their State of residence, subject to the application of a tax treaty between France and this State.

The summary of the tax regime described below assumes that the investor who holds the ORA is not also a Unibail shareholder. If the ORA holder is a Unibail shareholder, part of the ORA's interest might be subject to a different tax regime than the one described below by virtue of Article 39-1 3° of the FTC.

#### 5.17.1 French tax residents

##### (a) Individuals holding the ORA as a private investment and who do not carry out trading operations in conditions similar to a professional for this type of operation

###### (i) Income derived from the ORA

Interest is taxable in the year in which it is received. This income is either included in the gross income subject to the progressive scale of income tax, or, upon election, is subject to a flat tax rate of 16% (Article 125 A of the FTC).

It is also subject to the following social security contributions (at a global rate of 11%):

- the CSG at a rate of 8.2%;
- the *prélèvement social* at a rate of 2%;
- the CRDS at a rate of 0.5%; and,
- the 0.3% additional contribution to the 2% *prélèvement social*.

###### (ii) Capital gains on the sale of ORA

According to Articles 150-0 A and 200 A-2 of the FTC, capital gains derived from the sale of bonds realised by individuals are liable to income tax at the proportional 16% rate if the total amount realised per tax household from the sale of securities and other rights or titles referred to in Article 150-0 A of the FTC during the calendar year is in excess of a threshold currently set at 20,000 Euro.

The following social security contributions totalling 11% must be added to this 16% rate:

- the CSG at a rate of 8.2%;
- the *prélèvement social* at a rate of 2%;
- the CRDS at a rate of 0.5%; and,
- the 0.3% additional contribution to the 2% *prélèvement social*.

Taking into account the above-mentioned social security contributions, the effective rate of taxation of capital gains is 27%.

Pursuant to Article 150-0 D, 11° of the FTC, capital losses recognized on the sales of shares, if any, can be offset against capital gains of the same nature realized during the same year or the ten following years, provided that the

20,000 Euro annual sale threshold referred to above, has been exceeded in the year in which the capital losses are realised.

*(iii) Redemption of the ORA*

In the event of redemption of the bonds in shares, the capital gain derived from such redemption, if any, benefit from the deferral of taxation as provided by Article 150-0 B of the FTC.

In the event of the subsequent sale of the shares, the net capital gain, calculated on the basis of the price or on the acquisition value of the bonds (Article 150-0-D-9 of the FTC), is taxed according to the tax regime applicable to capital gains derived from the sale of shares, i.e. at a 27% effective global rate (16% with respect to income tax, 8.2% with respect to CSG, 0.5% with respect to CRDS, 2% with respect to *prélèvement social* and 0.3% with respect to the additional contribution to the 2% *prélèvement social*).

*(iv) Wealth tax*

ORA held by individuals as a private investment will, if applicable, form part of their taxable assets for French wealth tax purposes.

*(v) Gift and inheritance tax*

ORA received by individuals by way of a gift or inheritance will be subject to French gift and inheritance tax.

*(vi) Tax regime applicable to shares received upon redemption of the ORA*

The tax regime applicable to Unibail shares received upon redemption of the ORA, subject to any changes in applicable French law occurring since the drafting of this *note d'opération*, will be as described in the above-mentioned section 4.12.

**(b) Companies subject to corporate income tax**

*(i) Income derived from the ORA*

Interest from the ORA must be included in the taxable profits of the tax year in which it accrues.

Such profits are subject to corporate income tax at the rate of 33<sup>1/3</sup>% rate (or, if applicable, at the rate of 15% up to 38,120 Euro per 12-month period with respect to companies which meet the requirements described in the above-mentioned section 4.12), increased, if applicable, by the 3.3% social security contribution mentioned in section 4.12.

*(ii) Capital gains on the sale of ORA*

A gain or a loss corresponding to the difference between the sale price and the acquisition price arises as a result of any sale of the ORA.

Such gain or such loss is included in the taxable result subject to corporate tax at the standard rate of 33<sup>1/3</sup>% (or, as the case may be, at a 15% rate up to 38,120 Euro on a 12 month basis with respect to companies which meet the requirements described in the above-mentioned section 4.12, as the case may be, increased by the 3.3% social security contribution mentioned in section 4.12.

As the bonds would not be regarded as a qualifying investment, the capital gains and the capital losses derived at the time they are sold would not benefit from the long term capital gain/loss regime provided for by Article 219 I a *quinquies* of the FTC.

*(iii) Redemption of the ORA*

In the event of redemption of the bonds in newly issued shares, any capital gain or loss may benefit from the deferral of taxation as provided by Article 38-7 of the FTC and accordingly, may be included in the profits of the tax year during which the shares received at the time of the redemption will be sold.

In such a case, at the time of the subsequent sale of the shares received at the time of the redemption, the amount of capital gain or loss resulting from the sale is determined with reference to the value that the bonds had, from a tax standpoint, in the books of the seller.

Entities benefiting from the above-mentioned deferral of taxation have to comply with the filing requirements as provided for by Article 54 *septies* of the FTC (otherwise, a penalty would be applicable).

However, the deferral of taxation as provided for by Article 38-7 of the FTC does not apply in case of redemption of the bonds in existing shares. In such a case, the gain or the loss derived from the redemption is subject to corporate income tax under standard conditions.

*(iv) Tax regime applicable to the Shares received upon redemption of the ORA*

The tax regime applicable to Unibail shares received upon redemption of the ORA, subject to any changes in applicable French law occurring since the drafting of this *note d'opération*, will be as described in the above-mentioned section 4.12.1.

### **5.17.2 Non French tax residents**

Individuals or entities which are not French tax residents have to comply with the legislation in force in their State of residence, and in particular, if applicable, with the tax treaty signed between France and their State of residence.

*(i) Income derived from the ORA*

Under current French domestic law (including case law), payments made to holders of bonds redeemable for shares are exempt from French withholding tax.

As a result, Unibail believes, based on such current domestic law, that the Cash Amounts paid to individuals who are not French tax residents or entities which have their registered office or effective place of management abroad are likely to be exempted from withholding tax or tax levy provided for by Article 125 A III of the FTC (16% of withholding tax under current French law, subject to tax treaties).

In light of the specific features of the ORA, Unibail has requested -and obtained- confirmation of this analysis from two different external tax advisors, in the form of two legal opinions from lawyers specialized in tax law.

*(ii) Capital gains on the sale of ORA*

Generally speaking, capital gains realised upon the sale of bonds by non-residents are not taxable in France, subject to the fact that said capital gains may not be allocated to a permanent establishment or to a fixed base subject to taxation in France.

*(iii) Redemption of the ORA*

In the event of redemption of the bonds in shares, any capital gain realised upon such redemption by non-residents is not subject to taxation in France according to Article 244 bis C of the FTC.

*(iv) Wealth tax*

Interested investors are advised to require information from their usual tax advisor regarding their liability to French wealth tax with respect to the bonds, and, if applicable, under which conditions they could benefit from an exemption from the French wealth tax.

*(v) Gift and inheritance tax*

Other non-resident investors are advised to require information from their usual tax advisor regarding their liability to French gift and inheritance tax with respect to the bonds, and, as the case may be, under which conditions they could benefit from an exemption from the French gift and inheritance tax, pursuant to a tax treaty.

*(vi) Tax regime applicable to the new shares received upon redemption of the ORA*

The tax regime applicable to the Unibail shares received upon redemption of the bonds, subject to any changes in applicable French law occurring since the drafting of this *note d'opération*, will be as described in the above-mentioned paragraph 4.12.2 or, in the particular case of Netherlands tax residents, the above-mentioned paragraph 4.12.3.

### **5.17.3 Other ORA holders**

ORA holders which are subject to a tax regime other than the above-mentioned regimes are advised to scrutinise their specific tax situation with their usual tax advisor.



## 6 ISSUE CONDITIONS

### 6.1 Issue conditions, statistics and estimated timetable

#### 6.1.1 Conditions of issue of the shares and the ORA

##### (a) Issue context and conditions

The purpose of the capital increase without preferential subscription right by the issue of a maximum number of 46,818,602 New Shares and of concomitant issue without preferential subscription right of a maximum number of 9,363,720 ORA to pay for the public exchange offer governed by Dutch law in relation to the Rodamco shares. These maximum numbers of shares and ORA are calculated on a basis of the number of 89,639,292 Rodamco shares on the date of this document and on the basis of an exchange ratio of 0.5223 of a Unibail New Share or ORA for one Rodamco share (the **"Exchange Ratio"**), corresponding to the initial exchange ratio of 0.5300 of a Unibail New Share or ORA for one Rodamco share (the **"Initial Exchange Ratio"**), announced on April 10th 2007, the date of the public announcement of the combination, adjusted to reflect the impact of the interim dividend of 1.00 Euro per share paid by Unibail on April 16th, 2007, and the final dividend relating to fiscal year 2006 of 2.34 Euro per share paid by Rodamco on May 8th, 2007. This Exchange Ratio will be adjusted to reflect the impact of any other dividend, whose payment or ex-dividend date, would intervene before the settlement and delivery of the securities issued within the Offer.

Rodamco is a Dutch company and its authorized share capital is currently divided into 89,639,292 shares, each has a par value of 8 Euro.

The Offer is made in the context of the combination of the two groups as announced on April 10th, 2007. The Offer will be made in the Netherlands, principal market where the Rodamco shares are listed, and in France, Belgium, Germany and the United Kingdom. The Offer in France will be made on the basis of an offer document subject to approval of the *Autoriteit Financiële Markten* ("AFM") (the **"Offer Document"**) and translated into French. This translation and a supplement for the French Rodamco shareholders will be made available to the public.

The issue of the New Shares and ORA is consequently conditional upon settlement of the Offer.

Below is a summary of the conditions of the Offer:

- (i) the number of Rodamco shares that have been tendered for acceptance under the Offer, taken together with the Company Shares which are, directly or indirectly, held by the Unibail at that time, represent at least 60% of the issued share capital of Rodamco held by others than Rodamco at the Closing Date;
- (ii) no material adverse change relating to Rodamco has occurred or has become known to Unibail after the date of the Offer Document and the date on or prior to the date on which the Offer is declared unconditional;
- (iii) no material adverse change relating to Unibail has occurred or has become known to Rodamco after the date of the Offer Document and the date on or prior to the date on which the Offer is declared unconditional;
- (iv) Rodamco has not, on or prior the date on which the Offer has been declared unconditional, materially breached the Merger Protocol dated April 10th, 2007 entered into by Unibail and Rodamco, or, if such breach has occurred, it has been remedied by Rodamco within 1 (one) week after receipt of a written notice by Unibail, provided that Rodamco shall not be entitled to such remedy period if the breach is not capable of being remedied prior to the closing date of the Offer;
- (v) Unibail has not, on or prior the date on which the Offer has been declared unconditional, materially breached the Merger Protocol dated 10 April 2007 entered into by Unibail and Rodamco, or, if such breach has occurred, it has been remedied by Unibail within 1 (one) week after receipt of a written notice by Rodamco, provided that Unibail shall not be entitled to such remedy period if the breach is not capable of being remedied prior to the closing date of the Offer;
- (vi) on or prior to the date on which the Offer has been declared unconditional, the Merger Protocol has been terminated in accordance with its terms;
- (vii) on or prior to the date on which the Offer has been declared unconditional, (x) no order, stay, judgment or decree is issued by any court, arbitral tribunal, government, governmental authority or other regulatory or administrative authority that remains in force and effect, and (y) no statute, rule, regulation, governmental order or injunction shall have been enacted, enforced or deemed applicable to the Offer, which in each case of (x) and (y) restrains, prohibits or delays the consummation of the Offer in any material respect;
- (viii) on or prior to the date on which the Offer has been declared unconditional, no notification having been received from the AFM stating that the Offer has been made in violation of Chapter IIA of the DSSA and that

pursuant to the provisions of Clause 32a of the DSSD, the securities institutions (*effecteninstellingen*, as defined in the DSSA) would not be allowed to give their cooperation to the consummation of the Offer;

- (ix) on or prior to the date on which the Offer has been declared unconditional, trading in the Unibail Shares and/or Rodamco Shares on Eurolist by Euronext has not been suspended or ended as a result of a listing measure (*noteringsmaatregel*) taken by Euronext Paris and/or Euronext Amsterdam in accordance with Clause 6901/2 or any other relevant provision of the Euronext Rulebook I (Harmonised Rules);
- (x) on or prior to the date on which the Offer has been declared unconditional, the general meeting of the holders of Unibail has voted the necessary resolutions to implement the governance and issue resolutions as described in the Merger Protocol (see paragraph 10.2);
- (xi) on or prior to the date on which the Offer has been declared unconditional, the general meeting of the holders of Rodamco has voted the necessary resolutions to implement the governance and issue resolutions as described in the Merger Protocol;
- (xii) on or prior to the date on which the Offer has been declared unconditional, Euronext Paris and Euronext Amsterdam having confirmed in writing to Unibail that the Unibail shares and the ORA have been or will be admitted to trading and listing on Eurolist by Euronext Amsterdam and Euronext Paris ultimately on the delivery-settlement date of the Offer.

#### **(b) Amount of the operation**

In the context of the Offer, Unibail will make an offer to Rodamco's shareholders for them to exchange Rodamco shares, between May 22<sup>nd</sup>, 2007 and June 20<sup>th</sup>, 2007, with 0.5223 of a Unibail New Share or ORA for one Rodamco share, corresponding to the Initial Exchange Ratio of 0.5300 of a Unibail New Share or ORA for one Rodamco share, announced on April 10th, 2007, the date of public announcement of the combination, adjusted to reflect the impact of the interim dividend of 1.00 Euro per share paid by Unibail on April 16th, 2007, and the final dividend relating to fiscal year 2006 of 2.34 Euro per share paid by Rodamco on May 8th, 2007. This Exchange Ratio will be adjusted to reflect the impact of any other dividend whose payment or ex-dividend date falls before the settlement and delivery of the securities issued in the context of the Offer.

Instead of receiving New Shares, Rodamco's shareholders may elect to receive ORA on the basis of the Exchange Ratio, for all or part of their Rodamco shares, up to a maximum of 20% of the payment for all the Rodamco shares tendered in the context of the Offer. In the event that the number of ORA applied for by Rodamco's shareholders exceeds this maximum percentage, the number of ORA allocated to those shareholders will be reduced pro rata according to the number of Rodamco shares tendered by such Rodamco shareholders (rounded downwards to the nearest whole number), and the balance of the Rodamco shares not paid for with ORA will be paid for with New Shares. See paragraph 3.1.2 of the Offer Document for the precise terms of reduction of the number of ORA.

If no election is made, Rodamco shareholders will be deemed to have elected to be paid exclusively in New Shares. Consequently, on the basis of the Exchange Ratio equal to 0.5223 New Share or ORA for one Rodamco Share and a number of 89,639,292 Rodamco shares on the date of this document:

- The maximum number of New Shares to be issued is 46,818,602, on the assumption that all Rodamco's shareholders choose to have their Rodamco shares paid for with New Shares.
- The maximum number of ORA to be issued is 9,363,720, representing 20% of the payment for all Rodamco shares.

The Exchange Ratio, which takes into account the interim dividend of 1.00 Euro per share paid by Unibail on April 16th, 2007, the final dividend relating to the 2006 fiscal year of 2.34 Euro per share paid by Rodamco on May 8th, 2007, and a settlement and delivery of the Offer before payment by Unibail of the final dividend in respect of the 2006 fiscal year, of 2.00 Euro, due to take place on July 16th, 2007. The Exchange Ratio shall be adjusted accordingly in the event that these assumptions prove not to be correct and/or in the event of any other distribution by Rodamco and/or Unibail, or in the event of an alteration by Rodamco and/or Unibail of its share capital affecting the value of the remuneration within the Offer. The maximum number of New Shares to be issued and the maximum number of ORA to be issued will be adjusted as a result.

#### **6.1.2 Conditions of publication of the results**

The number of New Shares and ORA effectively issued will be subject to press release by Unibail and a notice published by Euronext Paris.

### 6.1.3 Estimated timetable

May 18, 2007 . . . . .	AMF visa on the prospectus. AFM visa on the Offer Document AMF visa on the completed Offer Document
May 21, 2007 . . . . .	Extraordinary General Meeting of Unibail shareholders
May 22, 2007 . . . . .	Opening of the Offer in the Netherlands, France, Belgium, Germany and the United Kingdom (initial period of the Offer)
June 6, 2007 . . . . .	Extraordinary General Meeting of Rodamco shareholders, for information
June 20, 2007 . . . . .	Closing of the Offer in the Netherlands, France, Belgium, Germany and the United Kingdom (subject to the extension of the Offer period*)
June 21, 2007 . . . . .	Announcement whether the Offer is declared unconditional
June 22, 2007 . . . . .	First day of the subsequent acceptance period
June 22, 2007 . . . . .	Publication of the Euronext notice of admission of the New Shares and ORA
June 22, 2007 . . . . .	Admission and commencement of trading on the Eurolist by Euronext of the New Shares and ORA
June 25, 2007 . . . . .	Settlement and delivery
June 27, 2007 . . . . .	Publication of the notice in the <i>Bulletin des annonces légales</i> relating to the issue and the admission of the New Shares and ORA to the Euronext by Eurolist
July 10, 2007 . . . . .	Last day of the subsequent acceptance period
July 13, 2007 . . . . .	Second settlement and delivery
July 16, 2007 . . . . .	Payment by Unibail of the final dividend of 2.00 Euro per share

\* Unibail may ask for an extension of the Offer period. In any event, the announcement of the unconditional nature of the Offer must take place at the latest on the 5th trading day following the closing of the Offer.

If and to the extent that the maximum number of Unibail ORA are allocated upon first settlement of the Offer to Rodamco shareholders that tender Rodamco shares during the initial Offer period, such ORA will no longer be available to Rodamco shareholders that tender their Rodamco shares during the subsequent acceptance period.

### 6.2 Distribution and allocation plan for the negotiable securities

Not applicable

### 6.3 Information relevant to the assessment of the terms of the Offer

The issue price of a New Share is equal to the closing price of Unibail shares on the Eurolist by Euronext Paris on the date of closing of the Offer.

The ORA shall be issued to their nominal value, which shall be equal to the issue price of the New Shares (nominal value and premium issue) issued in the context of the initial period of the Offer.

The number of New Shares and ORA to issue will result from the Exchange Ratio determined within the Offer and the number of Rodamco shares tendered to the Offer.

#### *Exchange Ratio in the Context of the Offer*

##### *Description of the Exchange Ratio*

The Initial Exchange Ratio of 0.5300 of a Unibail New Shares or Unibail ORA for each Rodamco Share announced on 10 April 2007 has been adjusted to 0.5223 i.e. the Exchange Ratio in order to reflect the financial impact of:

- (i) the payment of Unibail's interim dividend relating to fiscal year 2006 of 1.00 Euro per Unibail Share paid to Unibail shareholders on April 16th, 2007,
- (ii) the payment of Rodamco's final dividend relating to fiscal year 2006 of 2.34 Euro per Rodamco Share paid to Rodamco shareholders on May 8th, 2007.

The adjustment of the Initial Exchange Ratio of 0.5300 to the Exchange Ratio of 0.5223 maintains constant the value received by a Rodamco shareholder tendering to the Offer, based on Unibail Share price of 235.50 Euro as at April 5th, 2007 (the last trading day prior to the announcement of the Offer):

- (i) Based on the Initial Exchange Ratio of 0.5300 Unibail share or Unibail ORA for each Rodamco Share and on Unibail Share price of 235.50 Euro as at April 5th, 2007, the valuation of each Rodamco Share implied by the Offer was 124.82 Euro
- (ii) Based on the Exchange Ratio of 0.5223 Unibail share or Unibail ORA for each Rodamco Share and on a Unibail Share price of 235.50 Euro as at April 5th, 2007 adjusted for Unibail's interim dividend of 1.00 Euro per Unibail Share paid on April 16th, 2007, the valuation of each Rodamco Share implied by the Offer is 122.48 Euro, after payment of Rodamco's final dividend relating to fiscal year 2006 of 2.34 Euro per Rodamco Share paid on May 8th, 2007, resulting in a total consideration for each Rodamco Share of 124.82 Euro.

The purpose of this section is not to provide a stand-alone valuation of Rodamco, but to assess the Exchange Ratio based on a multi-criteria financial analysis.

#### *Valuation of the ORA Consideration*

Rodamco Shareholders will have the opportunity to elect for the ORA Consideration at their own discretion. Each corresponding ORA will be issued at its nominal value. The nominal value of the ORA will be equal to the issue price of the Unibail Shares that will be issued in consideration for the Rodamco Shares.

Therefore, the value of a New Share issued during the initial Offer period in consideration for a Rodamco Share tendered in accordance with the terms of the Offer will be equal, upon settlement and delivery of the Offer, to the nominal value of one ORA issued to pay for one Rodamco share tendered in accordance with the terms of the Offer.

For further information regarding the Unibail ORA, reference is made to chapter 5 of this document.

#### *Valuation methodology*

The analysis of the financial terms of the Offer is based on the following methodologies:

- Adjusted Share Prices;
- Trading multiples of selected comparable listed companies (premium of share price to NNNAV per share<sup>2</sup> and price to recurring earnings multiple per share<sup>3</sup>).

#### *Stock market prices*

The analysis of the premium over stock market prices is based on historical stock market prices of Unibail and Rodamco ending on April 5th, 2007, the last trading day prior to the public announcement of the combination between Unibail and Rodamco, after which date both share prices have been affected by the terms of the transaction and have no longer traded independently from one another.

Unibail and Rodamco Share prices are defined as being the volume-weighted closing share prices provided daily by Euronext and are adjusted to deduct Unibail 2006 Interim Dividend of 1.00 Euro per Unibail Share paid on April 16th, 2007 and Rodamco 2006 Final Dividend of 2.34 Euro per Rodamco Share paid on May 8th, 2007 ("Adjusted Share Prices").

<sup>2</sup> Unibail's and Rodamco's Net Asset Values refer to fully-diluted Net Asset Values per share on a liquidation basis as reported in the annual results published by both companies. The analysis is based on reported Recurring Earnings per share and does take into account any difference in methodology between Unibail and Rodamco.

<sup>3</sup> Unibail's recurring earnings per share refers to the recurring earnings reported in that company's 2006 annual results. Rodamco's recurring net earnings refer to the "Direct result after tax per share" reported by that company in its 2006 annual results.

The following table summarizes the premiums implied by the Exchange Ratio as compared to the exchange ratio derived from the Adjusted Share Prices of Rodamco and Unibail as of April 5th, 2007, as well as to the exchange ratios based on the average Adjusted Share Prices of each company for the selected periods ending on that date:

	<u>Unibail Share Prices (Euro)</u>	<u>Rodamco Share Prices (Euro)</u>	<u>Unibail Adjusted Share Prices (Euro)<sup>(2)</sup></u>	<u>Rodamco Adjusted Share Prices (Euro)<sup>(3)</sup></u>	<u>Implied Exchange Ratio Adjusted for Dividends</u>	<u>Premium/ (Discount) implied by the Exchange Ratio of 0.5223</u>
Last closing share price before public announcement of the Offer (April 5th, 2007) . . . . .	235.50	108.44	234.50	106.10	0.452x	<b>15.4%</b>
One-month average <sup>(1)</sup> . . . . .	224.50	103.40	223.50	101.06	0.452x	<b>15.5%</b>
Three-month average <sup>(1)</sup> . . . . .	213.87	104.77	212.87	102.43	0.481x	<b>8.5%</b>
Six-month average <sup>(1)</sup> . . . . .	198.25	100.28	197.25	97.94	0.497x	<b>5.2%</b>

Source: FactSet

<sup>(1)</sup> Volume-weighted average closing share prices for the selected periods ending April 5th, 2007

<sup>(2)</sup> Adjusted for Unibail 2006 Interim Dividend of 1.00 Euro per share related to fiscal year 2006 paid on April 16th, 2007

<sup>(3)</sup> Adjusted for Rodamco 2006 Final Dividend of 2.34 Euro per share related to fiscal year 2006 paid on May 8th, 2007

The Exchange Ratio of 0.5223 represents:

- a 15.4% premium based on Unibail's and Rodamco's Adjusted Share Prices as of April 5<sup>th</sup>, 2007, the last trading day before the public announcement of the Offer;
- a 15.5% premium based on Unibail's and Rodamco's volume-weighted average Adjusted Share Prices over the one-month period ending April 5<sup>th</sup>, 2007;
- a 8.5% premium based on Unibail's and Rodamco's volume-weighted average closing Adjusted Share Prices over the three-month period ending April 5<sup>th</sup>, 2007.

For reference, the Initial Exchange Ratio of 0.5300 on the Announcement Date represents:

- a 15.1% premium based on Unibail's and Rodamco's closing share prices as of April 5<sup>th</sup>, 2007, the last trading day before public announcement of the Offer;
- a 15.1% premium based on Unibail's and Rodamco's volume-weighted average closing share prices over the one-month period ending April 5<sup>th</sup>, 2007;
- a 8.2% premium based on Unibail's and Rodamco's volume-weighted average closing Adjusted Share Prices over the three-month period ending April 5<sup>th</sup>, 2007.

#### ***Analysis of trading comparable companies***

##### ***Methodology***

Comparable company analysis consists of comparing the valuation of the Offer as calculated above with the value of Rodamco Share implied by the application of selected comparable companies average trading multiples to selected metrics of Rodamco (NNNAV<sup>4</sup> and recurring net earnings<sup>5</sup>).

These multiples have been applied to historical results (NNNAV as of December 31st, 2006<sup>4</sup>, fiscal year 2006<sup>5</sup> recurring net earnings) and forecasts for the year ending December 31st, 2007 based on a consensus of financial forecasts for Unibail and Rodamco as of April 5th, 2007 based on reports published by leading equity research houses since the release of Rodamco's 2006 results.

##### ***Comparable companies trading multiples in the real estate sector and implied valuation***

Selected comparable companies for Rodamco are listed European real estate companies with comparable operating and financial characteristics similar to those of Rodamco: Unibail<sup>6</sup>, Rodamco<sup>6</sup>, Klépierre, Eurocommercial, Corio, and VastNed Retail.

<sup>4</sup> Rodamco's NNNAV refers to triple net fully diluted net asset value per share as reported by the company in its 2006 annual results.

<sup>5</sup> Rodamco's Recurring Earnings refers to the Direct result after tax per share as reported by the company in its 2006 annual results.

<sup>6</sup> Based on unaffected share prices on April 5, 2007.

<sup>6</sup> Based on unaffected share prices on April 5, 2007.

The table below summarizes the multiples and premium (on the basis of closing share prices as of April 5th, 2007) for the selected comparable companies, as well as the premiums implied by the Exchange Ratio:

	Average Trading Multiples <sup>(3)</sup>	Implied Value of Rodamco Share (Euro)	Premium/(Discount) Implied by the Exchange Ratio of 0.5223
<b>Premium to NNNAV<sup>(1)</sup></b>			
2006 .....	52.7%	116.71	<b>6.9%</b>
2007 <sup>E</sup> .....	30.3%	112.36	<b>11.1%</b>
<b>Price to recurring earnings<sup>(2)</sup></b>			
2006 .....	28.3x	116.44	<b>7.2%</b>
2007 <sup>E</sup> .....	25.9x	110.38	<b>13.1%</b>

<sup>(1)</sup> Defined as the ratio of share price to NNNAV per share minus one

<sup>(2)</sup> Defined as the ratio of share price to recurring earnings per share

<sup>(3)</sup> Average trading multiples weighted by market capitalisation. Based on market consensus on NNNAV per share and recurring earnings as at April 5th, 2007

The premium implied by the Exchange Ratio ranges from 6.9% to 13.1% compared to the implied value of Rodamco Shares based on selected comparable trading multiples.

#### **Analysis of previous real estate transactions**

The average and the median of the premium paid in recent public real estate transactions in Europe<sup>7</sup> stand at 14% and 11% respectively over unaffected spot price and 15% and 12% over one-month unaffected average share price.

However, no precedent real estate public transaction can be deemed comparable to the Offer in terms of size, type or consideration (take-over transactions as opposed to merger-of-equals combination).

#### **Summary analysis of the Offer**

The table below summarizes the premiums implied by the various retained valuation methodologies based on the Exchange Ratio of 0.5223 Unibail Share (or ORA) for each Rodamco Share.

	Premium/(Discount) Implied by the Exchange Ratio of 0.5223
<b>Adjusted Share Prices</b>	
Last closing share price before public announcement of the Offer (April 5th, 2007) <sup>8</sup> . . .	<b>15.4%</b>
One-month average <sup>8</sup> .....	<b>15.5%</b>
Three-month average <sup>8</sup> .....	<b>8.5%</b>
Six-month average <sup>8</sup> .....	<b>5.2%</b>
<b>Trading Multiples of comparable companies<sup>9</sup></b>	
Premium to NNNAV 2006 <sup>10</sup> .....	<b>6.9%</b>
Premium to NNNAV 2007E <sup>10</sup> .....	<b>11.1%</b>
Price to recurring earnings 2006 <sup>10</sup> .....	<b>7.2%</b>
Price to recurring earnings 2007E <sup>10</sup> .....	<b>13.1%</b>

#### **6.4 Placement and underwriting**

Not applicable.

<sup>7</sup> Based on 7 selected real estate public transactions in Europe: Beni Stabili/FDR, SIIC de Paris/Realia, Pillar Property/British Land, Gecina/Metrovacesa, Bail Investissement/FDR, SFL/Colonial, Sophia/GEREF. All Spanish public real estate transactions have been excluded from the sample due to (i) specific tender offer rules in Spain enabling partial bids and (ii) the absence of favourable real estate tax regime in place

<sup>8</sup> Based on Adjusted Share Prices

<sup>9</sup> Based on market value weighted average trading multiples of selected comparable companies

<sup>10</sup> Based on closing share prices as of April 5th, 2007

## 6.5 Restrictions applicable to the issue of the New Shares and ORA

Distribution of this *note d'opération*, the Registration Document or any other document or information relating to the operations referred to in this *note d'opération* and/or the offer or sale or subscription or purchase of the New Shares and ORA may be subject to specific regulations in certain countries. Persons in possession of this *note d'opération*, of the Registration Document or of any other document or information relating to the operations referred to in this prospectus should apprise themselves of any restrictions resulting from local regulations, and must comply with such restrictions.

This *note d'opération*, the Registration Document and the other documents relating to the operations referred to in this prospectus do not constitute an offer to sell or the solicitation of an offer to subscribe for or buy securities in any country in which such an offer or solicitation would be illegal.

### *Restrictions relating to the United States of America*

The New Shares and the ORA have not been and will not be registered under the US Securities Act of 1933, as amended (the “**Securities Act**”), and cannot be offered or sold in the United States of America other than in the context of transactions exempt from registration pursuant to the Securities Act. The Registration Document, this *note d'opération* and any other document prepared in the context of this operation must not be distributed in the United States of America.

### *Restrictions relating to the United Kingdom*

The prospectus has been given a passport for the United Kingdom by the UK Financial Services Authority in accordance with the provisions of Article 87H of the UK Financial Services and Markets Act 2000.

## **7 ADMISSION TO TRADING AND TERMS OF TRADING**

### **7.1 Admission to trading**

The New Shares and the ORA will be the subject of an application for admission to trading on Eurolist by Euronext Paris and on Eurolist by Euronext Amsterdam.

The shares, which could be issued in case of redemption of the bonds redeemable for shares, will also be subject to an application for the admission to trading.

The New Shares will be admitted under the same listing as the existing shares, with ISIN code: FR0000 124711 and they will be entirely assimilated as soon as they are admitted to trading.

The ISIN code for the ORA will be: FR0010474056.

On the basis of the estimated calendar, it is anticipated that admission to trading on the Eurolist by Euronext Paris and on Eurolist by Euronext Amsterdam will take place on June 20<sup>th</sup>, 2007 in respect of the first settlement of the Offer.

### **7.2 Listing markets**

The Unibail shares are admitted to trading on the Eurolist by Euronext Paris. In the event of settlement of the Offer, they will also be admitted to trading on the Eurolist by Euronext Amsterdam.

### **7.3 Stabilisation-Market Interventions**

Not applicable.



## **8 EXPENSES IN CONNECTION WITH THE ISSUE**

The estimated global amount of Unibail expenses connected with the issue of the New Shares and ORA is about 43 million Euro.

## 9 DILUTION

### 9.1 Amount and percentage of the dilution resulting from the issue of the New Shares and ORA

The impact of the issue of the New Shares and ORA on the portion of the Unibail group share of shareholders' equity for the owner of one Unibail share prior to the issue of the New Shares and the redemption of the ORA into shares, calculated on the basis of the Unibail consolidated shareholders' equity, Group share as at December 31st, 2006 (as shown in the audited consolidated accounts as at 31 December 2006).

	Portion of shareholders' equity	
	Undiluted basis	Diluted basis <sup>(1)</sup>
Before issue of the New Shares and ORA . . . . .	131.2 Euro	129.6 Euro
After issue of 46,818,602 New Shares, in the event that all the Rodamco shares subject to the Offer are tendered to the Offer and that all Rodamco's shareholders choose to be remunerated in New Shares . . . . .	183.8 Euro	181.9 Euro
After issue of 37,454,882 New Shares and 9,363,720 ORA, in the event that all the Rodamco shares subject to the Offer are tendered to the Offer and that all Rodamco's shareholders choose to be remunerated by a number of ORA at least equal to the maximum number of ORA that could be issued . . . . .	180.5 Euro	178.7 Euro
After issue of 37,454,882 New Shares and redemption of 9,363,720 ORA, in the event that all the Rodamco shares subject to the Offer are tendered to the Offer and that all Rodamco's shareholders choose to be remunerated in New Shares by a number of ORA at least equal to the maximum number of ORA that could be issued . . . . .	183.8 Euro	181.9 Euro

<sup>(1)</sup> The calculations are based on the assumption that all options to subscribe or purchase shares are exercised.

### 9.2 Impact of the issue on the situation of shareholders

The impact of the issue of the New Shares and ORA on the interest in the share capital of a shareholder owning 1% of Unibail's share capital prior to the issue, calculated on the basis of the number of shares comprising the share capital as at December 31st, 2006, is as follows:

	Shareholder interest in%	
	Undiluted basis	Diluted basis <sup>(1)</sup>
Before issue of the New Shares and ORA . . . . .	1.0%	1.0%
After issue of 46,818,602 New Shares, in the event that all the Rodamco shares subject to the Offer are tendered to the Offer and that all Rodamco's shareholders choose to be remunerated in New Shares . . . . .	0.5%	0.5%
After issue of 37,454,882 New Shares and of 9,363,720 ORA, in the event that all the Rodamco shares subject to the Offer are tendered to the Offer and in the event that Rodamco's shareholders choose to be remunerated by a number of ORA at least equal to the maximum number of ORA that can be issued . . . . .	0.6%	0.5%
After issue of 37,454,882 New Shares and redemption or conversion of 9,363,720 ORA, in the event that all the Rodamco shares subject to the Offer are tendered to the Offer and in the event that Rodamco's shareholders choose to be remunerated by a number of ORA at least equal to the maximum number of ORA that can be issued . . . . .	0.5%	0.5%

<sup>(1)</sup> The calculations are based on the assumption that all options to subscribe or purchase shares are exercised.

On the basis of the Exchange Ratio and in the event all Rodamco shareholders tender their shares into the Offer and elect the New Shares consideration, the current Rodamco shareholders would represent approximately 50.4% of the share capital and voting rights of Unibail.

## 10 ADDITIONAL INFORMATION

### 10.1 Reasons of the combination between Unibail and Rodamco — Creating the leading pan-European commercial property company

#### *The creation of the leading pan-European commercial property company*

The combination of Unibail and Rodamco will be the leading pan-European commercial property company with a total pro forma portfolio of 22 billion Euro in property value<sup>11</sup> and 974 million Euro in net rental income.<sup>12</sup>

The new group will be predominantly retail focused with 73% of its portfolio property value in shopping centres. The Combined Entity's office assets (20% of the portfolio) are primarily located in the attractive Paris market. The Convention and Exhibition activities (7% of the portfolio including others) will further support the value creation potential of the new group.

The new group will benefit from:

- A unique network of 95 prime shopping centres totalling 3.3 million m<sup>2</sup> of retail space and 15.9 billion Euro of appraised property value<sup>11</sup>, with a leading position in key European retail markets, especially France, the Netherlands, Spain and Sweden complemented by strong positions in high growth emerging markets (Central Europe and Russia).
- A highly attractive prime quality office portfolio of 628,378 m<sup>2</sup> and 4.5 billion Euro of appraised property value<sup>11</sup>, as at December 31st 2006, predominantly in Paris, historically one of the most resilient markets in Europe and one with significant further growth potential, as well as attractive development projects in La Défense.
- A highly visible retail and office development pipeline representing a target surface of 1.5 million m<sup>2</sup> for shopping centres, offices, representing an investment capacity estimated at approximately 6.1 billion Euro, 72% of which are shopping centres and 28% of which are offices.
- The activity of key Convention & Exhibition centre sites operated by Unibail in the Paris region, under the name of Paris Expo (Porte de Versailles) provides the combined group with additional growth opportunities. The potential merger between Unibail's and the Paris Chamber of Commerce and Industry (CCIP) Convention & Exhibition businesses will further enhance the development potential of this activity.

#### *Significant value creation potential*

The new group will develop a single marketing and retail management strategy for its entire pan-European retail portfolio. Key value creation drivers include:

- implementing a pan-European marketing approach to drive traffic and sales to extract more like-for-like rental growth on the existing retail portfolio; and
- leveraging an unrivalled footfall of over 700 million visits per year to drive marketing revenues (e.g. kiosks, poster-based advertising, vending machines, promotional campaigns).

The new group will leverage Unibail's demonstrated in-house development expertise with Rodamco's extensive pan-European network in leading shopping centres, thereby accelerating pipeline growth and optimising development capital expenditure. Furthermore, through sharing of best practices, the Combined Entity will generate even more value across the entire Developer-Investor-Manager value chain.

Synergies related to the existing portfolio alone are expected to generate at the end, according to the preliminary forecasts, an increase in NRI of 40 million Euro to 65 million Euro annually, by 2012. The combination will also enable the new group to take advantage of Rodamco's existing pan-European platform to bolster value accretive development projects.

<sup>11</sup> Based on appraisal values of Unibail and Rodamco (including transfer taxes, based on Rodamco internal estimates and including Development Pipeline valued at cost as at December 31<sup>st</sup> 2006).

<sup>12</sup> Based on the Unaudited Pro Forma Financial Information for fiscal year 2006.

## **10.2 Modification of Unibail's articles of association in the context of the combination between Unibail and Rodamco**

### **10.2.1 Modification of the corporate name of Unibail**

It is proposed to the shareholders' meeting to be held on May 21, 2007 to modify, under the condition precedent of prior settlement of the securities to be issued in the context of the Offer, to adopt the following corporate name: UNIBAIL-RODAMCO.

### **10.2.2 New organisation and composition of corporate bodies**

At the extraordinary general meeting to be held on May 21st, 2007 Unibail's shareholders will be asked, subject to prior settlement and delivery of the securities issued in the context of the Offer, to vote on the conversion of the Company from being a company with a board of directors to being a company with a management board and supervisory board.

#### ***Supervisory board and management board***

French law and the amended articles of association of Unibail will apply to Unibail, as described below.

The company is managed by a management board composed of six members. The management board exercises its functions under the supervision of the supervisory board.

#### ***Management Board***

The members of the management board are appointed by the supervisory board which also appoints one of them Chairman. The members of the management board are appointed for a 4 year term.

The Chairman of the management board represents the company in its relations with third parties. The supervisory board may, at the request of the Chairman of the management board, grant one or more members of the management board the power to represent the company. Such persons would then have the title of general manager. The supervisory board may withdraw this power of representation by withdrawing the title of general manager from the member of the management board.

The supervisory board determines the remuneration of the members of the management board. Any member of the management board may be dismissed at any time either by 2/3rd of the members composing the supervisory board or by the shareholders' meeting.

Decisions are made by a majority vote, each of the members having one vote. In case of a tie, the casting vote shall be decided by the Chairman of the management board or the President of the session appointed by the latter in case of absence or impediment.

The management board is invested, with respect to third parties, with the broadest powers to act in all circumstances on behalf of the company, subject to the powers specifically granted by law to the supervisory board and to shareholders' meetings and within the limitations of the company's purpose and the matters that require the prior authorization of the supervisory board, as set forth below.

Within the limit of an overall sum which it shall define, the supervisory board may authorize the management board to grant deposits, sureties or guarantees on behalf of the company. The term of such an authorization may not exceed one year, regardless of the term of the commitments guaranteed. On behalf of the company, the management board may be authorized to give deposits, sureties or guarantees of an unlimited amount to the tax or customs authorities.

The following decisions will be submitted to the authorization of the supervisory board upon proposal by the management board:

- (a) Any acquisition of an asset or several assets (including the acquisition of real estate properties (*immeubles par nature*) and the acquisition of all or part of shareholdings), directly or through legal entities, exceeding the amounts laid down by the supervisory board in its internal charter.
- (b) Investments and capital expenditures for internal development exceeding the amounts laid down by the supervisory board in its internal charter.
- (c) Any sale of an asset or several assets (including the disposal of real estate properties (*immeubles par nature*) and the sale of all or part of shareholdings), directly or through legal entities, exceeding the amounts laid down by the supervisory board in its internal charter.

- (d) Any additional indebtedness or security interests exceeding the amounts laid down by the supervisory board in its internal charter.
- (e) Outsourcing asset management and retail management activities or asset and retail management responsibilities to third parties if this involves more than twenty-five per cent (25%) of the total value of the investments and participations of the company.
- (f) Transferring the entire or a material part of the business to a third party exceeding the amounts laid down by the supervisory board in its internal charter.
- (g) Making significant changes in governance and/or organisational structure of the group, including allocation of tasks within the management board, approval of amendment to the management board charter, relocation of group central functions and the taking of any step that might affect the SIIC regime provided for in Article 208 C of the FTC or any other favourable tax exempt status in any other country.
- (h) Any overall remuneration policies of the group and remuneration of the management board.
- (i) Participating or otherwise taking an interest in other companies or businesses and to terminate or modify such participation or interest, exceeding the amounts laid down by the supervisory board in its internal charter.
- (j) Any off-balance sheet commitment exceeding the amounts laid down by the supervisory board in its internal charter.
- (k) To submit to the shareholders' meeting a proposal to amend the articles of association of the company or Rodamco Europe N.V. as long as its shares are listed on Euronext Amsterdam.
- (l) To submit a proposal to (re)appoint or dismiss the external auditors of the company or its main subsidiaries and to review the fees of the external auditors.
- (m) To submit a proposal to the general meeting for authorization (*délégation de compétence*) to issue or repurchase shares of the company or Rodamco Europe N.V. as long as its shares are listed on Euronext Amsterdam.
- (n) To modify the dividend policy of the company and the declaration of the interim dividends and all dividends to be distributed.
- (o) To participate or otherwise take an interest in or enter into an agreement with other companies or businesses on the basis of which these companies or businesses obtain the right of recommendation or appointment of supervisory board members.
- (p) To submit applications for a moratorium or file petitions for the bankruptcy of the company or any of the group company.
- (q) To submit a proposal to dissolve or wind up the company or its main subsidiaries.
- (r) To enter into a transaction in which there is a conflict of interest is or deemed to exist between supervisory board or management board members of the one part, and the company of the other part, for the purposes of Articles L 225-86 *et seq.* of the French Commercial Code.
- (s) To amend the company's Insider Trading Rules.
- (t) To approve the group's strategy and its annual budget, as submitted by the management board upon presentation of the financial statements for the ended fiscal year.

When a transaction must be authorized by the supervisory board and the supervisory board refuses it, the management board can, pursuant to the law, submit the conflict to the shareholders' meeting which will decide on the future of the project.

#### *Supervisory Board*

The members of the supervisory board are appointed by the ordinary shareholders' meeting, which may dismiss them at any time. They are appointed for a 3 year term, with the exception of the initial members of the supervisory board who may be appointed for a shorter term to allow a spaced out renewal of the board.

The supervisory board continuously monitors the company's management by the management board as required by law. At any time of the year, it may carry out any verifications or controls which it deems necessary and may demand any documents which it deems useful to the fulfilment of its mission.

In addition, the supervisory board grants the management board permission to carry out the operations listed above, for which its prior authorization is required.

All decisions of the supervisory board are made by a majority vote of the members present or represented. The chairman has a casting vote in case of a tie of votes.

The following decisions of the supervisory board must, however, be taken by a majority vote of two thirds of the members of the supervisory board:

- to appoint any member of the management board, including its Chairman as chairman of the management board;
- to dismiss any member of the management board, including its Chairman as chairman of the management board;
- to submit to the shareholders' meeting any modification to the articles of association;
- relating to the drafting and amendment of the supervisory board's internal charter;
- relating to approval of modifications proposed by the management board to the management board's internal charter;
- to relocate the international headquarters of the company to another country, or to make such a proposal to the general meeting;
- upon a proposal from the Chairman of the management board, to appoint one or more members of the management board to assume representative responsibility on behalf of the Company, in the capacity of general manager.

***Initial supervisory board members to be appointed by the general meeting of shareholders***

The initial supervisory board members will be, subject to the vote of the shareholders' meeting to be held on May 21st, 2007:

- Robert F.W. van Oordt (as chairman of the supervisory board)
- François Jaclot (vice chairman of the supervisory board)
- Frans J.G.M. Cremers
- Jacques Dermagne
- Rob Ter Haar
- Jean-Louis Laurens
- Yves Lyon-Caen
- Henri Moulard
- Bart R. Okkens
- Jos W.B. Westerburgen

Messrs Ter Haar, Lyon-Caen, Moulard and Okkens are appointed for a 1 year term, Messrs van Oordt and Laurens, for a 2 year term and Messrs Jaclot, Cremers, Dermagne and Westerburgen for a 3 year term.

The appointment of two additional members, who will not be French or Dutch citizens and who shall be qualified and independent according to the criteria set forth in the charter of the supervisory board, based on French and Dutch corporate governance best practices (as described in the "Bouton Report" and the "Tabaksblat Code", respectively), will be submitted to a future shareholders' meeting.

***Initial management board members to be appointed by the supervisory board***

The initial management board members will be:

- Guillaume Poittrinal (as chairman of the management board)
- Joost A. Bomhoff
- Michel Dessolain
- K. Willem Ledeboer
- Catherine Pourre

- Peter M. van Rossum

Upon proposal by the Chairman of the management board, with the authorization of the supervisory board, the members of the management board may allocate management tasks amongst themselves. In this case, such an allocation of tasks shall not exempt the management board from meeting and deliberating on major issues relating to the company's management, nor shall it be invoked as grounds for exemption from the obligation to supervise the general conduct of corporate activities, which is incumbent on each member of the management board, and for which the members have joint and several liability.

The initial responsibilities and functions among the initial members of the management board other than the chairman shall be as follows:

- One member Mr Joost Bomhoff will act as Chief Development Officer: he will be responsible for the growth strategy of the company in existing and new market segments and sectors, and for the origination of property transactions, including standing investments and development opportunities.
- One member Mr Michel Dessolain will act as Chief Operating Officer; he will be responsible for operations and for retail management: marketing and sale, leasing and technical management of centres, responsible for management of construction of new centres and restructuring or extension of existing centres.
- One member Mr Willem Ledeboer will act as Chief Investment Officer and will be in charge of asset management: defining asset strategy, budget and 5-years plan, co-ownership strategy. He will be responsible for the investment/divestment process.
- One member Ms Catherine Pourre will act as Chief Resources Officer: she will be in charge of the legal, human resources, information technology and organisation functions.
- One member Mr Peter van Rossum will act as Chief Financial Officer: he will be responsible for generating profits through optimization of the cost of capital, tax matters and investors relations. As such, he will be in charge of financial control, consolidation, refinancing, tax, and investors relations.

#### ***Information concerning the future members of the management board and the supervisory board***

The information concerning Messrs Poitrinal, Dermagne, Dessolain, Jaclot, Laurens, Lyon-Caen, Moulard et Madame Pourre are set forth in the Registration Document.

##### ***Robert F.W. van Oordt (1936), Chairman***

Former consultant and partner at McKinsey & Cie Inc. (1967-1979), chief operating officer and member of the board of directors at Hunter Douglas N.V. (1979-1989), chairman of the executive board of Bührmann Tetterode N.V. (1990-1993), and chairman of the executive board of N.V. Koninklijke KNP BT (1993-1996). Chief executive officer of Rodamco (2000-2001). Currently, supervisory director at Draka Holding N.V. and member of the boards of directors of Fortis Bank N.V. and Schering-Plough Corporation.

##### ***Frans J.G.M. Cremers (1952)***

Until the end of 2004, CFO and member of the executive board of VNU N.V. Before joining VNU, he had a long career with Shell where he was appointed CFO of Shell Expro in 1993. In addition to Rodamco supervisory board membership, he holds supervisory board positions at NS N.V., Royal Vopak N.V., Fugro N.V. and Schiphol N.V. He is a member of the Capital Market Committee of AFM. Finally, he participated in the 2005/2006 investigation into the activities of Royal Ahold on behalf of the Enterprise Chamber of the Amsterdam Court of Appeal.

##### ***Rob Ter Haar (1950)***

Until March 2004, CEO of Hagemeyer N.V. Previously, he was chairman of the executive board of De Boer Unigro N.V. Rob Ter Haar is a member of the supervisory boards of Royal Friesland Foods N.V., Maxeda B.V., Parcom Ventures B.V., Boekhandels Groep Nederland B.V. and B.V. Sperwer Holding.

##### ***Bart R. Okkens (1941), Vice-Chairman***

Independent legal advisor; former civil law notary in Rotterdam, and a managing partner at De Brauw Blackstone Westbroek N.V., he held a number of senior positions, including vice-chairman of the Royal Association of Civil Law Notaries and member of the Supervision of Notaries Chamber in Rotterdam. Supervisory board member of Stichting de Nationale Sporttotalisator and chairman of the Supervisory Board of the Boijmans van Beuningen museum.

*Jos W.B. Westerburgen (1942)*

Began his career with the Dutch Ministry of Finance, reaching director level before joining Unilever. Now retired, he is a former Company Secretary and Head of Tax at Unilever N.V. and Unilever plc. He is currently supervisory board member of ASML Holding N.V. and vice-chairman of the board of the Association AEGON.

*Joost A. Bomhoff (1948), COO Retail Management, Dutch national, joined Rodamco in 1982*

Initially responsible for managing a portfolio of assets in various continental European countries, and later for building up the shopping centre portfolios in Spain and France. In 1990, appointed an executive director of Rodamco.

*K. Willem Ledeboer (1954), CIO Asset Selection, Dutch national, joined Rodamco in 1986*

A lawyer with the firm Nauta before becoming legal counsel for Rodamco. From 1989 to 1996, a director of Rodamco in Australia, Europe and Asia/Pacific. Was appointed an executive director of Rodamco Europe in 1996.

*Peter M. van Rossum (1956), CFO, Dutch national, joined Rodamco on April 1<sup>st</sup> 2006*

Built extensive experience during 24 years in financial positions with Shell in Europe, Middle East, USA and Asia. His most recent positions include Regional Finance Director for Shell's upstream activities in AsiaPacific and CFO of the NAM, the Dutch oil and gas producing JV between Shell and Exxon.

### **Committees**

The initial supervisory board will appoint two supervisory board committees from its members:

- a) An Audit Committee composed of four members of the supervisory board (3/4 should be qualified as independent). Membership will be adopted by the supervisory board upon recommendation by the Chairman and Vice-Chairman of the supervisory board. The Audit Committee will hold meetings at least quarterly. It will be chaired by the Vice-Chairman of the supervisory board;
- b) A Governance, Nomination & Remuneration Committee composed of four (4) members of supervisory board. (3/4 should be qualified as independent). Membership will be adopted by the supervisory board upon recommendation by the Chairman and Vice-Chairman of the supervisory board. The GN&RC will hold at least three (3) meetings per year. It will be chaired by the Chairman of the supervisory board.

The internal regulations of these two committees will be available online on the company's website.

### **International Headquarters**

It is Unibail's and Rodamco's intention and agreement to locate the international headquarters of the new group in the Netherlands. This will include both operational and administrative functions, together with the primary office of a significant number of combined entity management board members, including the CEO, and a majority of heads of staff and their corporate teams. The functions attached to the legal registered office and the French operations of the new group will continue to be managed out of Paris. The final organisational structure will be defined under the supervision of a committee which will work in conjunction with the members of the new combined group's management board.

## **10.3 Information Concerning Rodamco**

The information concerning Rodamco are described in paragraph 10 of the Offer Document.

## **10.4 Mandatory Particular Distributions**

Unibail and Rodamco wish to maintain their respective SIIC and FBI status following the Offer.

Rodamco is an investment company (*fiscale beleggingsinstelling* or "FBI") subject to the tax preferential regime applicable to such companies in the Netherlands. In 2004, Rodamco choose to be subject to the tax regime applicable to the real estate investment listed companies (SIIC) in France, for approximately one third of its French portfolio. Since 2005, the SIIC regime applies to the whole portfolio in France.



#### 10.4.1 SIIC Regime

The SIIC regime was introduced in France by the 2003 Finance Act (Article 208 C of the FTC). Under the SIIC regime, a SIIC can elect to be exempt from tax on the share of its income deriving from letting real estate properties and capital gains on real estate properties, provided that they comply with the following requirements:

- the main corporate purpose must be the investment in and/or construction of real estate properties for leasing purposes or the direct or indirect holding of ownership interests in legal entities with the same main corporate purpose;
- 85% of the exempted income deriving from the real estate rental operations, 50% of realized capital gains on disposal of real estate properties and 100% of dividends received from subsidiaries which have elected for the same regime must be distributed to shareholders;
- in case of exit from the regime, the portfolio's latent capital gains (*plus-values latentes*) are subject to tax at the rate of 16.5%, payable in four equal annuities;
- the share capital shall not be lower than 15 million Euro;
- the shares must be listed on a French regulated market.

A SIIC can conduct activities other than those relating to its main business purpose to the extent that the gross book value of the assets used in conducting these other activities does not exceed 20% of the gross book value of its total assets. Special rules apply with respect to financial leasing (*crédit-bail*) activities. Income derived from such ancillary activities is subject to corporate income tax under standard conditions.

If a SIIC controls directly or indirectly, sole or jointly another SIIC, at least 95% of the share capital and/or the voting rights of the subsidiaries which are not transparent on a tax point of view, these subsidiaries may elect the SIIC regime, provided that they comply with the aforesaid requirements related to main corporate purpose and distribution.

A 20% tax is due on distributions paid by a SIIC and is withdrawn from its tax relief revenues to a shareholder other than an individual shareholder, who holds directly or indirectly at least 10% of the share capital of this SIIC company and which is exempted from a tax amount inferior to more than two thirds to the one of corporate tax due in France.

#### 10.4.2 FBI Tax Regime

A Dutch-resident company, incorporated under the laws of an EU member state, can obtain and benefit from the FBI status if the conditions of Article 28 of the Dutch corporate income tax act ("CITA") and the conditions laid down in the decree on FBI's dated 29 April 1970, as amended, are met.

An FBI is subject to Dutch corporate tax at a rate of 0%. The FBI must distribute its 'distributable' profits annually within eight months after the end of the relevant fiscal year (*'doorstootverplichting'*) except for the unrealised gains on securities and the realised gains on all other investments, which it may add to a so-called Reinvestment Reserve (*'herbeleggingsreserve'*). If and to the extent (un)realised gains are added to the Reinvestment Reserve, it is treated as (informal) capital for tax purposes rather than distributable earnings.

##### *General Description of the Current FBI Regime*

In order to be eligible for the regime, the FBI must meet a number of requirements.

- (i) The FBI must have the form of a Dutch *naamloze vennootschap* (public limited liability company), a *besloten vennootschap met beperkte aansprakelijkheid* (limited liability company) or be a *fonds voor gemene rekening* (mutual investment fund).
- (ii) The FBI must be a resident of the Netherlands for tax purposes.
- (iii) An FBI must exclusively be engaged in portfolio investment activities, *i.e.* it may not (partly) carry on an active trade or business. Whether an activity must be classified as a portfolio investment activity or as a business activity for Dutch tax purposes, is dependent on all relevant facts and circumstances.
- (iv) An FBI may debt finance its investments up to a maximum of 60% of the tax book value of the real property plus 20% of the tax book value of all other investments. The Dutch tax authorities have given as their view that, in view of case law rendered until now, the ORA cannot be regarded as equity for Dutch tax purposes and that they therefore should be regarded as debt for Dutch tax purposes. Unibail may contemplate to address this point in more detail with the Dutch tax authorities.

(v) The FBI regime applies different shareholder requirements for listed and non-listed FBIs. The shareholders requirements imposed on listed FBIs are the following:

- a corporate entity that is subject to any form of profit tax (except if that entity is a listed-FBI) or a tax transparent entity (*i.e* an entity of which the profits are taxed in the hands of the beneficiaries), cannot together with affiliated entities<sup>(13)</sup> own 45% or more of all shares or participation rights (taking into account any shares in which respect the relevant entity is able to exercise voting rights, whether or not on the basis of voting agreements);
- no single non-Dutch resident mutual fund or non-Dutch resident corporate entity with a capital divided into shares may own an interest of 25% or more;
- Dutch resident entities cannot own an interest of 25% or more through non-Dutch resident mutual funds or corporate entities with a capital divided into shares; and
- no single individual may own an interest of 25% or more.

(vi) Certain restrictions apply to executive and supervisory board members of a listed FBI, which entail, in summary, that:

- a member of the board of the FBI cannot also be a member of the board, or the supervisory board, of a shareholder company, or its affiliated entity, if that shareholder company, either alone or together with an affiliated entity, has an interest of 25% or more in the FBI;
- more than half of the supervisory board of directors of the FBI are not also a member of the board or supervisory board of a shareholder company, or its affiliated entity, if that shareholder company, either alone or together with an affiliated entity, has an interest of 25% or more in the FBI; and
- the aforementioned member of the board or member of the supervisory board of the FBI are neither employed by the aforementioned shareholder company or its affiliated entity.

An exception is made if the aforementioned shareholder company and/or its affiliated entity are FBI's which are listed on Amsterdam Euronext.

### ***General Description of the Proposed FBI Regime***

Pursuant to Dutch bill no. 30.533, the following changes are proposed.

#### ***Legal Form***

It is proposed to drop the restriction that only a Dutch company can be an FBI. In particular, the bill now proposes that the FBI may also be carried on as an entity incorporated or formed under the laws of the Netherlands Antilles, Aruba, a Member State of the European Union or a country with which the Netherlands has concluded a double tax treaty<sup>(14)</sup>. The entity incorporated or formed under the laws of any of the aforementioned foreign jurisdictions must be comparable with the qualifying Dutch entities.

#### ***Residency***

Under the proposed legislation, it is no longer required that the FBI be a resident of the Netherlands for tax purposes.

#### ***Shareholders Requirements***

While currently the less stringent shareholders requirements apply only to FBIs that are listed at the Amsterdam stock exchange, the bill proposes that the less stringent shareholder conditions will apply to an FBI that is either listed on a recognized stock exchange or that has a license pursuant to the Financial Supervision Act or benefit from an exemption thereof. A regular investment institution may not attract funding from, or offer participation rights to, investors in or from within the Netherlands, unless the AFM has issued a license to such investment institution pursuant to the Financial Supervision Act.

<sup>(13)</sup> The term 'affiliated company' means:

- (i) a company in which the FBI holds an interest of at least one-third;
- (ii) a company which holds an interest of a least one-third in the FBI; or
- (iii) two companies who have a mutual shareholder which has an interest of one-third or more in both companies.

<sup>(14)</sup> The double tax treaty must include a non-discrimination clause which prohibits discrimination on the basis of nationality with respect to entities which are otherwise in a similar position.

In addition, the bill repeals the current requirement that a non-Dutch resident entity with a capital divided into shares, or a foreign mutual fund (*fonds voor gemene rekening*), cannot own an interest of 25% or more in the FBI. Therefore, under the bill, a corporate entity, whether Dutch or non-Dutch resident, will be able to hold an interest in an FBI of up to, but less than, 45%.

The proposed amendment to the FBI regime will enter into force as of the day after publication in the Dutch Bulletin of Acts and Decrees (*Staatsblad*).

### ***Legislative Proposal re 'Project Development'***

A separate legislative proposal approved by the second chamber of the Dutch parliament currently pending before the Dutch Upper House, regarding the scope of the activities test for FBIs, which will allow an FBI to be engaged in development activities for its own real estate portfolio. If and when this proposal will be enacted in its current form, FBI's will be allowed to hold the shares in (and manage) subsidiaries that conduct real estate development activities for the benefit of the FBI or a related company.

### **10.4.3 Obligations Linked to the Preservation of the FBI Regime**

The Dutch tax authorities have confirmed to Rodamco that it will not lose its FBI status for a period of two years following settlement of the Offer, provided, principally, that Unibail takes all necessary or appropriate measures, which may include, in particular, a possible restructuring of some of its assets or operations, to obtain and, thereafter, maintain, its FBI status.

Unibail has agreed with Rodamco that it shall take all actions and do all things necessary or appropriate to obtain and maintain FBI status and do all things necessary or appropriate as soon as reasonably practicable after the settlement of the Offer, including but not limited to a possible restructuring of its assets or operations.

Rodamco has obtained a ruling from the Dutch tax authorities confirming that, in the event that bill no. 30.533 is rejected by the Dutch Upper House, Rodamco will maintain its FBI status for one year following the date the bill is rejected, provided that Rodamco meets all the requirements of the FBI regime before the expiry of that one year period.

### **10.4.4 Other Tax Considerations**

#### ***Dutch Withholding Tax on the Rodamco Dividends***

As an FBI, Rodamco will be subject to an annual profit distribution obligation (*'doorstootverplichting'*). Any dividend payments by Rodamco will in principle be subject to Dutch dividend withholding tax at the statutory rate of 15%. However, as a tax resident of France, Unibail will be eligible to a reduced rate of tax on Rodamco dividends of 5% pursuant to the French-Dutch Tax Treaty provided Unibail owns 25% or more of the paid-up share capital of Rodamco.

Under current Dutch law, if and when Unibail will have obtained the Dutch FBI status, Unibail may reclaim any Dutch dividend tax withheld on Rodamco dividends pursuant to Dutch domestic law.

#### ***French Tax Ruling***

Unibail has received written confirmation from the French tax authorities (*Direction de la législation fiscale*) dated April 5th, 2007 that subject to certain conditions the shares of Rodamco may and will, from a French tax viewpoint, be attributed to a permanent establishment of Unibail in the Netherlands. As a consequence, dividend income and capital gains derived by Unibail from the ownership of the shares of Rodamco will be outside the territorial scope of French income taxes (Article 209-I of the FTC).

#### ***Dutch clearance on tax consequences of the transaction***

Unibail will have a permanent establishment in the Netherlands to which it will attribute the shares of Rodamco. Unibail will be liable to Dutch corporate tax according to general Dutch tax principles. As and when Unibail will have obtained the FBI status, Unibail will be liable to Dutch corporate tax at the rate of 0%.

In relation to the clearance from the Dutch tax authorities on the tax consequences of the transaction, there will de facto be a collection of a one off amount of around 30 million Euro as tax on the dividend to be paid by Rodamco to Unibail out of its 2007 results (on the basis of an ownership of 100% of Rodamco by Unibail).

## 10.5 Unaudited Pro Forma Financial Information

### *Introduction*

The Unaudited Pro Forma Financial Information has been prepared as the unaudited consolidated pro forma balance sheet and the unaudited pro forma profit and loss statement and the unaudited consolidated pro forma cash flow statement of Unibail after giving effect to the combination of Unibail and Rodamco, excluding potential tax costs related to the acquisition of Rodamco securities (see paragraph 10.4.4, third sub-section).

The purpose of the Unaudited Pro Forma Financial Information is to illustrate the effect of the combination of Unibail and Rodamco on the historical accounting and financial information of Unibail for the year ended December 31st, 2006. They are not necessarily representative of the financial situation and performance that could have been observed if the combination had been undertaken as at January 1st, 2006. The Unaudited Pro Forma Financial Information does not take into consideration the effects of expected synergies or costs incurred to achieve these synergies or related to the combination.

The Unaudited Pro Forma Financial Information consists of:

- Consolidated pro forma financial statements (pro forma consolidated balance sheets as at December 31st, 2006, consolidated pro forma income statements and cash flow statements for the year ended December 31st, 2006 and related notes) reviewed by Ernst & Young Audit and BDO Marque & Gendrot (the “Consolidated Pro Forma Financial Statements”);
- Unaudited consolidated pro forma key indicators as at December 31st, 2006:
  - The group share of recurring net earnings and group share of recurring net earnings per share;
  - Market value of investment properties;
  - Loan to value ratio, defined as net financial debt divided by the market value of properties;
  - Triple net liquidation Net Asset Value (“NNNAV”) and NNNAV per share.

The Unaudited Pro Forma Financial Information has been prepared on the assumption that the business combination took place as at January 1st, 2006, based on the conditions of the Offer described in Chapter 6 of this document.

The Unaudited Pro Forma Financial Information has been prepared and presented assuming that Unibail will acquire 100% of the Rodamco Shares following the completion of the combination and that sufficient Rodamco Shareholders will elect to receive the ORA consideration such that all the 9,363,720 Unibail ORA and 37,454,882 Unibail Shares will be issued at settlement. The value of Unibail Shares retained for the preparation of the Unaudited Pro Forma Financial Information is estimated at 235.50 Euro, corresponding to the closing share price as at April 5th, 2007, the last trading day before the Announcement of the Offer on April 10th, 2007.

The Pro Forma Financial Information gives no information of the results and future financial situation of the activities.

The information related to Rodamco in this Unaudited Pro Forma Financial Information has been sourced from the company's 2006 Annual report, in particular the audited consolidated accounts as at December 31st, 2006, except for the purpose of the pro forma key indicators where investment properties value including transfer taxes have been provided by Rodamco. These financial statements were approved by Rodamco's shareholders' meeting on April 27th, 2007. Unibail accepts no responsibility for the accuracy of the publicly available information on Rodamco, nor does Unibail guarantee, whether expressly or impliedly, that all publicly available information on Rodamco has been included in this Unaudited Pro Forma Financial Information.

### 10.5.1 Unaudited Consolidated Pro Forma Financial Statements of Unibail

#### a) Consolidated Pro Forma Balance Sheet as at December 31st, 2006

<b>CONSOLIDATED BALANCE SHEET (IFRS)</b>	<b>Note</b>	<b>Unibail 31.12.06</b>	<b>Rodamco 31.12.06</b>	<b>Pro Forma Adjustments</b>	<b>Unibail Proforma 31.12.06</b>
<i>Euro million</i>					
<b>NON CURRENT ASSETS</b>		<b>10,233</b>	<b>10,666</b>	<b>5,755</b>	<b>26,654</b>
Tangible assets		249	258		507
Investment properties		9,046	10,349		19,395
Goodwill	10.5.2.c	168	33	5,755	5,956
Intangible assets		308			308
Loans		36			36
Derivative at fair value		100	1		101
Deferred tax assets			18		18
Investment in associates shares of companies consolidated under equity method		326	1		327
Other non current assets			6		6
<b>CURRENT ASSETS</b>		<b>610</b>	<b>132</b>		<b>742</b>
Properties under promise of mandate of sale		96			96
Stocks	10.5.2.c	28			28
Other current assets		453	86		539
Cash and equivalents		32	46		78
<b>TOTAL ASSETS</b>		<b>10,843</b>	<b>10,798</b>	<b>5,755</b>	<b>27,396</b>
<b>TOTAL EQUITY</b>		<b>6,834</b>	<b>6,498</b>	<b>5,425</b>	<b>18,758</b>
<b>Shareholders' equity (group share)</b>		<b>6,053</b>	<b>6,487</b>	<b>5,425</b>	<b>17,966</b>
Issued share capital	10.5.2.c	231	717	(530)	418
ORA	10.5.2.d			1,891	1,891
Reserves and Premiums	10.5.2.c	3,681	4,242	4,073	11,996
Unrealized or deferred capital gains and losses		1	3	4	8
Result	10.5.2.c.	2,140	1,525	(13)	3,652
<b>Minority interests</b>		<b>781</b>	<b>11</b>		<b>792</b>
<b>NON CURRENT LIABILITIES</b>		<b>2,672</b>	<b>3,788</b>	<b>253</b>	<b>6,713</b>
Commitment to purchase minorities' interests		116			116
Long term bonds and interests bearing loans	10.5.2.d	2,238	3,112	253	5,603
Derivative at fair value		11	28		39
Deferred tax liabilities		197	577		774
Long term provisions		34	40		74
Guarantee deposits and deferred lease incentive		74	7		81
Tax liabilities		3	24		27
<b>CURRENT LIABILITIES</b>		<b>1,336</b>	<b>512</b>	<b>77</b>	<b>1,925</b>
Amounts owed to shareholders		46			46
Interests bearing loans, borrowings and bonds	10.5.2.d	670	239	33	942
Other current liabilities		621	273	44	937
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,843</b>	<b>10,798</b>	<b>5,755</b>	<b>27,396</b>

**b) Consolidated Pro Forma Income Statement for the Year Ended December 31st, 2006**

<b>CONSOLIDATED INCOME STATEMENT</b>	<b>Note</b>	<b>Unibail 31.12.06</b>	<b>Rodamco 31.12.06</b>	<b>Pro Forma Adjustments</b>	<b>Unibail Pro forma 31.12.06</b>
<i>Euro million</i>					
Gross rental income . . . . .		490	652		1,142
Net service charge expenses . . . . .		(12)	(5)		(18)
Property operating expenses & ground rents paid . . . . .		(67)	(84)		(151)
<b>Net rental income . . . . .</b>		<b>411</b>	<b>563</b>	<b>0</b>	<b>974</b>
Administrative expenses . . . . .		(31)	(52)		(83)
Net other income . . . . .		47	0		47
Profit on disposal of investment property . . .		99	27		127
Valuation movements . . . . .		1,701	1,307		3,009
<b>Net operating profit before financing cost . .</b>		<b>2,227</b>	<b>1,845</b>	<b>0</b>	<b>4,073</b>
Net other interest expenses . . . . .	10.5.2.d	(81)	(133)	(13)	(228)
Fair value adjustments of financial instruments . . . . .		87	7		94
Income from equity affiliates . . . . .		163	(0)		163
<b>Profit before tax . . . . .</b>		<b>2,396</b>	<b>1,719</b>	<b>(13)</b>	<b>4,102</b>
Income tax expense . . . . .		(19)	(190)		(210)
<b>Profit for the period . . . . .</b>		<b>2,377</b>	<b>1,529</b>	<b>(13)</b>	<b>3,893</b>
Minority interests . . . . .		237	4		241
<b>Net profit (group share) . . . . .</b>		<b>2,140</b>	<b>1,525</b>	<b>(13)</b>	<b>3,652</b>
<b>Net profit per share, group share(€)<sup>15</sup> . . . .</b>		<b>€46.62</b>	<b>€17.02</b>		<b>€39.39</b>
<b>Diluted net profit per share, group share(€)<sup>16</sup> . . . . .</b>		<b>€45.93</b>	<b>€17.02</b>		<b>€39.10</b>

<sup>15</sup> Assuming full conversion of the Unibail ORAs. Based on (i) Unibail's average number of shares according to IAS 33 (45,901,800), (ii) 37,454,882 Unibail shares and (iii) 9,363,720 Unibail ORAs to be issued in exchange of Rodamco shares.

<sup>16</sup> Assuming full conversion of the Unibail ORAs. Based on (i) Unibail's average number of fully diluted shares according to IAS 33 (46 583 901), (ii) 37,454,882 Unibail shares and (iii) 9,363,720 Unibail ORAs to be issued in exchange of Rodamco shares.

c) Consolidated Pro Forma Cash Flow Statement for the Year Ended 31 December 2006

<b>CONSOLIDATED CASH FLOW STATEMENT</b>	<b>Note</b>	<b>Unibail 31.12.06</b>	<b>Rodamco 31.12.06</b>	<b>Pro Forma Adjustments</b>	<b>Unibail Pro Forma 31.12.06</b>
<i>Euro million</i>					
<b>OPERATING ACTIVITIES</b>					
<b>Net Profit for the period</b> . . . . .	10.5.2.d	<b>2,377</b>	<b>1,529</b>	(13)	<b>3,893</b>
Valuation gains and losses . . . . .		(1,701)	(1,307)		(3,009)
Valuation movements on financial instruments . .		(85)	9		(76)
Depreciation & provisions . . . . .		10	(2)		7
Others . . . . .		5	6		10
Net capital gains / losses on sales of properties . .		(108)	(27)		(135)
Income tax expense . . . . .		25	190		215
Net financing and interests expenses costs . . . . .	10.5.2.d	80	133	13	226
Income from equity affiliates . . . . .		(164)	0		(163)
<b>Net cash inflow from operating activities before net financing costs and income expenses</b> . . . . .		<b>437</b>	<b>531</b>	<b>0</b>	<b>968</b>
Interest and income tax paid . . . . .		5	(143)		(139)
Change in working capital . . . . .		(66)	(24)	44	(47)
<b>TOTAL CASH FLOW FROM OPERATING ACTIVITIES</b> . . . . .		<b>376</b>	<b>363</b>	<b>44</b>	<b>783</b>
<b>INVESTMENT ACTIVITIES</b>					
<b>Property activities</b> . . . . .		<b>(73)</b>	<b>(80)</b>	<b>(1)</b>	<b>(154)</b>
Acquisition and disposal of consolidated companies . . . . .		129		(1)	128
Acquisition and disposal of tangible fixed assets . . . . .		(109)	(80)		(190)
Exit tax payment . . . . .		(98)			(98)
Property financing . . . . .		5			5
<b>Lending activities</b> . . . . .		<b>6</b>	<b>0</b>	<b>0</b>	<b>6</b>
Repayment of finance leasing . . . . .		6			6
<b>Financial activities</b> . . . . .		<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>
Disposal of investments and other financial assets . . . . .		1			1
<b>TOTAL CASH FLOW FROM INVESTMENT ACTIVITIES</b> . . . . .		<b>(66)</b>	<b>(80)</b>	<b>(1)</b>	<b>(148)</b>
<b>FINANCING ACTIVITIES</b>					
Capital increase . . . . .		19		(42)	(22)
Dividend payments . . . . .		(191)	(318)		(509)
New borrowings and financial liabilities . . . . .		4,470	857	(1)	5,325
Repayment of borrowings and financial liabilities and interests expenses . . . . .		(4,594)	(879)		(5,473)
<b>TOTAL CASH FLOW FROM FINANCING ACTIVITIES</b> . . . . .		<b>(296)</b>	<b>(340)</b>	<b>(43)</b>	<b>(679)</b>
<b>Change in cash and cash equivalents during the year</b> . . . . .		<b>14</b>	<b>(58)</b>	<b>0</b>	<b>(44)</b>
Cash at beginning of year . . . . .		(10)	72		62
Cash at year-end . . . . .		3	15		18

## 10.5.2 Notes to the Unaudited Pro Forma Financial Information

### *a) Assumptions*

The acquisition of Rodamco is subject to approval of the operation by Unibail's shareholders' meeting. The Unaudited pro Forma Financial Information is based on the assumption that the shareholders of Unibail will approve the transaction, and that the other suspensive conditions of the Offer will be satisfied or waived.

This acquisition is based on the following assumptions:

- A Unibail capital increase reserved for Rodamco's shareholders with the issue of a maximum of 37,454,882 new shares in respect of the share offer;
- The issue of a maximum of 9,363,720 bonds (ORA) in respect of the Offer in ORA, as defined in Chapter 5 of this document.

Since the results of the Offer are not known on the date hereof, the Unaudited Pro Forma Financial Information has been prepared and presented assuming that Unibail will acquire 100% of the Rodamco Shares following the completion of the combination and that sufficient Rodamco Shareholders will elect to receive the ORA Consideration such that all the 9,363,720 Unibail ORA and 37,454,882 Unibail Shares will be issued at settlement of the Offer.

For the purposes of the Consolidated Pro Forma Financial Statements, the potential tax costs related to the acquisition of the Rodamco securities are not taking into account (see paragraph 10.4.4, third sub-section).

The Consolidated Pro Forma Financial Statements have been prepared on the basis of:

- Consolidated financial statements of Unibail for the year ended December 31st, 2006, approved by the board of directors and prepared in accordance with International Financial Reporting Standards in force in the EU. These financial statements have been audited by Ernst & Young Audit and BDO Marque & Gendrot in accordance with auditing standards as applied in France;
- Consolidated financial statements of Rodamco for the year ended December 31st, 2006, approved by the management board and prepared in accordance with International Financial Reporting Standards in force in the EU. These financial statements have been audited by PricewaterhouseCoopers Accountants N.V. in accordance with auditing standards as applied in the Netherlands.

### *b) Accounting Principles Used for the Preparation of the Consolidated Pro Forma Financial Statements*

The Consolidated Pro Forma Financial Statements have been prepared and are presented on the basis of accounting principles of Unibail as described in its consolidated financial statements as at December 31st 2006.

The accounting principles used by Rodamco as described in its consolidated financial statements for the year ended December 31st, 2006 do not differ significantly from those used by Unibail. Consequently, Rodamco's consolidated financial information has not been restated for the preparation of the Consolidated Pro Forma Financial Statements.

No significant intra-group transactions have been identified between Unibail and Rodamco.

### *c) Application of IFRS 3 — Business Combination and Calculation of Goodwill*

#### *Business Combination*

The principles applied to account for the consolidation of Rodamco are those defined in accordance with IFRS 3 — Business combination. The difference of the net fair value of assets, liabilities and contingent liabilities of Rodamco and the purchase price for Rodamco Shares is recognised as goodwill, which will be subject to impairment tests.

In consideration of the terms and characteristics of the Offer and for the purpose of the Consolidated Pro Forma Financial Statements, Unibail has been considered as being the acquirer.

The cost of the business combination is assumed to be equal to the market value of the shares and the ORA of Unibail to be issued in exchange for the shares of Rodamco and the direct costs attributable to the business combination.

The Initial Exchange Ratio of 0.5300 of a Unibail share or ORA for one Rodamco share announced on April 10th, 2007 has been adjusted to 0.5223 in order to reflect the financial impact of:

- (i) the payment of Unibail's interim dividend relating to fiscal year 2006 of 1.00 Euro per Unibail Share paid to Unibail shareholders on April 16th, 2007,



- (ii) the payment of Rodamco's final dividend relating to fiscal year 2006 of 2.34 Euro per Rodamco Share paid to Rodamco shareholders on May 8th, 2007.

For the purpose of the Consolidated Pro Forma Financial Statements, the cost of the Rodamco Shares has therefore been determined on the basis of:

- The Share Exchange Ratio of 0.5223 (see Chapter 6 of the document);
- The ORA Exchange Ratio of 0.5223 (see Chapter 6 of the document);
- A market value of Unibail Shares issued in exchange for 100% of Rodamco Shares of 235.50 Euro per share and per ORA corresponding to the closing share price as at April 5th, 2007, the last trading day before the announcement of the Offer on April 10, 2007.

The estimated total costs relating to the transaction amount to 44 million Euro, of which 1 million Euro are direct transaction costs relating to the acquisition (transaction-related fees paid to financial, legal and tax advisors, as well as registration and other regulatory/ administrative fees). The balance of 43 million Euro relates to fees attributable to the issue of the Shares and the ORA of Unibail.

The estimated aggregate cost of the business combination has been calculated as follows (in million Euro, except number of shares and per share data in Euro):

**TABLE 1 — COST OF THE BUSINESS COMBINATION**

Number of Rodamco Shares on December 31, 2006 <sup>(1)</sup>	89,639,292
Exchange Ratio into Unibail Share or ORA <sup>(2)</sup>	0.5223
Number of Unibail Shares to be issued in exchange for Rodamco Shares <sup>(3)</sup>	37,454,882
Number of Unibail ORA to be issued in exchange for Rodamco Shares <sup>(3)</sup>	9,363,720
Unibail Share price <sup>(4)</sup>	235.50
Market value of the Unibail Shares to be issued in exchange for Rodamco shares	8,821
Market value of the Unibail ORA to be issued in exchange for Rodamco shares	2,205
<b>Total market value of Unibail Shares/ORAs to be issued in exchange for Rodamco shares</b>	<b>11,026</b>
Estimated expenses related directly to the transaction <sup>(5)</sup>	<u>1</u>
<b>Total cost of the business combination</b>	<b><u>11,027</u></b>

Notes:

<sup>(1)</sup> As reported by Rodamco as at December 31st, 2006, excluding the new Long Term Incentive Plan for the Management Board and other senior staff. 49,753 shares were granted in 2006, none of them have been vested and delivered.

<sup>(2)</sup> Exchange Ratio as defined in chapter 6 of this document.

<sup>(3)</sup> Assuming that Rodamco shareholders will tender their shares for 80% in Unibail Shares (Share Offer) and 20% in Unibail ORA (ORA Offer).

<sup>(4)</sup> Unibail Shares issued to Rodamco's shareholders in consideration for the Offer will be based on the quoted market price as of the closing date of the Offer. The share price used herein is the last closing price of Unibail prior to announcement, i.e. as at April 5th, 2007. The actual cost of the business combination may therefore differ from the estimated cost presented herein.

<sup>(5)</sup> Estimated transaction-related expenses to be capitalized net of tax by Unibail post completion of the Offer

Based on the calculation presented above, the total cost of the business combination is estimated at 11,027 million Euro.

### **Calculation of Goodwill**

The net fair value of assets, liabilities and contingent liabilities of Rodamco are estimated based on the corresponding values reflected in Rodamco consolidated financial statements as at December 31, 2005. Consequently the goodwill is estimated at 5,755 million Euro as the result of the difference between the estimated cost of the business combination of 11,027 million Euro (see paragraph above) and the shareholders' equity group share of Rodamco of 5,272 million Euro as at 31 December 2005.

Estimated goodwill is calculated as follows (in million Euro):

**TABLE 2 — GOODWILL**

Total estimated cost of the business combination	B	11,027
Shareholders' equity, group share, of Rodamco as at December 31st, 2005	A	<u>5,272</u>
<b>Estimated goodwill</b>	<b>C= B-A</b>	<b><u>5,755</u></b>

The acquisition price allocation to Rodamco's fair values for the purpose of preparing the Consolidated Pro Forma Financial Statements has not been performed at this stage. The final calculation and allocation of the goodwill, which will be performed in the future consolidated financial statements of Unibail after the completion of the Offer, may significantly differ from the Consolidated Pro Forma Financial Statements, in particular considering the increase in the investment properties' valuation of Rodamco since December 31st, 2005.

The same calculation of estimated goodwill based on shareholders' equity of Rodamco as at December 31, 2006 would result in a reduction of the estimated amount of goodwill, by 1,215 million Euro to 4,539 million Euro.

The changes in shareholders' equity, group share, as compared to Unibail consolidated financial statements for the year ended December 31st, 2006 is as follows (in million Euro):

**TABLE 3 — SHAREHOLDERS EQUITY, GROUP SHARE** (in million Euro)

	Unibail 31.12.06	Share Issue(1)	ORA Equity Component(2)	Dividend Paid To Rodamco Shareholders(3)	Movements of the Period(4)	Unibail Proforma 31.12.06
<b>Shareholders' equity (group share) . . .</b>	<b>6,053</b>	<b>8,786</b>	<b>1,878</b>	<b>(285)</b>	<b>1,532</b>	<b>17,965</b>
Issued share capital . . . . .	231	187				418
ORA . . . . .			1,891			1,891
Reserves and premiums . . . . .	3,681	8,599		(285)		11,995
Unrealized or deferred capital gains and losses . . . . .	1				7	8
Result . . . . .	2,140		(13)		1,525	3,652

Notes:

(1) 37,454,882 new Unibail Shares to be issued in exchange for Rodamco Shares with a nominal value per share of EUR 5;

(2) Paragraph 10.5.2.d below explains the accounting treatment of the ORA to be issued;

(3) Rodamco final dividend paid for 195 million Euro in relation to financial year 2005 and interim dividend 2006 paid for 123 million Euro, less 33 million Euro in consideration of the Minimum Cash Amount accounted in liabilities (see Paragraph 10.5.2.d below);

(4) Shareholders' equity movements of Rodamco over the year ending December 31st, 2006.

#### **d) Accounting for the ORA**

In accordance with IAS 32 — Financial instruments: Presentation — ORA are considered as equity instruments, except for the contingent Minimum Cash Amounts to be paid until the first call option (twelve years) in the hands of Unibail that are considered as liabilities for their net present value.

The estimated fair value of the ORA is presented consequently (i) as equity instruments separately in the shareholders' equity for a value of 1,891 million Euro, and (ii) as financial liabilities for a total value of 305 million Euro, out of which 33 million Euro corresponds to the financial liabilities due within one year and is therefore accounted under "Interests bearing loans, borrowings and bonds".

The financial liability part of 305 million Euro is computed as the net present value of the contingent Minimum Cash Amounts of 1.5% of the nominal value of the ORA, accruing on a quarterly basis over 12 years, at a annual discount rate of 4.5%, and is bearing an effective interest rate of 4.5% accounted for in the consolidated pro forma income statement, i.e. 13 million Euro for the pro forma year ending December 31st, 2006.

The ORA issue costs have been estimated at 8.6 million Euro, proportionally allocated to the equity and financial liability components of the ORA.

#### **Summary of the Key Terms of the ORA**

For a detailed overview of the terms of the ORA, we refer to the chapter 6 of this document.

Each ORA will be issued at its nominal value, equal to the issue price of the shares of Unibail that will be issued in consideration for the Rodamco Shares. The ORA will mature in 50 years and can be redeemed into Unibail Shares at any time following an initial non-redemption period of 3 months. The ORA pay a Cash Amount equal to 100% of the dividend paid to each Share during the relevant Accrual Period subject to a Minimum Cash Amount of 1.5% of the nominal value of the ORA.

The financial liability and the equity components of the ORA to be issued by Unibail for the purpose of the Consolidated Pro Forma Financial Statements are calculated as follows (in millions of Euro, except for numbers of shares and per share data in Euro):

**TABLE 4 — ORA COMPONENTS**

			January 1st, 2006	Restatement coupon <sup>(1)</sup>	Accrued Interest <sup>(2)</sup>	December 31st, 2006
Number of Unibail ORA to be issued in exchange for Rodamco shares (20%) . . . . .	9,363,720					
Unibail share price (EUR) . . . . .	235.50					
<b>Estimated fair value of Unibail ORA to be issued . . . . .</b>	<b>2,205</b>	<b>A</b>				
<b>Estimated costs<sup>(3)</sup> . . . . .</b>	<b>9</b>	<b>A'</b>				
Debt component < 1 year . . . . .			33			33
Debt component > 1 year . . . . .			272	(33)	13	253
<b>"Financial Liability" component of the ORA . . . . .</b>		<b>B</b>	<b>305</b>	<b>(33)</b>	<b>13</b>	<b>286</b>
		<b>C=A-B -</b>				
<b>"Equity" component of the ORA . . . . .</b>		<b>A'</b>	<b>1,891</b>			<b>1,891</b>

Notes:

(1) Corresponds to the minimum coupons accrued over the year ended 31 December 2006, i.e. 33 million Euro;

(2) Corresponds to the effective interest associated with the financial liability part of the ORA due for the year ended December 31st, 2006;

(3) Estimated issue costs of 8.6 million Euro proportionally allocated to the ORA financial liability component (1.2 million Euro) and equity component (7.4 million Euro);

For the purposes of the Unaudited Consolidated Pro Forma Financial Statements, it is assumed that the dividends and interest that would have been paid to the holders of shares and ORA issued in consideration of 100% of the Rodamco shares are identical to the dividends paid by Rodamco on its own shares during the same period.

Dividends paid for the year ended December 31st, 2006 by Rodamco represented 318 million Euro out of which 33 million Euro corresponding to the Minimum Cash Amount have been considered as a decrease of liabilities, and 285 million Euro as a decrease in shareholders' equity.

**e) Pro Forma Segment Information as at December 31st, 2006**

The following tables present a selection of pro forma segment information for Unibail and Rodamco. This pro forma segment information provides a breaks down the data (rental income and net rents) into two segments: divisions and countries.

**Pro Forma Information by segments**

BUSINESS SEGMENTS	Office Division			Shopping Centre Division			Convention & Exhibition Centre Division	Industrials (Logistic)	Pro forma December 31st, 2006		
	Unibail	Rodamco	Total	Unibail	Rodamco	Total	Unibail	Rodamco	Unibail	Rodamco	Total
(Millions of Euro)											
<b>Rental income . . . . .</b>	136	62	198	244	583	827	110	7	490	652	1,142
Net operating expenses . . . . .	(7)	(11)	(17)	(24)	(76)	(101)	(49)	(2)	(79)	(89)	(168)
<b>Net rental income . . . . .</b>	<b>129</b>	<b>51</b>	<b>181</b>	<b>220</b>	<b>507</b>	<b>726</b>	<b>62</b>	<b>5</b>	<b>411</b>	<b>563</b>	<b>974</b>

**Pro Forma Information by geographical areas**

GEOGRAPHIC SEGMENTS	France			Neth. & Belgium	Spain	Nordic Countries	Central Europe	Pro forma December 31st, 2006		
	Unibail	Rodamco	Total	Rodamco	Rodamco	Rodamco	Rodamco	Unibail	Rodamco	Total
(Millions of Euro)										
<b>Rental income . . . . .</b>	490	101	591	240	94	128	89	490	652	1,142
Net operating expenses . . . . .	(79)	(8)	(87)	(29)	(9)	(34)	(9)	(79)	(89)	(168)
<b>Net rental income . . . . .</b>	<b>411</b>	<b>93</b>	<b>504</b>	<b>211</b>	<b>85</b>	<b>94</b>	<b>80</b>	<b>411</b>	<b>563</b>	<b>974</b>

### 10.5.3 Report of Statutory Auditors on the Pro Forma Financial Information

See the report of the statutory auditors on the pro forma financial information appearing in paragraphs 10.5.1 and 10.5.2 above, attached in Annex A of this document.

### 10.5.4 Consolidated Pro Forma Key Indicators as at December 31st, 2006

The following tables present a selection of unaudited key indicators for Unibail and Rodamco. These key indicators include:

- Recurring earnings, group share<sup>17</sup> (Direct result after tax<sup>18</sup> for Rodamco) and recurring earnings, group share, per share<sup>19</sup>
- Market value of investment properties<sup>20</sup>;
- Loan to value, defined as net financial debt divided by the market value of properties;
- Triple net liquidation NNNAV.

#### *Recurring Earnings, group Share and Recurring net Earnings group share Per Share*

<u>Recurring earnings</u> (Millions of Euro)	<u>Unibail</u> <u>31.12.06</u>	<u>Rodamco</u> <u>31.12.06</u>	<u>Adjustment</u>	<u>Pro forma</u> <u>31.12.06</u>
Net profit group share . . . . .	2,140	1,525	(13)	3,652
Recurring earnings (Direct result after tax) . . . . .	313	369	(13)	668
Recurring earnings (Direct result after tax) . . . . .	313	369		682
Average number of shares . . . . .	45,901,800	89,639,292		92,720,402
Recurring earnings per share <sup>21,22</sup> . . . . .	€6.81	€4.12		€7.35

#### *Market Value of Investment Properties by Segment*

<u>BUSINESS SEGMENTS</u> (Billions of Euro)	<u>Office Division</u>			<u>Shopping Centre Division</u>			<u>C&amp; E Centre Division</u>	<u>Industrials (Logistic)</u>	<u>Pro forma 31.12.06</u>		
	<u>Unibail</u>	<u>Rodamco</u>	<u>Total</u>	<u>Unibail</u>	<u>Rodamco</u>	<u>Total</u>	<u>Unibail</u>	<u>Rodamco</u>	<u>Unibail</u>	<u>Rodamco</u>	<u>Total</u>
Market value of properties including transfer taxes . .	3.9	0.5	4.5	5.5	10.4	15.9	1.4	0.1	10.9	11.1	22.0

#### *Market Value of Investment Properties by Geography*

<u>GEOGRAPHIC SEGMENTS</u> (Billions of Euro)	<u>France</u>			<u>Neth. &amp; Belgium</u>	<u>Spain</u>	<u>Nordic Countries</u>	<u>Central Europe</u>	<u>Pro forma 31.12.06</u>		
	<u>Unibail</u>	<u>Rodamco</u>	<u>Total</u>	<u>Rodamco</u>	<u>Rodamco</u>	<u>Rodamco</u>	<u>Rodamco</u>	<u>Unibail</u>	<u>Rodamco</u>	<u>Total</u>
Market value of properties including transfer taxes . . .	10.9	2.1	12.9	3.9	1.7	2.0	1.4	10.9	11.1	22.0

<sup>17</sup> As defined by Unibail in its 2006 annual results.

<sup>18</sup> As defined by Rodamco in its 2006 annual results ("direct result after tax").

<sup>19</sup> Total average number of shares calculated by adding Unibail's average number of share and New Shares to be issued in exchange of Rodamco shares, including shares issued following conversion of the ORAs.

<sup>20</sup> Including transfer taxes. As reported for Unibail as at December 31st, 2006. For Rodamco: market values of investment properties as at December 31st, 2006 as provided by the company.

<sup>21</sup> Recurring earnings per share is diluted for the ORA conversion and therefore adjusted for the -13 million Euro in financial interest.

<sup>22</sup> Based on (i) Unibail's average number of shares according to IAS 33 (45,901,800), (ii) 37,454,882 new Unibail shares to be issued and (iii) 9,363,720 Unibail ORAs to be issued in exchange of Rodamco shares.

## Loan to Value

<u>Loan to Value</u>	<u>Unibail</u> <u>31.12.06</u>	<u>Rodamco</u> <u>31.12.06</u>	<u>Pro forma</u> <u>31.12.06</u>
(Millions of Euro)			
Bonds, interests bearing loans & Bank overdraft .....	(2,908)	(3,351)	(6,259)
Cash and equivalents .....	32	46	78
Net financial debt <sup>(1)</sup> .....	(2,876)	(3,305)	(6,181)
Market value of properties .....	10,856	11,095	21,951
<b>Net financial debt / Market value of properties .....</b>	<b>26.5%</b>	<b>29.8%</b>	<b>28.2%</b>

Note:

<sup>(1)</sup> excluding the financial liability component of the ORA

## Triple Net Liquidation Asset Value ("NNNAV") and NNNAV per Share

The pro forma NNNAV per share of Unibail as at December 31st, 2006 is calculated assuming the full conversion of the Unibail ORA to be issued.

It is also assumed that, despite differences in methodology<sup>23</sup>, the pro forma NNNAV per share of Unibail is equal to the sum of the standalone NNNAVs of Unibail and Rodamco as at December 31st, 2006, adjusted for the transaction-related expenses of 44 million Euro, divided by the pro forma fully diluted number of shares.

<u>Triple net liquidation net asset value (NNNAV)</u>	<u>Unibail</u> <u>31.12.06</u>	<u>Rodamco</u> <u>31.12.06</u>	<u>Adjustment</u>	<u>Pro forma</u> <u>31.12.06</u>
<b>Fully diluted triple net liquidation net asset value (millions of Euro) .....</b>	<b>6,750</b>	<b>6,853</b>	<b>(44)</b>	<b>13,559</b>
Number of fully diluted shares .....	48,004,323	89,639,292		94,822,925
<b>Fully diluted triple net liquidation NNNAV per share (Euro) .....</b>	<b>140.61 Euro</b>	<b>76.45 Euro</b>		<b>142.99 Euro</b>

## 10.6 Expert's Report

Not applicable.

## 10.7 Information Contained in the Prospectus Provided by a Third Party

Not applicable.

## 10.8 Credit Rating

On April 10, 2007, Standard & Poor's announced it had placed Unibail ratings (A-/A-2) on CreditWatch with positive outlook, on the news of its contemplated merger with Rodamco.

Similarly, on April 11, 2007, Moody's affirmed Unibail A3 rating and kept it under stable outlook.

<sup>23</sup> Key differences in NNNAV methodology include: (i) discounting of deferred tax liabilities (international assets), (ii) transfer tax optimisation, and (iii) valuation surplus of projects development.

## 11 RECENT EVENTS AND PROSPECTS

### 11.1 Evolution of First Quarter Revenue

Unibail's consolidated turnover for first quarter of 2007, comes to 207.5 million Euro, an increase of 10.1% compared to first quarter of 2006 (188.5 million Euro).

The office division's gross rental income comes to 38.1 million Euro (vs. 34.5 million Euro during the first quarter of 2006).

Since the beginning of the 2007 financial year, Unibail has achieved several leasing successes, representing more than 20,000 m<sup>2</sup>, i.e. nearly half the surfaces vacant at December 31st, 2006:

- The letting in full of 11,500 m<sup>2</sup> of vacant space in the Villages 5 office building at La Défense: 6,000 m<sup>2</sup> to Société Générale and the remaining part to a renowned American company.
- The letting of 3,900 m<sup>2</sup> of office space in the Capital 8 complex in Paris 8, of which 3,000 m<sup>2</sup> to the law firm Dechert LLP and the remaining part to Rothschild & Cie who are expanding further in the complex. Capital 8 is therefore now 75% let, less than 8 months after its inauguration.
- The letting in full of the building at 44 Lisbonne in Paris 8 (4,200 m<sup>2</sup>), to AT Kearney, where this consulting firm is setting up their French headquarters.

This first quarter has also been marked by the signing of the sale agreement for the 49% stake in the SCI Karanis, owner of the Coeur Défense building, which valued the asset at 2,110 million Euro, a premium of 21% over the appraised value as at December 31, 2006. This sale will be effective as at July 10, 2007. Furthermore, a promise of sale of the office building at 27/29 rue Bassano, Paris 8 was signed, generating a 48% premium compared with the appraisal of December 31, 2006 and illustrating the buoyancy of the Paris investment market.

The shopping centre division's gross rental income comes to €66.1m over the first quarter of 2007 (59.5 million Euro during the first quarter of 2006). The shopping centre division has also experienced a strong letting performance underpinned by strong growth in its tenants' turnover of 7.3% during the first quarter of 2007.

The sale of Chelles 2 and the acquisition of co-ownership lots near Vélizy 2 and in the Toulouse-Labège shopping centre, were completed in the first quarter, as announced on February 2, 2007.

Turnover for Paris Expo and hotels comes to 46.2 million Euro (50.7 million Euro during the first quarter of 2006) an increase of 2.2% as compared to first quarter 2005, a directly comparable year considering the biennial nature of the business. The exhibition organising business (Exposium) generated a turnover of €47.7m (35.1 million Euro during the first quarter of 2006).

### 11.2 Forecasts and Dividends

In light of its positive performance, Unibail has increased its growth target for the group share of recurring net earnings per share for 2007 from 10% to 15%<sup>24</sup>. The announced combination should make way for further increase in this growth target, thanks to the expected accretive impact of the Rodamco deal.

For the period 2007-2010, commercial actions on shopping centre leasing activities in portfolio and the deliveries of outstanding development schemes such as Carré Sénart II, Rivétoile, Docks 76, Lyon Confluence, Metropolis, Arkady Pankrac, Forum Nacka, and Cerny Most, should significantly contribute to the rental growth of the Group.

The Group will benefit from a development projects portfolio with a significant growth, representing 6.1 billion Euro of future investment and additional forecasts rents of 530 million Euro over the medium term.

<sup>24</sup> The following assumptions were used to arrive at Unibail's 2007 targets, excluding the effect of the combination with Rodamco:

- In the case of leases in the office and shopping centre portfolio that are expiring in 2007, an assumption of renewal, re-letting or vacant period, particularly when a renovation is planned, has been taken into account for the calculation. In the case of the office and shopping centre division, since a large majority of the leases are indexed at January 1, 2007 on the basis of the ICC from the second quarter of 2006, the actual indexation has been taken into account. In the case of the office division, indexation takes place on the anniversary of the lease, on the basis either of published indices, or of projected indices with a prudent growth assumption of 2.1%, lower than the growth historically recorded, which is 2.8% over 10 years and 3.7% over 5 years.
- Revenues from leasing and servicing of events hosted or organised by the Convention-Exhibition division are projected taking into account the seasonality of the exhibitions, current market trends and planned developments within the existing scope. On February 8th, 2007, Unibail and the Paris Chamber of Commerce and Industry signed an exclusivity agreement with a view to studying a potential merger of all their operations in the convention-exhibition sector. The effects of this potential merger have not been taken into account, since the parties are in the process of defining the agreement which will be subject to the approval of the relevant authorities and which would take effect in 2008.
- The interest rates used are those of the forward yield curve on the date the budget was prepared

Over the years 2007 and 2008, more than 130,000 m<sup>2</sup> of new or renovated office space (including renewal of leases) will be available for let or relet. The particularly sound and buoyant Paris market offers the best conditions for the Group to benefit from further rental income growth opportunities.

As a result of the combination, through sharing of best practices and the implementation of a unified marketing strategy of commercial management regarding all of the shopping centre portfolio for the entire pan-European retail portfolio, the Group intends to further increase a like-for-like rental growth in all countries of operations and to develop new sources of revenues (primarily marketing). The Group also intends to increase its projects portfolio by around 1 million square meters at the European scale as of 2011, thanks to local presence in 14 countries and internal expertise of real estate projects.

The combination of these elements allows to confirm, in the mid-term, the target of average annual growth of at least 10% of group share of in recurring net earnings per share over the next 4 years, including within the context of the expected combination.<sup>25</sup>

See the report of the statutory auditors on the forecasts in Annex B of this document.

## Dividends

Unibail intends to increase its dividend distribution rate to the level from 85% to 95% of the group of share recurring net earnings, group share and will continue to distribute its dividend on a quarterly basis.

Regarding the 2007 financial year, Unibail will pay three interim dividends, each of 1.70 Euro, in October 2007, January 2008 and April 2008, and the final dividend relating to the financial year ended on December 31st, 2007 in July 2008. The corresponding cash amounts related to the ORA will be paid concomitantly and for the same amounts under the conditions and limits mentioned under Chapter 5 of the *note d'opération*.

The distribution objective to ensure shareholders a significant, regular and evolving income benefit in line with the recurring net earnings per share is also maintained.

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<sup>25</sup> This target is based on a combination of the targets of Unibail and Rodamco:

The following assumptions were used to arrive at the targets relating to the Unibail portfolio:

- All entire leases in portfolios for the office and shopping centre divisions are projected until the scheduled expiry date and for each of them, an assumption of renewal, re-letting or vacant period when a renovation is planned, is taken into account for the calculation.
- Conservative forecasts for the annual evolution of ICC (Index of Construction Cost) are taken into account at only 2.1%, which is less than recorded historical growth of 2.8% over the last 10 years and 3.7% over the last 5 years. For the Shopping Centre division the vast majority of rents are indexed as at January 1, 2006, based on ICC of the second-half, which was published in October, hence indexed using the effective index for 2007. For the Office division the indexation is yearly at the date the leases were signed. As at February 8th, 2007, Unibail and the Paris Chamber of Commerce and Industry signed an exclusivity agreement with a view to studying a potential merger of all their operations in the convention-exhibition sector. The effects of this potential merger have not been taken into account. the involved parties are in the process of defining the agreement which will be subject to the approval of the authorities relevant.
- Revenues from leasing and servicing of events hosted or organised by the Convention-Exhibition division are projected taking into account the seasonality of the exhibitions, current market trends and planned developments within the existing scope. The impact of the merger project announced on February 8, 2007 between Unibail and the Paris Chamber of Commerce and Industry has not been taken into account.
- Interest rates chosen are those of the forward yield curve, which shows a slight increase over the period; the effect on refinancing rates is limited over the first years given the hedging strategy implemented.

The 2007-2010 forecast data for Rodamco have been provided by its management team and have been established following a top down process. This forecast plan include the target of like for like growth of the portfolio on a country by country basis (especially for inflation assumptions).

Three types of synergies have been taken into account for determining the establishment of the forecast data of the Group: operating synergies obtained through the sharing of best practices, development pipeline synergies and non-personnel general & administrative synergies.

Moreover, the impact of the increase of the dividend distribution rate of the combined entity has also been included in the projections. Finally, the set up target may be modified by final allocation of the purchase price which can impact future recurring net earnings. In addition, by construction, the assumptions regarding the new Group are subject to changes or subsequent modification due to uncertainties in particular in economic and financial circumstances.

## ANNEX A

### REPORT OF THE STATUTORY AUDITORS ON THE PRO FORMA FINANCIAL INFORMATION

Unibail Holding S.A.

Report of the statutory auditors on the pro forma financial information

To the Chairman,

In our capacity as statutory auditors and in accordance with EC regulation 809/2004, we have prepared this report on the pro forma information of Unibail Holding for fiscal year 2006 presented in Part 10.5.1 and 10.5.2 of the prospectus dated May 18, 2007.

The Pro Forma Information was prepared for the sole purpose of illustrating the potential impact of the combination of Unibail Holding and Rodamco Europe N.V. on the December 31, 2006 balance sheet, on the income statement and on the cash flow statement for the period from January 1 to December 31, 2006, had the transaction been effective as of January 1, 2006. The Pro Forma Information is by nature intended to describe a hypothetical situation and is not necessarily representative of the financial position or performances that might have been recognized had the operation or event taken place on a date prior to that of its contemplated occurrence.

The Pro Forma Information was prepared under your responsibility, in accordance with EC regulation 809/2004 and CESR recommendations related to pro forma information.

Based on our review, our role is to express a conclusion on the reasonableness of the preparation of the Pro Forma Information in accordance with the requirements of the aforementioned European Union regulation, Appendix II point 7.

We conducted our review in accordance with professional guidelines applicable in France. Our review, which did not include an examination of the financial information underlying the preparation of the Pro Forma Information, primarily consisted in verifying the basis used to prepare the Pro Forma Information with source documents, as described in notes to the Pro Forma Information, in examining the evidence substantiating the pro forma adjustments and in meeting with Unibail Holding's management in order to collect information and explanations we deemed necessary.

In our opinion:

- the Pro Forma Information was correctly prepared in accordance with the basis described
- with respect to Rodamco, this basis is consistent with the accounting policies adopted for the consolidated financial statements of Unibail holding

This report is issued solely for the purpose of the public offer in France and in other European Union Member States in which the *note d'opération* approved by the AMF is served, and may not be used in any other context.

Paris and Paris-La Défense, May 18, 2007.

The statutory auditors

BDO Marque et Gendrot

Joël Assayah

Ernst & Young Audit

Bernard Heller



## ANNEX B

### REPORT OF THE STATUTORY AUDITORS ON THE PROFIT FORECASTS

To the chairman,

In our capacity as statutory auditors of Unibail Holding and in accordance with EU Regulation N° 809/2004, we hereby report on the forecasts related to the consolidated net recurring profit per share of Unibail Holding, which are included in chapter 11 Section Forecasts and Dividends dated May 18, 2007.

In accordance with the requirements of EU Regulation 2004-809 and relevant CESR guidance, management is responsible for the preparation of these forecasts together with the material assumptions on which they are based.

It is our responsibility to provide an opinion, in terms defined by Appendix 1, Paragraph 13.3 of EU Regulation N° 809/2004, on these forecasts.

We conducted our work in accordance with French professional standards. This work consisted in assessing the procedures implemented by management for the preparation of the profit forecasts and performing such procedures as to enable us to assess whether the basis of accounting applied are consistent with the accounting policies adopted for the preparation of the Unibail Holding's historical financial statements. Our work also consisted in collecting information and making the necessary enquiries in order to obtain reasonable assurance that the profit forecasts have been properly prepared on the basis of the assumptions stated.

It should be noted that actual profits are likely to differ from the profit forecasts since anticipated events frequently do not occur as expected and the variations could be material. Consequently, we do not express any opinion on the possibility that such events will occur.

The forecasts have been prepared in accordance with the principles described in footnotes 24 and 25 of the section Forecasts and Dividends. In consideration of the process for the preparation of the forecasts presented in section Forecasts, we draw your attention to the following matter:

- In the context of the forecasts on the consolidated net recurring profit per share of Unibail Holding over the next four years, information on Rodamco and on the anticipated synergies of its investment properties has been established respectively under the responsibility of Rodamco's management and based on a report from an external consultant. We could not carry out work on Rodamco's information and consequently on synergies linked to the investment properties of this company.

Except as discussed in the preceding paragraph, in our opinion:

- The profit forecasts on Unibail Holding have been properly prepared on the basis stated.
- The basis of accounting applied in the preparation of these profit forecasts is consistent with the accounting policies adopted by Unibail Holding.

This report is intended for the sole purpose of the public offering in France and other European Union countries in which the prospectus, registered with the French Stock Exchange Regulatory Body (AMF), will be published and may not be used for any other purpose.

Paris and Paris-La Défense, May 18, 2007.

The statutory auditors

BDO Marque et Gendrot

Joël Assayah

ERNST & YOUNG Audit

Bernard Heller

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