

# unibail·rodamco

## FINANCIAL REPORT – First Half 2011

- Business review and 2011 Half-Year results p 2
- Development projects as at June 30, 2011 p 10
- Net Asset Value as at June 30, 2011 p 13
- Financial resources p 21
- Condensed consolidated interim financial statements as at June 30, 2011 p 25
- Statutory Auditors' report review on the 2011 first half-yearly financial information p 67

## BUSINESS REVIEW AND 2011 HALF YEAR RESULTS

### I. ACCOUNTING PRINCIPLES AND SCOPE OF CONSOLIDATION

#### Accounting principles

Unibail-Rodamco's condensed consolidated financial statements as at June 30, 2011 have been prepared in accordance with IAS-34 "Interim financial reporting" of the International Financial Reporting Standards<sup>1</sup> (IFRS) and are compliant with the EPRA<sup>2</sup> best-practices policy recommendations.

No changes were made compared to the accounting principles used for 2010 closing.

#### Scope of consolidation

There was no significant change in the scope of consolidation since Dec 31, 2010, apart from some entities sold or liquidated in the context of the disposal plan of non core assets.

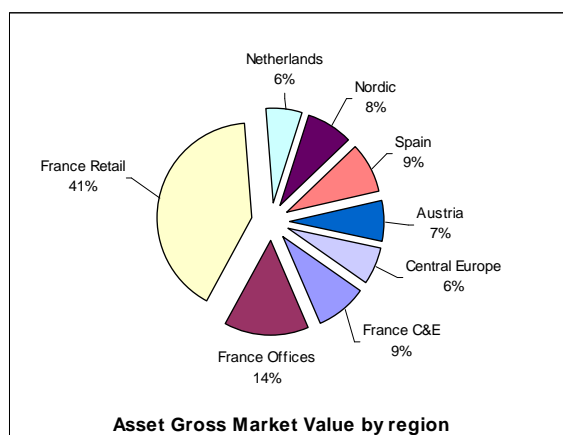
As at June 30, 2011, 294 companies have been fully consolidated, 28 companies have been consolidated proportionally and 4 companies have been accounted for under the equity method<sup>3</sup>.

On May 17, 2011, The Enterprise Chamber of the Court of Appeal in Amsterdam set the price of the 660,562 remaining Rodamco Europe NV shares (0.74%) at €87.66 /share.

Effective June 9, 2011, Unibail-Rodamco is the 100% shareholder of Rodamco Europe NV.

The Unibail-Rodamco Group is operationally organised under 6 geographical regions: France, The Netherlands, Nordic, Spain, Central Europe and Austria<sup>4</sup>. As France has substantial representation of all 3 business-lines of the Group, this region is itself divided in 3 segments: Shopping Centres, Offices and Conventions & Exhibitions. The other regions operate mainly in the shopping centre segment.

The table below shows the split of asset value (Gross Market Value) per region as at June 30, 2011.



<sup>1</sup> As applicable in the European Union as at June 30, 2011.

<sup>2</sup> European Public Real estate Association.

<sup>3</sup> Mainly the COMEXPOSIUM subgroup (Trade show organisation business).

<sup>4</sup> Slovakia, previously managed by Central Europe region, is now managed from Austria. 2010 figures have been restated accordingly.

## II. BUSINESS REVIEW BY SEGMENT

### 1. Shopping centres

#### 1.1. Shopping centre market in H1-2011

The economic environment remained challenging in H1-2011, with concerns over Greece, Portugal, Italy and Spain, and relatively low GDP growth.

Overall national sales indexes<sup>5</sup> picked up significantly in certain countries, like Austria, Finland, Poland or the Czech Republic, but the situation remained sluggish in France (+0.2%) and negative in Spain (-3.6%) where governmental austerity measures particularly affected consumer confidence and purchasing power, and unemployment remained particularly high (21%).

Retail sales growth in Europe was partially fuelled by on-line sales, reaching once again double-digit growth on main markets, such as +20% in France<sup>6</sup> at the end of May year-on-year. Internet sales now represent a significant channel for certain market segments like electronic goods (up to 20% in countries like France). This category was also affected in “brick & mortar” sales by lack of product innovation or major sporting events, and suffered a significant decrease in most markets. To the contrary, bags, footwear and accessories posted solid growth.

In this environment, Unibail-Rodamco’s sales once again out-performed market trends, with tenants sales increasing by 4.2% (end of June) despite overall stable footfall, and even more so in the Group’s top 15 shopping centres (+7.0%), thus validating the strategy to concentrate on larger assets.

These achievements were made possible by strong and proactive asset management, improving shopping centres’ attractiveness and customer experience through significant re-designing, re-marketing and re-tenanting.

Particular efforts were put into customer attention. Increased use of digital tools (smartphone applications, social networks, loyalty programmes) and exclusive in-mall events contributed to the attraction of new customers to Unibail-Rodamco’s shopping centres.

The prime quality of the portfolio and the longstanding efforts to attract distinctive international retailers continued to prove highly successful in the first half of 2011, with a sharp increase in premium international retailer deals (such as Apple, Hollister, Forever 21, Kiko...): 60 new leases were signed in

H1-2011 (vs. 48 for full year 2010), representing over 15% of total Group relettings.

Unibail-Rodamco’s portfolio of outstanding assets is proving to be an unparalleled gateway to Continental Europe’s capital cities, for instance for US brands seeking international growth to offset stagnant sales on their home market.

These new and exciting entries into the retail offer fuel customer preference for the Group’s shopping centres, and are also an excellent opportunity to more than compensate declining sales of certain product categories affected by adverse market conditions.

After having introduced Hollister (Abercrombie & Fitch) in La Maquinista in Barcelona in 2010, the Group’s portfolio will host their first 4 stores in France, as well as their first store in Sweden and in the Czech Republic. The first Forever 21 store in Spain was launched in La Maquinista shopping centre in May 2011, and the brand will be progressively rolled out throughout the European portfolio. The 3<sup>rd</sup> Apple Store in Unibail-Rodamco’s French portfolio opened in Lyon La Part-Dieu and the Group will launch the first “Prêt-à-Manger” restaurant in Continental Europe later this year.

#### 1.2. Rental income from Unibail-Rodamco shopping centres

Total consolidated Net Rental Income (NRI) of the shopping centre portfolio amounted to €500.4 Mn in first half of 2011.

Region	Net Rental Income (€Mn)		
	2011-H1	2010-H1	%
France	255.3	235.0	8.6%
Netherlands	40.4	62.3	-35.2%
Nordic	46.7	46.3	1.0%
Spain	63.2	60.0	5.3%
Central Europe	50.5	31.8	58.8%
Austria	44.4	38.9	13.9%
<b>Total</b>	<b>500.4</b>	<b>474.3</b>	<b>5.5%</b>

Aupark shopping centre in Bratislava-Slovakia has been operationally transferred from Central Europe region to Austria. 2010 figures have been restated accordingly.

The total net growth in NRI amounted to +€26.1 Mn (+5.5%) and broke down as follows:

- +€33.1 Mn from acquisitions:
  - ✓ Simon Ivanhoe portfolio acquired in July 2010 comprising 2 shopping centres in Warsaw-Poland (+€17.6 Mn) and in France, Bay1-Bay2 near Paris and 3 participations in smaller shopping centres (+€8.4 Mn).
  - ✓ Increase of the Group’s stake<sup>7</sup> in Euralille (Lille-France) from 40% to 76% (+€6.8 Mn).

<sup>5</sup> January-May 2011.

<sup>6</sup> Source: FEVAD.

<sup>7</sup> Euralille previously consolidated under equity method is now consolidated globally.

✓ Acquisition of additional plots in existing shopping centres in Spain and in France (+€0.3 Mn).

- +€6.7 Mn from delivery of shopping centres extensions: Donau Zentrum-Vienna delivered in October 2010, La Maquinista-Barcelona delivered in September 2010 and Lyon La Part-Dieu delivered in May 2010.
- -€35.5 Mn due to disposals of non strategic assets:
  - ✓ -€22.1 Mn in The Netherlands further to the divestment of retail assets in cities of Zwijndrecht, Almere, Stadskanal, Rotterdam and Breda.
  - ✓ -€7.4 Mn in France, due to the disposal of Limoges-Saint Martial in July 2010, Shopping Etrembières-Annemasse in February 2011 and Saint Genis 2 near Lyon, Evry 2 in Paris region, Boisseuil in Limoges and Croix Dampierre in Châlons-en-Champagne in the first half of 2011.
  - ✓ -€4.5 Mn in Sweden due to the disposal of retail assets in Haninge, Tyresö, Balsta, Helsingborg, and Väsby in H1-2011.
  - ✓ -€1.5 Mn due the disposal of the Group's share in Arkad in Budapest in February 2011.
- Taking into account +€1.4 Mn corresponding to constant currency correction<sup>8</sup>, one-off provision reversal and transfers to pipeline, the net growth like-for-like amounted to €20.4 Mn.

Region	Net Rental Income (€Mn)		
	Like-for-like		
	2011-H1	2010-H1	%
France	213.2	201.6	5.7%
Netherlands	37.9	37.9	0.0%
Nordic	32.7	30.2	8.0%
Spain	60.7	59.3	2.4%
Central Europe	32.6	30.1	8.6%
Austria	39.2	36.8	6.6%
<b>Total</b>	<b>416.3</b>	<b>395.9</b>	<b>5.2%</b>

Excluding currency effect

On a like-for-like basis, 2011-H1 NRI grew by 5.2% compared to 2010-H1, of which 0.9% due to indexation, as shown in the table below.

Region	Net Rental Income like-for-like evolution (%)			
	Indexation	Renewals, relettings net of departure	other	Total
France	0.0%	2.0%	3.7%	5.7%
Netherlands	1.9%	-1.2%	-0.7%	0.0%
Nordic	2.0%	1.7%	4.3%	8.0%
Spain	2.1%	-0.2%	0.5%	2.4%
Central Europe	1.4%	5.7%	1.5%	8.6%
Austria	1.4%	5.4%	-0.2%	6.6%
<b>Global</b>	<b>0.9%</b>	<b>2.0%</b>	<b>2.3%</b>	<b>5.2%</b>

<sup>8</sup> Mainly in Sweden.

Net of indexation and on a like-for-like basis, the average NRI growth rate was +4.3%, the best performing regions being Central Europe (+7.2%) with notably successful relettings in Chodov-Prague and Mokotow-Warsaw, and Austria (+5.2%) thanks to the success of the existing part of Donau Zentrum following the extension completed in H2-2010.

In France, the +5.7% like-for-like growth (net of indexation) was driven by good leasing performance, sales based rents and lower doubtful debt provisions.

Across the whole portfolio, sales based rents represented 2.1% of total net rental income of H1-2011 (1.8% on full year 2010).

### 1.3. Leasing activity in H1-2011

During the first half year, 704 leases were signed (718 in H1-2010) for €65.3 Mn of Minimum Guaranteed Rents with an average uplift of 16.2% (16.5% in H1-2010).

region	lettings / re-lettings / renewals excl. Pipeline				
	nb of leases signed	m <sup>2</sup>	MGR (€ Mn)	MGR uplift like for like	
				€ Mn	%
France	208	48,962	28.7	4.1	19.3%
Netherlands	60	14,997	4.0	0.2	5.6%
Nordic	106	17,738	9.0	0.6	8.6%
Spain	210	34,974	14.0	0.9	8.1%
Central Europe	74	12,159	5.7	1.0	22.3%
Austria	46	10,166	3.8	1.3	51.1%
<b>Global</b>	<b>704</b>	<b>138,996</b>	<b>65.3</b>	<b>8.1</b>	<b>16.2%</b>

MGR : Minimum Guaranteed Rent

### 1.4. Vacancy and Lease expiry schedule

As at June 30, 2011 aggregated annualised Minimum Guaranteed Rents from Unibail-Rodamco's shopping centre portfolio slightly reduced to €965.1 Mn, excluding variable rents and other income, compared to €1,010.4 Mn at year end 2010, due to the effects of the non-core asset disposal programme.

The following table shows a breakdown by expiry date and by the tenant's next break option of the leases.

Retail portfolio	Lease expiry schedule			
	at date of next break option	as a % of total	at expiry date	as a % of total
Expired	48.6	5.0%	48.6	5.0%
2011	39.4	4.1%	33.4	3.5%
2012	217.2	22.5%	87.3	9.0%
2013	154.3	16.0%	59.0	6.1%
2014	198.0	20.5%	97.0	10.0%
2015	98.8	10.2%	86.6	9.0%
2016	54.1	5.6%	72.0	7.5%
2017	32.2	3.3%	59.5	6.2%
2018	29.3	3.0%	85.1	8.8%
2019	28.9	3.0%	79.7	8.3%
2020	19.5	2.0%	63.3	6.6%
2021	11.2	1.2%	41.4	4.3%
Beyond	33.5	3.5%	152.2	15.8%
<b>M€</b>	<b>965.1</b>	<b>100%</b>	<b>965.1</b>	<b>100%</b>

Potential rents from vacant space in operation on the total portfolio amounted to €23.2 Mn at June 30, 2011.

Financial vacancy<sup>9</sup> as at June 30, 2011 stood at 2.0% on average across the total portfolio, increasing slightly compared to Dec 31, 2010 (1.7%), due to strategic vacancy, notably in Austria for the preparation of the refurbishment of Shopping City Süd in Vienna.

Region	vacancy* (June 30, 2011)		% Dec 31, 2010
	€Mn	%	
France	11.0	1.9%	1.4%
Netherlands	3.3	3.7%	2.3%
Nordic	4.1	3.4%	3.7%
Spain	1.4	0.9%	1.6%
Central Europe	0.3	0.3%	0.2%
Austria	3.1	3.4%	2.8%
<b>Global</b>	<b>23.2</b>	<b>2.0%</b>	<b>1.7%</b>

\*excluding pipeline

The occupancy cost ratio<sup>10</sup> on average stood at 12.2% compared to 12.0% at year end 2010. It slightly grew in all regions: France 13.0% (vs. 12.9%), Spain 11.8% (vs. 11.5%), Central Europe 11.5% (vs. 11.5%), Austria 12.9% (vs. 12.4%) and Nordic 10.4% (vs. 9.8%) where shopping centres sold in the first half of 2011 benefited from low OCR.

## 1.5. Investment

Unibail-Rodamco invested €277.4 Mn<sup>11</sup> in its shopping centre portfolio in H1-2011:

<sup>9</sup> Based on EPRA definition: Estimated Rental Value (ERV) of vacant spaces divided by ERV of total surfaces.

<sup>10</sup> Occupancy Cost Ratio = (rental charges + service charges including marketing costs for tenants) / (tenants' sales); VAT included and for all the occupiers of the shopping centre. As tenants' turnover is not known for The Netherlands, no reliable OCR can be calculated for this country.

<sup>11</sup> Variation in gross asset value group share.

- €31.7 Mn was invested in acquisitions of additional plots in Les 4 Temps and Aquaboulevard in Paris, Parquesur, La Vaguada in Madrid and Leidsenhage in The Netherlands and a piece of land in Täby in Sweden.
- €222.2 Mn was invested in construction, renovation or extension projects (see more details in following section "Development projects").
- Financial costs, eviction costs and other were capitalised respectively for €10.6 Mn, €6.6 Mn and €6.3 Mn.

On May 26, 2011, Unibail-Rodamco signed a preliminary agreement to acquire from co-owner GTC its 50% stake in Galeria Mokotow, a prime retail and entertainment centre located in Warsaw (62,300 m<sup>2</sup> GLA). This would bring Unibail-Rodamco's ownership to 100%. The agreement values the asset at €475 Mn.

The final execution of the transaction is subject to standard closing conditions, including approval by the Polish Competition Authority.

## 1.6. Divestments

Divestment of non core assets has been pursued actively in H1-2011: 17 assets were sold for a total net disposal price of €740.7 Mn (underlying assets values<sup>12</sup>) and a net result of €55.3 Mn:

- €217.3 Mn in France: Shopping Etrembières-Annemasse (50%) and participations in Saint Genis 2 near Lyon and Evry 2 in Paris region, Boisseuil in Limoges and Croix Dampierre in Châlons-en-Champagne.
- €330.7 Mn in Sweden: Haninge Centrum, Väsby Centrum, Tyresö-Stockholm, Balsta-Stockholm, Helsingborg and Eurostop-Jönköping.
- €136.2 Mn in The Netherlands: Buitenmere-Almere, Houtmarktpassage-Breda, Walburg-Zwijndrecht, Oude Marktpassage-Stadskanaal and Woonmall-Rotterdam.
- €56.5 Mn for Arkad centre in Budapest.

As at June 30, 2011, several assets were under sale agreements:

- Bonneveine in Marseille-France, sold on July 1, 2011 for a net disposal price of €88.2 Mn.
- Several small units in The Netherlands sold on July 1, 2011 for €9.5 Mn.
- Group's 50% stake in Südpark Klagenfurt-Austria for €29.0 Mn, final deed expected to be signed end of July 2011.

<sup>12</sup> As 6 assets were sold through share deals, the total net proceeds amounted to €642.1 Mn.

## 1.7. Portfolio valuation

As at June 30, 2011 the shopping centre portfolio of Unibail-Rodamco was valued on the balance sheet at €18,064 Mn, excluding transfer taxes and transaction costs.

Valuation movements to shopping centre investment properties (standing assets and property under development) amounted to +€491.7 Mn in H1-2011, breaking down as follows: €217.8 Mn in France, €84.2 Mn in Central Europe, €81.8 Mn in Spain, €49.8 Mn in Austria, €43.2 Mn in Nordic and €14.9 Mn in The Netherlands (see details in the following section on Net Asset Value).

## 2. Offices

### 2.1 Office property market<sup>13</sup> in H1-2011

#### Take-up & immediate supply

H1-2011 take-up in the Paris Region office market stood at 1,136,000 m<sup>2</sup>, which is a modest rise of 4% compared to H1-2010.

In the Paris Region, only 29 large segment transactions (deals over 5,000 m<sup>2</sup>) were listed during H1-2011 for a total of 381,700 m<sup>2</sup> let (compared to 39 transactions for a total of 409,300 m<sup>2</sup> let last year). This is despite 4 transactions over 20,000 m<sup>2</sup> being recorded during the first quarter. However, increased small and medium transactions (under 5,000 m<sup>2</sup>) supported H1-2011 take-up, accounting for almost 66% of the total volume.

Further market support came from the level of activity inside Paris. The capital accounted for 41% of take-up in the region. The CBD performed particularly well with 193,726 m<sup>2</sup> let during this first half year (42 % of the take-up in Paris), followed by the Western Crescent. Several large scale deals were mainly made during Q1-2011, such as the Thales deal for 70,000 m<sup>2</sup> in Gennevilliers, the Coface deal for 30,000 m<sup>2</sup> in Colombes and also the Havas Euro RSCG deal for 21,000 m<sup>2</sup> in Puteaux. In La Défense, 59,100 m<sup>2</sup> was let.

Immediate supply remained stable during H1-2011 at 3.7 Mn m<sup>2</sup>, increasing by only 1% compared to the volume recorded at the end of 2010. In this context, the Paris Region vacancy rate reached 6.7% with large variations from area to area: 9.8% for the Western Crescent, 7.4% for the southern inner rim, 6.6% for La Défense and 5.1% for Paris.

#### Rents

Rental values in the Paris Region remained relatively stable in H1-2011. According to CBRE, prime rents have decreased in the CBD from €734 /m<sup>2</sup> to €687/m<sup>2</sup> but this trend is bottoming out. Nevertheless, the

highest rent recorded during H1-2011 stood at €850/m<sup>2</sup> (a deal made by Pernod-Ricard, Place des Etats-Unis).

In La Défense, prime rents remained stable standing at €511 /m<sup>2</sup> at the end of H1-2011 (same as last year) despite a large supply of second hand buildings.

#### Investment market

Investments in offices during H1-2011 in the Paris Region market came to €3.3 Bn, up from the same period last year (€2.4 Bn in H1-2010).

The biggest transaction in H1-2011 was the acquisition of Europe Avenue-Bois Colombes near La Défense by Generali/Predica for €450 Mn (bought from Beacon Capital Partners).

After having risen during the financial crisis, yields have seen some compression since 2010. The prime yield stood at the end of H1-2011 between 4.5% and 5.0% in Paris CBD and between 5.6% and 6.2% in La Défense. This is evidenced by the ongoing acquisition of the 3-5 Malesherbes-Paris 8 from Unibail-Rodamco by Generali and the acquisition of Origami (Avenue de Friedland-Paris 8) by a private investor from Gecina.

#### Lack of new supply

The scarcity of good quality supply is likely to drive growth in prime rents across the CBD. Rent-free periods and other inducements granted to tenants for such assets have stabilised.

Both rental and investment demand is driven by the increasing obsolescence of the existing offer. Very few deliveries are scheduled for 2011 and 2012 and the drop in new production caused by the economic crisis will put further pressure on supply in the years 2012/2014.

Unibail-Rodamco's counter-cyclical office development strategy will allow the Group to propose new, modern, efficient and sustainable assets in the years 2011 to 2014 with So Ouest, Courcellor 1 and Majunga in the Paris Region.

### 2.2. Office division H1-2011 activity

Unibail-Rodamco's consolidated Net Rental Income (NRI) from the offices portfolio came to €99.8 Mn in H1-2011.

Region	Net Rental Income (€Mn)		
	2011-H1	2010-H1	%
France	84.4	91.4	-7.6%
Netherlands	5.8	6.5	-10.1%
Nordic	8.1	8.3	-2.6%
Other countries	1.4	1.9	-25.4%
<b>Total</b>	<b>99.8</b>	<b>108.1</b>	<b>-7.7%</b>

The decrease of €8.3 Mn from H1-2010 to H1-2011 is explained as follows:

- -€8.9 Mn due to disposals:

<sup>13</sup> Sources: Immostat – DTZ-CBRE

- ✓ Buildings sold in 2010: in France, Capital 8-Messine, 18-20 Hoche, 11-15 St Georges, 168 av Ch. de Gaulle-Neuilly, one logistic asset in Spain and small assets in Sweden and The Netherlands.
- ✓ Various small assets sold in H1-2011 in Sweden.

- -€7.8 Mn due to buildings under refurbishment (Courcellor 1 in Levallois, part of Issy-Guynemer in Paris and part of Le Wilson in La Défense).
- +€6.3 Mn came from delivery of Michelet Galilée-La Défense and Tour Oxygène-Lyon in H1-2010, currency effect and a reversal of provision for litigation of €4.9 Mn.
- Like-for-like NRI increased by €2.1 Mn, ie a +3.2% growth, with a limited impact of indexation of +0.7%.

This variation is broken down as shown in the following table.

Region	Net Rental Income (€Mn)		
	Like-for-like		
	2011-H1	2010-H1	%
France	58.4	56.0	4.2%
Netherlands	3.6	4.2	-13.2%
Nordic	4.9	4.6	6.6%
Other countries	1.1	1.1	-0.9%
<b>Total</b>	<b>68.0</b>	<b>65.9</b>	<b>3.2%</b>

In France, 11 leases were signed or renewed during the first half of 2011.

15,700 m<sup>2</sup> were renewed and 6,100 m<sup>2</sup> relet with an average uplift of 8.6%.

As at June 30, 2011, annualised minimum guaranteed rents generated by the office portfolio amounted to €204.1 Mn (€216.4 Mn as at Dec 31, 2010), of which €172.7 Mn in France.

The expiry schedule of the leases (termination option and expiry date) is shown in the following table.

Office portfolio	Lease expiry schedule			
	at date of next break option	as a % of total	at expiry date	as a % of total
Expired	0.3	0.1%	0.3	0.1%
2011	8.7	4.3%	4.9	2.4%
2012	27.2	13.3%	16.2	8.0%
2013	39.2	19.2%	11.1	5.4%
2014	24.8	12.1%	9.5	4.7%
2015	23.1	11.3%	29.9	14.6%
2016	26.9	13.2%	22.8	11.2%
2017	8.0	3.9%	21.1	10.4%
2018	14.1	6.9%	16.3	8.0%
2019	25.1	12.3%	59.0	28.9%
2020	5.4	2.7%	5.4	2.6%
2021	0.1	0.0%	2.3	1.1%
Beyond	1.1	0.6%	5.3	2.6%
<b>M€</b>	<b>204.1</b>	<b>100%</b>	<b>204.1</b>	<b>100%</b>

Potential annualised rents from vacant office space in operation amounted to €17.2 Mn at June 30, 2011,

corresponding to 8.2% of financial vacancy<sup>14</sup> on the whole portfolio (7.1% at year end 2010).

Estimated rental value of vacant spaces in France stood at €12.4 Mn, mainly in Issy-Guynemer building in Paris, Tour Ariane in La Défense and Tour Oxygène in Lyon, corresponding to a financial vacancy of 7.0% vs. 5.7% as of end of 2010.

### 2.3. Investment

Unibail-Rodamco invested €73.9 Mn in its office portfolio in H1-2011.

No new asset acquisitions were made during this period.

€65.8 Mn was invested for works in France (see more details in the following section on Projects pipeline).

Financial costs and other costs capitalised amounted to €8.1 Mn.

These amounts do not include the acquisition of the 7.25% stake in SFL (Société Foncière Lyonnaise) in March 2011 for €106.5 Mn.

### 2.4. Divestments

During the first half of 2011, the Group sold 5 office buildings in Sweden and one in The Netherlands for a total net disposal price of €73.3 Mn and a net result of -€0.3 Mn based on the valuations as at Dec 31, 2010

As at June 30, 2011, the 3-5 Malesherbes building in Paris was under sale agreement for €134.3 Mn (net disposal price) 2% above last appraisal. The final deed is expected to be signed by the end of July 2011.

Residential assets in Solna-Sweden were under sale promise as at June 30, 2011, for €23.7 Mn.

### 2.5. Portfolio valuation

As at June 30, 2011, the office portfolio was valued €3,724 Mn, excluding transfer taxes and transaction costs, on the balance sheet, including 7 Adenauer Paris (own-use building) assigned at historical cost.

The change in the fair value of office investment properties since December 31, 2010 generated a positive valuation result of €7.5 Mn<sup>15</sup> (see following section on Net Asset Value).

<sup>14</sup> Based on EPRA definition.

<sup>15</sup> Capital 8-Murat no longer benefits from the VAT regime on transfer. An additional €24.4 Mn transfer tax was deducted to compute the Net Market Value.

### 3. Convention & Exhibition

This activity is exclusively located in France and consists of a real estate venues rental and services company (VIPARIS) and a trade show organiser (COMEXPOSIUM). Both organisations are jointly owned with the Paris Chamber of Commerce and Industry (CCIP). VIPARIS is fully consolidated by Unibail-Rodamco and COMEXPOSIUM is recorded under the equity method.

The Convention and Exhibition business has been exposed to the global economic crisis. The average floor space rented for a typical show has come down while the opening period was sometimes shortened. However, the creation of new shows is picking up again. 30 new shows are planned for 2011 whereas there were only 15 new shows in 2010.

Especially in this environment of limited marketing budgets, shows are one of the most effective media for exhibitors since they offer direct, personal and effective contacts with customers relative to other forms of media.

The most important shows have seen little impact of the crisis, as they have become landmark events for the public at large.

The activity level during H1-2011 has been largely driven by the “Agriculture show” (SIA) and “Paris International Agri-business Show” (SIMA), where the number of visitors increased by 8% compared to the last edition in 2009, and by the biennial “Le Bourget Air Show” that was greatly successful in terms of visitors, exhibitors and orders.

Traditionally, the Convention and Exhibition business has a seasonal results pattern, with annual, biennial and triennial shows, and an uneven distribution of shows during the year. For instance, the “Le Bourget Air Show” takes place in the first half of odd years whereas the Motor show in Porte de Versailles takes place during the second half of even years. Even years tend to have more shows than odd years.

In aggregate, 578 events were held on all VIPARIS venues during H1-2011, of which 169 shows, 79 congresses, 294 corporate events and 36 exams.

As a result of these seasonal effects and in view of the challenging external environment, VIPARIS EBITDA amounts to a satisfactory €61.5 Mn, an increase of €9.5 Mn vs. H1-2010. Compared to H1-2009, this represents a decline by €7.9 Mn, especially due to the absence of the triennial show Intermat (last edition was in 2009) and the end of the Furniture show. Excluding these two shows, EBITDA shows a slight increase compared to 2009.

At the end of H1-2011, pre-booking level on VIPARIS venues amounts to 93% of the annual target.

COMEXPOSIUM contributed to the Group’s recurring result for €6.6 Mn.

In January 2011, the Group acquired SEHM (Managing company of the Méridien Montparnasse hotel in Paris) and simultaneously signed a management contract with Accor group which now runs the hotel under the Pullman brand name. The Group, which already owned the building now has full control of the hotel.

Including Pullman-Montparnasse and Hilton-Cnit La Défense hotels and after deduction of depreciation, the Convention & Exhibition division showed an operating profit of €66.1 Mn in H1-2011 (€58.0 Mn in H1-2010).

### III. First half 2011 Result

General expenses amounted to €41.2 Mn (€47.3 Mn in H1-2010), of which €1.6 Mn incurred for feasibility studies of development projects. The decrease reflects the results of the Group’s cost efficiency project.

Property services net operating result (€6.6 Mn) came from property services companies in France, Spain and Central Europe.

Other income (€5.3 Mn) was mainly composed of the €4.7 Mn dividend paid by SFL (Société Foncière Lyonnaise) in May 2011 resulting from the 7.25% stake acquired by Unibail-Rodamco in March 2011.

Group net financial expenses totalled €169.4 Mn, including capitalised financial expenses of €19.2 Mn allocated to projects under construction. Net borrowing expenses recorded in the net recurring profit thus came to €150.2 Mn (€131.1 Mn in H1-2010).

The ORNANE<sup>16</sup> convertible bond issued in April 2009 was accounted at fair value in accordance with IFRS. The value as at June 30, 2011 increased compared to Dec 31, 2010, resulting in a revaluation charge of €57.1 Mn included in the non-recurring result.

Most of the ORAs issued in 2007 have been converted. Only 9,676 ORAs<sup>17</sup> were still in issue as at June 30, 2011.

<sup>16</sup> Net share settled bonds convertible into new and/or existing shares.

<sup>17</sup> Convertible into 12,095 shares.



In accordance with the option adopted by Unibail-Rodamco for hedge accounting, the change in value of caps and swaps was recognised directly in the P&L, resulting in a profit of €37.1 Mn<sup>18</sup> in the non recurring result.

The Group's average cost of financing came to 3.6% over H1-2011 (3.9 % over full year 2010). Unibail-Rodamco's refinancing policy is described in the following section 'Financial Resources'.

The income tax charge came from countries where specific tax regimes for property companies<sup>19</sup> do not exist and activities in France which are not eligible to the SIIC regime, mainly in the Convention & Exhibition business.

Total income tax allocated to the recurring result amounted to -€6.2 Mn.

Corporate income tax allocated to valuation result and disposals was a charge of €71.9 Mn due mainly to the variation of deferred taxes on assets' fair value.

Minority interests in the consolidated recurring net profit after tax amounted to €45.7 Mn (€43.8 Mn in H1-2010).

Minority interests related mainly to CCIP's share in VIPARIS (€15.4 Mn) and to shopping centres in France and in Spain (€29 Mn, mainly Les Quatre Temps and Forum des Halles).

Following the completion of the statutory buy-out process, there are no minority interests in Rodamco Europe NV since June 9, 2011.

**Consolidated net result (group share) was a profit of €883 Mn in H1-2011. This figure breaks down as follows:**

- **€434.9 Mn of recurring net profit.**
- **€448.1 Mn of fair value adjustments and net gains on disposals.**

The average number of shares and ORAs<sup>20</sup> in issue during this period was 91,825,319.

**Recurring Earnings per Share came to €4.74 in H1-2011, representing an increase of 0.9% compared to H1-2010.**

#### **IV. Post closing events**

- Bonneveine shopping centre in Marseille-France was sold on July 1, 2011 for a net disposal price of €88.2 Mn.
- Several small retail units in The Netherlands were sold on July 1, 2011 for €9.5 Mn.
- Residential in Solna-Sweden was sold on July 1, 2011 for €23.7 Mn.
- On July 12, 2011, the Paris City Council has decided to launch a consultation with a view to modernise the Porte de Versailles site and to increase its attractiveness. The stated goal is to allow substantial investments to be done in exchange for the elongation of the rights given by the City in connection with the site. Nevertheless, no decision on the termination of the concession contract expiring in 2026 has been made to date and the operating conditions remain unchanged.
- On July 18, 2011, the Polish Antitrust Authorities approved the acquisition by Unibail-Rodamco of GTC's 50% of Galeria Mokotow in Warsaw. Closing of the transaction is expected for the last week of July.

#### **V. Outlook**

The Group re-iterates its 2011 recurring earnings per share outlook of -3% to -5% decrease, reflecting the impacts of the exceptional distribution of October 2010, and the ongoing disposal programme.

Based on the H1-2011 results, the Group expects to come out at the high end of this range.

---

<sup>18</sup> Of which: - €1.4 Mn for derivatives nettings and -€3.7 Mn for amortisation of Rodamco debt marked to market at the time of the merger.

<sup>19</sup> In France : SIIC (Société Immobilière d'Investissements Cotée).

<sup>20</sup> ORA: Obligations Remboursables en Actions = bonds redeemable for shares. It has been assumed here that the ORAs have a 100% equity component.

## DEVELOPMENT PROJECTS AS AT JUNE 30, 2011

Unibail-Rodamco's development project pipeline grew in H1-11 with circa €300 Mn to €6.9 Bn as of June 30, 2011. This corresponds to a total of 1.4 Mn m<sup>2</sup> Gross Lettable Area (GLA), re-developed or added to the portfolio. Significant focus has been put on securing the current portfolio of projects as demonstrated by several building permits obtained in the past 12 months, bringing delivery of significant projects nearer. At the same time, major construction contracts have been signed, benefiting from favorable conditions due to the slow construction industry environment throughout Europe.

### 1. Moving into higher gear: securing project progress

Unibail-Rodamco's development teams continue to chase new development opportunities throughout Europe. These new projects are in most cases uniquely sourced and led by Unibail-Rodamco. Nevertheless Unibail-Rodamco can also involve local partners, especially in regions where developers face difficulties raising equity and financing for the construction of new developments. As an illustration, the Group signed in spring 2011 a preliminary agreement for the joint development of a major shopping centre in one of Central Europe's capital cities (still under confidentiality agreement).

This project, in addition to adjustments to the current portfolio, has increased the estimated size of the development pipeline by circa €300 Mn compared to end of 2010, to a total of €6.9 Bn and 1.4 Mn m<sup>2</sup> of re-developed or added GLA as of June 30, 2011.

During the same period, significant focus has been put on accelerating the authorisation process for the main development projects with good achievements.

Following the building permit deliveries on Phare and Majunga during summer 2010, and on the Cerny Most extension and Aeroville in the last days of December 2010, Unibail-Rodamco obtained in H1-2011 the building permits for:

- Courcellor 1: a mixed-use project located in Levallois, France (adjacent to the So Ouest shopping centre project to be delivered H1 2013), offering an additional 4,500 m<sup>2</sup> GLA of cinemas and restaurants to So Ouest, on top of 36,000 m<sup>2</sup> GLA of new or renovated Offices.
- Mall of Scandinavia: the Solna municipality delivered in May the building permit for this major shopping centre project, where discussions are still ongoing.

These administrative authorisations are major milestones for projects initially launched during the 2005-2007 period, and since re-visited to further improve their cost-efficiency (re-negotiation of land

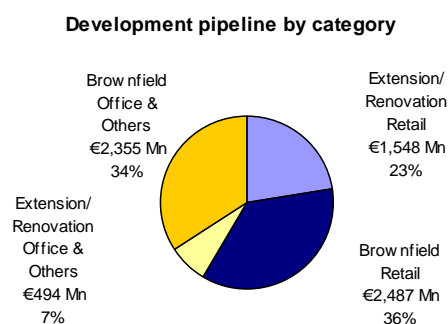
prices, re-adjustment of development structure and cost,...) to meet economic hurdle rates.

Meanwhile, the Group accelerated the negotiation of the construction contracts for these projects, with a clear target to leverage on the current market conditions to obtain the best prices from construction companies.

Construction contracts have been signed for circa €0.7 Bn (Majunga, Aeroville, Taby, Centrum Cerny Most...) allowing construction works to be launched during H1-2011 on these projects that represent a circa €1.1 Bn of expected cost (eg circa 16% of the total pipeline). Another €1.1 Bn construction contracts are under advanced negotiations, in particular for Tour Phare and the Mall of Scandinavia project.

### 2. Development pipeline overview

The estimated investment cost of the development pipeline as of June 30, 2011 amounted to €6.9 Bn. The breakdown is the following:

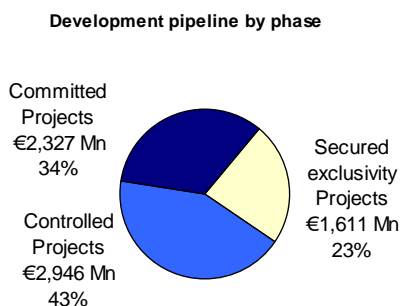


The €4.0 Bn retail pipeline is split into brownfield projects, which represent 62%, and extensions and renovations, which make up the remaining 38%. This corresponds to the creation of 746,300 m<sup>2</sup> GLA and redevelopment of 98,600 m<sup>2</sup>.

Expected investments in the "Offices & Other" pipeline category amount to €2.8 Bn. Brownfield projects, corresponding to some 374,550 m<sup>2</sup> of new GLA, represent 83% of this investment. The remainder will be invested in redeveloping or refurbishing 143,690 m<sup>2</sup> of existing assets.

### 3. Phases of the pipeline projects

Committed<sup>21</sup> projects as of June 30, 2011 amounted to €2.3 Bn (vs. €1.7 Bn at end 2010), Controlled<sup>22</sup> projects to €2.9 Bn (vs. €2.9 Bn at end 2010) and Secured Exclusivity projects<sup>23</sup> projects to €1.6 Bn (vs. €2.0 Bn at end 2010).



### 4. Secured development pipeline over the last 12 months

The table below shows selected projects on which major achievements enabled the progress of the phase status since June 30, 2010:

Project	Expected Cost (U-R scope of consolidation) (€Mn, 30/06/11)	Phase 30/06/11	Phase 30/06/10
MAJUNGA	376	Committed	Controlled
AEROVILLE	321	Committed	Controlled
CENTRUM CERNY MOST	145	Committed	Controlled
FORUM DES HALLES	102	Committed	Controlled
FISKETORVET	30	Committed	Secured Exclusivity
PHARE	910	Controlled	Secured Exclusivity
TRIANGLE	514	Controlled	Secured Exclusivity
ROSNY 2	35	Controlled	Secured Exclusivity

- Works have started on Majunga, a 63,035m<sup>2</sup> GLA tower that will stand over 200 m tall in the La Défense business district in Paris, France;
- Building rights were acquired and works have started on Aeroville, a shopping centre with 81,423 m<sup>2</sup> of GLA located at the Charles de Gaulle airport in Paris, France;
- Construction started for the extension at Centrum Cerny Most in Prague, Czech Republic which will add 44,213 m<sup>2</sup> of GLA and 3,300 parking places;

<sup>21</sup> Committed projects: projects currently under construction, for which Unibail-Rodamco owns the land or building rights and has obtained all necessary administrative authorisations and permits.

<sup>22</sup> Controlled projects: projects in an advanced stage of studies, for which Unibail-Rodamco controls the land or building rights, but where not all administrative authorisations have been obtained yet.

<sup>23</sup> Secured exclusivity projects: projects for which Unibail-Rodamco has the exclusivity but where negotiations for building rights or project definition are still underway.

- The extension and renovation of the Forum des Halles, in the heart of Paris, France which will add 15,386 m<sup>2</sup> of GLA to the centre, has started;
- Renovation works started in the Fisketorvet shopping centre in central Copenhagen, Denmark;
- Phare became a controlled project after a termsheet on the land rights was agreed with La Défense administration authority (EPADESA) to build a 300 m tall tower in the heart of La Défense, France;
- In March 2011, the Paris City Council accepted the terms and conditions of a memorandum of understanding with Viparis for the construction of the Triangle tower in Porte de Versailles, Paris, France;
- The Rosny 2 project became controlled after the purchase of the BHV unit, which will be converted into a mall with smaller units.

### 5. Investments in H1-2011

Unibail-Rodamco invested €222.2 Mnt<sup>24</sup> for the works on the shopping centre portfolio in H1-2011.

- €49.4 Mn was invested in construction costs of new shopping centres: Lyon Confluence in Lyon and So-Ouest in Paris-Levallois.
- €172.8 Mn was invested in renovation and extension of existing shopping centres, mainly Täby in Sweden, Rennes Alma and Parly 2 in France, Cerny Most in Prague, Shopping City Sud and Donau Zentrum in Austria.

€65.8 Mn of works were invested on the French office portfolio in H1-2011 mainly for the construction of Tour Majunga in La Défense, the redevelopment of Courcellor 1 building in Levallois, and the renovation of part of Issy-Guynemer in Paris and part of 70-80 Wilson building in La Défense.

### 6. Future deliveries

During H2-2011, the Group expects to deliver the following projects from the pipeline into the standing portfolio:

- So Ouest Office building
- 70-80 Wilson office building refurbishment
- Issy-Guynemer office building refurbishment
- Rotterdam Plaza office building refurbishment
- Solna shopping centre refurbishment
- Donau Zentrum shopping centre renovation of the existing part
- Parly 2 shopping centre renovation

<sup>24</sup> Variation in gross asset value group share – excluding capitalised financial expenses and internal costs

## 7. Projects overview

Apart from the entry of new projects during the last 12 months, the increase in expected costs is driven by:

- the mechanical impact of inflation, the costs (and attached income) being expressed in today's value
- the impact of exchange rate movements, for the Mall of Scandinavia, Täby and Solna projects in Sweden
- the increase of the French tax rate for office and retail area creation in Ile de France (Paris area)
- changes in the programs, correlating to increases in expected income. For instance the Mall of Scandinavia car park is now included in the project; the petrol station has been included in Parly 2 extension project; a decision has been made to shelter Lyon Confluence shopping centre with glass walls to improve customer comfort; new improvements works were added to Forum des Halles.

Some projects have also been delayed due to the natural contingencies attached to any development activity. In Portes de Gascogne for instance the discovery of endangered species on the construction site makes it necessary to obtain specific authorisations that delay the start of the works.

Development projects <sup>(1)</sup>	Business	Country	City	Type	Total Complex GLA (m <sup>2</sup> )	GLA U-R scope of consolidation (m <sup>2</sup> )	Cost to date <sup>(2)</sup> U-R scope of consolidation (€ Mn)	Expected cost <sup>(3)</sup> U-R scope of consolidation (€ mn)	Expected Opening date <sup>(4)</sup>	U-R Yield on cost (%)
SO OUEST OFFICES	Office & others	France	Paris Region	Greenfield / Brownfield	33,419 m <sup>2</sup>	33,419 m <sup>2</sup>	153	193	H2 2011	
DONAUZENTRUM	Shopping Centre	Austria	Vienna	Extension / Renovation	0 m <sup>2</sup>	0 m <sup>2</sup>	46	55	H2 2011	
70-80 WILSON	Office & others	France	Paris Region	Redevelopment / Refurbishment	12,462 m <sup>2</sup>	12,462 m <sup>2</sup>	4	18	H2 2011	
SOLNA	Shopping Centre	Sweden	Solna	Extension / Renovation	2,950 m <sup>2</sup>	2,950 m <sup>2</sup>	17	28	H2 2011	
PARLY 2 RENOVATION	Shopping Centre	France	Paris Region	Extension / Renovation	0 m <sup>2</sup>	0 m <sup>2</sup>	10	14	H2 2011	
ROTTERDAM PLAZA	Office & others	Netherlands	Rotterdam	Redevelopment / Refurbishment	16,025 m <sup>2</sup>	16,025 m <sup>2</sup>	0	20	H2 2011	
ISSY GUYMERMER	Office & others	France	Paris Region	Redevelopment / Refurbishment	14,833 m <sup>2</sup>	14,833 m <sup>2</sup>	5	25	H2 2011	
LYON CONFLUENCE	Shopping Centre	France	Lyon	Greenfield / Brownfield	53,542 m <sup>2</sup>	53,542 m <sup>2</sup>	212	282	H1 2012	
FARO DEL GUADIANA	Shopping Centre	Spain	Badajoz	Greenfield / Brownfield	66,000 m <sup>2</sup>	43,000 m <sup>2</sup>	42	90	H2 2012	
FISKETORVET	Shopping Centre	Denmark	Copenhagen	Extension / Renovation	49 m <sup>2</sup>	49 m <sup>2</sup>	7	30	H2 2012	
CENTRUM CERNY MOST	Shopping Centre	Czech Rep.	Prague	Extension / Renovation	44,213 m <sup>2</sup>	44,213 m <sup>2</sup>	20	145	H1 2013	
SO OUEST SC	Shopping Centre	France	Paris Region	Greenfield / Brownfield	46,712 m <sup>2</sup>	46,712 m <sup>2</sup>	208	326	H1 2013	
AEROVILLE	Shopping Centre	France	Paris Region	Greenfield / Brownfield	81,423 m <sup>2</sup>	81,423 m <sup>2</sup>	93	321	H2 2013	
MAJUNGA	Office & others	France	Paris Region	Greenfield / Brownfield	63,035 m <sup>2</sup>	63,035 m <sup>2</sup>	128	376	H2 2013	
FORUM DES HALLES	Shopping Centre	France	Paris	Extension / Renovation	15,386 m <sup>2</sup>	15,386 m <sup>2</sup>	27	102	H1 2014	
TÄBY CENTRUM	Shopping Centre	Sweden	Täby	Extension / Renovation	27,868 m <sup>2</sup>	27,868 m <sup>2</sup>	70	257	H2 2014	
OTHERS					10,732 m <sup>2</sup>	10,732 m <sup>2</sup>	22	46		
<b>Committed Projects</b>					<b>488,649 m<sup>2</sup></b>	<b>465,649 m<sup>2</sup></b>	<b>1,063</b>	<b>2,327</b>		<b>7.7%</b>
ROSNY 2	Shopping Centre	France	Paris Region	Extension / Renovation	5,545 m <sup>2</sup>	5,545 m <sup>2</sup>	27	35	H1 2012	
CARRE SENART 3	Shopping Centre	France	Paris Region	Greenfield / Brownfield	14,409 m <sup>2</sup>	14,409 m <sup>2</sup>	7	24	H2 2012	
SHOPPING CITY SUD	Shopping Centre	Austria	Vienna	Extension / Renovation	0 m <sup>2</sup>	0 m <sup>2</sup>	7	73	H2 2012	
PARLY 2 EXT	Shopping Centre	France	Paris Region	Extension / Renovation	18,392 m <sup>2</sup>	14,433 m <sup>2</sup>	5	92	H1 2013	
RENNES ALMA	Shopping Centre	France	Rennes	Extension / Renovation	10,395 m <sup>2</sup>	10,395 m <sup>2</sup>	22	86	H2 2013	
LA TOISON D'OR	Shopping Centre	France	Dijon	Extension / Renovation	11,392 m <sup>2</sup>	11,392 m <sup>2</sup>	1	83	H2 2013	
COURCELLOIR 1	Office & others	France	Paris Region	Redevelopment / Refurbishment	40,382 m <sup>2</sup>	40,382 m <sup>2</sup>	7	176	H2 2014	
LES PORTES DE GASCOGNE	Shopping Centre	France	Toulouse	Greenfield / Brownfield	85,936 m <sup>2</sup>	25,468 m <sup>2</sup>	14	105	H2 2014	
OCEANIC	Shopping Centre	Spain	Valencia	Greenfield / Brownfield	74,249 m <sup>2</sup>	74,249 m <sup>2</sup>	0	181	H1 2015	
MALL OF SCANDINAVIA(6)	Shopping Centre	Sweden	Stockholm	Greenfield / Brownfield	96,364 m <sup>2</sup>	96,364 m <sup>2</sup>	16	549	H1 2015	
BENIDORM	Shopping Centre	Spain	Benidorm	Greenfield / Brownfield	53,939 m <sup>2</sup>	26,970 m <sup>2</sup>	38	75	H2 2015	
PHARE	Office & others	France	Paris	Greenfield / Brownfield	124,776 m <sup>2</sup>	124,776 m <sup>2</sup>	48	910	Post 2015	
TRIANGLE	Office & others	France	Paris	Greenfield / Brownfield	83,887 m <sup>2</sup>	83,887 m <sup>2</sup>	3	514	Post 2015	
OTHERS					8,495 m <sup>2</sup>	8,495 m <sup>2</sup>	6	42		
<b>Controlled Projects</b>					<b>628,161 m<sup>2</sup></b>	<b>536,765 m<sup>2</sup></b>	<b>201</b>	<b>2,946</b>		<b>8.0%-8.5%</b>
3 PAYS (5)	Shopping Centre	France	Hésingue	Greenfield / Brownfield	90,000 m <sup>2</sup>	90,000 m <sup>2</sup>			H2 2014	
TRINITY	Office & others	France	Paris	Greenfield / Brownfield	45,975 m <sup>2</sup>	45,975 m <sup>2</sup>			H2 2015	
LE CANNET	Shopping Centre	France	Le Cannet	Greenfield / Brownfield	21,820 m <sup>2</sup>	5,455 m <sup>2</sup>			Post 2015	
OTHERS					219,298 m <sup>2</sup>	219,298 m <sup>2</sup>				
<b>Secured Exclusivity Projects</b>					<b>377,093 m<sup>2</sup></b>	<b>360,728 m<sup>2</sup></b>	<b>14</b>	<b>1,611</b>		<b>8.0%-8.5%</b>
<b>U-R Total Pipeline</b>					<b>1,493,902 m<sup>2</sup></b>	<b>1,363,141 m<sup>2</sup></b>	<b>1,278</b>	<b>6,884</b>		<b>8% target</b>
						Of which additional area	1,120,860 m <sup>2</sup>			
						Of which redeveloped area	242,282 m <sup>2</sup>			

- (1) Figures subject to change according to the maturity of projects.
- (2) Excluding financial costs and internal costs capitalised.
- (3) Excluding financial costs and internal costs capitalised. The costs are discounted in today's value.
- (4) In the case of staged phases in a project, the date corresponds to the opening of the first phase.
- (5) 3 Pays project exclusivity protocol has been contested; court actions have been taken to protect Unibail-Rodamco rights.
- (6) Discussions are still on-going on Mall of Scandinavia land acquisition

## NET ASSET VALUE AS AT JUNE 30, 2011

---

Unibail-Rodamco's EPRA triple Net Asset Value (NNNAV) amounted to €127.00 per share as at June 30, 2011, up +1.9% from December 31, 2010. The total NNNAV increase of €2.40 per share reflects the effect of marking to market of assets and liabilities for €5.74, the first half recurring earnings and the net result of divestments for €5.30 per share, offset by the €8.00 per share distribution in May 2011 and the €064 per share dilutive impact related to the increase in shares.

The Going Concern NAV (GMV based), measuring the fair value on a long term, ongoing basis, came to €138.80 / share as at June 30, 2011, increasing by +1.7% compared to year-end 2010.

### 1. PROPERTY PORTFOLIO

The European investment volume increased over the first half of 2011 by 17% to €51.4 Bn<sup>25</sup> vs. the same period of 2010, which indicates an increasing appetite from investors. Retail investments represented 35% of overall transactions in the period (vs. 28% in the full year 2010), reflecting an increasing interest for retail as an investment class.

Across Continental Europe, the pace of growth in asset values remains differentiated: whereas yields are stabilising in core markets such as France, specific markets are seeing yield compression on the back of strong fundamentals and equity investor interest attracted by relatively high yields. This is especially the case in Central Europe and Austria while an improved investment sentiment has been noticed in the Nordics.

As debt financing remains constrained, the market for prime products continues to be dominated by equity players (institutional investors, sovereign wealth funds) searching for yield and secure income. On the supply side, there is a lack of quality properties which remain in high demand. As a result, the Group's large centres, attracting significant footfall, have shown a solid revaluation performance.

Appraisers have reviewed in detail the trading performance of the Group's assets, with specific attention to footfall, recent letting deals and asset track record to confirm cash flow growth. Letting deals across the European portfolio demonstrate that retailers are still looking to focus on prime locations and selectively expand in locations that offer the highest footfall and sales intensity.

Unibail-Rodamco's asset portfolio including transfer taxes grew from €24,532 Mn at year-end 2010 to €24,836 Mn as at June 30, 2011. On a like-for-like basis, the value of the overall portfolio increased by €538 Mn net of investments, i.e. +2.4% compared with year-end 2010.

---

<sup>25</sup> Source: Jones Lang LaSalle

Asset portfolio valuation of UNIBAIL-RODAMCO (including transfer taxes) (a)	December 31, 2010		June 30, 2011		Like-for-like change net of investment - first half year 2011 (b)	
	€ Mn	%	€ Mn	%	€ Mn	%
Shopping centres	18,614	76%	18,708	76%	483	2.8%
Offices	3,885	16%	3,967	16%	21	0.7%
Convention-Exhibition centres	1,716	7%	1,832	7%	34	2.2%
Services	318	1%	330	1%	-	0.0%
<b>Total</b>	<b>24,532</b>	<b>100%</b>	<b>24,836</b>	<b>100%</b>	<b>538</b>	<b>2.4%</b>

Figures may not add up due to rounding.

(a) Based on a full scope of consolidation, including transfer taxes and transaction costs (see §1.5 for Group share figures).

The portfolio valuation includes:

- The appraised/at cost value of the entire property portfolio (100% when fully consolidated, Group share when consolidated under the proportional method).
- The market value of Unibail-Rodamco's equity holding in Comexposium, a trade shows organisation business, consolidated under the equity method.

The portfolio valuation does not include shares of Société Foncière Lyonnaise or the prepayment related to Zlote Tarasy .

(b) Excluding changes in the scope during H1- 2011:

- Acquisitions of: shopping centre lots in Les Quatre Temps (La Défense-Paris/France), Aquaboulevard (Paris/France), Parquesur and La Vaguada in Madrid/Spain and in Leidsenhage (Leidschendam/Netherlands), a parking lot adjacent to the Täby shopping centre (Stockholm/Sweden) and SODES (a company organising the Paris Prêt-à-Porter fashion show) by Comexposium
- Disposal of 5 shopping centres in France (Shopping Etrembières, Saint Genis 2, Evry 2, Croix Dampierre and Boisseuil)
- Disposal of the Arkad shopping centre in Budapest/Hungary
- Disposal of various assets in The Netherlands, including small shopping centres and high street properties (Houtmarktpassage, Ginnekenstraat and Molsterrein (parking) in Breda, Oude Marktpassage, Walburg and Woonmall Alexandrium) and the Buitenmere office and retail buildings in Almere-Buiten
- Disposal of retail and office buildings in Sweden (Haninge, Väsby, Bålsta Centrum, Eurostop Jönköping and Tyresö), a hypermarket let to ICA Maxi in Helsingborg and the Hotel Park Inn in Solna.

## Appraisers

Two international and qualified appraisers, Jones Lang LaSalle and DTZ, assess the retail and office properties of the Group since 2010. The valuation process has a centralised approach, which ensures that, on the Group's internationally diversified portfolio, pan-European capital market views are taken into account. Unibail-Rodamco has allocated properties evenly across the two appraisers, while ensuring that large regions are assessed by both companies for comparison and benchmarking purposes. The appraiser of Conventions and Exhibitions as well as Services is PricewaterhouseCoopers. Assets are appraised twice a year (June and December), except service companies, appraised yearly.

Appraiser	Property location	% of total portfolio
DTZ	France / Netherlands / Nordic / Spain / Central Europe	50%
JLL	France / Nordic / Spain / Central Europe / Austria	39%
PWC	France	8%
At cost or under sale agreement		3%
		<b>100%</b>

Fees paid to appraisers are determined prior to the valuation campaign and are independent from the value of properties appraised.

A detailed report, dated and signed is produced for each appraised property.

None of the appraisers has received fees from the Group representing more than 10% of their turnover.

## Valuation methodology

The valuation principles adopted are based on a multi-criteria approach. The independent appraiser determines the fair market value based on the results of two methods: the discounted cash flow and the yield methodologies. Furthermore, the resulting valuations are cross-checked against the initial yield and the fair market values established through actual market transactions. Intelligence on Unibail-Rodamco's own transactions executed in the first half 2011 was also used to validate and cross-check the valuations.

## Valuation scope

As of June 30, 2011, independent experts have appraised 97% of Unibail-Rodamco's portfolio.

Investment Properties Under Construction (IPUC) for which a value could be reliably determined, are required to be accounted for at fair value and were also assessed by external appraisers.

Investment Properties Under Construction are taken at fair value once management considers that a substantial part of the project's uncertainty has been eliminated, such that a reliable fair value can be established. The company uses generic guidelines to establish the remaining level of risk, focusing notably on uncertainty remaining in construction and leasing.

Investment Properties Under Construction were valued using a discounted cash flow or yield method approach (in accordance with RICS and IVSC standards) as deemed appropriate by the independent appraiser. In some cases, both methods were combined to validate and cross-check critical valuation parameters.

The extension of Täby shopping centre (Stockholm/Sweden), valued at cost as at December 31, 2010, was assessed at fair value as at June 30, 2011.

The following assets under construction continued to be assessed at fair value as at June 30, 2011:

- Shopping centre projects such as Badajoz (Badajoz/Spain), Lyon Confluence (Lyon/France) and So Ouest (Levallois/France) as well as the Alma extension (Rennes/France);
- So Ouest Office in Levallois/France;
- Hotel Lyon Confluence, under construction in Lyon/France.

The remaining assets (3%) of the portfolio, which have not been externally appraised as at June 30, 2011, have been valued as follows:

- At cost for the Investment Properties Under Construction for which a reliable value could not yet be established. These mainly represent shopping centres under development (notably Aéroville in Roissy/France, Portes de Gascogne in Toulouse/France, Centrum Cerny Most extension in Prague/Czech Republic and Benidorm in Spain) and office developments (notably Phare and Majunga in La Défense/France and Courcellor 1 in Levallois/France).
- At disposal price for assets under sale agreement (shopping centres Südpark in Klagenfurt/Austria and Bonneveine in Marseille/France, and the 3-5 Malesherbes office building in Paris/France).
- At acquisition price for assets acquired in the 1<sup>st</sup> half of 2011.

### 1.1. Shopping Centre portfolio

The value of Unibail-Rodamco's shopping centre portfolio is the addition of the value of each individual asset. This approach does not include the "portfolio value", which reflects the additional value of having a large group of unique assets in a single portfolio, as this value cannot be objectively assessed, yet is definitely part of the attraction to shareholders.

### Evolution of Unibail-Rodamco's Shopping Centre portfolio valuation

The value of Unibail-Rodamco's Shopping Centre Portfolio grew from €18,614 Mn as at December 31, 2010 to €18,708 Mn as at June 30, 2011, including transfer taxes and transaction costs:

Valuation 31/12/2010 (€ Mn)	18,614	
Like for Like revaluation	483	
Revaluation of Non Like for Like assets	19	(a)
Capex / Acquisitions	304	
Disposals	- 743	(b)
Constant Currency Effect	32	(c)
<b>Valuation 30/06/2011 (€ Mn)</b>	<b>18,708</b>	

(a) Non like-for-like assets regarding investment properties under construction taken at cost or at fair value.

(b) Value as at 31/12/2010.

(c) Currency gain in Nordic, before offsets from foreign currency loans and hedging programs.

Based on an asset value excluding estimated transfer taxes and transaction costs, the shopping centre division's net initial yield at June 30, 2011 came to 5.5% vs. 5.7% at year-end 2010.

Shopping Centre portfolio by region - June 30, 2011	Valuation including transfer taxes in € Mn	Valuation excluding estimated transfer taxes in € Mn	Net initial yield (a) June 30, 2011	Net initial yield (a) Dec. 31, 2010
France (b)	10,202	9,786	5.2%	5.3%
Spain	2,112	2,064	6.5%	6.8%
Nordic	1,784	1,748	5.4%	5.8%
Central Europe (c)	1,570	1,546	6.5%	6.7%
Netherlands	1,402	1,320	5.7%	6.0%
Austria (c)	1,638	1,623	5.2%	5.4%
<b>Total</b>	<b>18,708</b>	<b>18,086</b>	<b>5.5%</b>	<b>5.7%</b>

(a) Annualised contracted rent (including latest indexation) net of expenses, divided by the value of the portfolio net of estimated transfer taxes and transaction costs. Shopping centres under development are not included in the calculation.

(b) For France, the inclusion of Key Moneys in the Net Rental Income would increase net initial yield to 5.7% as at June 30, 2011.

(c) Pro-forma net initial yield as at December 31, 2010 for Central Europe and Austria, following the transfer of Aupark from Central Europe to the Austria region in 2011.

For the EPRA yield calculations, see § 1.6.

### Sensitivity

Based on the half-year 2011 net initial yield of 5.5%, a change of +25 basis points would result in a downward adjustment of -€779Mn (or -4.3%) of the total shopping centre portfolio value (including transfer taxes and transaction costs).

### Like-for-like analysis

On a like-for-like basis, the value of the Shopping Centre portfolio, including transfer taxes and transaction costs and restated for works, capitalised financial and leasing expenses and eviction costs, increased by €483 Mn (or +2.8%) over the half year. This breaks down into +2.1% due to the increase in revenues and +0.7% due to changes in yield.

Shopping Centre - Like for Like (LxL) change (a)				
Half year 2011	Like for Like change in € Mn	Like for Like change in %	LxL change - Rent impact	LxL change - Yield impact (b)
France	224	2.4%	2.2%	0.2%
Spain	75	3.8%	2.9%	0.9%
Nordic	45	2.8%	1.2%	1.6%
Central Europe	80	5.8%	1.7%	4.1%
Netherlands	6	0.5%	1.0%	-0.6%
Austria	53	3.4%	2.5%	0.9%
<b>Total</b>	<b>483</b>	<b>2.8%</b>	<b>2.1%</b>	<b>0.7%</b>

(a) Like-for-like change net of investments from December 31, 2010 to June 30, 2011.

(b) Yield impact calculated using the change in potential yields, to neutralise changes in vacancy rates.

## 1.2. Office portfolio

### Evolution of Unibail-Rodamco's Office portfolio valuation

The value of the Office Portfolio increased to €3,967 Mn as at June 30, 2011 from €3,885 Mn as at December 31, 2010, including transfer taxes and transaction costs:

Valuation 31/12/2010 (€ Mn)	3,885	
Like for Like revaluation	21	
Revaluation of Non Like for Like assets	9	(a)
Capex / Acquisitions	119	
Disposals	- 73	(b)
Constant Currency Effect	5	(c)
<b>Valuation 30/06/2011 (€ Mn)</b>	<b>3,967</b>	

(a) Includes: (i) Investment properties under construction taken at cost or at fair value (ii) Assets currently with significant refurbishment programmes (Issy-Guynemer, 70 Wilson) (iii) The 7 Adenauer building (U-R headquarters)

(b) Value as at 31/12/2010.

(c) Currency gain in Nordic, before offsets from foreign currency loans and hedging programs.

The split by region of the total office portfolio is as follows:

Valuation of Office portfolio - June 30, 2011	Valuation (including transfer taxes)	
	€ Mn	%
France	3,561	90%
Nordic	213	5%
Netherlands	149	4%
Austria	36	1%
Central Europe	8	0%
<b>Total</b>	<b>3,967</b>	<b>100%</b>

For occupied offices and based on an asset value excluding estimated transfer taxes and transaction costs, the Office division's net initial yield at June 30, 2011 decreased to 6.5% vs. 6.6% at year-end 2010.

Valuation of <u>occupied office space</u> - June 30, 2011	Valuation including transfer taxes in € Mn (a)	Valuation excluding estimated transfer taxes in € Mn	Net initial yield (b) June 30, 2011	Net initial yield (b) Dec. 31, 2010
France	2,792	2,698	6.3%	6.4%
Nordic	198	194	7.0%	7.5%
Netherlands	111	104	10.4%	9.8%
Austria	34	34	7.2%	7.3%
Central Europe (c)	8	8	8.1%	n/a
<b>Total</b>	<b>3,143</b>	<b>3,038</b>	<b>6.5%</b>	<b>6.6%</b>

(a) Valuation of occupied office space as at June 30, 2011, based on the appraiser's allocation of value between occupied and vacant space.

(b) Annualised contracted rent (including latest indexation) net of expenses, divided by the value of occupied space net of estimated transfer taxes and transaction costs.

(c) Net initial yield for Central Europe as at December 31, 2010 not available. Wilenska office only recognised in 2011 in the office portfolio.

For the EPRA yield calculations, see § 1.6.

### Sensitivity

A change of +25 basis points in the offices net initial yield would result in a downward adjustment of -€13 Mn (or -3.5%) of the total office portfolio value (occupied and vacant space, including transfer taxes and transaction costs).

### Like-for-like analysis

The value of Unibail-Rodamco's office portfolio, including transfer taxes and transaction costs, and after accounting for the impact of works and capitalised financial and leasing expenses, increased on a like-for-like basis by €21 Mn (+0.7%) over the first half 2011. This breaks down into +0.8% from the rents and lettings and -0.1% due to changes in yields.

Offices - Like for Like (LxL) change (a)				
Half year 2011	Like for Like change in € Mn	Like for Like change in %	LxL change - Rent impact	LxL change - Yield impact (b)
France	29	1.0%	1.0%	0.0%
Nordic	3	2.7%	1.4%	1.3%
Netherlands	- 10	-6.8%	-1.1%	-5.7%
Austria	- 1	-2.1%	-2.5%	0.4%
Central Europe	-	-	-	-
<b>Total</b>	<b>21</b>	<b>0.7%</b>	<b>0.8%</b>	<b>-0.1%</b>

(a) Like-for-like change net of investments from December 31, 2010 to June 30, 2011.

(b) Yield impact calculated using the change in potential yields, to neutralise changes in vacancy rates.



## French Office Portfolio

Unibail-Rodamco's French office portfolio split by sector as follows:

French Office portfolio by sector - June 30, 2011	Valuation (including transfer taxes)	
	€ Mn	%
Paris CBD	934	26%
Neuilly-Levallois-Issy	712	20%
La Défense	1,665	47%
Other	250	7%
<b>Total</b>	<b>3,561</b>	<b>100%</b>

For occupied offices and based on an asset value excluding estimated transfer taxes and transaction costs, the French Office division's yield at June 30, 2011 came to 6.3% vs. 6.4% as at year-end 2010.

Valuation French of <u>occupied office space</u> - June 30, 2011	Valuation including transfer taxes in € Mn (a)	Valuation excluding estimated transfer taxes in € Mn	Net initial yield (b) June 30, 2011	Average price €/m <sup>2</sup> (c)
Paris CBD	916	893	5.8%	13,882
Neuilly-Levallois-Issy	303	288	6.3%	5,675
La Défense	1,352	1,301	6.4%	7,458
Other	221	216	7.1%	3,605
<b>Total</b>	<b>2,792</b>	<b>2,698</b>	<b>6.3%</b>	<b>7,825</b>

(a) Valuation of occupied office space as at June 30, 2011, as based on the appraiser's allocation of value between occupied and vacant space.

(b) Annualised contracted rent (including latest indexation) net of expenses, divided by the value of occupied space net of estimated transfer taxes and transaction costs.

(c) Average price, excluding estimated transfer taxes, per m<sup>2</sup> for occupied office space as based on the appraiser's allocation of value between occupied and vacant space.

Average prices were restated for parking spaces with a basis of €30,000 per space for Paris CBD and Neuilly-Levallois-Issy and €15,000 for other areas.

### 1.3. Convention-Exhibition Portfolio

The value of Unibail-Rodamco's convention-exhibition centre portfolio is derived from the combination of the value of each individual asset.

#### Valuation methodology

The valuation methodology adopted by PricewaterhouseCoopers for the venues is mainly based on a discounted cash flow model applied to total net income projected over the life of the concession or leasehold if it exists or otherwise over a 10-year period, with an estimation of the asset's value at the end of the given time period, based either on the residual contractual value for concessions<sup>26</sup> or on capitalised cash flows over the last year.

<sup>26</sup> For Porte de Versailles, a concession renewal probability of 22% was assumed by the appraiser.

The discounted cash flow methodology has been adopted for the Pullman-Montparnasse hotel and the Cnit-Hilton hotel (both operated under an operational lease agreement) and the Lyon Confluence hotel (to be operated under a management contract) as at June 30, 2011.

#### Evolution of the Convention-Exhibition Centres valuation

The value of Convention-Exhibition centres and hotels, including transfer taxes and transaction costs, grew to €1,832 Mn<sup>27</sup> as at June 30, 2011:

Valuation 31/12/2010 (€ Mn)	1,716	(a)
Like for Like revaluation	34	
Revaluation of Non Like for Like assets	32	
Capex	50	
Valuation 30/06/2011 (€ Mn)	1,832	(b)

(a) Of which €1,530 Mn for Viparis and €186 Mn for Hotels.

(b) Of which €1,569 Mn for Viparis and €263 Mn for Hotels.

On a like-for-like basis, net of investments, the value of Convention and Exhibition properties and hotels is up €34 Mn or +2.2% compared with year-end 2010.

Convention-Exhibition - Like for Like change net of investment	Half year 2011	
	€ Mn	%
Viparis (a)	32	2.1%
Hotels	2	3.9%
<b>Total</b>	<b>34</b>	<b>2.2%</b>

(a) Including all of the Group's Convention-Exhibition centres (of which 50% of Palais des Sports).

On a like-for-like basis and net of investments, the value of the Convention-Exhibition venues (Viparis) grew by €32 Mn or +2.1% compared to year-end 2010.

Based on these valuations, the average EBITDA yield on Viparis at June 30, 2011 (recurring operating profit divided by the value of the asset, excluding transfer taxes) was 7.9% and compressed by 30 basis points vs. December 31, 2010.

<sup>27</sup> Based on a full scope of consolidation, including transfer taxes and transaction costs (see §1.5 for Group share figures).

## 1.4. Services

The services portfolio is composed of:

- Comexposium, a trade show organisation business;
- 2 property service companies, Espace Expansion and Rodamco Gestion.

The services portfolio is appraised in order to include at their market value all significant intangible assets in the portfolio and in the calculation of Unibail-Rodamco's NAV. Intangible assets are not revalued but maintained at amortised cost on Unibail-Rodamco's consolidated statement of financial position (subject to impairment test).

The value of Comexposium, at €213 Mn, was restated as at June 30, 2011 in order to take into account the acquisition and disposals occurred in the first half of 2011.

Espace Expansion and Rodamco Gestion were valued on the same basis as the appraisal conducted by PricewaterhouseCoopers as at December 31, 2010.

## 1.5. Group share figures for the Property Portfolio

The figures above are based on a full scope of consolidation. The following table also provides the Group share level (in gross market value):

Asset portfolio valuation - December 31, 2010	Full scope consolidation		Group share	
	€ Mn	%	€ Mn	%
Shopping centres	18,614	76%	17,120	77%
Offices	3,885	16%	3,880	17%
Convention-Exhibition centres	1,716	7%	1,029	5%
Services	318	1%	318	1%
<b>Total</b>	<b>24,532</b>	<b>100%</b>	<b>22,346</b>	<b>100%</b>

Asset portfolio valuation - June 30, 2011	Full scope consolidation		Group share	
	€ Mn	%	€ Mn	%
Shopping centres	18,708	76%	17,270	76%
Offices	3,967	16%	3,966	17%
Convention-Exhibition centres	1,832	7%	1,127	5%
Services	330	1%	330	1%
<b>Total</b>	<b>24,836</b>	<b>100%</b>	<b>22,692</b>	<b>100%</b>

Like for Like change - net of Investments - Half year 2011	Full scope consolidation		Group share	
	€ Mn	%	€ Mn	%
Shopping centres	483	2.8%	428	2.7%
Offices	21	0.7%	21	0.7%
Convention-Exhibition centres	34	2.2%	19	2.1%
Services	-	0.0%	-	0.0%
<b>Total</b>	<b>538</b>	<b>2.4%</b>	<b>468</b>	<b>2.3%</b>

Like for Like change - net of Investments - Half year 2011 - Split rent/yield impact	Full scope consolidation		Group share	
	Rent impact %	Yield impact %	Rent impact %	Yield impact %
Shopping centres	2.1%	0.7%	1.8%	0.9%
Offices	0.8%	-0.2%	0.8%	-0.2%

Net Initial Yield	Full scope consolidation		Group share	
	June 30, 2011	Dec. 31, 2010	June 30, 2011	Dec. 31, 2010
Shopping centres	5.5%	5.7%	5.6%	5.7%
Offices - occupied space	6.5%	6.6%	6.5%	6.6%

## 1.6. Group EPRA yields

The following table provides the Group yields according to the EPRA net initial yield definitions per sector with a bridge from Unibail-Rodamco net initial yield:

Net Initial Yield - June 30, 2011	Shopping Centres	Offices
Unibail-Rodamco yields	5.5%	6.5%
Effect of vacant units		-0.7%
Effect of EPRA adjustments on NRI	0.1%	0.0%
Effect of estimated transfer taxes and transaction costs	-0.2%	-0.2%
<b>EPRA topped-up yield (a)</b>	<b>5.4%</b>	<b>5.6%</b>
Effect of lease incentives	-0.2%	-0.1%
<b>EPRA cash yield (b)</b>	<b>5.3%</b>	<b>5.5%</b>

(a) Annualised contracted rent, excluding lease incentives, net of expenses, divided by the gross market value of the portfolio.

(b) Annualised contracted cash rent (including current lease incentives), net of expenses, divided by the gross market value of the portfolio.

## 2. EPRA TRIPLE NET ASSET VALUE CALCULATION

The EPRA triple net Net Asset Value (NNNAV) is calculated by adding several items to consolidated shareholders' equity (Owners of the parent), as shown on the consolidated statement of financial position under IFRS.

### 2.1. Consolidated shareholders' equity

As at June 30, 2011, consolidated shareholders' equity (Owners of the parent) came to €11,226 Mn.

Shareholders' equity (Owners of the parent) incorporated net recurring profit of €434.9 Mn, +€448.1 Mn of fair value adjustments on property assets and financial instruments, as well as capital gain on sales of properties.

### 2.2. Impact of rights giving access to share capital

Dilution coming from securities giving access to share capital was computed when such instruments came in the money.

The debt component of the ORAs, recognised in the financial statements (€0.2 Mn) was added to shareholders' equity for the calculation of the NNNAV. At the same time, all ORAs were treated as equity shares.

In accordance with IFRS rules, financial instruments and the ORANE<sup>28</sup> were recorded on Unibail-Rodamco's statement of financial position at their fair

<sup>28</sup> Net share settled bonds convertible into new and/or existing shares (ORNANE) – see Financial Resources note.

value with the impact of the change in fair value included in the P&L and thus in the consolidated shareholders' equity.

The ORNANE being in the money as at June 30, 2011, its fair value was restated for the NNNAV calculation (€269.9 Mn revaluation) and its potential dilutive effect was taken into account in the number of shares. The full conversion of the ORNANE would lead to the issue of 1,351,438 new shares without any shareholders' equity increase.

The exercise of stock-options that were in the money at June 30, 2011 and with the performance criteria fulfilled, would have led to a rise in the number of shares of 4,266,532 increasing shareholders' equity by €497.4 Mn.

As at June 30, 2011, the fully-diluted number of shares taken into account for the NNNAV calculation totalled 97,555,216.

### **2.3. Unrealised capital gains on intangible assets**

The appraisal of property service companies and of the operations (fonds de commerce) of Paris Nord Villepinte / Palais des Congrès de Paris / Palais des Congrès de Versailles and Issy les Moulineaux gave rise to an unrealised capital gain of €127.1 Mn which was added for the NAV calculation.

### **2.4. Adjustment of capital gains taxes**

In accordance with accounting standards, deferred tax on property assets was calculated on a theoretical basis on the consolidated statement of financial position as at June 30, 2011.

For the purpose of the EPRA NAV calculation, deferred tax on unrealised capital gains on assets not qualifying for tax exemption (€793 Mn) has been added back. Goodwill booked on the balance sheet as a result of deferred taxes was accordingly excluded from the NAV for a total amount of -€236.4 Mn.

For the calculation of the EPRA NNNAV, estimated taxes actually payable should a disposal take place (€409 Mn) was deducted.

### **2.5. Mark-to-market value of debt and derivatives**

In accordance with IFRS rules, financial instruments were recorded on Unibail-Rodamco's statement of financial position at their fair value.

The fair value of the derivatives minus premium paid (-€7 Mn) was deducted for the EPRA NAV calculation and then added back to the EPRA NNNAV calculation.

On the contrary, the value of the fixed-rate debt on the balance sheet is equal to the nominal value for the ex-Unibail debt and the fair value of the ex-Rodamco debt at combination date (June 30, 2007). Taking

fixed rate debt at its fair value would have had a negative impact of €126 Mn. This impact was taken into account in the EPRA NNNAV calculation.

### **2.6. Restatement of transfer taxes and transaction costs**

Transfer taxes are estimated after taking into account the disposal scenario minimising these costs: sale of the asset or of the company that owns it, provided the anticipated method is achievable, which notably depends on the net book value of the asset. This estimation is carried out on a case-by-case basis on each individual asset, according to the local tax regime.

As at June 30, 2011, these estimated transfer taxes and other transaction costs compared to transfer taxes and costs already deducted from asset values on the statement of financial position (in accordance with IFRS) came to a net adjustment of €251.1 Mn.

### **2.7. EPRA triple Net Asset Value**

Unibail-Rodamco's triple Net Asset Value (Owners of the parent) thus stood at €12,394 Mn or €127.00 per share (fully-diluted) as at June 30, 2011.

The NNNAV growth was 1.9% over the first half of 2011.

Value creation during the H1-2011 amounted to €10.40 per share, adjusted for the €8.00 distribution paid out in May 2011.

### **2.8. Going concern Net Asset Value**

Unibail-Rodamco adds to the EPRA NNNAV per share optimised transfer taxes and effective deferred capital gain taxes resulting in a Going concern NAV. This corresponds to the amount of equity needed to replicate the Group's portfolio with its current financial structure.

Going concern NAV stands at €138.80 per share as at June 30, 2011, increasing by +1.7% vs. year-end 2010.

---

The following tables show the calculation presented in compliance with EPRA best practice recommendations and the Going concern NAV calculation. A bridge from Dec 31, 2010 to June 30, 2011 is also presented.

EPRA NNNAV calculation (all figures are group share, in €Mn)	June 30, 2010		Dec 31, 2010		June 30, 2011	
	M€	€/share	M€	€/share	M€	€/share
Fully diluted number of shares	93,569,768		95,554,960		97,555,216	
NAV per the financial statements	11,731		11,025		11,226	
ORA and ORNANE	132		213		270	
Effect of exercise of options	218		347		497	
Diluted NAV	12,081		11,585		11,994	
<i>Include</i>						
revaluation intangible assets	106		126		127	
<i>exclude</i>						
Fair value of financial instruments	131		129		7	
Deferred taxes on balance sheet	598		760		793	
Goodwill as a result of deferred taxes	-209		-255		-236	
<b>EPRA NAV</b>	<b>12,707</b>	<b>135.80 €</b>	<b>12,345</b>	<b>129.20 €</b>	<b>12,685</b>	<b>130.00 €</b>
Fair value of financial instruments	-131		-129		-7	
Fair value of debt	-209		-147		-126	
Effective deferred taxes	-302		-378		-409	
Transfer tax optimization	194		215		251	
<b>EPRA NNNAV</b>	<b>12,259</b>	<b>131.00 €</b>	<b>11,906</b>	<b>124.60 €</b>	<b>12,394</b>	<b>127.00 €</b>
October 2010 distribution	-	20.00 €				
EPRA NNNAV Proforma with distribution of October 2010		111.00 €		124.60 €		127.00 €
<b>% of change over 6 months</b>		<b>2.6%</b>		<b>12.3%</b>		<b>1.9%</b>
<b>% of change over 1 year</b>						<b>14.4%</b>

Unibail-Rodamco also states the "going concern NAV" = EPRA NNNAV per share adding back transfer taxes and deferred capital gain taxes. It corresponds to the amount of equity needed to replicate the Group's portfolio with its current financial structure - on the basis of fully diluted number of shares.

EPRA NNNAV	12,259		11,906		12,394	
Effective deferred capital gain taxes	302		378		409	
Optimized transfer taxes	742		758		738	
<b>GOING CONCERN NAV</b>	<b>13,304</b>	<b>142.20 €</b>	<b>13,042</b>	<b>136.50 €</b>	<b>13,541</b>	<b>138.80 €</b>

Change in EPRA NNNAV and Going concern NAV between December 31, 2010 and June 30, 2011 breaks down as follows:

Evolution of EPRA NNNAV and Going concern NAV	EPRA NNNAV	Going concern NAV
<b>as at Dec. 31, 2010</b>	<b>124.60 €</b>	<b>136.50 €</b>
Revaluation of property assets	4.90	4.90
Retail	4.47	
Offices	0.08	
Convention & exhibition and other	0.35	
Capital gain on disposals	0.56	0.56
Recurring net profit	4.74	4.74
Distribution in 2011	- 8.00	- 8.00
Mark-to-market of debt and financial instruments	0.60	0.60
Variation in transfer taxes & deferred taxes adjustments	- 0.05	-
Variation in number of shares	- 0.64	0.88
Other and roundings	0.29	0.38
<b>as at June 30, 2011</b>	<b>127.00 €</b>	<b>138.80 €</b>

## FINANCIAL RESOURCES

In H1-2011, the financial markets have remained quite volatile in an environment of economic uncertainties (concerns on Sovereign debt, deteriorating economic indicators...). Interest rates stayed at historical low levels despite an increase in the short term of the curve. In this environment and in the context of the implementation of the Group's disposal programme (€0.7 Bn of disposal net of acquisitions in H1-2011), Unibail-Rodamco used its excellent access to funding and raised €555 Mn of new medium to long term debt, through private placements issued on the bond market, and credit facilities on the bank market.

The financial ratios stand at healthy levels: the Loan to Value (LTV) stands at 38% and the interest coverage ratio stands at 3.8x. The average cost of debt slightly decreased and stands at 3.6% for H1-2011.

### 1. Debt structure at June 30, 2011

Unibail-Rodamco's consolidated nominal financial debt at June 30, 2011 stands at €9,420 Mn (vs. €9,252 Mn as at December 31, 2010).

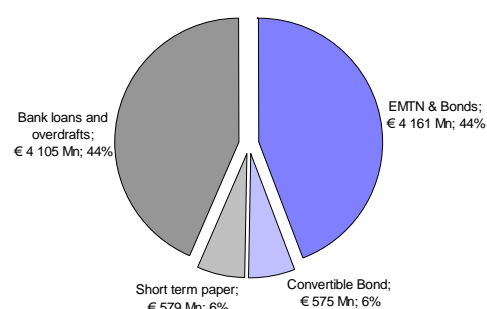
This financial debt includes €575 Mn of net share settled bonds convertible into new and/or existing shares of Unibail-Rodamco (ORNANE) for 100% of their nominal value.

#### 1.1 Debt breakdown

Unibail-Rodamco's nominal financial debt as at June 30, 2011 breaks down as follows:

- €4,161 Mn in bond issues, of which €3,161 Mn in Euro Medium Term Notes (EMTN) of Unibail-Rodamco's programme and €1,000 Mn in EMTN of Rodamco Europe's programme;
- €575 Mn in ORNANE;
- €579 Mn short term issues of commercial paper (*billets de trésorerie* and Euro Commercial Paper)<sup>29</sup>;
- €4,105 Mn in bank loans, including €3,060 Mn in corporate loans, €1,035 Mn in mortgage loans and €10 Mn in bank overdrafts.

No loan was subject to prepayment clauses linked to the Group's ratings<sup>30</sup>.



The Group's debt remains well diversified with an equal proportion of bond and bank loan financing.

### 1.2 Funds raised

Medium to long term financing transactions completed in H1-2011 amounted to €555 Mn and include:

- The signing of €205 Mn medium to long term credit facilities with an average maturity of 5.0 years and an average margin of ca 69 bps;
- The issue of five taps on existing EMTN bonds for a total amount of €300 Mn with the following features
  - issue of €200 Mn bonds through three taps of the existing €500 Mn bond at 3.875% maturing in November 2020. The €200 Mn bonds were raised at an average margin over mid-swap of 86 bps;
  - issue of €100 Mn bonds through two taps of the existing €500 Mn bond at 4.625% maturing in September 2016. The €100 Mn bonds were raised at an average margin over mid-swap of 73 bps;
  - The €300 Mn new bonds were swapped to variable rate at issuance.
- The issue of a floating rate €50 Mn private placement, with a duration of 6 years and a margin over 3-month Euribor of 78bps.

Other new financial resources were obtained from the money market by issuing commercial paper. The average amount of commercial paper outstanding in H1-2011 was €571 Mn, including €523 Mn of *Billets de Trésorerie* and €48 Mn of Euro Commercial Paper (maturity of up to 12 months). *Billets de trésorerie* were raised over H1 2011 at an average margin of 8 bps above Eonia and Euro Commercial Paper nearly flat to Euribor on average. This average amount is higher than in 2010 in order to have sufficient flexibility in view of the massive disposal programme of the Group.

<sup>29</sup> Short term paper is backed by confirmed credit lines (see 1.2).

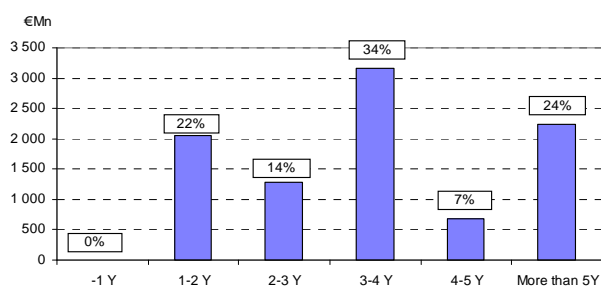
<sup>30</sup> Baring exceptional circumstances (change in control).

As at June 30, 2011, the total amount of undrawn credit lines came to €2,618 Mn.

The cash surplus is limited to €87 Mn, thanks to the implementation in 2010 of a European cash pooling system which optimises the cost and the use of liquidity across the Group.

### 1.3 Debt maturity

The following chart illustrates Unibail-Rodamco's debt as at June 30, 2011 after the allocation of the confirmed credit lines (including the undrawn part of the bank loans) by date of maturity and based on the residual life of its borrowings.



About 65% of the debt had a maturity of more than 3 years as at June 30, 2011 (after taking into account undrawn credit lines).

The average maturity of the Group's debt as at June 30, 2011, taking into account the confirmed unused credit lines, stood at 4.1 years (4.3 years as of December 31, 2010).

### Liquidity needs

Unibail-Rodamco's immediate debt repayment needs<sup>31</sup> are covered by the available undrawn credit lines: the amount of bonds or bank loans outstanding as at June 30, 2011 and maturing or amortising in the next twelve months is €1,254 Mn (including one €500 Mn bond to be repaid in October 2011) to be compared with €2,618 Mn of undrawn credit lines outstanding as at June 30, 2011.

### 1.4 Average cost of Debt

Unibail-Rodamco's average cost of debt came to 3.6% over H1-2011 (3.9% over 2010). This average cost of debt results from the low level of margins on new and existing borrowings, the low interest rate environment in H1-2011, the Group's hedging instruments and the cost of carry of the undrawn credit lines.

## 2. Ratings

Unibail-Rodamco is rated by the rating agencies Standard & Poor's and Fitch Ratings.

On May 31, 2011, Standard & Poor's confirmed its long-term rating 'A' and its short-term rating 'A1' and upgraded its outlook to stable.

On June 24, 2011, Fitch confirmed the "A" long term rating to the Group with a stable outlook. Fitch also rates "F1" the short-term issuances of the Group.

## 3. Market risk management

Market risks can generate losses resulting from fluctuations in interest rates, exchange rates, raw material prices and share prices. Unibail-Rodamco's risk is limited to interest rate fluctuations on the loans it has taken out to finance its investments and maintain the cash position it requires, as well as to exchange rate fluctuations due to the Group's international activities in countries outside the Euro-zone. The Group is not exposed to material equity risk.

Unibail-Rodamco's risk management policy aims to limit the impact of interest rate fluctuations on profit, while minimising the overall cost of debt. To achieve these objectives, the Group uses derivatives, mainly caps and swaps, to hedge its interest rate exposure through a macro hedging policy. Market transactions are confined exclusively to these interest rate hedging activities, which are managed centrally and independently.

To manage exchange rate risk, the Group aims to limit its net exposure by raising debt in local currency, by using derivatives and by buying or selling foreign currencies at spot or forward rates.

Due to its use of derivatives to minimise its interest rate and currency risks, the Group is exposed to potential counterparty defaults. The counterparty risk is the risk of replacing the derivative transactions at current market rates in the case of default.

### 3.1 Interest rate risk management

#### Interest rate hedging transactions

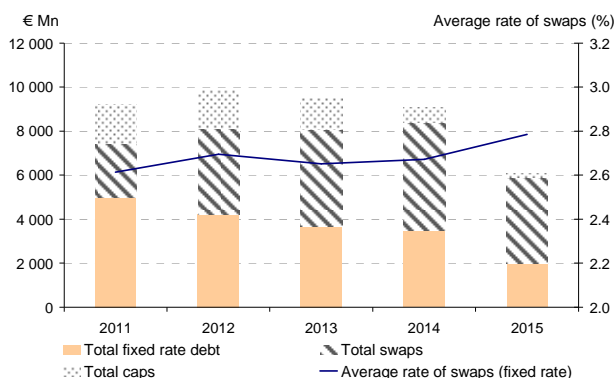
During H1-2011, interest rates stayed at low levels despite an increase in short term rates.

After reviewing the interest rate exposure of the Group as at December 31, 2010, the Group cancelled €1.05 Bn of swaps and collars in January 2011 to adjust the overall exposure of the Group.

<sup>31</sup> Excluding Commercial Paper's repayment amounting to €579 Mn

In July 2011, the Group has taken advantage of a decline in interest rates to enter into €400 Mn of additional forward swaps covering years 2014 to 2016.

*Annual projection of average hedging amounts and fixed rate debt over the next 5 years (€ Mn – as at June 30, 2011)*



The graph above shows:

- the part of debt which is kept at fixed rate;
- the hedging instruments used to hedge the variable rate loans and fixed rate debt immediately converted into variable rate debt through the Group's macro hedging policy.

Note that Unibail-Rodamco, in most of the cases, does not classify its financial interest rate hedging instruments as cash flow hedge. As a result, any fair value changes in these instruments are recognised in the income statement

### Measuring interest rate exposure

As at June 30, 2011, net financial debt stood at €9,333 Mn, excluding partners' current accounts and after taking cash surpluses into account (€87 Mn).

97% of the outstanding debt was hedged against an increase in variable rates, based on debt outstanding as at June 30, 2011 through both:

- debt kept at fixed rate;
- hedging in place as part of Unibail-Rodamco's macro hedging policy.

Based on Unibail-Rodamco's anticipated average debt over H2-2011, if interest rates (Euribor, Stibor or Libor) were to rise by an average of 0.5%<sup>32</sup> (50 basis points) during H2- 2011, the resulting increase in financial expenses would have an estimated negative impact of €4.4 Mn on the recurring net profit. A further rise of 0.5% would have an additional adverse impact of €4.5 Mn. Conversely, a 0.5% (50 basis points) drop in interest rates would reduce financial expenses by an estimated €2Mn and would enhance 2011 recurring net profit by an equivalent amount.

<sup>32</sup> The eventual impact on exchange rates due to this theoretical increase of 0.5% in interest rates is not taken into account; theoretical impacts of rise in interest rates are calculated above a Euribor of 1.50%

## 3.2 Managing and measuring currency risk exposure

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 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 the exchange effects on earnings volatility and net valuation of the investment. 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 risk management-driven goal. Currency risk during the building period of pipeline investments is covered as early as possible after signing of the actual building contract. Other monetary assets and liabilities held in currencies other than the Euro are managed by ensuring that net exposure is kept to an acceptable level by buying or selling foreign currencies at spot or forward rates where necessary to address short term balances.

### Measuring currency exposure

*Main foreign currency positions (in € Mn)*

Currency	Assets	Liabilities	Net exposure	Hedging Instruments	Exposure net of hedges
SEK	1 414.9	- 472.4	942.4	-	942.4
DKK	329.1	- 67.7	261.4	-	261.4
HUF	1.5	-	1.5	-	1.5
CZK	0.0	- 148.7	148.6	160.4	11.8
PLN	16.9	-	16.9	-	16.9
<b>Total</b>	<b>1 762.3</b>	<b>- 688.8</b>	<b>1 073.6</b>	<b>160.4</b>	<b>1 234.0</b>

The main exposure kept is in Swedish Krona. A decrease of 10% in the SEK/EUR exchange rate would have a €83 Mn negative impact on shareholders' equity. The sensitivity of the H2-2011 recurring result<sup>33</sup> to a 10% depreciation in the SEK/EUR exchange rate is limited to €0.4 Mn following the implementation of forward exchange rate transactions early in 2011.

## 4. Financial structure

As at June 30, 2011, the portfolio valuation (including transfer taxes) of the Unibail-Rodamco Group amounted to €24,836 Mn.

### Debt ratio

As of June 30, 2011, the Loan-to-Value ratio (LTV) calculated for Unibail-Rodamco came to 38%, vs. 37% as at December 31, 2010.

<sup>33</sup> The sensitivity is measured by applying a change in the EUR/SEK exchange rate of 9.1734.

### Interest coverage ratio

The interest coverage ratio (ICR) for Unibail-Rodamco came to 3.8x for H1-2011. It is in line with the solid levels achieved in recent years (4.1x in 2010) despite the distribution of €1.8 Bn that took place in October 2010. On the whole, the level of the ICR level is a result of: (i) the low cost of debt and (ii) increasing rental incomes.

<b>Financial ratios</b>	June 30, 2011	Dec. 31, 2010
LTV <sup>34</sup>	38%	37%
ICR <sup>35</sup>	3.8x	4.1x

Those ratios show ample headroom vis-à-vis bank covenants usually set at 60% for LTV and 2x for ICR.

As at June 30, 2011, 92% of the Group's credit facilities and bank loans allowed indebtedness amounting to 60% or more of the Group's total asset value or of the value of the asset of the borrowing entity, as the case may be.

There are no financial covenant (such as LTV or ICR) in the EMTN and the CP programs.

---

---

<sup>34</sup> Loan-to-Value (LTV) = Net financial debt / Total portfolio valuation including transfer taxes.

<sup>35</sup> Interest Cover Ratio (ICR) = Recurring Ebitda / Recurring Net Financial Expenses (including capitalised interest); Recurring Ebitda being calculated as [total recurring operating results and other income less general expenses, excluding depreciation and amortisation].



**I. Consolidated interim statement of comprehensive income : EPRA format**

**II. Consolidated interim statement of net comprehensive income**

**III. Consolidated interim statement of financial position**

**IV. Consolidated interim statement of cash flows**

**V. Consolidated interim statement of changes in equity**

**VI. Changes in share capital**

**VII. Notes to the consolidated interim financial statements**

1. Accounting principles and consolidation methods
2. Business segment report
3. Scope of consolidation
4. Highlights of the first half of 2011
5. Notes and comments
  - 5.1 Notes to the consolidated assets
  - 5.2 Notes to the consolidated liabilities
  - 5.3 Notes to the consolidated interim statement of comprehensive income (EPRA format)
  - 5.4 Notes to the consolidated interim statement of cash flows
6. Financial instruments
7. Financial commitments and guarantees
8. Employee remuneration and benefits
9. Related party disclosures
10. Post closing events

## CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED INTERIM INCOME STATEMENT - Presented under EPRA <sup>(1)</sup> format (in €Mn)	Notes	H1-2011	H1-2010	2010
Gross rental income	15	740.9	727.5	1,484.5
Ground rents paid	16	-9.5	-10.5	-22.4
Net service charge expenses	17	-7.0	-6.2	-14.1
Property operating expenses	18	-77.7	-87.1	-190.6
<b>Net rental income</b>		<b>646.6</b>	<b>623.7</b>	<b>1,257.4</b>
Corporate expenses		-38.5	-44.9	-95.2
Development expenses		-1.6	-1.3	-7.2
Depreciation		-1.1	-1.1	-2.3
<b>Administrative expenses</b>	19	<b>-41.2</b>	<b>-47.3</b>	<b>-104.7</b>
<b>Acquisition and related costs</b>	20	<b>-1.5</b>	<b>-</b>	<b>-15.8</b>
Revenues from other activities		79.0	71.6	160.1
Other expenses		-59.3	-56.4	-116.3
<b>Net other income</b>	21	<b>19.7</b>	<b>15.2</b>	<b>43.8</b>
Proceeds from disposal of investment properties		541.0	604.5	1,527.1
Carrying value of investment properties sold		-507.6	-585.4	-1,413.4
<b>Result on disposal of investment properties</b>	22	<b>33.4</b>	<b>19.1</b>	<b>113.7</b>
Proceeds from disposal of shares		174.6	-	-
Carrying value of shares sold		-153.0	-	-
<b>Result on disposal of shares</b>	23	<b>21.6</b>	<b>-</b>	<b>-</b>
Valuation gains		607.2	1,031.3	1,838.6
Valuation losses		-62.1	-62.2	-136.2
<b>Valuation movements</b>	24	<b>545.1</b>	<b>969.1</b>	<b>1,702.3</b>
<b>Badwill &amp; Impairment of goodwill</b>	25	<b>0.8</b>	<b>-</b>	<b>-2.1</b>
<b>NET OPERATING RESULT BEFORE FINANCING COST</b>		<b>1,224.5</b>	<b>1,579.8</b>	<b>2,994.6</b>
Result from non-consolidated companies	26	7.8	0.7	0.4
<i>Financial income</i>		43.1	38.6	81.2
<i>Financial expenses</i>		-193.3	-169.7	-350.1
Net financing costs	27	-150.2	-131.1	-268.9
Fair value adjustment of net share settled bonds convertible into new and/or existing shares (ORNANE)	11	-57.1	57.4	-23.8
Fair value adjustments of derivatives and debt	28	37.3	-190.8	-104.6
Debt discounting		-0.3	2.6	-0.9
Share of the result of associates	29	3.8	-5.8	3.5
Income on financial assets	29	2.8	3.5	6.2
<b>RESULT BEFORE TAX</b>		<b>1,068.5</b>	<b>1,316.2</b>	<b>2,606.5</b>
Income tax expenses	30	-78.1	-47.6	-121.0
<b>NET RESULT FOR THE PERIOD</b>		<b>990.4</b>	<b>1,268.6</b>	<b>2,485.5</b>
Non-controlling interests	31	107.4	161.2	297.9
<b>NET RESULT (Owners of the parent)</b>		<b>883.0</b>	<b>1,107.4</b>	<b>2,187.6</b>
Average number of shares (undiluted)		91,813,224	91,344,655	91,478,541
Net result for the period (Owners of the parent)		883.0	1,107.4	2,187.6
<b>Net result for the period (Owners of the parent) per share (€)</b>		<b>9.62</b>	<b>12.12</b>	<b>23.91</b>
Net result for the period restated <sup>(2)</sup> (Owners of the parent)		940.1	1,050.0	2,211.4
Average number of diluted shares		94,036,043	91,941,681	92,845,642
<b>Diluted net result per share - Owners of the parent (€)</b>		<b>10.00</b>	<b>11.42</b>	<b>23.82</b>

<sup>(1)</sup> Presentation complying with European Public Real Estate Association best practice recommendations.

<sup>(2)</sup> The impact of the fair value of the "ORNANE" is restated from the net result of the period.

NET COMPREHENSIVE INCOME (in €Mn)	Notes	H1-2011	H1-2010	2010
<b>NET RESULT FOR THE PERIOD</b>		<b>990.4</b>	<b>1,268.6</b>	<b>2,485.5</b>
Foreign currency differences on translation of financial statements of subsidiaries		12.9	13.2	27.0
Gain/loss on net investment hedge		-1.2	6.4	12.6
Cash flow hedge		1.1	1.4	0.8
Revaluation of shares available for sale		25.0	-	-
<b>OTHER COMPREHENSIVE INCOME</b>	32	<b>37.8</b>	<b>21.0</b>	<b>40.4</b>
<b>NET COMPREHENSIVE INCOME</b>		<b>1,028.2</b>	<b>1,289.6</b>	<b>2,525.9</b>
Non-controlling interests		107.4	161.3	298.0
<b>NET COMPREHENSIVE INCOME (OWNERS OF THE PARENT)</b>		<b>920.8</b>	<b>1,128.2</b>	<b>2,228.0</b>

For the presentation of the income statement by division, please refer to the "Notes to the consolidated interim financial statements" section 2 "Business segment report".

**CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**

(in €Mn)	Notes	June 30, 2011	Dec. 31, 2010
<b>NON CURRENT ASSETS</b>		<b>23,850.8</b>	<b>23,177.3</b>
<b>Investment properties</b>	1	<b>22,511.6</b>	<b>21,988.4</b>
<i>Investment properties at fair value</i>		22,047.9	21,646.5
<i>Investment properties at cost</i>		463.7	341.9
Other tangible assets	2	197.4	199.8
Goodwill	3	246.7	265.6
Intangible assets	4	213.5	170.8
Loans and receivables		252.4	251.4
Shares available for sale	5	133.3	-
Deferred tax assets	13	6.3	10.0
Derivatives at fair value	12	84.7	89.9
Shares and investments in companies consolidated under the equity method	6	205.0	201.4
<b>CURRENT ASSETS</b>		<b>1,429.8</b>	<b>1,799.8</b>
<b>Properties under promise or mandate of sale</b>	1	<b>711.6</b>	<b>979.7</b>
<b>Trade receivables from activity</b>	7	<b>280.8</b>	<b>306.6</b>
Property portfolio		264.3	283.2
Other activities		16.5	23.4
<b>Other trade receivables</b>		<b>350.4</b>	<b>429.5</b>
Tax receivables		126.8	131.0
Receivables on sale of property	8	3.4	78.6
Other receivables		160.0	152.7
Prepaid expenses		60.2	67.2
<b>Cash and cash equivalents</b>	9	<b>87.0</b>	<b>84.0</b>
Financial assets		11.4	10.1
Cash		75.6	73.9
<b>TOTAL ASSETS</b>		<b>25,280.5</b>	<b>24,977.1</b>
<b>Shareholders' equity (Owners of the parent)</b>		<b>11,226.5</b>	<b>11,025.2</b>
Share capital		459.7	458.7
Additional paid-in capital		5,726.9	5,948.2
Bonds redeemable for shares		1.8	1.8
Consolidated reserves		4,178.5	2,465.1
Hedging and foreign currency translation reserves		-23.4	-36.2
Consolidated result		883.0	2,187.6
<b>Non-controlling interests</b>		<b>1,325.3</b>	<b>1,345.4</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>12,551.8</b>	<b>12,370.6</b>
<b>NON CURRENT LIABILITIES</b>		<b>9,987.6</b>	<b>9,609.1</b>
Long term commitment to purchase non-controlling interests	10	10.6	10.4
Net share settled bonds convertible into new and/or existing shares (ORNANE)	11	838.1	780.0
Long term bonds and borrowings	11	7,678.2	7,256.9
Long term financial leases	11	121.1	59.0
Derivatives at fair value	12	95.3	278.1
Deferred tax liabilities	13	891.7	850.5
Long term provisions	14	21.8	24.9
Employee benefits	14	13.9	13.6
Guarantee deposits		177.7	180.8
Tax liabilities		0.5	0.5
Amounts due on investments		138.6	154.4
<b>CURRENT LIABILITIES</b>		<b>2,741.1</b>	<b>2,997.4</b>
<b>Current commitment to purchase non-controlling interests</b>	10	<b>-</b>	<b>35.6</b>
<b>Amounts due to suppliers and other current debt</b>		<b>680.6</b>	<b>712.5</b>
Amounts due to suppliers		112.8	118.7
Amounts due on investments		255.8	241.6
Sundry creditors		153.7	181.3
Other liabilities		158.2	170.9
<b>Current borrowings and amounts due to credit institutions</b>	11	<b>1,919.0</b>	<b>2,102.3</b>
<b>Current financial leases</b>	11	<b>7.7</b>	<b>3.3</b>
<b>Tax and social security liabilities</b>		<b>119.2</b>	<b>123.6</b>
<b>Short term provisions</b>	14	<b>14.6</b>	<b>20.1</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>25,280.5</b>	<b>24,977.1</b>

## CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

(in €Mn)	Notes	H1-2011	H1-2010	2010
<b>Operating activities</b>				
Net profit		990.4	1,268.6	2,485.5
Depreciation & provisions		-0.9	12.4	47.0
Changes in value of property assets		-545.1	-969.1	-1,702.3
Changes in value of financial instruments		19.8	133.4	128.4
Discounting income/charges		0.3	-2.6	0.9
Charges and income relating to stock options and similar items		3.2	4.0	7.5
Other income and expenses		0.1	0.1	0.3
Net capital gains/losses on sales of consolidated subsidiaries		-21.6	-	-
Net capital gains/losses on sales of properties <sup>(1)</sup>		-33.4	-19.1	-112.6
Income from companies consolidated under the equity method		-3.8	5.8	-3.5
Income on financial assets		-2.8	-3.5	-6.2
Dividend income and net disposal result of non-consolidated companies		-7.8	-0.3	-0.3
Net financing costs		150.2	131.1	268.9
Income tax charge		78.1	47.6	121.0
<b>Cash flow before net financing costs and tax</b>		<b>626.7</b>	<b>608.5</b>	<b>1,234.6</b>
Income on financial assets		2.8	3.5	6.2
Dividend income and result from companies under equity method or non consolidated		5.4	0.3	0.3
Income tax paid		-8.5	-8.1	-17.4
Change in working capital requirement <sup>(2)</sup>		-4.0	8.3	-1.6
<b>Total cash flow from operating activities</b>		<b>622.4</b>	<b>612.4</b>	<b>1,222.1</b>
<b>Investment activities</b>				
<b>Property activities</b>				
Acquisition of consolidated subsidiaries	33	-95.5	-40.4	-477.9
Amounts paid for works and acquisition of property assets <sup>(2)</sup>		-387.0	-416.4	-824.9
Exit tax payment		-	-	-2.5
Change in property financing		-0.4	0.6	0.4
Disposal of subsidiaries	33	254.5	-	-
Disposal of investment property	34	602.8	604.5	1,452.4
<b>Repayment of finance leasing</b>		<b>0.2</b>	<b>0.6</b>	<b>1.3</b>
<b>Financial activities</b>		<b>-105.7</b>	<b>-0.5</b>	<b>-0.7</b>
Acquisition of financial assets		-108.3	-	-
Disposal of financial assets		3.0	0.4	0.4
Change in financial assets		-0.4	-0.9	-1.1
<b>Total cash flow from investment activities</b>		<b>268.9</b>	<b>148.5</b>	<b>148.1</b>
<b>Financing activities</b>				
Capital increase		17.5	15.3	38.3
Distribution paid to parent company shareholders	35	-735.2	-731.2	-2,565.6
Dividends paid to non-controlling shareholders of consolidated companies		-3.1	-10.0	-9.9
New borrowings and financial liabilities		972.2	749.5	3,001.5
Repayment of borrowings and financial liabilities		-846.1	-758.4	-1,561.9
Financial income		43.0	38.6	80.4
Financial expenses		-175.0	-140.1	-334.7
Other financing activities		-158.7	-73.7	-202.8
<b>Total cash flow from financing activities</b>		<b>-885.5</b>	<b>-910.0</b>	<b>-1,554.7</b>
<b>Change in cash and cash equivalents during the period</b>		<b>5.8</b>	<b>-149.1</b>	<b>-184.5</b>
<b>Cash at the beginning of the year</b>		<b>70.9</b>	<b>256.4</b>	<b>256.4</b>
<b>Effect of exchange rate fluctuations on cash held</b>		<b>0.3</b>	<b>0.1</b>	<b>-1.0</b>
<b>Cash at period-end <sup>(3)</sup></b>	36	<b>77.0</b>	<b>107.4</b>	<b>70.9</b>

<sup>(1)</sup> Includes capital gains/losses on property sales, disposals of short term investment properties, disposals of finance leasing and disposals of operating assets.

<sup>(2)</sup> Change in debt of investment has been reclassified from "Change in working capital requirement" to "Amounts paid for works and acquisition of property assets". H1-2010 figures were consequently restated.

<sup>(3)</sup> Cash and cash equivalents include bank accounts and current accounts with terms of less than three months.

The financial statements are presented in millions of euros, rounded to the nearest hundred thousand and, as a result, slight differences between rounded figures could exist in the different statements.

## CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

(in €Mn)	Share capital	Additional paid-in capital	Bonds Redeemable for Shares	Consolidated reserves	Consolidated net result	Hedging & foreign currency translation reserves <sup>(1)</sup>	Total Owners of the parent	Non-controlling interests	Total Shareholders' equity
<b>Balance as at December 31, 2009</b>	456.4	8,475.7	3.4	3,925.1	-1,467.8	-76.6	11,316.3	1,119.3	12,435.6
Profit or loss of the period	-	-	-	-	1,107.4	-	1,107.4	161.2	1,268.6
Other comprehensive income	-	-	-	-	-	21.0	21.0	0.1	21.1
<b>Net comprehensive income</b>	-	-	-	-	<b>1,107.4</b>	<b>21.0</b>	<b>1,128.4</b>	<b>161.2</b>	<b>1,289.6</b>
Earnings appropriation	-	-	-	-1,467.8	1,467.8	-	-	-	-
Dividends related to 2009	-	-731.2	-	-	-	-	-731.2	-50.7	-781.9
Stock options and Company Savings Plan	0.8	14.6	-	-	-	-	15.4	-	15.4
Share based payment	-	-	-	4.1	-	-	4.1	-	4.1
Changes in scope of consolidation and other movements	-	-	-	-1.0	-	-	-1.0	-40.8 <sup>(2)</sup>	-41.8
Reclassification of non-controlling interests	-	-	-	-1.0	-	-	-1.0	-4.1	-5.1
<b>Balance as at June 30, 2010</b>	457.2	7,759.1	3.4	2,459.4	1,107.4	-55.6	11,731.0	1,185.0	12,916.0
Profit or loss of the period	-	-	-	-	1,080.2	-	1,080.2	136.8	1,217.0
Other comprehensive income	-	-	-	-	-	19.4	19.4	0.2	19.5
<b>Net comprehensive income</b>	-	-	-	-	<b>1,080.2</b>	<b>19.4</b>	<b>1,099.6</b>	<b>136.9</b>	<b>1,236.5</b>
Dividends related to 2009	-	-0.1	-	-	-	-	-0.1	-	-0.1
Exceptional distribution	-	-1,834.3	-	-	-	-	-1,834.3	-	-1,834.3
Stock options and Company Savings Plan	1.4	21.6	-	-	-	-	23.0	-	23.0
Conversion of Bonds Redeemable for Shares	0.1	1.9	-1.6	-	-	-	0.4	-	0.4
Share based payment	-	-	-	3.3	-	-	3.3	-	3.3
Changes in scope of consolidation and other movements	-	-	-	1.5	-	-	1.5	27.6 <sup>(2)</sup>	29.1
Reclassification of non-controlling interests	-	-	-	1.0	-	-	1.0	-4.0	-3.0
<b>Balance as at December 31, 2010</b>	458.7	5,948.2	1.8	2,465.1	2,187.6	-36.2	11,025.2	1,345.4	12,370.6
Profit or loss of the period	-	-	-	-	883.0	-	883.0	107.4	990.4
Other comprehensive income :	-	-	-	-	-	-	-	-	-
<i>Hedging and foreign currency translations</i>	-	-	-	25.0	-	12.8	37.8	-	37.8
<i>Revaluation of shares available for sale</i>	-	-	-	-	-	-	12.8	-	12.8
<b>Net comprehensive income</b>	-	-	-	<b>25.0 <sup>(4)</sup></b>	<b>883.0</b>	<b>12.8</b>	<b>920.8</b>	<b>107.4</b>	<b>1,028.2</b>
Earnings appropriation	-	-	-	2,187.6	-2,187.6	-	-	-	-
Dividends related to 2010	-	-237.7	-	-497.5	-	-	-735.2	-66.1	-801.3
Stock options and Company Savings Plan	1.0	16.4	-	-	-	-	17.3	-	17.3
Share based payment	-	-	-	3.1	-	-	3.1	-	3.1
Changes in scope of consolidation and other movements	-	-	-	-3.8 <sup>(3)</sup>	-	-	-3.8	-61.4 <sup>(2)</sup>	-65.2
Reclassification of non-controlling interests	-	-	-	-1.0	-	-	-1.0	-	-1.0
<b>Balance as at June 30, 2011</b>	459.7	5,726.9	1.8	4,178.5	883.0	-23.4	11,226.5	1,325.3	12,551.8

- (1) *The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries. It is also used to record the effect of hedging net investments in foreign operations.*
- (2) *The change relates mainly to the purchase of non-controlling interests of Rodamco Europe NV.*
- (3) *Relates to the acquisition of the remaining non-controlling interests of Rodamco Europe NV (see section 4 "Highlights of the first half of 2011").*
- (4) *Revaluation of the SFL shares available for sale.*

## CHANGES IN SHARE CAPITAL

	Total number of shares
<b>As at December 31, 2010</b>	<b>91,745,924</b>
Capital increase reserved for employees under Company Savings Plan	28,766
Exercise of stock options	150,455
Bonds redeemable for shares	6
<b>As at June 30, 2011</b>	<b>91,925,151</b>

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

---

### 1) Accounting principles and consolidation methods

---

The interim consolidated financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting”. As these are condensed financial results, they do not include all of the information required by the IFRS and must be read in relation with the Group’s annual consolidated financial accounts for the year ended December 31, 2010.

The accounting principles applied for the preparation of these half-yearly consolidated financial accounts are in accordance with the IFRS and interpretations as adopted by the European Union as of June 30, 2011. These can be consulted on the website [http://ec.europa.eu/internal\\_market/accounting/ias/index\\_en.htm](http://ec.europa.eu/internal_market/accounting/ias/index_en.htm)

The accounting principles and methods used are consistent with those applied for the preparation of the annual consolidated financial statements as at December 31, 2010, except for the application of the following new obligatory standards and interpretations :

- IAS 24 : Related Party Disclosures
- IAS 32 A : Classification of Rights Issues
- IFRIC 14 : Minimum Funding Requirements and their Interaction
- IFRIC 19 : Extinguishing Financial Liabilities with Equity Instruments
- Improvements of IFRS 2010 :
  - IAS 1 A : Presentation of Financial Statements
  - IAS 34 A : Interim Financial Reporting
  - IFRS 7 A : Financial Instruments : Disclosures
  - IFRIC 13 : Customer Loyalty Programmes

These standards, amendments and interpretations do not have a significant impact on the Group’s accounts for the first half of 2011.

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

- IAS 1 A : Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income
- IAS 12 A : Deferred Tax - Recovery of Underlying Assets
- IAS 19 : Employee Benefits
- IAS 28 : Investments in Associates and Joint Ventures
- IFRS 1 A : Severe Hyperinflation and Removal of Fixed Dates for First Time Adopters
- IFRS 7 A : Disclosures – Transfers of Financial Assets
- IFRS 9 : Financial instruments
- IFRS 10 : Consolidated Financial Statements
- IFRS 11 : Joint Arrangements
- IFRS 12 : Disclosures of Interests in Other Entities
- IFRS 13 : Fair Value Measurement

The measurement of the potential impacts of these texts on the consolidated accounts of Unibail-Rodamco is ongoing.

#### Estimations and assumptions

Certain amounts recorded in the consolidated financial statements reflect estimates and assumptions made by management, particularly with regards to the fair value of investment properties and financial instruments as well as the valuation of goodwill and intangible assets.

The most significant estimates are set out in the notes to the consolidated financial statements included in the 2010 Annual Report : for the valuation of investment properties in section 1 § 1.5 “Asset valuation methods” and section 5 note 1 “Investment properties”, for the goodwill and intangible assets, respectively in § 1.3 “Business combinations” and § 1.5 “Asset valuation methods” and, for fair value of financial instruments, in note 12 “Hedging instruments”. Actual future results or outcomes may differ from these estimates. The property portfolio and intangible assets used by the Retail, Office and Convention-Exhibition segments are valued by independent appraisals.

## 2) Business segment report

### Consolidated interim income statement by division

(in €Mn)		H1-2011			H1-2010			2010			
		Recurring activities	Valuation movements and disposals	Result	Recurring activities	Valuation movements and disposals	Result	Recurring activities	Valuation movements and disposals	Result	
RETAIL	FRANCE	Gross rental income	276.3	-	276.3	258.6	-	258.6	529.9	-	529.9
		Operating expenses & net service charges	-20.9	-	-20.9	-23.6	-	-23.6	-49.4	-	-49.4
		<b>Net rental income</b>	<b>255.3</b>	-	<b>255.3</b>	<b>235.0</b>	-	<b>235.0</b>	<b>480.5</b>	-	<b>480.5</b>
		Contribution of affiliates	-	-	-	2.4	4.8	7.1	2.4	4.8	7.1
		Gains/losses on sales of properties	-	4.0	4.0	-	-	-	-	9.7	9.7
		Valuation movements	-	217.8	217.8	-	501.9	501.9	-	938.7	938.7
		Impairment of Goodwill	-	-	-	-	-	-	-	-2.1	-2.1
	<b>Result Retail France</b>	<b>255.3</b>	<b>221.8</b>	<b>477.1</b>	<b>237.4</b>	<b>506.6</b>	<b>744.0</b>	<b>482.9</b>	<b>951.0</b>	<b>1,433.9</b>	
	THE NETHERLANDS	Gross rental income	44.1	-	44.1	67.9	-	67.9	118.2	-	118.2
		Operating expenses & net service charges	-3.8	-	-3.8	-5.6	-	-5.6	-13.4	-	-13.4
		<b>Net rental income</b>	<b>40.4</b>	-	<b>40.4</b>	<b>62.3</b>	-	<b>62.3</b>	<b>104.8</b>	-	<b>104.8</b>
		Gains/losses on sales of properties	-	15.9	15.9	-	7.0	7.0	-	68.1	68.1
	Valuation movements	-	14.9	14.9	-	71.2	71.2	-	61.3	61.3	
	<b>Result Retail The Netherlands</b>	<b>40.4</b>	<b>30.8</b>	<b>71.2</b>	<b>62.3</b>	<b>78.2</b>	<b>140.5</b>	<b>104.8</b>	<b>129.4</b>	<b>234.2</b>	
	NORDIC COUNTRIES	Gross rental income	60.8	-	60.8	62.4	-	62.4	127.7	-	127.7
		Operating expenses & net service charges	-14.0	-	-14.0	-16.1	-	-16.1	-32.8	-	-32.8
		<b>Net rental income</b>	<b>46.7</b>	-	<b>46.7</b>	<b>46.3</b>	-	<b>46.3</b>	<b>95.0</b>	-	<b>95.0</b>
		Gains/losses on sales of properties	-	35.0	35.0	-	-	-	-	-0.4	-0.4
	Valuation movements	-	43.2	43.2	-	32.0	32.0	-	98.8	98.8	
	<b>Result Retail Nordic</b>	<b>46.7</b>	<b>78.2</b>	<b>124.9</b>	<b>46.3</b>	<b>32.0</b>	<b>78.2</b>	<b>95.0</b>	<b>98.4</b>	<b>193.4</b>	
	SPAIN	Gross rental income	68.2	-	68.2	65.2	-	65.2	132.2	-	132.2
Operating expenses & net service charges		-5.0	-	-5.0	-5.2	-	-5.2	-9.1	-	-9.1	
<b>Net rental income</b>		<b>63.2</b>	-	<b>63.2</b>	<b>60.0</b>	-	<b>60.0</b>	<b>123.2</b>	-	<b>123.2</b>	
Valuation movements		-	81.8	81.8	-	16.3	16.3	-	92.3	92.3	
<b>Result Retail Spain</b>	<b>63.2</b>	<b>81.8</b>	<b>145.0</b>	<b>60.0</b>	<b>16.3</b>	<b>76.3</b>	<b>123.2</b>	<b>92.3</b>	<b>215.5</b>		
CENTRAL EUROPE	Gross rental income <sup>(1)</sup>	50.9	-	50.9	32.4	-	32.4	84.2	-	84.2	
	Operating expenses & net service charges	-0.4	-	-0.4	-0.5	-	-0.5	-4.8	-	-4.8	
	<b>Net rental income <sup>(1)</sup></b>	<b>50.5</b>	-	<b>50.5</b>	<b>31.8</b>	-	<b>31.8</b>	<b>79.4</b>	-	<b>79.4</b>	
	Gains/losses on sales of properties	-	0.5	0.5	-	-	-	-	-0.3	-0.3	
Valuation movements <sup>(1)</sup>	-	84.2	84.2	-	39.6	39.6	-	80.1	80.1		
<b>Result Retail Central Europe</b>	<b>50.5</b>	<b>84.7</b>	<b>135.2</b>	<b>31.8</b>	<b>39.6</b>	<b>71.5</b>	<b>79.4</b>	<b>79.8</b>	<b>159.2</b>		
AUSTRIA	Gross rental income <sup>(1)</sup>	45.5	-	45.5	38.2	-	38.2	81.2	-	81.2	
	Operating expenses & net service charges	-1.1	-	-1.1	0.7	-	0.7	-3.0	-	-3.0	
	<b>Net rental income <sup>(1)</sup></b>	<b>44.4</b>	-	<b>44.4</b>	<b>38.9</b>	-	<b>38.9</b>	<b>78.2</b>	-	<b>78.2</b>	
	Gains/losses on sales of properties	-	-0.1	-0.1	-	-	-	-	-	-	
Valuation movements <sup>(1)</sup>	-	49.8	49.8	-	49.2	49.2	-	119.5	119.5		
<b>Result Retail Austria</b>	<b>44.4</b>	<b>49.7</b>	<b>94.0</b>	<b>38.9</b>	<b>49.2</b>	<b>88.1</b>	<b>78.2</b>	<b>119.5</b>	<b>197.7</b>		
<b>TOTAL RESULT RETAIL</b>	<b>500.4</b>	<b>547.0</b>	<b>1,047.4</b>	<b>476.7</b>	<b>721.9</b>	<b>1,198.6</b>	<b>963.4</b>	<b>1,470.4</b>	<b>2,433.8</b>		
OFFICES	FRANCE	Gross rental income	81.4	-	81.4	93.5	-	93.5	181.3	-	181.3
		Operating expenses & net service charges	3.0	-	3.0	-2.1	-	-2.1	-7.8	-	-7.8
		<b>Net rental income</b>	<b>84.4</b>	-	<b>84.4</b>	<b>91.4</b>	-	<b>91.4</b>	<b>173.5</b>	-	<b>173.5</b>
		Gains/losses on sales of properties	-	-	-	-	11.0	11.0	-	35.1	35.1
	Valuation movements	-	5.1	5.1	-	153.1	153.1	-	193.4	193.4	
	<b>Result Offices France</b>	<b>84.4</b>	<b>5.1</b>	<b>89.6</b>	<b>91.4</b>	<b>164.1</b>	<b>255.5</b>	<b>173.5</b>	<b>228.5</b>	<b>402.0</b>	
	OTHER COUNTRIES	Gross rental income	18.3	-	18.3	19.8	-	19.8	39.4	-	39.4
		Operating expenses & net service charges	-3.0	-	-3.0	-3.1	-	-3.1	-6.9	-	-6.9
<b>Net rental income</b>		<b>15.3</b>	-	<b>15.3</b>	<b>16.7</b>	-	<b>16.7</b>	<b>32.6</b>	-	<b>32.6</b>	
Gains/losses on sales of properties		-	-0.3	-0.3	-	1.1	1.1	-	1.5	1.5	
Valuation movements	-	2.4	2.4	-	-0.5	-0.5	-	8.3	8.3		
<b>Result Offices other countries</b>	<b>15.3</b>	<b>2.1</b>	<b>17.5</b>	<b>16.7</b>	<b>0.6</b>	<b>17.3</b>	<b>32.6</b>	<b>9.8</b>	<b>42.3</b>		
<b>TOTAL RESULT OFFICES</b>	<b>99.8</b>	<b>7.2</b>	<b>107.0</b>	<b>108.1</b>	<b>164.7</b>	<b>272.8</b>	<b>206.1</b>	<b>238.2</b>	<b>444.3</b>		
CONVENTION - EXHIBITION	FRANCE	Gross rental income	92.0	-	92.0	83.5	-	83.5	179.7	-	179.7
		Operating expenses & net service charges	-49.0	-	-49.0	-48.1	-	-48.1	-102.4	-	-102.4
		<b>Net rental income</b>	<b>42.9</b>	-	<b>42.9</b>	<b>35.4</b>	-	<b>35.4</b>	<b>77.3</b>	-	<b>77.3</b>
		On site property services	19.0	-	19.0	16.6	-	16.6	42.7	-	42.7
		Hotels net rental income	3.5	-	3.5	5.9	-	5.9	12.9	-	12.9
		Exhibitions organising	6.6	-0.1	6.5	6.2	-15.6	-9.4	15.3	-12.7	2.6
		Valuation movements, depreciation, capital gains	-6.0	46.6	40.7	-6.1	106.4	100.3	-12.2	110.0	97.8
		<b>TOTAL RESULT CONVENTION-EXHIBITION</b>	<b>66.1</b>	<b>46.5</b>	<b>112.6</b>	<b>58.0</b>	<b>90.8</b>	<b>148.8</b>	<b>136.1</b>	<b>97.3</b>	<b>233.4</b>
Other property services net operating profit	6.6	-	6.6	4.6	-	4.6	13.3	-	13.3		
Other net income	5.3	2.5	7.8	0.7	-	0.7	0.6	-	0.6		
<b>TOTAL OPERATING RESULT AND OTHER INCOME</b>	<b>678.2</b>	<b>603.2</b>	<b>1,281.5</b>	<b>648.1</b>	<b>977.4</b>	<b>1,625.5</b>	<b>1,319.5</b>	<b>1,805.9</b>	<b>3,125.4</b>		
General expenses	-39.6	-1.5	-41.1	-46.0	-	-46.0	-97.5	-15.8	-113.4		
Development costs	-1.6	-	-1.6	-1.3	-	-1.3	-7.2	-	-7.2		
Financing result	-150.2	-20.0	-170.3	-131.1	-130.9	-261.9	-268.9	-129.3	-398.3		
<b>RESULT BEFORE TAX</b>	<b>486.8</b>	<b>581.7</b>	<b>1,068.5</b>	<b>469.7</b>	<b>846.5</b>	<b>1,316.2</b>	<b>945.8</b>	<b>1,660.7</b>	<b>2,606.5</b>		
Income tax expenses	-6.2	-71.9	-78.1	3.3	-50.9	-47.6	-9.6	-111.4	-121.0		
<b>NET RESULT</b>	<b>480.6</b>	<b>509.8</b>	<b>990.4</b>	<b>473.0</b>	<b>795.6</b>	<b>1,268.6</b>	<b>936.2</b>	<b>1,549.3</b>	<b>2,485.5</b>		
Non-controlling interests	45.7	61.7	107.4	43.8	117.4	161.2	88.3	209.6	297.9		
<b>NET RESULT - OWNERS OF THE PARENT</b>	<b>434.9</b>	<b>448.1</b>	<b>883.0</b>	<b>429.1</b>	<b>678.3</b>	<b>1,107.4</b>	<b>847.9</b>	<b>1,339.7</b>	<b>2,187.6</b>		
Average number of shares and ORA (million)	91.8	-	-	91.4	-	-	91.5	-	-		
<b>RECURRING EARNINGS PER SHARE (€)</b>	<b>4.7€</b>	-	-	<b>4.7€</b>	-	-	<b>9.2€</b>	-	-		
<b>RECURRING EARNINGS PER SHARE GROWTH</b>	<b>0.85%</b>	-	-	<b>0.43%</b>	-	-	<b>0.87%</b>	-	-		

<sup>(1)</sup> Due to the transfer of the Aupark shopping center from geographical zone Central Europe to Austria, figures have been restated accordingly in 2010.

## **Business segment reporting**

Segment information is presented in respect of the Group's division and geographical segments, based on the Group's management and internal reporting structure.

### **Business segments**

The Group presents its result by division: Retail, Offices, Convention-Exhibition and Property services. The Convention-Exhibition division comprises management of exhibition venues (Viparis), lease management of the Pullman (formerly Méridien) Montparnasse and Cnit Hilton hotels, and the organisation of exhibitions (Comexposium), this latter consolidated under the equity method.

### **Geographical segments**

Geographical segments are determined on the basis of the Group's definition of a home region. A home region is defined as a region with more than €1 billion in property investment and a local organisation dedicated to all three business lines : the "owner function" (asset selection and management including pipeline), retail management, and the finance function.

The following are considered home regions based on specific operational and strategic factors :

- France,
- The Netherlands,
- Nordic Countries managed from Sweden, including Sweden, Denmark and Finland,
- Spain,
- Central Europe managed from the Czech Republic, including the Czech Republic, Germany, Hungary and Poland,
- Austria managed from Austria, including Austria and Slovakia.

The income statement by division is split between recurring and non-recurring result. The non-recurring result before tax is made up of the valuation movements on investment properties, fair value adjustments on derivatives and debts, the net result on disposals, impairment of goodwill or reversal of badwill, as well as costs directly incurred during a business combination.

The income tax is also split between recurring and non-recurring tax.

Recurring tax is the outcome of :

- the amount of income tax effectively due on recurring income, after deduction of any tax losses,
- plus/minus changes in a deferred tax asset recognized on tax losses stemming from recurring income (excluding those caused by a change in tax rate and/or those caused by a use of such deferred tax asset by non-recurring profits),
- plus/minus changes in deferred tax assets not related to tax losses and deferred tax liabilities relating to recurring result (excluding those caused by a change in tax rate and/or those caused by a use of such deferred tax asset by non-recurring profits).



## Reconciliation between the Results by division and the income statement of the period (EPRA format) for H1-2011

(in €Mn)	Retail							Offices			C.E. <sup>(1)</sup>	Not allocated	TOTAL H1-2011
	France	The Netherlands	Nordic	Spain	Central Europe	Austria	Total Retail	France	Others	Total Offices	France		
Gross rental income	276.3	44.1	60.8	68.2	50.9	45.5	545.7	81.4	18.3	99.7	95.5	-	740.9
<b>Net rental income</b>	<b>255.3</b>	<b>40.4</b>	<b>46.7</b>	<b>63.2</b>	<b>50.5</b>	<b>44.4</b>	<b>500.4</b>	<b>84.4</b>	<b>15.3</b>	<b>99.8</b>	<b>46.4</b>	-	<b>646.6</b>
Administrative expenses	-	-	-	-	-	-	-	-	-	-	-	-41.2	-41.2
Acquisition and related costs	-	-	-	-	-	-	-	-	-	-	-	-1.5	-1.5
Revenues from other activities	-	-	-	-	-	-	-	-	-	-	54.5	24.5	79.0
<b>Net other income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13.0</b>	<b>6.8</b>	<b>19.7</b>
Result on disposal of investment properties	-0.8	15.9	21.8	-	-1.4	-0.1	35.4	-	-2.0	-2.0	-0.1	-	33.4
Result on disposal of shares	4.8	-	13.2	-	1.9	-	19.9	-	1.7	1.7	-	-	21.6
Valuation movements	217.8	14.9	43.2	81.8	84.2	49.8	491.7	5.1	2.4	7.5	45.9	-	545.1
Reversal of badwill & Impairment of goodwill	-	-	-	-	-	-	-	-	-	-	0.8	-	0.8
<b>Net operating result before financing cost</b>	<b>477.1</b>	<b>71.2</b>	<b>124.9</b>	<b>145.0</b>	<b>135.2</b>	<b>94.0</b>	<b>1,047.4</b>	<b>89.6</b>	<b>17.5</b>	<b>107.0</b>	<b>106.1</b>	<b>-36.0</b>	<b>1,224.5</b>
Share of the result of associates & income on financial assets	-	-	-	-	-	-	-	-	-	-	6.5	-	6.5
Net financing costs	-	-	-	-	-	-	-	-	-	-	-	-150.2	-150.2
Fair value adjustment of net share settled bonds convertible into new and/or existing shares (ORNANE)	-	-	-	-	-	-	-	-	-	-	-	-57.1	-57.1
Fair value adjustment of derivatives and debt & debt discounting	-	-	-	-	-	-	-	-	-	-	-	37.0	37.0
Result from non-consolidated companies	-	-	-	-	-	-	-	-	-	-	-	7.8	7.8
<b>Result before tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,068.5</b>
Income tax expenses	-	-	-	-	-	-	-	-	-	-	-	-78.1	-78.1
<b>Net result for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>990.4</b>

(1) Convention-Exhibition division

## Reconciliation between the Results by division and the income statement of the period (EPRA format) for H1-2010

(in €Mn)	Retail							Offices			C.E. <sup>(1)</sup>	Not allocated	TOTAL H1-2010
	France	The Netherlands	Nordic	Spain	Central Europe	Austria	Total Retail	France	Others	Total Offices	France		
Gross rental income <sup>(2)</sup>	258.6	67.9	62.4	65.2	32.4	38.2	524.6	93.5	19.8	113.2	89.6	-	727.5
<b>Net rental income <sup>(2)</sup></b>	<b>235.0</b>	<b>62.3</b>	<b>46.3</b>	<b>60.0</b>	<b>31.8</b>	<b>38.9</b>	<b>474.3</b>	<b>91.4</b>	<b>16.7</b>	<b>108.1</b>	<b>41.3</b>	<b>-</b>	<b>623.7</b>
Administrative expenses	-	-	-	-	-	-	-	-	-	-	-	-47.3	-47.3
Revenues from other activities	-	-	-	-	-	-	-	-	-	-	46.7	24.9	71.6
<b>Net other income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10.5</b>	<b>4.7</b>	<b>15.2</b>
Result on disposal of investment properties	-	7.0	-	-	-	-	7.0	11.0	1.1	12.1	0.1	-	19.1
Valuation movements <sup>(2)</sup>	501.9	71.2	32.0	16.3	39.6	49.2	710.2	153.1	-0.5	152.6	106.3	-	969.1
<b>Net operating result before financing cost</b>	<b>736.9</b>	<b>140.5</b>	<b>78.2</b>	<b>76.3</b>	<b>71.5</b>	<b>88.1</b>	<b>1,191.5</b>	<b>255.5</b>	<b>17.3</b>	<b>272.8</b>	<b>158.2</b>	<b>-42.6</b>	<b>1,579.8</b>
Share of the result of associates & income on financial assets	7.1	-	-	-	-	-	7.1	-	-	-	-9.4	-	-2.3
Net financing costs	-	-	-	-	-	-	-	-	-	-	-	-131.1	-131.1
Fair value adjustment of net share settled bonds convertible into new and/or existing shares (ORNANE)	-	-	-	-	-	-	-	-	-	-	-	57.4	57.4
Value adjustment of derivatives and debt & debt discounting	-	-	-	-	-	-	-	-	-	-	-	-188.3	-188.3
Result from non-consolidated companies	-	-	-	-	-	-	-	-	-	-	-	0.7	0.7
<b>Result before tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,316.2</b>
Income tax expenses	-	-	-	-	-	-	-	-	-	-	-	-47.6	-47.6
<b>Net result for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,268.6</b>

(1) Convention-Exhibition division

(2) Due to the transfer of the Aupark shopping center from geographical zone Central Europe to Austria, figures have been restated accordingly in 2010.

## Investment properties by division as at June 30, 2011

(in €Mn)	Retail							Offices			C.E. <sup>(1)</sup>	June 30, 2011
	France	The Netherlands	Nordic	Spain	Central Europe	Austria	Total Retail	France	Others	Total Offices	France	
Investment properties at fair value	9,513.3	1,211.2	1,692.7	2,002.2	1,390.5	1,532.0	17,342.1	2,814.0	308.2	3,122.2	1,583.6	22,047.9
Investment properties at cost	145.3	-	30.4	15.6	27.7	-	219.0	244.0	0.2	244.1	0.5	463.7
Properties under promise or mandate of sale	210.7	108.1	-	47.3	111.1	27.7	504.9	128.6	78.2	206.7	-	711.6
<b>Total investments properties</b>	<b>9,869.3</b>	<b>1,319.4</b>	<b>1,723.1</b>	<b>2,065.2</b>	<b>1,529.2</b>	<b>1,559.7</b>	<b>18,066.0</b>	<b>3,186.5</b>	<b>386.5</b>	<b>3,573.0</b>	<b>1,584.1</b>	<b>23,223.2</b>

(1) Convention-Exhibition division

## Investment properties by division as at December 31, 2010

(in €Mn)	Retail							Offices			C.E. <sup>(1)</sup>	Dec 31, 2010
	France	The Netherlands	Nordic	Spain	Central Europe	Austria	Total Retail	France	Others	Total Offices	France	
Investment properties at fair value	9,149.3	1,322.3	1,543.5	1,947.5	1,426.0	1,468.0	16,856.6	2,907.7	363.4	3,271.1	1,518.8	21,646.5
Investment properties at cost	60.8	-	38.9	15.0	24.3	-	139.0	202.4	-	202.4	0.5	341.9
Properties under promise or mandate of sale	444.3	98.1	282.4	-	54.6	25.3	904.7	-	75.0	75.0	-	979.7
<b>Total investments properties</b>	<b>9,654.4</b>	<b>1,420.4</b>	<b>1,864.9</b>	<b>1,962.5</b>	<b>1,504.8</b>	<b>1,493.2</b>	<b>17,900.3</b>	<b>3,110.1</b>	<b>438.4</b>	<b>3,548.6</b>	<b>1,519.3</b>	<b>22,968.1</b>

(1) Convention-Exhibition division

### 3) Scope of consolidation

List of consolidated companies	Country	Method (1)	% interest	% control	% interest
			June 30, 2011	June 30, 2011	Dec. 31, 2010
SE Unibail-Rodamco	France	FC	100.00	100.00	100.00
<b>SHOPPING CENTRES</b>					
Donauzentrum Besitz- u. Vermietungs GmbH	Austria	FC	90.00	90.00	89.25
SCS Liegenschaftsverwertung GmbH	Austria	FC	100.00	100.00	99.17
SCS Motor City Süd Errichtungsges.mBH	Austria	FC	100.00	100.00	99.17
Shopping Center Planungs- und Entwicklungsgesellschaft mbH	Austria	FC	100.00	100.00	99.17
Shopping Center Planungs- und Entwicklungsgesellschaft mbH & Co. Werbeberatung KG	Austria	FC	100.00	100.00	99.17
Shopping City Süd Erweiterungsbau Gesellschaft mbH & Co Anlagenvermietung KG	Austria	FC	99.99	99.99	99.17
Südpark Betriebs und Verwaltungs GmbH	Austria	PC	50.00	50.00	49.59
Centrum Cerny Most as	Czech Republic	FC	100.00	100.00	99.17
Centrum Praha Jih-Chodov sro	Czech Republic	FC	100.00	100.00	99.17
Pankrac Shopping Center ks	Czech Republic	PC	75.00	75.00	74.38
Autopaikat Oy	Finland	PC	34.29	34.29	34.01
Kiinteistö Oy Vantaanportin Liikekeskus	Finland	PC	21.40	21.40	21.22
Kiinteistö Oy Vantaanportin Liiketilat	Finland	PC	60.00	60.00	59.50
SA SFLA	France	FC	100.00	100.00	100.00
SA Société d'Exploitation des Parkings et du Forum des Halles de Paris	France	FC	65.00	65.00	65.00
SARL Bay 1 Bay 2	France	FC	100.00	100.00	100.00
SARL BEG Investissements	France	FC	100.00	100.00	100.00
SARL Foncière d'Investissement	France	FC	100.00	100.00	100.00
SARL Le Cannet Développement	France	PC	50.00	50.00	50.00
SAS Aquarissimo	France	FC	100.00	100.00	100.00
SAS Askela	France	-	Liquidated	Liquidated	100.00
SAS Cipcom	France	FC	50.00	100.00	50.00
SAS des Grandes Bruyères	France	EM	10.00	10.00	10.00
SAS La Toison d'Or	France	FC	100.00	100.00	100.00
SAS Le Carrousel du Louvre	France	FC	100.00	100.00	100.00
SAS Monpar	France	FC	100.00	100.00	100.00
SAS Nice Etoile	France	FC	100.00	100.00	100.00
SAS Parimall-Bobigny 2	France	FC	100.00	100.00	99.17
SAS Parimall-Parly 2	France	FC	100.00	100.00	99.17
SAS Parimall-Ulis 2	France	FC	100.00	100.00	99.17
SAS Parimall-Vélizy 2	France	FC	100.00	100.00	99.17
SAS Parimmo-58 Marceau	France	FC	100.00	100.00	99.17
SAS Parly 2 Avenir	France	FC	78.40	78.40	77.75
SAS PCE	France	PC	50.00	50.00	50.00
SAS SALG	France	FC	100.00	100.00	99.17
SAS SFAM	France	FC	100.00	100.00	100.00
SAS Société de Lancement de Magasins à l'Usine	France	FC	100.00	100.00	100.00
SAS SP Poissy Retail Entreprises	France	PC	50.00	50.00	50.00
SAS Spring Alma	France	FC	100.00	100.00	100.00
SAS Spring Valentine	France	FC	100.00	100.00	100.00
SAS Spring Vélizy	France	FC	100.00	100.00	100.00
SAS Uni-commerces	France	FC	100.00	100.00	100.00
SAS Uniwater	France	FC	100.00	100.00	100.00
SAS Villeneuve 2	France	FC	100.00	100.00	99.17
SCI 3borders	France	FC	100.00	100.00	100.00
SCI Aéroville	France	FC	100.00	100.00	100.00
SCI Berri Washington	France	FC	100.00	100.00	99.17
SCI Bordeaux-Bonnac	France	FC	100.00	100.00	100.00
SCI Channel City	France	FC	100.00	100.00	100.00
SCI Coquelles et Coquelles	France	FC	100.00	100.00	100.00
SCI des Bureaux Rouen Bretagne	France	FC	100.00	100.00	99.17
SCI du CC de Bordeaux Préfecture	France	FC	61.00	61.00	61.00

List of consolidated companies	Country	Method (1)	% interest	% control	% interest
			June 30, 2011	June 30, 2011	Dec. 31, 2010
SCI du CC de Lyon La Part Dieu	France	FC	100.00	100.00	99.17
SCI du CC de Rouen St Sever	France	FC	100.00	100.00	99.17
SCI du CC des Pontôts	France	FC	100.00	100.00	100.00
SCI du Forum des Halles de Paris	France	FC	65.00	65.00	65.00
SCI du Petit Parly 2	France	FC	100.00	100.00	99.17
SCI Eiffel Levallois Commerces	France	FC	100.00	100.00	100.00
SCI Elysées Châlons	France	-	Sold	Sold	99.17
SCI Elysées Parly 2	France	FC	100.00	100.00	99.17
SCI Elysées Vélizy 2	France	FC	100.00	100.00	99.17
SCI Espace Commerce Europe	France	PC	50.00	50.00	50.00
SCI Evry Expansion	France	-	Liquidated	Liquidated	100.00
SCI Extension Villeneuve 2	France	FC	100.00	100.00	99.17
SCI Foncière Marceau Saint Sever	France	FC	100.00	100.00	99.17
SCI Grand Magasin Sud LPD	France	FC	100.00	100.00	99.17
SCI Grigny Gare	France	FC	100.00	100.00	100.00
SCI Labex	France	FC	100.00	100.00	100.00
SCI Lyon Kléber	France	FC	100.00	100.00	99.17
SCI Lyon Les Brotteaux	France	FC	100.00	100.00	99.17
SCI Marceau Bussy-Sud	France	FC	100.00	100.00	99.17
SCI Marceau Côté Seine	France	FC	100.00	100.00	99.17
SCI Marceau Parly 2	France	FC	100.00	100.00	99.17
SCI Marceau Plaisir	France	FC	100.00	100.00	99.17
SCI Parlunic 2	France	FC	100.00	100.00	99.17
SCI Pégase	France	FC	53.30	53.30	53.30
SCI Rosny Beauséjour	France	PC	50.00	50.00	50.00
SCI Rouen Verrerie	France	FC	100.00	100.00	99.17
SCI SCC de la Défense	France	FC	53.30	53.30	53.30
SCI SCC du Triangle des Gares	France	FC	76.00	100.00	76.00
SCI Sidor	France	FC	73.00	73.00	73.00
SCI Sirmione	France	FC	100.00	100.00	100.00
SCI Sogep	France	PC	9.98	9.98	9.98
SCI Val Commerces	France	-	Sold	Sold	50.02
SCI Vendôme Boissy 2	France	FC	100.00	100.00	100.00
SCI Vendôme Saint Genis	France	-	Liquidated	Liquidated	100.00
SCI Vendôme Villeneuve 2	France	FC	100.00	100.00	99.17
SCI Waskim	France	FC	100.00	100.00	100.00
SCI Winter	France	-	Sold	Sold	50.02
SEP Bagnolet	France	PC	35.22	35.22	35.22
SEP du CC d'Evry 2	France	-	Sold	Sold	7.50
SEP du CC de Rosny 2	France	PC	26.00	26.00	26.00
SEP Extension Evry 2	France	-	Sold	Sold	7.50
SEP Galerie Villabé	France	PC	15.00	15.00	15.00
SEP Première Extension Evry 2	France	-	Sold	Sold	7.50
SEP Valorisation CC LPD	France	PC	62.51	62.51	62.02
SEP Valorisation CC Parly 2	France	PC	47.85	48.47	47.45
SEP Valorisation CC Saint Sever	France	PC	76.55	76.55	75.91
SEP Valorisation CC Ulis 2	France	PC	38.92	38.92	38.77
SEP Valorisation CC Villeneuve 2	France	PC	52.57	52.57	52.13
SNC Almacie	France	FC	100.00	100.00	100.00
SNC CC Francilia	France	FC	100.00	100.00	100.00
SNC Cegep et Cie	France	FC	100.00	100.00	99.17
SNC de Bures-Palaiseau	France	FC	100.00	100.00	100.00
SNC de l'Extension de Rosny	France	FC	100.00	100.00	100.00
SNC du CC de Labège	France	FC	100.00	100.00	100.00
SNC Elysées Vauban	France	FC	100.00	100.00	99.17
SNC Les Docks de Rouen	France	FC	100.00	100.00	100.00
SNC Les Passages de l'Etoile	France	FC	100.00	100.00	100.00
SNC Maltèse	France	FC	100.00	100.00	100.00

List of consolidated companies	Country	Method (1)	% interest	% control	% interest
			June 30, 2011	June 30, 2011	Dec. 31, 2010
SNC Randoli	France	FC	100.00	100.00	100.00
SNC Saint Genis Laval	France	-	Liquidated	Liquidated	100.00
SNC Vélizy Petit-Clamart	France	FC	100.00	100.00	100.00
SNC VUC	France	FC	100.00	100.00	100.00
Immobilienkommanditgesellschaft Dr. Mühlhäuser & Co Einkaufszentrum Magdeburg	Germany	PC	50.00	50.00	49.59
KG Schliebe & Co Geschäftszentrum Frankfurter Allee	Germany	PC	66.67	66.67	66.12
EKZ 6 ÖVT-E Kft	Hungary	-	Sold	Sold	32.73
Euromall Kft	Hungary	FC	100.00	100.00	99.17
Vezer Center Kft	Hungary	-	Sold	Sold	99.17
Arkadia Centrum Handlowe	Poland	FC	100.00	100.00	100.00
Rodamco CHI Sp zoo	Poland	PC	50.00	50.00	49.59
Wilenska Centrum Handlowe	Poland	FC	100.00	100.00	100.00
Aupark as	Slovakia	PC	50.00	50.00	49.59
Essential Whites SLU	Spain	FC	52.78	100.00	52.34
Promociones Inmobiliarias Gardiner SLU	Spain	FC	52.78	100.00	52.34
Proyectos Inmobiliarios Time Blue SLU	Spain	FC	51.11	100.00	50.69
Unibail-Rodamco Benidorm SL	Spain	PC	50.00	50.00	49.59
Unibail-Rodamco Garbera SL	Spain	FC	100.00	100.00	99.17
Unibail-Rodamco Inversiones SLU	Spain	FC	100.00	100.00	99.17
Unibail-Rodamco Ocio SLU	Spain	FC	100.00	100.00	99.17
Unibail-Rodamco Proyecto Badajoz SLU	Spain	FC	100.00	100.00	99.17
Unibail-Rodamco Steam SLU	Spain	FC	51.11	100.00	50.69
Unibail-Rodamco Vallsur SL	Spain	FC	100.00	100.00	99.17
Eurostop KB	Sweden	FC	100.00	100.00	99.17
Rodamco Arninge Centrum KB	Sweden	FC	100.00	100.00	99.17
Rodamco Centerpool AB	Sweden	FC	100.00	100.00	99.17
Rodamco Eneby AB	Sweden	-	Sold	Sold	99.17
Rodamco Fisketorvet AB	Sweden	FC	100.00	100.00	99.17
Rodamco Forum Nacka KB	Sweden	FC	100.00	100.00	99.17
Rodamco Garage AB	Sweden	FC	100.00	100.00	99.17
Rodamco Helsingborg KB	Sweden	-	Sold	Sold	99.17
Rodamco Nova Lund KB	Sweden	FC	100.00	100.00	99.17
Rodamco Nova Lund 2 AB	Sweden	FC	100.00	100.00	99.17
Rodamco Nova Lund 3 AB	Sweden	FC	100.00	100.00	99.17
Rodamco Parkering AB	Sweden	FC	100.00	100.00	99.17
Rodamco Solna Centrum AB	Sweden	FC	100.00	100.00	99.17
Rodamco Täby Centrum KB	Sweden	FC	100.00	100.00	99.17
Rodamco Tyresö Centrum AB	Sweden	-	Sold	Sold	99.17
Rodamco Väsby Centrum AB	Sweden	FC	100.00	100.00	99.17
Oranjevast/Amvest CV	The Netherlands	EM	10.00	10.00	9.92
Unibail-Rodamco Nederland Winkels BV	The Netherlands	FC	100.00	100.00	99.17
<b>OFFICES</b>					
SA Rodamco France	France	FC	100.00	100.00	99.17
SAS Alba	France	-	Liquidated	Liquidated	100.00
SAS Aquabon	France	FC	100.00	100.00	100.00
SAS Immobilière Louvre	France	FC	100.00	100.00	100.00
SAS Iseult	France	FC	100.00	100.00	100.00
SAS Unibail Investissements II	France	FC	100.00	100.00	100.00
SCI 3-5 Malesherbes	France	FC	100.00	100.00	100.00
SCI Ariane-Défense	France	FC	100.00	100.00	100.00
SCI Bureaux Tour Crédit Lyonnais	France	FC	100.00	100.00	99.17
SCI Cnit Développement	France	FC	100.00	100.00	100.00
SCI Eiffel Levallois Bureaux	France	FC	100.00	100.00	100.00
SCI Gâté Bureaux	France	FC	100.00	100.00	100.00
SCI Galilée-Défense	France	FC	100.00	100.00	100.00
SCI Le Sextant	France	FC	100.00	100.00	100.00
SCI Marceau Part Dieu	France	FC	100.00	100.00	99.17

List of consolidated companies	Country	Method (1)	% interest	% control	% interest
			June 30, 2011	June 30, 2011	Dec. 31, 2010
SCI Ostraca	France	FC	100.00	100.00	100.00
SCI Sept Adenauer	France	FC	100.00	100.00	100.00
SCI Tour Triangle	France	FC	50.00	100.00	50.00
SCI Trinity Défense	France	FC	100.00	100.00	100.00
SCI Village 3 Défense	France	FC	100.00	100.00	100.00
SCI Village 4 Défense	France	FC	100.00	100.00	100.00
SCI Village 5 Défense	France	FC	100.00	100.00	100.00
SCI Village 6 Défense	France	FC	100.00	100.00	100.00
SCI Village 7 Défense	France	FC	100.00	100.00	100.00
SCI Village 8 Défense	France	FC	100.00	100.00	100.00
SCI Wilson (Puteaux)	France	FC	100.00	100.00	100.00
SNC Capital 8	France	FC	100.00	100.00	100.00
SNC Gaîté Parkings	France	FC	100.00	100.00	100.00
SNC Lefoullon	France	FC	100.00	100.00	100.00
Akvest Kantoren CV	The Netherlands	FC	90.00	90.00	89.25
<b>CONVENTION-EXHIBITION</b>					
SA Comexposium Holding (subgroup)	France	EM	50.00	50.00	50.00
SA Viparis - Le Palais des Congrès d'Issy	France	FC	47.50	95.00	47.56
SARL Pandore	France	FC	50.00	100.00	50.00
SAS Paris Expo Services	France	FC	50.00	100.00	50.00
SAS Société d'Exploitation du Palais des Sports	France	PC	50.00	50.00	50.00
SAS Viparis	France	FC	50.00	100.00	50.00
SAS Viparis - Le Palais des Congrès de Paris	France	FC	50.00	100.00	50.00
SAS Viparis - Nord Villepinte	France	FC	50.00	100.00	50.00
SAS Viparis - Palais des Congrès de Versailles	France	FC	45.00	90.00	45.00
SAS Viparis - Porte de Versailles	France	FC	50.00	100.00	50.00
SCI Propexpo	France	FC	50.00	50.00	50.00
SNC Viparis - Le Bourget	France	FC	50.00	100.00	50.00
<b>SERVICES</b>					
Donauzentrum Betriebsführungsges.mbH	Austria	FC	100.00	100.00	99.17
Shopping Center Vösendorf Verwaltungsgesellschaft mbH	Austria	FC	100.00	100.00	99.17
Südpark Holding GmbH	Austria	FC	100.00	100.00	99.17
Unibail-Rodamco Austria Management GmbH	Austria	FC	100.00	100.00	99.17
Unibail-Rodamco Invest GmbH	Austria	FC	100.00	100.00	99.17
EKZ 11 sro	Czech Republic	PC	75.00	75.00	74.38
Rodamco Ceska Republica sro	Czech Republic	FC	100.00	100.00	99.17
SARL Cefic Gestion	France	-	Liquidated	Liquidated	100.00
SARL Sogefic	France	-	Liquidated	Liquidated	100.00
SARL Sovalec	France	-	Liquidated	Liquidated	99.59
SARL SPSP	France	FC	100.00	100.00	100.00
SARL TC Design	France	-	Liquidated	Liquidated	100.00
SAS Cnit Restauration	France	FC	100.00	100.00	100.00
SAS Espace Expansion	France	FC	100.00	100.00	100.00
SAS Rodamco France Management	France	FC	100.00	100.00	99.17
SAS Rodamco Gestion	France	FC	100.00	100.00	99.17
SAS Société d'Exploitation Hôtelière de Montparnasse	France	FC	100.00	100.00	-
SAS Société d'Exploitation Hôtelière du Cnit	France	FC	100.00	100.00	100.00
SAS Unibail Management	France	FC	100.00	100.00	100.00
SAS Unibail Marketing & Multimédia	France	FC	100.00	100.00	100.00
SAS Unibail-Rodamco Développement	France	FC	100.00	100.00	100.00
PFAB GmbH	Germany	EM	22.22	22.22	22.04
Cefic Polska	Poland	FC	100.00	100.00	100.00
Unibail-Rodamco Polska Sp zoo	Poland	FC	100.00	100.00	99.17
Rodamco Metropolis Management LLC	Russia	FC	100.00	100.00	99.17
RF Property Management spol, sro	Slovakia	PC	50.00	50.00	49.59
Unibail-Rodamco Spain SAU	Spain	FC	100.00	100.00	99.17

List of consolidated companies	Country	Method (1)	% interest	% control	% interest
			June 30, 2011	June 30, 2011	Dec. 31, 2010
Rodamco Management AB	Sweden	FC	100.00	100.00	99.17
Rodamco Projekt AB	Sweden	FC	100.00	100.00	99.17
Rodamco Sverige AB	Sweden	FC	100.00	100.00	99.17
Rodamco Europe Beheer BV	The Netherlands	FC	100.00	100.00	99.17
Rodamco Nederland BV	The Netherlands	FC	100.00	100.00	99.17
Unibail-Rodamco Development Nederland BV	The Netherlands	FC	100.00	100.00	99.17
Unibail-Rodamco Management BV	The Netherlands	FC	100.00	100.00	100.00
<b>HOLDINGS AND OTHER</b>					
Unibail-Rodamco Liegenschaftserwerbs GmbH	Austria	FC	100.00	100.00	99.17
Moravska Obchodni as	Czech Republic	FC	65.00	65.00	64.46
Rodamco Pankrac as	Czech Republic	FC	100.00	100.00	99.17
Rodareal Oy	Finland	FC	100.00	100.00	99.17
SA Société de Tayninh	France	FC	97.68	97.68	97.68
SA Uni-Expos	France	FC	100.00	100.00	100.00
SA Union Internationale Immobilière	France	FC	100.00	100.00	99.17
SA Viparis Holding	France	FC	50.00	50.00	50.00
SARL Espace Expansion Immobilière	France	FC	100.00	100.00	100.00
SARL Foncière Immobilière	France	FC	100.00	100.00	100.00
SARL Groupe BEG	France	FC	100.00	100.00	100.00
SARL Unibail-Rodamco SIF France	France	FC	100.00	100.00	100.00
SARL Unibail-Rodamco SIF Services	France	FC	100.00	100.00	100.00
SAS Doria	France	FC	100.00	100.00	100.00
SAS Frankvink Investissements	France	FC	100.00	100.00	99.17
SAS Hoche Poincaré	France	-	Liquidated	Liquidated	99.17
SAS R.E. France Financing	France	FC	100.00	100.00	99.17
SAS Unibail-Rodamco Participations	France	FC	100.00	100.00	100.00
SAS UR-SIF	France	-	Liquidated	Liquidated	100.00
SAS Valorexpo	France	FC	100.00	100.00	100.00
SCI du CC d'Euralille S3C Lille	France	FC	60.00	60.00	60.00
SCI Tayak	France	FC	100.00	100.00	100.00
SCI Vendôme Boisseuil	France	FC	100.00	100.00	100.00
SNC Financière 5 Malesherbes	France	FC	100.00	100.00	100.00
Rodamco Deutschland GmbH	Germany	FC	100.00	100.00	99.17
Rodamco Deutschland GmbH & Co Süd Liegenschafts KG	Germany	FC	100.00	100.00	99.17
Zeilgalerie Gbr	Germany	FC	100.00	100.00	99.17
Liffey River Financing Ltd.	Ireland	FC	100.00	100.00	-
SA Crossroads Property Investors	Luxembourg	FC	100.00	100.00	-
SARL GSSM Luxembourg Holding	Luxembourg	-	Liquidated	Liquidated	100.00
SARL WSSM Luxembourg Holding	Luxembourg	-	Liquidated	Liquidated	100.00
Gdansk Station SM	Poland	FC	100.00	100.00	100.00
GSSM Warsaw zoo	Poland	FC	100.00	100.00	-
Lodz Nord SM	Poland	FC	100.00	100.00	100.00
Polska SM	Poland	FC	100.00	100.00	100.00
Szczecin SM	Poland	FC	100.00	100.00	100.00
Wilenska Station SM	Poland	FC	100.00	100.00	100.00
WSSM Warsaw zoo	Poland	FC	100.00	100.00	-
Arrendamientos Vaguada CB	Spain	PC	62.47	62.47	61.95
Promociones Unibail-Rodamco Generales SLU	Spain	FC	100.00	100.00	99.17
Proyectos Inmobiliarios New Visions SLU	Spain	FC	100.00	100.00	99.17
Unibail-Rodamco Levante SLU	Spain	FC	100.00	100.00	99.17
Unibail-Rodamco Parques Comerciales SLU	Spain	FC	100.00	100.00	99.17
Anlos Fastighets AB	Sweden	FC	100.00	100.00	-
Eurostop AB	Sweden	FC	100.00	100.00	99.17
Eurostop Holding AB	Sweden	FC	100.00	100.00	99.17
Fastighetsbolaget Älvringen AB	Sweden	-	Sold	Sold	99.17
Fastighetsbolaget ES Örebro AB	Sweden	FC	100.00	100.00	-
Fastighetsbolaget Grindtorp AB	Sweden	FC	100.00	100.00	99.17

List of consolidated companies	Country	Method (1)	% interest	% control	% interest
			June 30, 2011	June 30, 2011	Dec. 31, 2010
Fastighetsbolaget Helsingborg Östra AB	Sweden	FC	100.00	100.00	99.17
Fastighetsbolaget Helsingborg Västra AB	Sweden	FC	100.00	100.00	99.17
Haninge Handel Fastighets AB	Sweden	-	Sold	Sold	99.17
Knölsvanen Bostads AB	Sweden	FC	100.00	100.00	99.17
Piren AB	Sweden	FC	100.00	100.00	99.17
Rodamco AB	Sweden	FC	100.00	100.00	99.17
Rodamco Expand AB	Sweden	FC	100.00	100.00	99.17
Rodamco Hallunda Centrum HB	Sweden	FC	100.00	100.00	99.17
Rodamco Holding AB	Sweden	FC	100.00	100.00	99.17
Rodamco Invest AB	Sweden	FC	100.00	100.00	99.17
Rodamco Nacka AB	Sweden	FC	100.00	100.00	99.17
Rodamco Northern Europe AB	Sweden	FC	100.00	100.00	99.17
Rodamco Scandinavia Holding AB	Sweden	FC	100.00	100.00	-
Rodamco Täby AB	Sweden	FC	100.00	100.00	99.17
Rodamco Tumlarens AB	Sweden	FC	100.00	100.00	99.17
Solna Torg Fastighets AB	Sweden	-	Sold	Sold	99.17
Trumpetsvanen Bostads AB	Sweden	FC	100.00	100.00	99.17
Tyresö Hus Fastighets AB	Sweden	-	Sold	Sold	99.17
Väsby Handel Fastighets AB	Sweden	-	Sold	Sold	99.17
Väsby Hus Fastighets AB	Sweden	-	Sold	Sold	99.17
Belindam BV	The Netherlands	FC	100.00	100.00	99.17
Cijferzwaan BV	The Netherlands	FC	100.00	100.00	99.17
Deenvink BV	The Netherlands	FC	100.00	100.00	99.17
Dotterzwaan BV	The Netherlands	FC	100.00	100.00	99.17
Feldkirchen BV	The Netherlands	FC	100.00	100.00	99.17
New Tower Real Estate BV	The Netherlands	FC	51.11	51.11	50.69
Old Tower Real Estate BV	The Netherlands	FC	52.78	52.78	52.34
Rodamco Austria BV	The Netherlands	FC	100.00	100.00	99.17
Rodamco Central Europe BV	The Netherlands	FC	100.00	100.00	99.17
Rodamco Czech BV	The Netherlands	FC	100.00	100.00	99.17
Rodamco Deutschland BV	The Netherlands	FC	100.00	100.00	99.17
Rodamco España BV	The Netherlands	FC	100.00	100.00	99.17
Rodamco Europe Finance BV	The Netherlands	FC	100.00	100.00	99.17
Rodamco Europe Finance II BV	The Netherlands	FC	100.00	100.00	99.17
Rodamco Europe NV	The Netherlands	FC	100.00	100.00	99.17
Rodamco Europe Properties BV	The Netherlands	FC	100.00	100.00	99.17
Rodamco Hungary BV	The Netherlands	FC	100.00	100.00	99.17
Rodamco Nederland Winkels BV	The Netherlands	FC	100.00	100.00	99.17
Rodamco Project I BV	The Netherlands	FC	100.00	100.00	99.17
Rodamco Retail Deutschland BV	The Netherlands	FC	100.00	100.00	99.17
Rodamco Russia BV	The Netherlands	FC	100.00	100.00	99.17
Rodamco Turkey BV	The Netherlands	FC	100.00	100.00	99.17
Romanoff Eastern Europe Property BV	The Netherlands	FC	80.00	80.00	79.34
Unibail-Rodamco Poland 1 BV	The Netherlands	FC	100.00	100.00	99.17
Unibail-Rodamco Poland 2 BV	The Netherlands	FC	100.00	100.00	99.17
Unibail-Rodamco SI BV	The Netherlands	FC	100.00	100.00	100.00
Vuurvink BV	The Netherlands	FC	100.00	100.00	99.17

(1) FC=fully consolidated companies, PC=proportional consolidation method, EM=consolidated under the equity method.

## 4) Highlights of the first half of 2011

---

### 1) Disposals

- *Offices*

During the first half of 2011, the Group sold five office buildings in Sweden and one in The Netherlands. One of the Swedish disposals partly took the form of a share deal. For the assets sold directly, the total net disposal price amounted to €65.0 Mn and gave a net result of -€2.0Mn based on the valuations as at December 31, 2010. For the share deal, the net disposal proceed amounted to €82 Mn and gave a net result of €1.7 Mn.

- *Shopping centres*

During H1-2011, 17 retail assets were sold, of which 6 took the form of share deals. For the assets sold directly, the total net disposal price amounted to €476.0 Mn and gave a net result of €35.4 Mn based on the valuations as at December 31, 2010. For the share deals, the net disposal proceeds amounted to €166.4 Mn and gave a net result of €19.9 Mn.

The underlying assets values were as follows:

- €217.3 Mn in France: Shopping Etrembières-Annemasse and participations in Saint Genis 2 near Lyon, Evry 2 in Paris region, Boisseuil in Limoges and Croix Dampierre in Châlons-en-Champagne.
- €330.7 Mn in Sweden: Haninge Centrum, Väsby Centrum, Tyresö-Stockholm, Balsta-Stockholm, Helsingborg and Eurostop-Jönköping.
- €136.2 Mn in The Netherlands: Buitenmere-Almere, Houtmarktpassage-Breda, Walburg-Zwijndrecht, Oude Marktpassage-Stadskanaal and Woonmall-Rotterdam.
- €56.5 Mn for Arkad centre in Budapest-Hungary.

### 2) Acquisitions

- *Shopping centres*

In May 2011, the Group's subsidiary SCI Aéroville signed a long term ground leasehold with Aéroports de Paris for the development of the Aéroville shopping centre project. This agreement has been treated as a financial lease in the consolidated financial statements, recognising an Investment Property at Cost and a financial liability, both for €70.0 Mn.

- *Convention-Exhibition*

In January 2011, the Group acquired SAS Société d'Exploitation Hôtelière de Montparnasse (SEHM), the managing company of the Méridien Montparnasse hotel in Paris, and simultaneously signed a management contract with Accor group which now runs the hotel under the Pullman brand name. The Group, which already owned the walls of the hotel, has now the full control of the building.

The acquisition was treated as a business combination.

The fair value of the identifiable assets and liabilities of SEHM as at the date of acquisition were :



(in €Mn)	<b>Fair value recognised on acquisition SEHM</b>
Intangible assets	39,1
Investment property	10,7
Other non current assets	3,0
Current assets	5,3
Cash and cash equivalents	1,4
	<b>59,5</b>
Provisions	0,8
Deferred tax liabilities	12,9
Bonds and borrowings	7,8
Other financial liabilities	0,2
Current liabilities	12,6
	<b>34,3</b>
<b>Total identifiable net assets at fair value</b>	<b>25,1</b>
Badwill arising on acquisition	-0,8
<b>Total consideration</b>	<b>24,3</b>

The total consideration booked for the 100% share acquired amounted to €24.3 Mn.

The incidental costs of €1.4 Mn incurred in connection with the acquisition have been expensed and are included in the operating result on the line “acquisition and related costs”.

The badwill of €0.8 Mn was reversed directly to the income statement.

The values recognised in the consolidated financial position as at June 30, 2011 are based upon current best estimates. It is possible that further adjustments may be recognised within twelve months of the acquisition in accordance with IFRS rules.

### **3) Other financial investments**

Unibail-Rodamco SE acquired from Eurohypo AG on March 2, 2011 a 7.25% stake in Société Foncière Lyonnaise (SFL) for a total amount of €108.3 Mn (including €18 Mn of transaction costs) corresponding to €31.59 per share. SFL is listed on the Paris Stock Exchange, and invests predominantly in high quality office buildings in the Paris Central Business District.

The acquisition has been made for investment purposes and is classified on the statement of financial position as “Shares available for sale” in the non current assets. According to IAS 39, they are measured at their stock market value and changes in fair value are recognised in other comprehensive income. The dividend received in May 2011 (€4.7 Mn) was booked as an income in the net result of the period.

### **4) Rodamco Europe squeeze out proceedings**

During the first quarter 2011 Unibail-Rodamco purchased 79,061 shares of Rodamco Europe NV, representing 0.09% of the outstanding share capital.

On May 17, 2011, the Enterprise Chamber of the Court of Appeal in Amsterdam decided on the buy-out price for the 660,562 remaining Rodamco Europe NV shares (0.74%), which Unibail-Rodamco proceeded to purchase.

Effective June 9, 2011, Unibail-Rodamco is the 100% shareholder of Rodamco Europe NV.

€64.7 Mn were paid in total to buy out the minority shareholders. In accordance with IFRS 3 Revised, these transactions were treated as equity transactions and therefore no additional goodwill was recognised. The impact on the consolidated equity of the owners of the parent amounted to -€3.9 Mn.

## 5) Notes and comments

---

### 5.1-Notes to the consolidated assets

#### Note 1 – Investment properties

In accordance with the preferred method provided under IAS 40, investment properties are stated at their market value as determined by independent appraisers.

Across Continental Europe, the pace of growth in asset values remains differentiated: whereas yields are stabilising in core markets such as France, specific markets are seeing yield compression on the back of strong fundamentals and equity investor interest attracted by relatively high yields. This is especially the case in Central Europe and Austria while an improved investment sentiment has been noticed in the Nordics.

As debt financing remains constrained, the market for prime products continues to be dominated by equity players (institutional investors, sovereign wealth funds) searching for yield and secure income. On the supply side, there is a lack of quality properties which remain in high demand. As a result, the Group's large centres, attracting significant footfall, have shown a solid revaluation performance.

Appraisers have reviewed in detail the trading performance of the Group's assets, with specific attention to footfall, recent letting deals and asset track record to confirm cash flow growth. Letting deals across the European portfolio demonstrate that retailers are still looking to focus on prime locations and selectively expand in locations that offer the highest footfall and sales intensity.

Investment Properties Under Construction (IPUC) are eligible for revaluation except for those for which the fair value is not reliably determinable.

IPUC are taken at fair value once management considers that a substantial part of the project's uncertainty has been eliminated, such that a reliable fair value can be established. The Group uses generic guidelines to establish the remaining level of risk, focusing notably on uncertainty remaining in construction and leasing. IPUC at fair value were valued using a discounted cash flow or yield method approach (in accordance with RICS<sup>36</sup> and IVSC<sup>37</sup> standards) as deemed appropriate by the independent appraiser. In some cases, both methods were combined to validate and cross-check critical valuation parameters.

The following IPUC were assessed at fair value as at June 30, 2011 :

- the extension of Täby shopping centre (Stockholm – Sweden), valued at cost as at December 31, 2010,
- three shopping centre projects : Faro del Guadiana (Badajoz – Spain), Lyon Confluence (Lyon – France) and So Ouest (Levallois-Perret – France),
- the Alma shopping centre extension (Rennes – France),
- So Ouest Office (Levallois-Perret – France)
- Hotel Lyon Confluence, under construction (Lyon – France).

These projects represented a total amount of €783.5Mn in the consolidated statement of financial position at June 30, 2011, of which €551.0 Mn for Retail, €212.1 Mrfor Offices, and €20.4 Mn for Convention-Exhibition

As at June 30, 2011, the main IPUC stated at cost were:

- shopping centres under development : notably Aéroville in Roissy – France, Les Portes de Gascogne in Toulouse - France, Centrum Cerny Most extension in Prague – Czech Republic and Benidorm in Spain,
- office developments : notably Tour Phare and Majunga in La Défense – France and Courcellor in Levallois – France.

Assets still stated at cost were subject to an impairment test at June 30, 2011. An allowance of €0.6Mn was booked as at June 30, 2011.

As mentioned in section 1 “Accounting principles and consolidation methods” §1.5 “Asset valuation methods” in the 2010 Annual Report, for the Shopping Centre and Office portfolios, the valuation principles adopted are based on the discounted cash flow and yield methodologies. For the Convention-Exhibition portfolio, the valuation methodology adopted is mainly based on a discounted cash flow model applied to total net income projected over the life of the concession or leasehold, if it exists, or otherwise over a 10-year period, with an estimation of the asset's value at the end of the given time period, based either on the residual contractual value for concessions<sup>38</sup> or on capitalised cash flows over the last year.

---

<sup>36</sup> RICS : Royal Institute of Chartered Surveyors

<sup>37</sup> IVSC : International Valuation Standards Committee

<sup>38</sup> For Porte de Versailles, a concession renewal probability of 22% was assumed by the appraiser.

### Shopping Centre portfolio

Based on an asset value excluding estimated transfer taxes and transaction costs, the division's net initial yield at June 30, 2011 came to 5.5% vs. 5.7% at year-end 2010.

Based on the half-year 2011 net initial yield of 5.5%, a change of +25 basis points would result in a downward adjustment of -€779 Mn (or -4.3%) of the total shopping centre portfolio value (including transfer taxes and transaction costs).

### Office portfolio

For occupied offices and based on an asset value excluding estimated transfer taxes and transaction costs, the division's net initial yield at June 30, 2011 decreased by 10 basis points to 6.5% vs 6.6% at year-end 2010.

A change of +25 basis points in the offices net initial yield would result in a downward adjustment of -€139 Mn (or -3.5%) of the total office portfolio value (occupied and vacant space, including transfer taxes and transaction costs).

### Convention-Exhibition portfolio

The average EBITDA yield on Viparis at June 30, 2011 (recurring operating profit divided by the value of the asset, excluding transfer taxes) was 7.9% and compressed by 30 basis points vs. December 31, 2010.

For further information on the parameters used for the investment properties valuation, please refer to the note on the Net Asset Value as at June 30, 2011.

As at June 30, 2011, the outstanding balances of deferred lease incentives and key monies amortised over the firm term of the lease and deducted from the appraisal value represented €37.2 Mn.

### Changes in investment properties at fair value

(in €Mn)	Dec. 31, 2010	Acquisitions <sup>(1)</sup>	Entry in the scope of consolidation <sup>(2)</sup>	Capitalised Expenses <sup>(3)</sup>	Disposals/ Exit from the scope of consolidation <sup>(4)</sup>	Reclassification and transfer of category <sup>(5)</sup>	Discounting impact <sup>(6)</sup>	Valuation movements	Currency translation	June 30, 2011
Retail	16,856.6	21.3	-	202.7	-39.4	-214.7	1.9	486.1	27.7	17,342.1
Offices	3,271.1	-	-	32.6	-	-193.7	0.5	6.1	5.5	3,122.2
Convention-Exhibition centres	1,518.8	-	10.7	15.2	-	-	-	38.9	-	1,583.6
<b>Total investment properties</b>	<b>21,646.5</b>	<b>21.3</b>	<b>10.7</b>	<b>250.5</b>	<b>-39.4</b>	<b>-408.4</b>	<b>2.3</b>	<b>531.2</b>	<b>33.2</b>	<b>22,047.9</b>
Properties under promise or mandate of sale	975.4	-	-	-	-746.2	467.8	-	6.2	8.4	711.6 <sup>(7)</sup>
<b>Total</b>	<b>22,622.0</b>	<b>21.3</b>	<b>10.7</b>	<b>250.5</b>	<b>-785.6</b>	<b>59.4</b>	<b>2.3</b>	<b>537.4</b>	<b>41.6</b>	<b>22,759.5</b>

<sup>(1)</sup> The main acquisitions were a ground leasehold for Aquaboulevard shopping centre in Paris (€6.4 Mn) and some additional plots in Les 4 Temps shopping centre in La Défense - France (€9.0 Mn) and Parquesur shopping centre in Madrid (€2.9 Mn).

<sup>(2)</sup> The entry into the scope of consolidation relates to the acquisition of SEHM.

<sup>(3)</sup> Capitalised expenses related mainly to :

- shopping centres : in France (€142.2 Mn), mainly for Lyon Confluence (€30.9 Mn), So Ouest in Levallois (€18.6 Mn), Carrousel du Louvre in Paris (€11.6 Mn), Parly 2 in Le Chesnay (€11.2 Mn), Les Quatre Temps in Paris La Défense (€8.2 Mn), Velizy Usines Center (€5 Mn), Le Forum des Halles in Paris (€4.5 Mn) ; in Austria for Donau Zentrum in Vienna (€8.4 Mn) ; in Denmark for Fisketorvet (€8.6 Mn) and in Sweden for Solna in Stockholm (€7.8 Mn)

- offices in France (€30.5 Mn) : So Ouest in Levallois (€15.8 Mn), Issy Guynemer (€5.4 Mn), Wilson in Puteaux (€4.1 Mn), Ancelle in Neuilly-sur-Seine (€3.3 Mn)

- Lyon Confluence hotel in France (€8 Mn) and the French convention-exhibition centre Parc des Expositions de la Porte de Versailles (€3.3 Mn).

<sup>(4)</sup> Refers to the disposal of shopping centres in Sweden (-€282.4 Mn), in France (-€250.1 Mn), in The Netherlands (-€121.4 Mn) and in Hungary (-€50.3 Mn), and offices in Sweden (-€65.0 Mn) and in The Netherlands (-€2.2 Mn) (see section 4 "Highlights of the first half of 2011").

<sup>(5)</sup> The extension of Täby shopping centre in Stockholm – Sweden was transferred from IPUC at cost to Investment Properties at fair value during the half-year (€58.3 Mn).

<sup>(6)</sup> Mainly impact of the deferred payment on the ground leasehold of Forum des Halles in Paris (€1.9 Mn) The debt value was discounted in counterpart of the asset value..

<sup>(7)</sup> Sales commitments for retail properties in France, The Netherlands, Austria, Spain and Germany for a total amount of €504.9 Mn, and office properties in France, Sweden and The Netherlands for a total amount of €206.7 Mn.

Changes in investment properties at cost

(in €Mn)	Dec. 31, 2010	Acquisitions <sup>(1)</sup>	Capitalised expenses <sup>(2)</sup>	Disposals <sup>(3)</sup>	Reclassification and transfer of category <sup>(4)</sup>	Discounting impact <sup>(5)</sup>	Impairment	Currency translation	June 30, 2011
Gross value	371.0	84.7	95.6	-	-59.2	0.3	-	1.0	493.4
Amortisation	-29.1	-	-	-	-	-	-0.6	-	-29.7
<b>Total Investment properties at cost</b>	<b>341.9</b>	<b>84.7</b>	<b>95.6</b>	<b>-</b>	<b>-59.2</b>	<b>0.3</b>	<b>-0.6</b>	<b>1.0</b>	<b>463.7</b>
Properties under promise or mandate of sale	4.3	-	-	-4.3	-	-	-	-	-
<b>Total</b>	<b>346.2</b>	<b>84.7</b>	<b>95.6</b>	<b>-4.3</b>	<b>-59.2</b>	<b>0.3</b>	<b>-0.6</b>	<b>1.0</b>	<b>463.7</b>

<sup>(1)</sup> Relates mainly to the acquisition of land for the Täby shopping centre in Sweden (€13.7 Mn) and to the recognition of the financial lease of Aéroville (€70 Mn).

<sup>(2)</sup> Capitalised expenses mainly related to the shopping centres Täby Centrum (€34.8 Mn) in Sweden and Aéroville in Roissy - France (€9.4 Mn) and to office properties, in France, Majunga (€33 Mn) and Tour Phare (€3.6 Mn).

<sup>(3)</sup> Corresponds to the disposal of the Arkad shopping center in Budapest – Hungary.

<sup>(4)</sup> Corresponds mainly to the transfer of the extension of Täby shopping centre in Stockholm – Sweden to the category “Investment properties at fair value” (-€58.3 Mn).

<sup>(5)</sup> Relates to the deferred payments on the acquisition of Tour Majunga ground which were discounted in counterpart of the asset value.

Note 2 – Other tangible assets

Net value	Dec. 31, 2010	Acquisitions and capitalised expenses <sup>(1)</sup>	Disposals <sup>(2)</sup>	Amortisation	Other movements	June 30, 2011
(in €Mn)						
Operating assets	150.3	0.7	-	0.3	-	151.3
Furniture and equipment	49.4	2.1	-2.0	-3.3	-0.1	46.1
<b>Total</b>	<b>199.8</b>	<b>2.8</b>	<b>-2.0</b>	<b>-3.0</b>	<b>-0.1</b>	<b>197.4</b>

<sup>(1)</sup> Major works relate to Viparis entities for €1.1 Mn.

<sup>(2)</sup> Main disposals refer to technical equipment and hardwares which were scrapped.

Note 3 – Goodwill

(in €Mn)	Dec. 31, 2010	Increase <sup>(1)</sup>	Decrease	Impairment	June 30, 2011
Gross value	1,867.6	0.4	-11.2	-	1,856.9
Impairment	-1,602.0	-	-	-8.2	-1,610.2
<b>Total</b>	<b>265.6</b>	<b>0.4</b>	<b>-11.2</b>	<b>-8.2</b>	<b>246.7</b>

<sup>(1)</sup> Relates to the final price adjustment paid on the acquisition of the company Simon Ivanhoe BV.

Change in gross value corresponds to the exit of a part of the goodwill of Rodamco Europe which was justified by the tax optimisation expected on assets sold during the period. The remaining amount is justified by the tax optimisation expected on the assets.

The impairment of Goodwill is due to a change in the amount of tax optimisation recognised in Viparis’ goodwill. Both amounts were recorded in “Income tax expenses” in the consolidated interim income statement.

*Note 4 – Intangible assets*

Net value (in €Mn)	Dec. 31, 2010	Acquisitions/ Change in scope of consolidation	Reclassification and amortisation <sup>(2)</sup>	June 30, 2011
Rights and exhibitions	165.6	39.1 <sup>(1)</sup>	4.3	209.0
Other intangible assets	5.2	0.8	-1.5	4.5
<b>Total</b>	<b>170.8</b>	<b>39.9</b>	<b>2.8</b>	<b>213.5</b>

<sup>(1)</sup> Recognition of an intangible asset at the date of acquisition of SEHM, the managing company of the Méri­dien Montparnasse hotel in Paris (see section 4 “highlights of the first half of 2011”).

<sup>(2)</sup> Reversal of part of the impairment of the Paris-Nord Villepinte exhibition site intangible asset, according to the external appraiser (€7 Mn) and amortisation of the Convention-Exhibition intangible assets (-€2.5 Mn).

*Note 5 – Shares available for sale*

On March 2, 2011, Unibail-Rodamco acquired a 7.25% stake in Société Foncière Lyonnaise which is classified as “Shares available for sale” for their stock market value (€133.3 Mn ; see section 4 “Highlights of the first half of 2011”). The fair value change of €25 Mn was recognised in other comprehensive income.

A dividend of €4.7 Mn was received during the period and booked in the net result of the period.

*Note 6 – Shares and investments in companies consolidated under the equity method*

(in €Mn)	June 30, 2011	Dec. 31, 2010
Share in Comexposium Group consolidated under the equity method	55.4	51.7
Loan granted to Comexposium Group	149.6	149.6
<b>Total shares and investments in companies consolidated under the equity method</b>	<b>205.0</b>	<b>201.4</b>

The value of the stake in Comexposium Group includes the value of the intangible assets (net of the deferred taxes) recognised for these companies at the date of entry into the scope of consolidation.

The main items of the statements of financial position of companies consolidated under the equity method are presented in the table below. These items are stated on a 100% basis including restatements for consolidation purposes.

<b>Comexposium Group</b>		
(in €Mn)	June 30, 2011	Dec. 31, 2010
Intangible assets <sup>(1)</sup>	355.0	330.1
Goodwill <sup>(1)</sup>	191.0	191.0
Other non current assets	10.4	10.2
Current assets	94.4	124.8
<b>Total assets</b>	<b>650.9</b>	<b>656.1</b>
Restated shareholders' equity	132.2	127.5
Deferred tax liabilities	93.0	92.9
External borrowings and debts to partners	300.7	301.8
Other non current liabilities	6.9	5.3
Current liabilities	118.1	128.7
<b>Total liabilities</b>	<b>650.9</b>	<b>656.1</b>

<sup>(1)</sup> Intangible assets and goodwill are presented net of the amortisation and depreciation.

The main income statement items of companies consolidated under the equity method are presented below. These items are stated on a 100% basis including restatements for consolidation purposes.

<b>Comexposium Group</b>		
(in €Mn)	H1-2011	H1-2010
Revenues from other activities	112.1	84.1
Net operating profit before financing cost	18.2	-30.3
<b>Net income</b>	<b>8.8</b>	<b>-24.6</b>

*Note 7 – Trade receivables from activity*

All of these receivables are due within one year, except rent-free periods and step rents amortised over the firm term of the lease.

<b>Trade related receivables (in €Mn)</b>	<b>June 30, 2011</b>	<b>Dec. 31, 2010</b>
Trade receivables	171.5	195.5
Doubtful accounts	47.0	52.1
Rent-free periods and step rents	102.1	99.3
<b>Gross value</b>	<b>320.5</b>	<b>346.9</b>
Provisions for doubtful accounts	-39.8	-40.4
<b>Net</b>	<b>280.8</b>	<b>306.6</b>

<b>Breakdown of trade receivables by business line (in €Mn)</b>	<b>June 30, 2011</b>	<b>Dec. 31, 2010</b>
Retail	153.1	151.0
Offices	79.7	83.1
Convention-Exhibition	36.8	61.1
Property services	8.3	10.0
Other	2.9	1.5
<b>Total</b>	<b>280.8</b>	<b>306.6</b>

*Note 8 – Receivables on sale of property*

At year-end 2010, the amount related mainly to two disposals in The Netherlands, which took place on December 31, 2010 and for which cash was received early in January 2011.

*Note 9 – Cash and cash equivalents*

The cash surpluses were limited to €87 Mn, in line with the year-end 2010, due to the implementation in 2010 of an European cash pooling system which optimises the cost and the use of liquidity across the Group.

## 5.2-Notes to the consolidated liabilities

### Note 10 – Commitment to purchase non-controlling interests

Unibail-Rodamco has given commitments to purchase the non-controlling interests in the shopping centre Donau Zentrum in Vienna, Austria.

The change on the current part relates to the disposal of the company owning the shopping centre Val Commerces in Etrembières, France, to the non-controlling shareholders.

### Note 11 – Current and non current financial liabilities

#### > Net share settled bonds convertible into new and/or existing shares (ORNANE)

The ORNANE was valued for an amount of €838.1 Mn at June 30, 2011, after deduction of €6.9 Mn issuing charges. The valuation at fair value (quoted price) generated a loss of €57.1 Mn at June 30, 2011, accounted for in the result of the period.

#### > Debt breakdown (including ORNANE)

<b>Borrowings and other financial liabilities (in €Mn)</b>	<b>June 30, 2011</b>	<b>Dec. 31, 2010</b>
<b>Net share settled bonds convertible into new and/or existing shares (ORNANE)</b>	<b>848.0</b>	<b>800.0</b>
Debt at fair value	838.1	780.0
Accrued interest	9.9	20.0
<b>Bonds and EMTN</b>	<b>4,204.0</b>	<b>4,337.7</b>
Principal debt	4,161.0	4,311.0
Accrued interest	79.9	61.7
Charges and premiums on issues of bonds and EMTN	-22.2	-19.8
Mark-to-market of debt <sup>(1)</sup>	-14.7	-18.2
Mark-to-market of debt (fair value hedge)	-	3.0
<b>Bank borrowings</b>	<b>4,131.1</b>	<b>3,709.4</b>
Principal debt	4,095.3	3,699.0
Accrued interest on borrowings	31.4	4.3
Charges and premiums on issues of borrowings	-6.8	-8.5
Bank overdrafts	9.0	11.2
Accrued interest on bank overdrafts	1.5	2.0
Current accounts to balance out cash flow	0.9	1.9
Mark-to-market of debt <sup>(1)</sup>	-0.2	-0.5
<b>Bonds redeemable for shares</b>	<b>0.2</b>	<b>0.2</b>
<b>Other financial liabilities</b>	<b>1,252.1</b>	<b>1,291.9</b>
Interbank market instruments and negotiable instruments	578.9	653.5
Accrued interest on interbank market instruments and negotiable instruments	0.5	0.2
Current accounts with non-controlling interests	672.7	638.2
<b>Financial leases <sup>(2)</sup></b>	<b>128.8</b>	<b>62.3</b>
<b>Total</b>	<b>10,564.1</b>	<b>10,201.5</b>

<sup>(1)</sup> Rodamco fixed-rate debt has been marked-to-market at the date of its first consolidation.

<sup>(2)</sup> Change mainly refers to the signature of Aéroville's ground leasehold accounted for as a financial lease.

No loan was subject to prepayment clauses linked to the Group's ratings, barring exceptional circumstances such as change in control.

A significant part of bank loans and credit facilities contains financial covenants such as LTV (Loan To Value) and ICR (Interest Coverage Ratio) ratios.

Current levels of ratios show ample headroom vis-à-vis those bank covenants (see financial resources note).

There are no financial covenants (such as LTV or ICR) in the EMTN and the Commercial Paper programs.

Unibail-Rodamco's nominal financial debt as at June 30, 2011 breaks down as follows:

- €4,161 Mn in bond issues, of which €3,161 Mn in Euro Medium Term Notes (EMTN) of Unibail-Rodamco's programme and €1,000 Mn in EMTN of Rodamco Europe's programme,
- €575 Mn in convertible bonds (ORNANE),
- €579 Mn short term issues of commercial paper (*billets de trésorerie* and Euro Commercial Paper),
- €4,105 Mn in bank loans, including €3,060 Mn in corporate loans, €1,035 Mn in mortgage loans and €10 Mn in bank overdrafts.

The following table shows a breakdown of outstanding duration to maturity of borrowings and financial liabilities :

Outstanding duration to maturity (in €Mn)	Current			Total June 30, 2011
	Less than 1 year	Non-current 1 year to 5 years	More than 5 years	
<b>Net share settled bonds convertible into new and/or existing shares (ORNANE)</b>	<b>9.9</b>	<b>838.1</b>	<b>-</b>	<b>848.0</b>
Debt at fair value	-	838.1	-	838.1
Accrued interest	9.9	-	-	9.9
<b>Bonds and EMTN</b>	<b>549.2</b>	<b>1,733.8</b>	<b>1,921.0</b>	<b>4,204.0</b>
Principal debt	500.0	1,740.0	1,921.0	4,161.0
Accrued interest	79.9	-	-	79.9
Charges and premiums on issues of bonds and EMTN	-22.2	-	-	-22.2
Mark-to-market of debt	-8.5	-6.2	-	-14.7
<b>Bank borrowings</b>	<b>780.3</b>	<b>3,024.7</b>	<b>326.1</b>	<b>4,131.1</b>
Principal debt	743.5	3,025.7	326.1	4,095.3
Accrued interest on borrowings	31.4	-	-	31.4
Charges and premiums on issues of borrowings	-6.8	-	-	-6.8
Bank overdrafts	9.0	-	-	9.0
Accrued interest on bank overdrafts	1.5	-	-	1.5
Current accounts to balance out cash flow	0.9	-	-	0.9
Mark-to-market of debt	0.8	-1.0	-	-0.2
<b>Bonds redeemable for shares</b>	<b>0.2</b>	<b>-</b>	<b>-</b>	<b>0.2</b>
<b>Other financial liabilities</b>	<b>579.4</b>	<b>418.1</b>	<b>254.6</b>	<b>1,252.1</b>
Interbank market instruments and negotiable instruments	578.9	-	-	578.9
Accrued interest on interbank market instruments and negotiable instruments	0.5	-	-	0.5
Current accounts with non-controlling interests	-	418.1	254.6	672.7
<b>Financial leases</b>	<b>7.7</b>	<b>17.5</b>	<b>103.5</b>	<b>128.8</b>
<b>Total</b>	<b>1,926.7</b>	<b>6,032.2</b>	<b>2,605.2</b>	<b>10,564.1</b>

*Maturity of current principal debt*

(in €Mn)	Current			Total June 30, 2011
	Less than 1 month	1 month to 3 months	More than 3 months	
Bonds and EMTN	-	-	500.0	500.0
Bank borrowings	53.6	41.2	648.7	743.5
Other financial liabilities	453.9	35.0	90.0	578.9
Financial leases	-	-	7.7	7.7
<b>Total</b>	<b>507.5</b>	<b>76.2</b>	<b>1,246.4</b>	<b>1,830.1</b>



As at June 30, 2011, Unibail-Rodamco's average debt maturity was 4.1 years (4.3 years as of December 31, 2010), after taking into account the confirmed unused credit lines.

Unibail-Rodamco's immediate debt repayment needs are covered by the available undrawn credit lines. The amount of bonds or bank loans outstanding as at June 30, 2011 and maturing or amortising in the next twelve months was €1,254 Mn (including one €500 Mn bond to be repaid in October 2011) to be compared with €2618 Mn of undrawn credit lines outstanding as at June 30, 2011.

**> Characteristics of bonds and EMTN (excluding ORNANE)**

Issue date	Rate	Amount at June 30, 2011 (€Mn)	Maturity
October 2004	Fixed rate 4.375%	500	October 2014
October 2004	Fixed rate 4%	500	October 2011
December 2005	Fixed rate 3.75%	500	December 2012
July 2008	Constant Maturity Swap 10 years Euro +0.74%	105	July 2013
July 2009	Fixed rate 4.22% (2 years) then linked to European inflation	70	July 2019
August 2009	Fixed rate 5% (3 years) then CMS 10 years (floored at 5%, capped at 7.5%)	50	August 2019
August 2009		50	August 2019
September 2009	Fixed rate 4.8%	150	November 2017
September 2009 – March April 2011	Fixed rate 4.625%	600	September 2016
March-May 2010	Fixed rate 3.375%	635	March 2015
May 2010	Structured coupon linked to CMS 10 years	50	May 2020
June 2010	Structured coupon linked to CMS 10 years	50	June 2020
September 2010	Fixed rate 3.35%	50	September 2018
September 2010	Fixed rate 3.35%	60	September 2018
November 2010	Fixed rate 4.17%	41	September 2030
November 2010 – February March 2011	Fixed rate 3.875%	700	November 2020
June 2011	Float rate Erb3M + 78 bps	50	June 2017
<b>Total</b>		<b>4,161</b>	

Bonds issued are not restricted by any covenant based on financial ratios which can lead to early repayment of the debt.

The €500 Mn bond issue launched by Unibail in October 2004 included an early redemption clause in the event of a change in ownership.

The bonds issued by Rodamco under the EMTN program and maturing in 2012 and 2014 (€1,000Mn as at June 30, 2011), include a restriction of the amount of indebtedness at subsidiary level, which cannot exceed in aggregate 30% of Total Group Assets. At June 30, 2011, this threshold is observed.

The market value of Unibail-Rodamco's fixed-rate and index-linked debt is presented in the table below. The remainder of the Group's outstanding debt is variable-rate debt, which has its carrying value on the statement of financial position as the sum of the nominal amount and coupon accruals.

(in €Mn)	June 30, 2011		December 31, 2010	
	Carrying value	Market value	Carrying value	Market value
<b>Long term debt</b>				
Fixed-rate & index-linked borrowings, interbank instruments and negotiable market instruments	5,535.4 <sup>(1)</sup>	5,661.2	5,812.0	5,959.7

<sup>(1)</sup> ORNANE included, at market value (see paragraph above on ORNANE).

### Note 12 – Hedging instruments

Derivative instruments owned by the Group are stated at their fair values and were recorded in the statement of financial position as at June 30, 2011, for €84.7 Mn as assets and €95.3 Mn as liabilities.

Derivatives are valued by discounted estimated future cash flows based on the interest rate curve at the end of June 2011. The valuation has been cross-checked against valuations by banks.

The mark-to-market of derivatives generated a net gain of €40.9 Mn in the first half of 2011, including a loss of €1.4 Mn of cancellation of swaps.

Regarding fair value hedge derivatives, a gain of €3.3 Mn has been recorded in other financial interest and a loss for the same amount has been recognised on the same line in the income statement for the hedged item.

Net investment hedge generated a gain of €72.7 Mn which has been accounted for in equity.

Cash flow hedge generated a gain of €3.3 Mn in the net result of the period and a gain of €1.6 Mn in equity.

### Note 13 – Deferred tax

(in €Mn)	Dec. 31, 2010	Increase	Decrease	Reclassifi- cations	Currency transla- tion	Changes in scope of consolida- tion	June 30, 2011
<b>Deferred tax liabilities</b>	<b>-940.9</b>	<b>-34.8</b>	<b>1.4</b>	<b>-</b>	<b>-4.5</b>	<b>-4.6</b>	<b>-983.4</b>
Deferred tax on investment properties	-884.0	-32.4	0.6	-	-4.5	8.3	-912.0
Deferred tax on intangible assets	-56.9	-2.4	0.8	-	-	-12.9	-71.4
<b>Other deferred tax liabilities</b>	<b>90.4</b>	<b>1.4</b>	<b>-7.3</b>	<b>7.2</b>	<b>-</b>	<b>-</b>	<b>91.7</b>
Tax loss carry-forward	77.3	-	-3.4	7.2	-	-	81.1
Others	13.1	1.4	-3.9	-	-	-	10.6
<b>Total Deferred tax liabilities</b>	<b>-850.5</b>	<b>-33.4</b>	<b>-5.9</b>	<b>7.2</b>	<b>-4.5</b>	<b>-4.6</b>	<b>-891.7</b>
<b>Deferred tax assets</b>							
Other deferred tax assets	0.3	-	-0.1	-	-	-	0.2
Tax-loss carry-forward	9.7	3.6	-	-7.2	-	-	6.1
<b>Total Deferred tax assets</b>	<b>10.0</b>	<b>3.6</b>	<b>-0.1</b>	<b>-7.2</b>	<b>-</b>	<b>-</b>	<b>6.3</b>

Deferred tax liabilities on properties refer to those countries where there is no tax efficient status comparable to that of France (SIIC), providing a tax exemption on recurring income and capital gains on property sales. The increase of deferred tax liabilities on investment properties is mainly due to the increase of the value of the assets outside France. The exit of the scope of consolidation refers to the disposals of assets which took the form of a share deal, and the entry corresponds to the deferred taxes recognised on the intangible asset of SAS SEHM (the managing company of the Méridien Montparnasse Hotel in Paris) at the date of acquisition.

It is expected that the Dutch tax authorities will deny the FBI status for Unibail-Rodamco's Dutch activities for 2010 onwards. The Group does not agree with this position. As at June 30, 2011, a deferred tax liability of €7.4 Mn was booked on the Dutch investment properties. A deferred tax asset for the same amount based on tax losses was recognised. Both amounts were netted. In this context of uncertainty, no other deferred tax asset has been recognised for significant Dutch tax-loss carry forwards.

*Note 14 – Provisions*

(in €Mn)	Dec. 31, 2010	Allocations	Reversals used	Reversals not used	Discount	Other move- ments <sup>(3)</sup>	June 30, 2011
<b>Long term provisions</b>	<b>24.9</b>	<b>0.9</b>	<b>-1.0</b>	<b>-1.1</b>	<b>0.2</b>	<b>-1.9</b>	<b>21.8</b>
Provisions for charges	-	-	-	-	-	0.1	0.1
Provisions for litigation	20.4	0.7	-0.7	-0.5	0.2	-1.8	18.1
Other provisions	4.5	0.2	-0.3	-0.6	-	-0.2	3.6
<b>Provisions for pension liabilities</b>	<b>13.6</b>	<b>0.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13.9</b>
<b>Short term provisions</b>	<b>20.1</b>	<b>1.8</b>	<b>-3.4</b>	<b>-6.3</b>	<b>-</b>	<b>2.4</b>	<b>14.6</b>
Provisions for litigation <sup>(1)</sup>	15.0	0.7	-0.3	-5.8	-	2.5	12.1
Other provisions <sup>(2)</sup>	5.1	1.1	-3.1	-0.5	-	-0.2	2.5
<b>Total</b>	<b>58.6</b>	<b>3.0</b>	<b>-4.4</b>	<b>-7.4</b>	<b>0.2</b>	<b>0.4</b>	<b>50.3</b>

<sup>(1)</sup> Rent indexation disputes in France were resolved, resulting in the reversal of the provisions not used for €5.4 Mn.

<sup>(2)</sup> A provision was created to cover the risk of a departure indemnity to be paid in Poland for €0.5 Mn. Also during the period, restructuring provisions were used in France, in Spain and in The Netherlands for €2.1 Mn.

<sup>(3)</sup> Other movements relate principally to the reclassification of various provisions between long term and short term, depending on the current estimate of when they will be settled, as well as changes in the scope of consolidation following the acquisition of SAS SEHM.

The Group is involved in legal proceedings in Austria where a tenant has obtained a court judgment limiting the amount of square meters a certain category of retailers in the Shopping Center may operate without its consent. The related risks have been taken into account in the fair value calculation of the investment property.

### 5.3-Notes to the consolidated interim statement of comprehensive income

#### Note 15 – Gross rental income

Rental income consists of rents and similar income (e.g. occupancy compensation, key money, parking revenues) invoiced for Shopping Centres and Office properties over the period. The effects of rent-free periods, step rents and key monies are spread over the fixed term of the lease.

Rental income from the Convention-Exhibition division includes turnover generated by the rental of exhibition space and the provision of unavoidable associated support services to this space.

Charges invoiced to tenants are not included in rental income but deducted from net service charge expenses.

#### Note 16 – Ground rents paid

Ground rents correspond to lease payments (or depreciation of initial payments) for properties built on land subject to a leasehold or operated under an operating contract (concession). This item mainly applies to the French exposition venues of Le Bourget and Porte de Versailles and to Shopping Centres, in particular Euralille and Carrousel du Louvre in France.

#### Note 17 – Net service charge expenses

These expenses are net of charges re-invoiced to tenants and relate mainly to vacant premises.

#### Note 18 – Property operating expenses

These expenses comprise service charges borne by the owner, works-related expenses, litigation expenses, charges relating to doubtful accounts and expenses relating to property management.

#### Note 19 – Administrative expenses

This item comprises head office and Group administrative expenses, expenses relating to development projects and depreciation charges for Unibail-Rodamco's headquarters.

#### Note 20 – Acquisition and related costs

In H1-2011, they mainly represent costs incurred for the acquisition of SAS Société d'Exploitation Hôtelière de Montparnasse (SEHM) in Paris, France.

#### Note 21 – Net other income

Revenues from other activities cover:

- fees for property services received by companies in the Convention-Exhibition division,
- fees for property management and maintenance services provided to Offices and Shopping Centres. These fees are invoiced by property service companies for their property management activities on behalf of owners outside the Unibail-Rodamco Group,
- fees invoiced for leasing activity and for project development and consulting services. These fees are capitalised by the company owning the asset. The internal margins generated on these leasing, construction and renovation operations are eliminated,
- revenues from other property services, mainly invoiced by Unibail Marketing & Multimedia in France,
- revenues from residual financing leases, which comprise lease payments net of related amortisation costs.

Other expenses comprise charges relating to property services, general costs and depreciation charges for related fixed assets.

Note 22 – Result on disposal of investment properties

Proceeds from the disposal of investment properties correspond to the disposal price received net of disposal costs. The carrying value of disposed assets corresponds to the market valuation recorded on the closing statement of financial position for the previous financial year, plus works costs and capitalised expenses for the period and adjusted for reversals of remaining amounts of rent-free periods and step rents straightlined. See section 4 “Highlights of the first half of 2011” for details of the main assets disposals.

Note 23 – Result on disposal of shares

This item corresponds to the disposal of investment properties through a share deal. See section 4 “Highlights of the first half of 2011” for details of the main share deals.

Note 24 – Valuation movements

This item reflects changes in market valuation of investment properties.

(in €Mn)	H1-2011	H1-2010	2010
Retail	491.7	710.2	1,390.7
Offices	7.5	152.6	201.7
Convention-Exhibition	45.9	106.3	110.0
<b>Total</b>	<b>545.1</b>	<b>969.1</b>	<b>1,702.3</b>

Note 25 – Badwill & Impairment of goodwill

Following the acquisition of SAS Société d’Exploitation Hôtelière de Montparnasse (SEHM), a badwill of €0.8 Mn was recognised and immediately reversed in the net result of the period.

Note 26 – Result from non-consolidated companies

This item refers mainly to the dividend received from SFL for €4.7 Mn (see note 5) and to the dividend and disposal result of the shares of a non consolidated entity for €2.8 Mn.

*Note 27 – Net financing costs*

(in €Mn)	H1-2011	H1-2010	2010
Security transactions	0.2	0.4	0.6
Other financial interest	10.2	9.1	18.2
Interest income on caps and swaps	32.1	28.5	60.3
Currency gains	0.6	0.6	2.2
<b>Total financial income</b>	<b>43.1</b>	<b>38.6</b>	<b>81.2</b>
Security transactions	-2.4	-0.5	-2.4
Interest on bonds	-100.6	-90.6	-186.5
Interest and expenses on borrowings	-44.6	-28.9	-63.1
Interest on partners' advances	-12.3	-13.1	-24.8
Other financial interest	-1.8	-2.9	-5.6
Interest expenses on caps and swaps	-50.7	-51.3	-102.8
<b>Sub-total financial expenses</b>	<b>-212.4</b>	<b>-187.3</b>	<b>-385.2</b>
Capitalised financial expenses	19.2	17.6	35.1
<b>Total financial expenses</b>	<b>-193.3</b>	<b>-169.7</b>	<b>-350.1</b>
<b>Net financial expenses</b>	<b>-150.2</b>	<b>-131.1</b>	<b>-268.9</b>

*Note 28 – Fair value adjustments of derivatives and debt*

During the first half of 2011, changes in fair value of derivatives (caps and swaps) generated a gain of €42.3 Mn. The amortisation of the fair value of the debt recognised at the entry of Rodamco amounted to €3.7 Mn. The derivatives cancellation generated a loss of €14 Mn on the period.

*Note 29 – Share of the result of associates and income on financial assets*

This item breaks down as follows:

(in €Mn)	Recurring activities	Valuation movements and disposals <sup>(1)</sup>	Result
Income from stake in Comexposium Group consolidated under equity method	3.9	-0.1	<b>3.8</b>
Interest on the loan granted to Comexposium Group	2.8	-	<b>2.8</b>

<sup>(1)</sup> Relates mainly to intangible impairment and disposals

*Note 30 – Income tax expenses*

(in €Mn)	H1-2011	H1-2010	2010
Deferred tax on:			
- Change in fair value of investment properties and impairment of intangible assets	-34.2	-46.1	-118.1
- Impairment and decrease of goodwill justified by taxes	-19.4	-	-
- Non-recurring income	-18.3	-4.8	8.6
- Recurring income	-5.6	-0.5	-13.7
Allocation / reversal of provision concerning tax issues	-0.6	3.8	2.2
<b>Total tax</b>	<b>-78.1</b>	<b>-47.6</b>	<b>-121.0</b>
Total tax due	-8.5	-8.1	-17.4

Note 31 – Non-controlling interests

For H1-2011, this item mainly comprised non-controlling interests in the following entities :

- i) Rodamco Europe's Group, from January 1 to June 9, 2011 (€1.7 Mn),
- ii) shopping centres in Spain, La Maquinista and Habaneras (€18.3 Mn),
- iii) several shopping centres in France (€59.8 Mn, mainly Les Quatre Temps for €47.8 Mn and Forum des Halles for €7.9 Mn),
- iv) and Convention-Exhibition entities (€27.6 Mn). This amount takes into account a dividend contractually defined between the partners of €2.9 Mn attributed to Unibail-Rodamco, over and above its percentage of interest.

Note 32 – Other comprehensive income

For H1-2011, other comprehensive income comprised :

- i) €12.9 Mn of foreign currency differences on translation of financial statements of subsidiaries related mainly to Sweden and Denmark,
- ii) -€1.2 Mn of Net Investment Hedge which comprises the fair value adjustments of derivatives and the impact of foreign currency translation on loans qualified as Net Investment Hedge,
- iii) €1.1 Mn of depreciation of hedging reserve related to derivatives qualified as Cash Flow Hedge,
- iv) €25.0 Mn of revaluation of shares available for sale.

#### 5.4- Notes to the consolidated interim statement of cash flows

The tax charge is classified under cash flow from operating activities.

Net financial interest payments as well as cash flow relating to the purchase or sale of derivative instruments are classified as cash flow from financing activities.

Interest received on loans granted to associates is classified as cash flow from operating activities.

#### Note 33 – Breakdown of acquisitions and disposals of consolidated subsidiaries

(in €Mn)	H1-2011	H1-2010	2010
Acquisition price of shares	-89.4	-40.4	-545.8
Cash and current accounts acquired	-6.1	-	68.0
<b>Acquisitions net of cash acquired <sup>(1)</sup></b>	<b>-95.5</b>	<b>-40.4</b>	<b>-477.9</b>
Net price of shares sold	174.6	-	-
Cash and current accounts sold	79.9	-	-
<b>Sales net of cash sold <sup>(2)</sup></b>	<b>254.5</b>	<b>-</b>	<b>-</b>

<sup>(1)</sup> For H1-2011, this item refers mainly to the acquisition of the remaining shares of non-controlling shareholders of Rodamco Europe NV for €64.7 Mn and to the acquisition of SAS SEHM in Paris, France for €24.3 Mn.

<sup>(2)</sup> For H1-2011, refers to the disposals of subsidiaries in France, Hungary and Sweden (see section 4 “Highlights of the first half of 2011”).

#### Note 34 – Disposal of investment property

This amount includes the net proceeds of the period as well as the two following items :

- a cash amount of €75.2 Mn related to two disposals in The Netherlands which took place on December 31, 2010 and for which cash was received early in January 2011.
- a reduction in the net disposal price of two assets in Sweden for an amount of 13.7 Mn, which compensates the vendor for the loss of future tax advantages. This amount was classified in “income tax expenses” in the consolidated income statement as it is offset by a reversal of deferred tax liabilities.

#### Note 35 – Distribution to parent company shareholders

On May 10, 2011, in accordance with the Annual General Meeting of April 27, 2011, €735.2 Mn were distributed (€8.00 per share) which includes a dividend of €5.0 and a complementary distribution of €2.70 deducted from the “distributable reserves” and the “contribution premium”.

#### Note 36 – Reconciliation of cash at period-end on the statement of cash flows and cash on the statement of financial position

(in €Mn)	June 30, 2011	June 30, 2010	Dec. 31, 2010
Available-for-sale investments	11.4	44.2	10.1
Cash	75.6	105.9	73.9
Current accounts to balance out cash flow	-0.9	-3.9	-1.9
Bank overdrafts	-9.0	-38.8	-11.2
<b>Cash at period-end</b>	<b>77.0</b>	<b>107.4</b>	<b>70.9</b>



## 6) Financial instruments

---

The principles and methods applied by the Group during the first half of 2011 to manage its credit, liquidity, interest rate, currency, counterparty and capital risks corresponded to those applied during 2010, as set out in Sections 6 and 7 of the Notes to the Group's annual consolidated financial accounts for the year ended December 31, 2010.

The main activity related to risk management during the first half of 2011 is set out below.

### 6.1 Credit risk

Credit risk arises from cash and cash equivalents as well as credit exposures with respect to rental customers. Credit risk is managed on a Group level. The Group structures the level of credit risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparties, and to geographical and industry segments. Such risks are subject to at least an annual review, and often more frequently. The Group has policies in place to ensure that rental contracts are made with customers with an appropriate credit history.

The main tenants of Unibail-Rodamco's office properties in France are blue-chip companies. The tenants profile minimises insolvency risks.

In the Retail division, the risk of insolvency is spread widely across a large number of tenants.

When tenants sign their leasing agreements, they are required to provide financial guarantees, such as a deposit, first-demand guarantee or surety bond amounting to between three and six months' rent.

Payments for ancillary services provided by the Convention-Exhibition division are generally received in advance, thereby reducing the risk of unpaid debt.

Late payment reminders are automatically issued in respect of late payments and penalties are applied. Such late payments are monitored by a special "default" committee in each business division which decides on the pre-litigious or litigious action to be taken.

The Group applies the following rules to calculate the provision for doubtful accounts :

- 50% of receivables due for more than 3 months (calculation after preliminary deduction of deposits and bank guarantee)
- 100% of receivables due for more than 6 months.

### 6.2 Market risk

#### a/ Liquidity risk

Unibail-Rodamco's long term refinancing policy consists of diversifying the Group's expiry schedules and financial resources. Accordingly, bonds & EMTN issues represented 44% of financial nominal debt as at June 30, 2011, bank loans and overdrafts 44%, convertible bonds 6% and Euro commercial paper & *billets de trésorerie* 6%.

The commercial paper programmes are backed by confirmed credit lines. These credit lines protect Unibail-Rodamco against the risk of a temporary or more sustained absence of lenders in the short or medium term debt markets and were provided by leading international banks.

As at June 30, 2011 the total amount of undrawn credit lines came to €2,618 Mn.

#### b/ Interest rate risk management

##### **Average cost of Debt**

Unibail-Rodamco's average cost of debt came to 3.6% over H1-2011 (3.9% over 2010). This average cost of debt results from the low level of margins on new and existing borrowings, the low interest rate environment in H1-2011, the Group's hedging instruments and the cost of carry of the undrawn credit lines.

##### **Interest rate hedging transactions**

During H1-2011, interest rates stayed at low levels despite an increase in short term rates.

After reviewing the interest rate exposure of the Group as at December 31, 2010, the Group cancelled €1 Bn of swaps and collars in January 2011 to adjust the overall exposure of the Group on the long run.

## Measuring interest rate risk

(in €Mn)	Outstanding total at June 30, 2011	
	Fixed rate	Variable rate <sup>(1)</sup>
Financial liabilities	-5,108.8	-4,311.4
Financial assets	75.1	11.9
<b>Net financial liabilities before hedging programme</b>	<b>-5,033.7</b>	<b>-4,299.5</b>
Hedging	1,170.2	-1,170.2
<b>Net financial liabilities after micro-hedging <sup>(2)</sup></b>	<b>-3,863.5</b>	<b>-5,469.7</b>
Swap rate hedging <sup>(3)</sup>	-	3,469.7
<b>Net debt not covered by swaps</b>	<b>-</b>	<b>-2,000.0</b>
Cap and floor hedging	-	1,755.9
<b>Hedging balance</b>	<b>-</b>	<b>-244.1</b>

<sup>(1)</sup> Including index-linked debt.

<sup>(2)</sup> Partners' current accounts are not included in variable-rate debt.

<sup>(3)</sup> Forward hedging instruments are not accounted for in this table.

As at June 30, 2011, net financial debt stood at €9333 Mn, excluding partners' current accounts and after taking cash surpluses into account (€87 Mn).

97% of the outstanding debt was hedged against an increase in variable rates, based on debt outstanding as at June 30, 2011 through both:

- debt kept at fixed rate,
- hedging in place as part of Unibail-Rodamco's macro hedging policy.

Based on Unibail-Rodamco's debt situation as at June 30, 2011, if interest rates (Euribor, Stibor or Libor) were to rise by an average of 0.5% (50 basis points) during H2-2011, the resulting increase in financial expenses would have an estimated negative impact of €4.4 Mn on the recurring net profit. A further rise of 0.5% would have an additional adverse impact of €4.5 Mn. Conversely, a 0.5% (50 basis points) drop in interest rates would reduce financial expenses by an estimated €2 Mn and would enhance 2011 recurring net profit by an equivalent amount.

### c/ Currency exchange rate risk management

Main foreign currency positions at June 30, 2011 (in € Mn)

Currency	Assets	Liabilities	Net Exposure	Hedging instruments	Exposure net of hedges
SEK	1,414.9	472.4	<b>942.4</b>	-	<b>942.4</b>
DKK	329.1	67.7	<b>261.4</b>	-	<b>261.4</b>
HUF	1.5	-	<b>1.5</b>	-	<b>1.5</b>
CZK	-	148.7	<b>-148.6</b>	-160.4	<b>11.8</b>
PLN	16.9	-	<b>16.9</b>	-	<b>16.9</b>
<b>Total</b>	<b>1,762.3</b>	<b>688.8</b>	<b>1,073.6</b>	<b>-160.4</b>	<b>1,234.0</b>

The main exposure kept is in Swedish Krona (SEK). A decrease of 10% in the SEK / EUR exchange rate would have a €83.0 Mn negative impact on shareholders' equity.

The sensitivity of the H2-2011 recurring result <sup>39</sup> to a 10% depreciation in the SEK / EUR exchange rate is limited to €0.4 Mn following the implementation of forward exchange rate transactions early in 2011.

<sup>39</sup> The sensitivity is measured by applying a change in the EUR / SEK exchange rate of 9.1734.

## 7) Financial commitments and guarantees

All significant commitments are shown below. The Group does not have any complex commitments.

### Commitments given

Commitments given (in €Mn)	Description	Maturities	June 30, 2011	Dec. 31, 2010
<b>1) Commitments related to the scope of the consolidated Group</b>			<b>227.6</b>	<b>94.0</b>
Commitments for acquisitions	- purchase undertakings and earn-out <sup>(1)</sup>	2011+	226.8	94.0
Commitments given as part of specific operations	- liability warranties		0.9	-
<b>2) Commitments related to Group financing</b>			<b>1,050.6</b>	<b>1,139.4</b>
Financial guarantees given	- mortgages and first lien lenders <sup>(2)</sup>	2011 to 2023	1,050.6	1,139.4
<b>3) Commitments related to Group operational activities</b>			<b>1,107.7</b>	<b>1,058.3</b>
Commitments related to development activities	- properties under construction: residual commitments for works contracts and forward purchase agreements <sup>(3)</sup>	2011 to 2016	793.9	737.8
	- residual commitments for other works contracts	2011 and 2012	38.4	23.1
	- commitments with suspensive conditions <sup>(4)</sup>	2011 to 2014	88.8	104.5
Commitments related to operating contracts	- commitments for construction works <sup>(5)</sup>	2011 to 2026	161.6	166.8
	- rental of premises and equipment	2011 to 2048	13.7	15.1
	- other		11.2	11.0
<b>Total commitments given</b>			<b>2,385.9</b>	<b>2,291.7</b>

<sup>(1)</sup> €85.3 Mn concern the Aupark shopping and entertainment centre in Bratislava, Slovakia. Further to the Group's acquisition in 2006 of a 50% stake in this centre, the vendor has options to sell an additional 40% plus 10% to the Group. The same vendor also has an option to sell to the Group land for development at Aupark Bratislava, estimated at €3.1 Mn.

€138.4 Mn relate to the Group's commitment to purchase the outstanding 50% interest in Rodamco CH1 sp zoo, owner of the Mokotow centre in Warsaw, Poland.

<sup>(2)</sup> Discloses the outstanding balances at the reporting date of the debts and credit lines which are guaranteed by mortgages. The gross amount of mortgages contracted, before taking into account subsequent debt reimbursement and unused credit lines, was €1,426.3 Mn at June 30, 2011 (€1,438.9 Mn at December 31, 2010).

<sup>(3)</sup> Concerns commitments linked to the building of new or extension of existing shopping centres and offices, particularly the Majunga offices in La Défense, So Ouest offices and retail in Levallois-Perret, Forum des Halles retail in Paris and Aéroville retail at Paris Charles-de-Gaulle airport, all in France, as well as Mall of Scandinavia in Stockholm (negotiation ongoing for the renewal of the previous commitment) and Täby Centrum in Täby, Sweden.

The increase in the commitments on projects under construction results mainly from the new Aéroville project, partially compensated by the advancement of several others, such as So Ouest and Majunga offices and Lyon Confluence, So Ouest and Täby Centrum retail.

<sup>(4)</sup> Mainly commitments for land purchases for the Oceanic project at Valence in Spain and the Majunga project at La Défense in France.

<sup>(5)</sup> Concerns the commitment to carry out maintenance and refurbishment works under the contract of the exhibition site Porte de Versailles in Paris, France.

#### **Other commitments given related to the scope of the consolidated Group**

- Unibail-Rodamco SE gave an earn-out commitment in the event that an extension permit is obtained for the Chelles 2, France shopping centre before 2012. The maximum amount of this payment is €124.69 per square metre of contractual Gross Leasable Area (GLA), indexed according to the Construction Cost Index.
- For a number of recent acquisitions of properties in France, Unibail-Rodamco has committed to the French tax authorities to retain these interests during at least five years, in accordance with the SIIC tax regime.
- As part of the agreements signed January 28, 2008 between the CCIP and Unibail-Rodamco to create Viparis and Comexposium, Unibail-Rodamco has committed to retain its interests in shared subsidiaries until 2013. The CCIP has a right of first choice and a right of joint sale.

#### **Other commitments given related to Group operational activities**

- As part of the Forum des Halles retail project, the Group's 65% subsidiary SCI du Forum des Halles de Paris has committed to pay to the City of Paris a conditional earn-out in 2019.
- The Group's 50% subsidiary SCI Propexpo has committed that the Espace Champerret venue in Paris, France will continue to be used as an exhibition hall through to 2066.

## Commitments received

Commitments received (in €Mn)	Description	Maturities	June 30, 2011	Dec. 31, 2010
<b>1) Commitments related to the scope of the consolidated Group</b>			<b>79.7</b>	<b>78.9</b>
Commitments for acquisitions	- sales undertakings <sup>(1)</sup>	2013+	71.4	69.4
Commitments received as part of specific operations	- liability warranties	2011 to 2012	8.3	9.6
<b>2) Commitments related to Group financing</b>			<b>2,618.0</b>	<b>2,983.0</b>
Financial guarantees received	- refinancing agreements obtained but not used <sup>(2)</sup>	2011 to 2016	2,618.0	2,983.0
<b>3) Commitments related to Group operational activities</b>			<b>468.8</b>	<b>408.7</b>
Other contractual commitments received related to operations	- bank guarantees on works and others	2011+	41.7	21.1
	- others	2011 to 2026	50.2	48.4
Assets received as security, mortgage or pledge, as well as guarantees received	- guarantees received relating to Hoguet regulation	2011	85.9	73.2
	- guarantees received from tenants	2011 to 2022	249.6	241.8
	- guarantees received from contractors on works	2011 to 2014	41.4	24.2
<b>Total commitments received</b>			<b>3,166.5</b>	<b>3,470.6</b>

<sup>(1)</sup> Further to the vendor's options to sell a further 40% plus 10% in the Aupark shopping and entertainment centre in Bratislava, Slovakia, as described above in the "Commitments given related to the scope of the consolidated Group", the Group has an option to buy an additional 40% from 2013 onwards, thereby extending its stake to 90%. This commitment received amounts to €68.3 Mn. The Group also has an option to purchase from the same vendor land for development at Aupark Bratislava, estimated at €3.1 Mn.

<sup>(2)</sup> These agreements are usually accompanied by a requirement to meet specific target ratios based on revalued shareholders' equity, Group portfolio valuation and debt. Certain credit lines are also subject to an early prepayment clause (in full or in part) in the event of a change in ownership or a series of disposals reducing portfolio assets below a given threshold. Based on current forecasts, excluding exceptional circumstances, these thresholds on target ratios are not expected to be attained during the current year.

### Other commitments received related to the scope of the consolidated Group

- As part of the agreements signed on January 28, 2008 between the CCIP and Unibail-Rodamco to create Viparis and Comexposium, the CCIP has committed to retain its interests in shared subsidiaries until 2013. Unibail-Rodamco has a right of first choice and a right of joint sale. Finally, the CCIP accords to the SCI Propexpo, a 50% subsidiary of the Group, a right of preferential purchase on its property rights in the areas of the Palais des Congrès de Paris and the Parc des Expositions de Paris-Nord Villepinte in France.

## 8) Employee remuneration and benefits

### 8.1 Personnel costs

Personnel costs amounted to €71.7 Mn in the first half of 2011 (compared with €75.7 Mn in the first half of 2010). This included :

- €1.3 Mn relating to the Company Savings Plan (compared with €1.2 Mn in the first half of 2010) for the employer contribution and the difference between the subscription price and the share price on the date of the capital increase, and
- €2.1 Mn relating to stock options (compared with €3l Mn in the first half of 2010).

On June 30, 2011, a share capital increase, reserved for employees under the Company Savings Plan, was carried out with the following characteristics : 28,766 shares issued at a nominal value of 5 euros resulting in an increase of share capital of €0.1 Mn and of additional paid-incapital of €3.4 Mn.

### 8.2 Number of employees

For the first half 2011, the average number of employees of the Group's companies breaks down as follows:

Regions	H1-2011	H1-2010	2010
France <sup>(1)</sup>	1,009	1,051	1,050
The Netherlands	63	100	93
Nordic countries	115	139	134
Spain	134	151	148
Central Europe	77	77	100
Austria	72	98	91
<b>Total</b>	<b>1,469</b>	<b>1,616</b>	<b>1,616</b>

(1) Of which Viparis : 401 / 409 / 404

### 8.3 Employee benefits

#### Pension plan

The majority of the Group's pension schemes are defined contribution plans. The Dutch group companies have pension plans with both defined benefit as well as defined contribution components, whose commitments are accrued.

#### Stock-option plans

The 2010 and 2011 authorised plans only comprise stock-options subject to performance criteria. These stock-options have a duration of 7 years and may be exercised at any time, in one or more instalments, as from the 4th anniversary of the date of their allocation. 753,950 shares have been allocated on March 10, 2011 and 26,000 on June 9, 2011.

The performance-related stock-options allocated in March and June 2011 were respectively valued at €1033 and €11.19 using a Monte Carlo model. This valuation is based on an initial exercise price of €144.37 and €152.03, a share price at the date of allocation of €147.60 and €153.15, a vesting period of four years, an estimated duration of 4.7 years, a market volatility of 23.5% and 23.7%, a dividend representing 6.4% of the share value, a risk-free interest rate of 2.7% and 2.6% and a volatility of EPRA index of 24.4% and 23.7% with a correlation EPRA / Unibail-Rodamco of 87.6% and 87.5%.

The table below shows allocated stock-options that had not been exercised at the period-end :

Plan	Exercise period	Adjusted subscription price (€) <sup>(1)</sup>	Number of options granted	Adjustments in number of options <sup>(1)</sup>	Number of options cancelled	Number of options exercised	Potential additional number of shares	Unconditional scheme	Performance-related scheme
2003 plan (n°3)	2004	from 13/10/2008 to 12/10/2011	62.39	308,000	99,638	16,865	384,977	5,796	-
	2005	from 14/12/2009 to 13/12/2012	88.10	404,500	46,071	80,800	292,941	76,830	6,152
2006 plan (n°4)	2006	from 11/10/2010 to 10/10/2013	131.03	365,500	78,376	66,860	34,333	342,683	-
2007 plan (n°5)	2007	from 11/10/2011 to 11/10/2014	146.32	653,700	126,180	200,223	-	579,657	-
	2008	from 23/10/2012 to 23/10/2015	105.69	860,450	185,210	196,200	-	849,460	-
	2009	from 13/03/2013 to 12/03/2016	80.66	735,450	170,116	131,122	-	774,444	-
2010 plan (n°6)	2010	from 10/03/2014 to 09/03/2017	122.74	778,800	170,561	94,998	-	854,363	-
	2011	from 10/03/2015 to 09/03/2018	144.37	753,950	15,059	11,710	-	757,299	-
2011 plan (n°7)	2011	from 09/06/2015 to 08/06/2018	152.03	26,000	-	-	-	26,000	26,000
<b>Total</b>			<b>4,886,350</b>	<b>891,211</b>	<b>798,778</b>	<b>712,251</b>	<b>4,266,532</b>	<b>76,474</b>	<b>4,190,058</b>

<sup>(1)</sup> Adjustments reflect dividends paid from retained earnings.

## 9) Related party disclosures

---

The consolidated financial statements include all of the companies in the Group's scope of consolidation (see section 3 "Scope of consolidation").

The parent company is Unibail-Rodamco SE.

To the Group's knowledge, there are neither shareholders' pacts nor persons or groups of persons exercising or who could exercise control over the Group.

The main related party transactions refer to transactions with companies consolidated under the equity method.

(in €Mn)	June 30, 2011	June 30, 2010
<b>Comexposium Group</b>		
Loan	149.6	149.6
Recognised interest	2.8	3.1
Rents and fees invoiced <sup>(1)</sup>	30.8	22.3
<b>SCI Triangle des Gares</b>		
Loan	-	18.0
Recognised interest	-	0.4
Fees invoiced	-	0.4

<sup>(1)</sup> *Correspond mainly to rents and fees invoiced by Viparis entities to Comexposium and to rent invoiced by the SCI Wilson for the head office of Comexposium.*

All of these transactions are based on market prices.

No transactions with related parties have influenced significantly the consolidated financial statements.

### Transactions with other related parties

For information on the remuneration of members of the Management Board and the Supervisory Board, refer to the 2010 Annual Report.

The Supervisory Board meeting dated on April 27, 2011 appointed Mr. Christophe Cuvillier as a member of the Management Board effective as of June 1, 2011 and fixed his remuneration in compliance with the Afep-Medef Corporate Governance Code <sup>40</sup>, on the same principles as the other current non CEO Management Board members, but on different quantum as follows:

- Gross annual fixed income : €620,000
- Short term incentive (STI): same calculation rules as for the other non CEO Management Board members (quantitative and qualitative target – see 2010 Annual Report). The total STI is capped at 120% of the fixed income.
- Long term incentive (stock-options) : 26 000 options were granted on June 9, 2011 as a standalone welcome grant reserved to Mr. Cuvillier. He should be eligible for a stock options grant in March 2012, for an amount of 26 000 stock options subject to the Supervisory Board approval, and conditioned to the continued presence of Mr. Cuvillier in the Management Board at that date.
- Pension contribution: Mr. Cuvillier will benefit from a cash contribution of €55,000 in condition that this amount be invested (net of tax and social charges) in a "personal pension scheme" for the period that he is a corporate officer with the Group.

The fixed income, the short term incentive as well as the pension contribution will be applied prorata temporis in 2011 from June 1, 2011.

---

<sup>40</sup> Adopted by the Company as its reference for corporate governance matters in accordance with article L.225-68 of the French Commercial Code.



As the other Management Board members, Mr. Christophe Cuvillier will benefit from a company car, the Company's health and life mutual insurance, an unemployment contribution (GCS-type). He will be able to subscribe to the Company savings plan without the benefit of the top-up contribution offered to the employee participants. He does not benefit from the profits-sharing scheme (Regulated employee profit-sharing plan and employee profit-sharing agreement). He does not benefit from any contractual severance package or from any contractual indemnity clause in relation to non-competition provisions. He is not benefiting from an employment contract within the Group.

## **10) Post closing events**

---

### **Disposals**

Bonneveine shopping centre in Marseille, France was sold on July 1, 2011 for a net disposal price of €88.2 Mn.

Several small retail units in The Netherlands were sold on July 1, 2011 for €9.5 Mn.

Residential in Solna in Sweden was sold on July 1, 2011 for €23.7 Mn.

### **Shopping centre**

On July 18, 2011, the Polish Antitrust Authorities approved the acquisition by Unibail-Rodamco of GTC's 50% of Galeria Mokotow in Warsaw. Closing of the transaction is expected for the last week of July.

# STATUTORY AUDITORS' REVIEW REPORT ON THE 2011 FIRST HALF-YEARLY FINANCIAL INFORMATION

Period from January 1 to June 30, 2011

*This is a free translation into English of the statutory auditors' review report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.*

To the Shareholders,

In compliance with the assignment entrusted to us by your shareholders' annual general meeting and in accordance with article L. 451-1-2 III of the French monetary and financial code (Code Monétaire et Financier), we hereby report to you on:

- our review of the accompanying condensed half-yearly consolidated financial statements of Unibail-Rodamco, for the period from January 1 to June 30, 2011, and
- the verification of the information contained in the interim management report.

These condensed half-yearly consolidated financial statements are the responsibility of the management board. Our role is to express a conclusion on these financial statements based on our review.

## 1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists in 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 French professional standards and consequently does not enable us to obtain assurance that the financial statements, taken as a whole, are free from material misstatements, as we would not become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that these condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – IFRS as adopted by the European Union applicable to interim financial information.

## 2. Specific verification

We have also verified the information provided in the interim management report in respect of the condensed half-yearly financial statements that were the object of our review.

We have no matters to report on the fairness and consistency of this information with the condensed half-yearly financial statements.

Neuilly-sur-Seine and Paris-La Défense, July 26, 2011

The Statutory Auditors

French original signed by

DELOITTE et ASSOCIES

ERNST & YOUNG Audit

Damien Leurent

Christian Mouillon Benoit Schumacher

