Rodamco Europe Finance B.V.

Financial Information 2016

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Contents

Financial Information

Statement of Income

For the year ended 31 December 2016

(in € thousands)	*Note*	**2016**	**2015**
Interest income	*3*	23.868	30.028
Interest expenses	*3*	(14.392)	(22.078)
Net operating income		**9.474**	**7.949**
Administrative income / (expenses)	*4*	7	6
Total operating expenses		**7**	**6**
Profit before taxation		**9.481**	**7.955**
Income tax income / (expense)	*2.12*	0	0
Profit / (loss) for the year, attributable to shareholders		**9.481**	**7.955**

Statement of Comprehensive Income
For the year ended 31 December 2016

(in € thousands)	2016	2015
Profit / (loss) for the year	9.481	7.955
Other comprehensive income, net of tax	0	0
Profit / (loss) for the year, attributable to shareholders, net of tax	**9.481**	**7.955**

Statement of Financial Position
As at 31 December 2016

(in € thousands)	*Note*	2016	2015
Assets			
Receivables from Group companies	5	41.938	41.938
Total financial non current assets		**41.938**	**41.938**
Total non current assets		**41.938**	**41.938**
Receivables from Group companies	5	1.187.594	3.035.394
Cash and cash equivalents	6	2.907	0
Total current assets		**1.190.501**	**3.035.394**
Total assets		**1.232.439**	**3.077.332**
Shareholders' equity			
Share Capital		350	350
Share Premium		2.354	2.354
Retained earnings		148.639	140.684
Unappropriated net profit for the year		9.481	7.955
Total shareholders' equity	7	**160.824**	**151.343**
Liabilities			
Liabilities to Group companies	5	89.941	89.941
Total non current liabilities		**89.941**	**89.941**
Trade and other payables	9	40	37
Credit Institutions and Banks	6	0	1.419
Liabilities to Group companies	5	981.633	2.834.592
Total current liabilities		**981.674**	**2.836.048**
Total liabilities		**1.071.615**	**2.925.989**
Total equity and liabilities		**1.232.439**	**3.077.332**

Statement of Changes in Equity

For the year ended 31 December 2016

(in € thousands)		Share Capital	Share Premium	Retained earnings	Unappropriated net profit for the year	Total
Opening balance at January 1, 2015		**350**	**2.354**	**156.890**	**(16.206)**	**143.388**
Appropriation of net result 2014		-	-	(16.206)	16.206	-
Net profit/(loss) for the year		-	-	-	7.955	7.955
Balance at December 31, 2015	7	**350**	**2.354**	**140.684**	**7.955**	**151.343**

(0)

(in € thousands)		Share Capital	Share Premium	Retained earnings	Unappropriated net profit for the year	Total
Opening balance at January 1, 2016		**350**	**2.354**	**140.684**	**7.955**	**151.343**
Appropriation of net result 2015		-	-	7.955	(7.955)	-
Net profit/(loss) for the year		-	-	-	9.481	9.481
Balance at December 31, 2016	7	**350**	**2.354**	**148.639**	**9.481**	**160.824**

Statement of Cash flows

For the year ended 31 December 2016

(in € thousands)	*Note*	2016	2015
Operating activities			
Profit/ (loss) before tax		**9.481**	**7.955**
Adjustments to reconcile profit (loss) before tax to net cashflows			
Interest income	*3*	(23.868)	(30.028)
Interest expenses	*3*	14.392	22.078
Other adjustments			
Movement in intercompany receivables and liabilities	*5*	(5.158)	(16.983)
Movement in trade and other payables	*9*	3	3
Interest expense accrued and not yet paid		(695)	(4.101)
Interest income accrued and not yet received		1.313	4.758
Interest paid		(13.697)	(17.977)
Interest received		22.555	25.270
Net cashflows from operating activities		**4.326**	**(9.025)**
Net increase/(decrease) in cash and cash equivalents		4.326	(9.025)
Cash and cash equivalents at January 1	*6*	(1.419)	7.606
Cash and cash equivalents at December 31	*6*	**2.907**	**(1.419)**

Notes to the financial information

1 General Information

Rodamco Europe Finance B.V. ('the Company') is a private limited liability company incorporated in the Netherlands with its statutory seat in Schiphol (Municipality of Haarlemmermeer) and place of business at Schiphol Boulevard 371, Tower H, 1118 BJ Schiphol (Municipality of Haarlemmermeer), the Netherlands and registered at the Chamber of Commerce with number 24135417. The Company is part of the Unibail-Rodamco S.E. Group ('the Unibail-Rodamco Group'), a listed property investment company under European law. The company is a 100% subsidiary of Rodamco Europe Properties B.V., part of the same group.

The Company is a dedicated finance company within the Unibail-Rodamco Group. Its objective is to borrow funds from third parties and to lend funds to companies within the Unibail-Rodamco Group, in particular to companies held (indirectly) by Rodamco Europe Properties B.V. The management board consists of Mr. J. Tonckens, Mr. R. Vogelaar and Mr. O. Ambagtsheer. The Company as such does not have a Supervisory Board, or an Audit Committee. Governance however is exercised through its parent Rodamco Europe Properties B.V. and the ultimate shareholder Unibail-Rodamco S.E. and its Boards and Audit Committee.

The IFRS Financial Information is not the statutory financial statements of the Company. For that purpose the Company uses another set of accounts ('the legal 403 accounts') that is submitted for approval to the shareholders.

2 Accounting principles

In accordance with EC regulation no. 1606/2002 of July 19, 2002, on the application of international accounting standards, the Company has prepared its financial information for the financial year ending December 31, 2016 under International Financial Reporting Standards (IFRS) as adopted in the European Union and applicable for this financial year.

2.1 IFRS basis adopted

The accounting principles and methods used are the same as those applied for the preparation of the annual financial information as at December 31, 2015, except for the application of the new obligatory standards and interpretations described below.

Standards, amendments and interpretations effective as of January 1, 2016

- IAS 16 A and IAS 38 A: Clarification of acceptable methods of depreciation and amortisation;
- IAS 1 A: Disclosure initiative;
- Improvements to IFRSs (2011-2013 cycle).

These standards and amendments do not have a significant impact on the Company's accounts as at December 31, 2016.

Standards, amendments and interpretations not mandatorily applicable as of January 1, 2016

The following norms and amendments have been adopted by the European Union as at December 31, 2016 but not applied in advance by the Company:

- IFRS 9: Financial instruments;
- IFRS 15: Revenue from contracts with customers.

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

- IFRS 16: Leases;
- IAS 12 A: Recognition of Deferred Tax Assets for Unrealised Losses;
- IAS 7 A: Disclosure Initiative;
- IFRS 2 A: Classification and Measurement of share-based Payment Transactions;
- IFRS 4 A: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts;
- Improvements to IFRS (2014-2016 cycle);
- IFRIC 22: Foreign Currency Transactions and Advance Consideration;
- IAS 40 A: Transfers of Investment Property.

The measurement of the potential impacts of these texts on the Company's financial information is on-going. On IFRS 15 & IFRS 16, the Company does not expect significant impacts on the financial statements, as the company has no significant contracts with customers and has no significant lease contracts.

IFRS 9 Financial Instruments

The final version of IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 brings together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The company plans to adopt the new standard on the required effective date. The Company has performed a high-level impact assessment of all three aspects of IFRS 9 as outlined below. This preliminary assessment is based on currently available information and may be subject to changes arising from further detailed analyses or additional reasonable and supportable information being made available to the Company in the future. Overall, based on the preliminary assessment the Company expects no significant impact on its balance sheet and equity and will perform a detailed assessment in the future to determine the extent.

(a) Classification and measurement

The Company does not expect a significant impact on its balance sheet or equity on applying the classification and measurement requirements of IFRS 9. Loans as well as trade receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Company expects that these will continue to be measured at amortised cost under IFRS 9. At this moment no derivative financial instruments are applicable..

(b) Impairment

IFRS 9 requires the Company to record expected credit losses on all loans and trade receivables, either on a 12-month or lifetime basis. The Company expects to apply the simplified approach and record lifetime expected losses on all trade receivables. As the Company's financial assets are almost all intercompany loans within the Unibail-Rodamco SE Group, that issued a 403-liability statement, no significant credit losses are expected, hence no significant IFRS 9 impact is expe

(c) Hedge accounting
As the Company does not apply hedge accounting and there are no existing hedge relationships, the IFRS 9 changes related to hedge accounting will not have an impact on the Company.

2.2 Estimates and assumptions

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

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

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

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

2.3 Basis of preparation

The financial information of the Company has been prepared on the historical cost basis except for derivative financial instruments which are being measured at fair value. No derivative financial instruments were in place in 2016.

The financial information is presented in thousands of euros.

2.4 Foreign currency

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

2.5 Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, AFS financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.
All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.
All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

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

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

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

After initial measurement, debt issued, other borrowed funds and other liabilities are subsequently measured at amortised cost using the EIR. Amortised cost is calculated by taking into account any discount or premium on the issue and costs that are an integral part of the EIR. The amortisation is included in "Other financial income / (expenses)" in the income statement.

2.6 Derecognition of financial assets and financial liabilities

(a) Financial assets

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

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement;
  and either:
  - the Company has transferred substantially all the risks and rewards of the asset, or
  - the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

(b) Financial liabilities

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

2.7 Impairment of financial assets

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

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

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

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

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

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

2.8 Offsetting financial instruments

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

2.9 Equity

(a) Share capital

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

(b) Share premium

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

(c) Retained earnings

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

(d) Dividends

Dividends are recognized as a liability in the year in which they are declared. Di
the balance sheet date, are not recognized as a liability in the financial informati
the notes thereto.

2.10 Provisions

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

2.11 Recognition of income and expenses

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

Interest and similar income and expense

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

2.12 Income tax

As reported in its press release of December 11, 2009, the Group expects that the Dutch tax authorities will deny the status of FBI (Fiscale Beleggings Instelling) in The Netherlands for the Group's Dutch activities for 2010 onwards. In light of the significant Dutch tax loss carry forwards identified by Group's fiscal advisors in the Netherlands, even though questioned by the Dutch tax authorities, this assumption had no impact on the result for 2016.

As the Company is part of the fiscal Group and in line with the statements above, the corporate income tax in the Statement of Income of the Company is nihil.

2.13 Segment information

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

2.14. Notes to the statement of cash flows

The cash flow statement is prepared using the indirect method.

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

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

Cash flows as a result of issuing loans to group companies are classified as cash flow from operating activities.

3 Financial income and expense

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

(in € thousands)	2016	2015
Interest and similar income		
Receivables from Group companies	23.868	30.041
Cash and short term funds	0	(13)
Total	**23.868**	**30.028**
Interest and similar expense		
Liabilities to Group companies	(14.392)	(22.078)
Total	**(14.392)**	**(22.078)**

4 Administrative income and expenses

(in € thousands)	2016	2015
Consultancy and advisory costs	(33)	(53)
Other administrative income / (expenses)	40	59
Gross administrative income / (expenses)	**7**	**6**

Included in consultancy and advisory costs are auditor's fees of EUR 24 thousand (2015: EUR 33 thousand) for the financial information audit. Fees for non-audit services amounted to EUR 9 thousand (2015: EUR 19 thousand).

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

5 Receivables and liabilities Group Companies

This note provides information about the contractual terms of the Company's receivables from Group companies and liabilities to Group companies. For more information about the Company's exposure to interest rate and currency risk, refer to note 10 "Financial risk management objectives and policies".

(in € thousands)	2016	2015
Non-current Receivables from Group companies	41.938	41.938
Current Receivables from Group companies	1.187.594	3.035.394
Total receivables from Group companies	**1.229.531**	**3.077.332**
Non-current Liabilities to Group companies	89.941	89.941
Current Liabilities to Group companies	981.633	2.834.592
Total liabilities from Group companies	**1.071.574**	**2.924.533**

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

(in € thousands)	2016	2015
Group company assets		
Balance at January 1	**3.077.332**	**3.004.998**
Increase/new loans	123.098	136.669
Decrease/redemptions loans	(1.970.898)	(64.335)
Balance at December 31	**1.229.531**	**3.077.332**
Group company liabilities		
Balance at January 1	**2.924.533**	**2.869.182**
Increase/new loans	481.741	838.720
Decrease/redemptions loans	(2.334.699)	(783.369)
Balance at December 31	**1.071.574**	**2.924.533**

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

(in € thousands)		2016	2015
Group companies non-current assets			
Cijferzwaan B.V. (till 2032), fixed rate 5.58%	*EUR*	34.539	34.539
UR Retail Investment 1 B.V. (till 2020), fixed rate 8.76%	*EUR*	5.110	5.110
UR Retail Investment 2 B.V. (till 2020), fixed rate 8.76%	*EUR*	2.288	2.288
Total Group companies non-current assets		**41.938**	**41.938**

In 2015 2 new non-current loans have been put in place with respectively UR Retail Investment 1 B.V. and UR Retail Investment 2 B.V. These loans correspond to acquisitions done in The Netherlands through these 2 entities.

(in € thousands)		2016	2015
Group companies current assets			
Rodamco Europe Properties B.V., floating rate Euribor 3M + 1%	*EUR*	304.806	2.123.572
Unibail-Rodamco S.E., floating rate Euribor 3M + 1%	*EUR*	281.551	186.377
Belindam B.V., floating rate Euribor 3M + 1%	*EUR*	461.234	457.735
Other current accounts	*EUR*	140.003	267.710
Total Group companies current assets		**1.187.594**	**3.035.394**

No new facilities have been put in place during 2016. A repayment of EUR 1,835 million on the current account receivable between Rodamco Europe Finance B.V. and Rodamco Europe Properties B.V. has decreased this receivable to EUR 305 million. Variances in balances during 2016 mainly correspond to cash pooling activities of Rodamco Europe Finance B.V.

The average interest rate on the group assets with floating interests is 0.7% (1.0% in 2015).

(in € thousands)		2016	2015
Group companies non-current liabilities			
Unibail-Rodamco Poland 2 B.V. (till 2019), floating rate Euribor 3M + 1%	*EUR*	89.941	89.941
Total Group companies non-current liabilities		**89.941**	**89.941**

(in € thousands)		2016	2015
Group companies current liabilities			
Unibail-Rodamco Nederland Winkels B.V., floating rate Euribor 3M + 1%	*EUR*	7.551	1.791.729
Rodamco Central Europe B.V., no interest	*EUR*	238.643	238.643
UR SE PE, no interest	*EUR*	370.205	0
Rodamco Europe Finance II B.V., no interest	*EUR*	71.619	71.621
Others	*EUR*	293.615	732.599
Total Group companies current liabilities		**981.633**	**2.834.592**

Receivables from and liabilities to Group companies are receivables from and liabilities to companies part of the Unibail-Rodamco Group. Interest is calculated on all loans and facilities to Group companies. Interest is determined at an arm's length basis. For the Group companies current accounts, all interest rates are floating. Floating interest rates are based on the major European interest rates.
A repayment on a current account receivable between Rodamco Europe Finance B.V. and Rodamco Europe Properties B.V. of EUR 1,835 million, was used to repay the current account payable towards Unibail-Rodamco Nederland B.V.

The average interest rate on the group liabilities with floating interests is 0.7% (1.0% in 2015).

6 Cash and cash equivalents

There are no restrictions to the cash balances as at December 31, 2016 and December 31, 2015.

7 Shareholders' equity

Share capital and share premium

The share capital consists of 3,500 authorized shares of which 700 shares are issued and fully paid up at December 31, 2016, similar to 2015. The shares have a par value of EUR 500 each. No movements occurred in 2016 and 2015.

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

Retained earnings

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

8 Bonds, interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's bonds, interest-bearing loans and borrowings. For more information about the Company's exposure to interest rate risk, refer to note 10 "Financial risk management objectives and policies".

Although no EMTN's are currently in place in the Company, the Company is an issuer under the Group's EMTN program. In case the Company would be issuing new EMTN's in the future, UR SE is a guarantor for such EMTN's.

9 Trade and other payables

(in € thousands)	2016	2015
Interest payable	0	1
Accrued and other liabilities	40	36
Total trade and other payables	**40**	**37**

10 Financial risk management objectives and policies

The Company's principal financial instruments comprise of receivables from and liabilities to Group companies and other receivables/payables. The main purpose of these financial instruments is to raise and provide finance.

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

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

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

10.1 Credit risk

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

The Company only issues loans to Group companies of Unibail-Rodamco S.E. Because of the 403-liability statement issued by the ultimate parent and the robust financial position of the ultimate parent, management believes that the risk of incurring losses as a result of default of one of the Group companies is remote.

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

The maximum exposure to credit risk at the reporting date is the carrying value of receivables from Group companies, derivative financial instruments (with a positive fair value), other receivables and cash and bank balances and totals EUR 1,232 million (2015: EUR 3,077 million).

10.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to long-term receivables from and liabilities to Group companies with floating interest rates.

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

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

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

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

If interest rates (Euribor) were to rise by an average of 0.5% (50 basis points), the resulting increase of interest income and interest expenses would have an estimated net positive impact of EUR 5.1 million (2015: EUR 4.5 million) on net profit, based on the outstanding balances as per December 31, 2016. Conversely, a 0.5% (50 basis points) drop in interest rates would decrease net profit by an estimated EUR 5.1 million (2015: EUR 4.5 million), based on the outstanding balances as per December 31, 2016.

10.3 Liquidity risk

The table below summarises the maturity profile of the Group's financial liabilities at December 31, 2016 and December 31, 2015 based on contractual undiscounted payments (including interest).

(in € thousands)

At December 31, 2016	Less than 1 year	Between 1 - 5 years	Over 5 years	Total
Liabilities				
Liabilities to Group companies	982.246	91.072	0	1.073.318
Credit Institutions and Banks	0	0	0	0
Trade and other payables	40	0	0	40
Total	**982.286**	**91.072**	**0**	**1.073.358**

(in € thousands)

At December 31, 2015	Less than 1 year	Between 1 - 5 years	Over 5 years	Total
Liabilities				
Liabilities to Group companies	2.761.413	94.268	0	2.855.681
Credit Institutions and Banks	1.419	0	0	0
Trade and other payables	37	0	0	37
Total	**2.762.869**	**94.268**	**0**	**2.855.718**

The maturity profile of the liabilities to group companies could be explained by the fact that the majority of these liabilities could become payable at short notice (EUR 981.6 million on demand at 31-12-2016). For these liabilities, no fixed repayment dates are in place. The liabilities have decreased substantially due to a repayment of EUR 1,835 million on the current account payable towards Unibail-Rodamco Nederland Winkels B.V. during 2016.

Liquidity and credit risk are related since the majority of the loans given and received are related to Group companies. Because of the 403-liability statement issued by the ultimate parent and the robust financial position of the ultimate parent, management believes that the risk of incurring losses as a result of default of one of the Group companies, is remote.

10.4 Fair values

The carrying amounts of current assets and current liabilities approximate their fair value due to the short-term nature of these instruments.

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

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

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

L&R: Loans and Receivables
AfS: Available for Sale financial assets
FAFVPL: Financial Assets at Fair Value through Profit and Loss
FLAC: Financial Liabilities measured at Amortized Cost
FLFVPL: Financial Liabilities at Fair Value through Profit and Loss

31/12/2016			Amounts recognised in statement of financial position according to IAS 39			
(in € thousands)	Categories in accordance with IAS 39	Carrying Amount 31/12/2016	Amortised Costs	Fair value recognised in equity	Fair value recognised in profit & loss	Fair Value
Assets						
Receivables from Group companies	L&R	1.229.531	1.229.531	-	-	1.238.555
Cash and cash equivalents	L&R	2.907	2.907	-	-	2.907
		1.232.439	**1.232.439**	-	-	**1.241.462**
Liabilities						
Credit Institutions and Banks	FLFVPL	-	-	-	-	-
Liabilities to Group companies	FLAC	1.071.574	1.071.574	-	-	1.071.574
Trade and other payables	FLAC	40	40	-	-	40
		1.071.615	**1.071.615**	-	-	**1.071.615**

31/12/2015			Amounts recognised in statement of financial position according to IAS 39			
(in € thousands)	Categories in accordance with IAS 39	Carrying Amount 31/12/2015	Amortised Costs	Fair value recognised in equity	Fair value recognised in profit & loss	Fair Value
Assets						
Receivables from Group companies	L&R	3.077.332	3.077.332	-	-	3.093.780
Cash and cash equivalents	FAFVPL	-	-	-	-	-
		3.077.332	**3.077.332**	-	-	**3.093.780**
Liabilities						
Credit Institutions and Banks	FLFVPL	1.419	1.419	-	-	1.419
Liabilities to Group companies	FLAC	2.924.533	2.924.533	-	-	2.924.533
Trade and other payables	FLAC	37	37	-	-	37
		2.925.989	**2.925.989**	-	-	**2.925.989**

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Fair value hierarchy
As at December 31, 2016, as well as for December 31, 2015, no financial instruments are measured at fair value.

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

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

The fair value disclosed for the non-current financial assets is categorized in Level 2. No category changes occurred during the year.

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

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

The Company's equity-to-debt ratio as per 31-12-2016 is 15.0% (31-12-2015 5.2%).

11 Personnel

The Company had no employees in 2016 and 2015. Management fees are not directly paid by the Company, but by other Group entities and cross charged through Group Service Charges and recognised as part of other administrative expenses. The Group services charges cannot directly be allocated to the remuneration of the board of directors paid by the Group taken into account their limited level of activities for the Company.

12 Related parties

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

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

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

The Company is part of a fiscal unity in The Netherlands and is as such liable for the tax liabilities, if any. It applies the tax accounting principles as disclosed in 2.12.

13 Subsequent events

The Company is considering the scope and extent of its activities for 2017. As a result thereof, there is a level of uncertainty which prevents the Company from making a reliable outlook for its future results. However, the financial position of the Company will be maintained in such a way that all its obligations will be safeguarded. In this respect, reference is made to the robust financial position of its (ultimate) shareholder.

In May 2017 the Company and Cijferzwaan B.V. have signed an addendum on their loan agreement, originally dated 30 December 2002. Parties agreed to change the interest rate to 1.86% as per 1 January 2017 and revised the repayment schedule accordingly to reach full repayment at 31 December 2032.

Schiphol, May 19, 2017

Management board:

J. Tonckens

R. Vogelaar

O. Ambagtsheer

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

Auditor's report

Report on the financial information

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Independent auditor's report

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

Report on the audit of the financial information 2016

Our opinion

We have audited the financial information 2016 of Rodamco Europe Finance B.V., based in Schiphol.

In our opinion the accompanying financial information gives a true and fair view of the financial position of Rodamco Europe Finance B.V. as at 31 December 2016, and of its result and its cash flows for 2016 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS).

The financial information comprises:

- The statement of financial position as at 31 December 2016.
- The following statements for 2016: the statements of income, comprehensive income, changes in equity and cash flows.
- The notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial information section of our report.

We are independent of Rodamco Europe Finance B.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Description of responsibilities for the financial information

Responsibilities of management for the financial information

Management is responsible for the preparation and fair presentation of the financial information in accordance with EU-IFRS. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial information that is free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial information, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial information using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial information.

Our responsibilities for the audit of the financial information

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial information. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial information, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

- Evaluating the overall presentation, structure and content of the financial information, including the disclosures.
- Evaluating whether the financial information represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Utrecht, 19 May 2017

Ernst & Young Accountants LLP

A.D. Knoop