unibail·rodamco

Paris, Amsterdam, July 20, 2011

Press Release

2011 HALF-YEAR RESULTS

No 1 listed property company in Europe

€24.8 billion property portfolio

€647 million net rental income (+5.5% like-for-like)

€4.74 recurring earnings per share (+0.9%)

Net Asset Value per share:
- **€138.80, up €2.30 (NAV Going Concern definition)**
- **€127.00, up €2.40 (EPRA NNNAV definition)**

DELIVERING ON STRATEGY

"Unibail-Rodamco is pleased to report +0.9% growth in recurring earnings per share as a result of a contained cost of debt, tight cost control and a strong like-for-like net rental income increase of +5.5%. In H1-2011, the premium retail positioning of the Group's centres saw tenants' sales rise by +4.2% while national retail statistics in the Group's countries averaged only +0.8%.
This success is largely based on the strategy of focus on high footfall assets, offering deeper client satisfaction. The Group is also preparing the future with an expansion of its development programme to €6.9 Bn and many new construction starts". *Guillaume Poitrinal, CEO and Chairman of the Management Board.*

Strong like-for-like growth

With tenants' sales picking up, new premium retailers entering the Group's malls and an overall larger exposure to high potential shopping centres, the Group returns to levels of net rental income growth of its shopping centre division, on a like-for-like basis, of 430 basis points over indexation. In H1-2011, the Group signed 60 contracts with premium retailers, such as Hollister, Apple, Forever 21 and Kiko vs. 48 in the whole of 2010.

The office sector also saw overall positive like-for-like net rental income growth of +3.2%, while the Convention & Exhibition sector saw a high H1-2011 activity level including the highly successful biennial 'Le Bourget Airshow' in June.

Divestments on track

€5.4 Bn of disposals have been realised since the merger in June 2007. Approx. half of these disposals (€2.6 Bn) have been completed since the start of 2010, including €1.1 Bn of disposals signed in H1-2011 with an average 9.1% premium over last external appraisals. The disposal programme remains unchanged.

Asset values up, supported by increasing rents

The Group's portfolio Gross Market Value stood at €24.8 Bn, up 2.4% like-for-like compared to year-end 2010. The Group's Going Concern Net Asset Value per share increased to €138.80, up 1.7% compared to December 2010 thanks to a like-for-like asset revaluation result at €4.50 per share, of which €3.10 is driven by rental income growth. Net initial yield shift was 20 basis points for the retail portfolio (to 5.5%) and 10 basis points for occupied offices (to 6.5%).

Acceleration in developments
While the development portfolio grew with €300 Mn to €6.9 Bn, many projects moved closer to the execution phase. Construction works have started on the Majunga tower in La Défense, the first "Excellent" BREEAM certified office building in France. Preliminary works were launched for the Aéroville shopping centre at Charles-de-Gaulle Airport in Paris, and the renovations and extensions of Forum des Halles in Paris, Centrum Cerny Most in Prague and Fisketorvet in Copenhagen are under way.

Low cost of funding
Interest rates stayed at historical low levels and the Group's average cost of debt came to 3.6% in H1-2011. The Group raised €555 Mn new medium- and long-term debt. Net financial debt stood at €9.3 Bn. The Loan to Value ratio stood at 38% as of June 30, 2011 while the Interest Coverage Ratio was at 3.8 times over the period. Undrawn credit lines amounted to €2.6 Bn. During H1-2011, S&P and Fitch confirmed the « A » rating for the Group, S&P upgraded its outlook to « stable ».

Outlook
The Group re-iterates its FY-2011 Recurring Earnings per Share outlook of -3% to -5%, reflecting the impacts of the exceptional distribution of October 2010, and the effects of the ongoing disposal programme. Based on the H1-2011 results, including some elements that will not be repeated in the second half, the Group expects to come out closer to -3%.

About Unibail-Rodamco
Created in 1968, Unibail-Rodamco SE is Europe's leading listed commercial property company, with a presence in 12 EU countries, and a portfolio of assets valued at €24.8 billion on June 30, 2011. As an integrated investor, developer and operator, the Group aims to cover the whole of the real estate value creation chain. With the support of its 1,500 professionals, Unibail-Rodamco applies those skills to highly specialised market segments such as the large shopping centres of major European capital cities, and large offices and convention & exhibition centres in the Paris region.
The Group distinguishes itself through its focus on the highest architectural, city planning and environmental standards. Its long term approach and sustainable vision focuses on the development or redevelopment of outstanding places to shop, work and relax. Its commitment to environmental, economic and social sustainability has been recognised by inclusion in the DJSI (World and Europe) and FTSE4Good indexes.
The Group is a member of the CAC40, AEX and EuroStoxx 50 indexes. It benefits from an A rating from Standard & Poor's and Fitch Ratings. For more information, please visit our website:
www.unibail-rodamco.com.

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APPENDIX TO THE PRESS RELEASE
July 20, 2011

The press release and its appendix can be found on Unibail-Rodamco's website www.unibail-rodamco.com

Consolidated income statement by segment

UNIBAIL-RODAMCO Consolidated Income Statement by segment (€ Mn)			2011-H1 Recurring activities	2011-H1 Valuation movements and disposals	2011-H1 Result	2010-H1 Recurring activities	2010-H1 Valuation movements and disposals	2010-H1 Result	2010 Recurring activities	2010 Valuation movements and disposals	2010 Result
SHOPPING CENTERS	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
		Net rental income	**255.3**	-	**255.3**	**235.0**	-	**235.0**	**480.5**	-	**480.5**
		Contribution of affiliates			-	2.4	4.8	7.1	2.4	4.8	7.1
		Gains 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
		Result Retail France	**255.3**	**221.8**	**477.1**	**237.4**	**506.6**	**744.0**	**482.9**	**951.0**	**1,433.9**
	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
		Net rental income	**40.4**	-	**40.4**	**62.3**	-	**62.3**	**104.8**	-	**104.8**
		Gains 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
		Result Retail Netherlands	**40.4**	**30.8**	**71.2**	**62.3**	**78.2**	**140.5**	**104.8**	**129.4**	**234.2**
	Nordic	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
		Net rental income	**46.7**	**-**	**46.7**	**46.3**	**-**	**46.3**	**95.0**	**-**	**95.0**
		Gains 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
		Result Retail Nordic	**46.7**	**78.2**	**124.9**	**46.3**	**32.0**	**78.2**	**95.0**	**98.4**	**193.4**
	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
		Net rental income	**63.2**	**-**	**63.2**	**60.0**	**-**	**60.0**	**123.2**	**-**	**123.2**
		Gains on sales of properties	-		-	-		-	-	-	-
		Valuation movements	-	81.8	81.8	-	16.3	16.3	-	92.3	92.3
		Result Retail Spain	**63.2**	**81.8**	**145.0**	**60.0**	**16.3**	**76.3**	**123.2**	**92.3**	**215.5**
	Central Europe*	Gross rental income	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
		Net rental income	**50.5**	**-**	**50.5**	**31.8**	**-**	**31.8**	**79.4**	**-**	**79.4**
		Gains on sales of properties	-	0.5	0.5	-	- 0.0	- 0.0	-	- 0.3	- 0.3
		Valuation movements	-	84.2	84.2	-	39.6	39.6	-	80.1	80.1
		Impairment of Goodwill	**-**		-	**-**		-	**-**	-	-
		Result Retail Central Europe	**50.5**	**84.7**	**135.2**	**31.8**	**39.6**	**71.5**	**79.4**	**79.8**	**159.2**
	Austria*	Gross rental income	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
		Net rental income	**44.4**	**-**	**44.4**	**38.9**	**-**	**38.9**	**78.2**	**-**	**78.2**
		Contribution of affiliates	-	-	**-**	-	-	**-**	-	-	**-**
		Gains on sales of properties	-	- 0.1	**- 0.1**	-	-	**-**	-	-	**-**
		Valuation movements	-	49.8	49.8	-	49.2	49.2	-	119.5	119.5
		Result Retail Austria	**44.4**	**49.7**	**94.0**	**38.9**	**49.2**	**88.1**	**78.2**	**119.5**	**197.7**
	TOTAL RESULT RETAIL		**500.4**	**547.0**	**1,047.4**	**476.7**	**721.9**	**1,198.6**	**963.4**	**1,470.4**	**2,433.8**
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
		Net rental income	**84.4**	-	**84.4**	**91.4**	-	**91.4**	**173.5**	-	**173.5**
		Gains 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
		Result Offices France	**84.4**	**5.1**	**89.6**	**91.4**	**164.1**	**255.5**	**173.5**	**228.5**	**402.0**
	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
		Net rental income	**15.3**	-	**15.3**	**16.7**	-	**16.7**	**32.6**	-	**32.6**
		Gains 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
		Result Offices other countries	**15.3**	**2.1**	**17.5**	**16.7**	**0.6**	**17.3**	**32.6**	**9.8**	**42.3**
	TOTAL RESULT OFFICES		**99.8**	**7.2**	**107.0**	**108.1**	**164.7**	**272.8**	**206.1**	**238.2**	**444.3**
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
		Net rental income	**42.9**	-	**42.9**	**35.4**	-	**35.4**	**77.3**	-	**77.3**
		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 organizing	**6.6**	**- 0.1**	**6.5**	**6.2**	**- 15.6**	**- 9.4**	**15.3**	**- 12.7**	**2.6**
		Valuation movements, depreciation and capital gain	- 6.0	46.6	40.7	- 6.1	106.4	100.3	- 12.2	110.0	97.8
	TOTAL RESULT CONVENTION & EXHIBITION		**66.1**	**46.5**	**112.6**	**58.0**	**90.8**	**148.8**	**136.1**	**97.3**	**233.4**
		Other property services net operating result	6.6	-	6.6	4.6	-	4.6	13.3	-	13.3
		Other income	5.3	2.5	7.8	0.7	-	0.7	0.6	-	0.6
TOTAL OPERATING RESULT AND OTHER INCOME			**678.2**	**603.2**	**1,281.5**	**648.1**	**977.4**	**1,625.5**	**1,319.5**	**1,805.9**	**3,125.4**
		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
PRE-TAX RESULT			**486.8**	**581.7**	**1,068.5**	**469.7**	**846.5**	**1,316.2**	**945.8**	**1,660.7**	**2,606.5**
		Corporate income tax	- 6.2	- 71.9	- 78.1	3.3	- 50.9	- 47.6	- 9.6	- 111.4	- 121.0
NET RESULT			**480.6**	**509.8**	**990.4**	**473.0**	**795.6**	**1,268.6**	**936.2**	**1,549.3**	**2,485.5**
		Non-controlling interests	45.7	61.7	107.4	43.8	117.4	161.2	88.3	209.6	297.9
NET RESULT-OWNERS OF THE PARENT			**434.9**	**448.1**	**883.0**	**429.1**	**678.3**	**1,107.4**	**847.9**	**1,339.7**	**2,187.6**

	2011-H1	2010-H1	2010
Average number of shares and ORA	91,825,319	91,364,731	91,498,194
Recurring earnings per share	**4.74 €**	**4.70 €**	**9.27 €**
Recurring earnings per share growth	**0.9%**		

* Slovakia, previously managed by Central Europe region, is now managed from Austria. 2010 figures have been restated accordingly.

CONSOLIDATED INCOME STATEMENT Presented under EPRA format (in € Mn)	H1-2011	H1-2010	2010
Gross rental income	740.9	727.5	1,484.5
Ground rents paid	-9.5	-10.5	-22.4
Net service charge expenses	-7.0	-6.2	-14.1
Property operating expenses	-77.7	-87.1	-190.6
Net rental income	**646.6**	**623.7**	**1,257.4**
Corporate expenses	-38.5	-44.9	-95.2
Development expenses	-1.6	-1.3	-7.2
Depreciation	-1.1	-1.1	-2.3
Administrative expenses	**-41.2**	**-47.3**	**-104.7**
Acquisition and related costs	**-1.5**	**-**	**-15.8**
Revenues from other activities	79.0	71.6	160.1
Other expenses	-59.3	-56.4	-116.3
Net other income	**19.7**	**15.2**	**43.8**
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
Result on disposal of investment properties	**33.4**	**19.1**	**113.7**
Proceeds from disposal of shares	174.6		
Carrying value of disposed shares	-153.0		
Result on disposal of shares	**21.6**	**-**	**-**
Valuation gains	607.2	1,031.3	1,838.6
Valuation losses	-62.1	-62.2	-136.2
Valuation movements	**545.1**	**969.1**	**1,702.3**
Impairment of goodwill / badwill	**0.8**	**-**	**-2.1**
NET OPERATING RESULT BEFORE FINANCING COST	**1,224.5**	**1,579.8**	**2,994.6**
Result from non-consolidated companies	7.8	0.7	0.4
Financial income	*43.1*	*38.6*	*81.2*
Financial expenses	*-193.3*	*-169.7*	*-350.1*
Net financing costs	-150.2	-131.1	-268.9
Bonds redeemable for shares	-	-	-
Fair value adjustment of net share settled bonds convertible into new and/or existing shares (ORNANE)	-57.1	57.4	-23.8
Fair value adjustments of derivatives and debt	37.3	-190.8	-104.6
Debt discounting	-0.3	2.6	-0.9
Share of the profit of associates	3.8	-5.8	3.5
Income on financial assets	2.8	3.5	6.2
RESULT BEFORE TAX	**1,068.5**	**1,316.2**	**2,606.5**
Income tax expenses	-78.1	-47.6	-121.0
NET RESULT FOR THE PERIOD	**990.4**	**1,268.6**	**2,485.5**
Non-controlling interests	107.4	161.2	297.9
NET RESULT (Owners of the parent)	**883.0**	**1,107.4**	**2,187.6**

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
Net result for the period (Owners of the parent) per share (€)	**9.62**	**12.12**	**23.91**
Net result for the period restated (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
Diluted net result per share - Owners of the parent (€)	**10.00**	**11.42**	**23.82**

NET COMPREHENSIVE INCOME	H1-2011	H1-2010	2010
NET RESULT FOR THE PERIOD	**990.4**	**1,268.6**	**2,485.5**
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		
OTHER COMPREHENSIVE INCOME	**37.8**	**21.0**	**40.4**
NET COMPREHENSIVE INCOME	**1,028.2**	**1,289.6**	**2,525.9**
Non-controlling interests	107.4	161.3	298.0
NET COMPREHENSIVE INCOME (OWNERS OF THE PARENT)	**920.8**	**1,128.2**	**2,228.0**

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

Consolidated statement of cash flows (in € Mn)	H1-2011	H1-2010	2010
Operating activities			
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 (1)	-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
Cash flow before net financing costs and tax	**626.7**	**608.5**	**1,234.6**
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 (2)	-4.0	8.3	-1.6
Total cash flow from operating activities	**622.4**	**612.4**	**1,222.1**
Investment activities			
Property activities	**374.5**	**148.4**	**147.5**
Acquisition of consolidated subsidiaries	-95.5	-40.4	-477.9
Amounts paid for works and acquisition of property assets (2)	-387.0	-416.4	-824.9
Exit tax payment	-	-	-2.5
Change in property financing	-0.4	0.6	0.4
Disposal of subsidiaries	254.5	-	-
Disposal of investment property	602.8	604.5	1,452.4
Finance leasing and short-term lending activities	**0.2**	**0.6**	**1.3**
Financial activities	**-105.7**	**-0.5**	**-0.7**
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
Total cash flow from investment activities	**268.9**	**148.5**	**148.1**
Financing activities			
Capital increase	17.5	15.3	38.3
Distribution paid to parent company shareholders	-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
Total cash flow from financing activities	**-885.5**	**-910.0**	**-1,554.7**
Change in cash and cash equivalents during the period	**5.8**	**-149.1**	**-184.5**
Cash at the beginning of the year	**70.9**	**256.4**	**256.4**
Effect of exchange rate fluctuations on cash held	**0.3**	**0.1**	**-1.0**
Cash at period-end (3)	**77.0**	**107.4**	**70.9**

(1) This item includes capital gains/losses on property sales, disposal of short term investment property, disposals of financing leasing and disposals of operating assets.

(2) Change in debt on investment has been reclassified from "change in working capital requirement" to "amounts paid for works". H1-2010' figures were consequently restated.

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

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[1] (IFRS) and are compliant with the EPRA[2] 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.

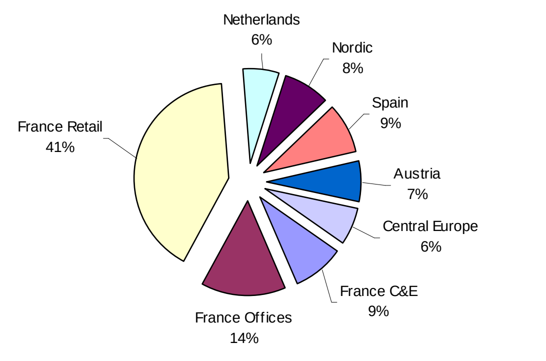
As at June 30, 2011, 294 companies have been fully consolidated, 28 companies have been consolidated proportionally and 4 companies have been accounted for under the equity method[3].

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[4]. 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.



Asset Gross Market Value by region

[1] As applicable in the European Union as at June 30, 2011.
[2] European Public Real estate Association.
[3] Mainly the COMEXPOSIUM subgroup (Trade show organisation business).

[4] 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[5] 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[6] 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 3rd 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%
Total	**500.4**	**474.3**	5.5%

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[7] in Euralille (Lille-France) from 40% to 76% (+€6.8 Mn).

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[5] January-May 2011.
[6] Source: FEVAD.

[7] 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[8], 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%
Total	**416.3**	**395.9**	5.2%

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%
Global	0.9%	2.0%	2.3%	5.2%

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	m²	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%
Global	704	138,996	65.3	8.1	16.2%

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.

[8] Mainly in Sweden.

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%
M€	**965.1**	**100%**	**965.1**	**100%**

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

Financial vacancy[9] 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%
Global	**23.2**	**2.0%**	**1.7%**

*excluding pipeline

The occupancy cost ratio[10] 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[11] in its shopping centre portfolio in H1-2011:

- €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 m² 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[12]) 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-Stokholm, Helsingbörg 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.

[9] Based on EPRA definition: Estimated Rental Value (ERV) of vacant spaces divided by ERV of total surfaces.
[10] 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.
[11] Variation in gross asset value group share.

[12] 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[13] in H1-2011

Take-up & immediate supply

H1-2011 take-up in the Paris Region office market stood at 1,136,000 m², which is a modest rise of 4% compared to H1-2010.

In the Paris Region, only 29 large segment transactions (deals over 5,000 m²) were listed during H1-2011 for a total of 381,700 m² let (compared to 39 transactions for a total of 409,300 m² let last year). This is despite 4 transactions over 20,000 m² being recorded during the first quarter. However, increased small and medium transactions (under 5,000 m²) 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 m² 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 m² in Gennevilliers, the Coface deal for 30,000 m² in Colombes and also the Havas Euro RSCG deal for 21,000 m² in Puteaux. In La Défense, 59,100 m² was let.

Immediate supply remained stable during H1-2011 at 3.7 Mn m², 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 /m² to €687/m² but this trend is bottoming out. Nevertheless, the highest rent recorded during H1-2011 stood at €850/m² (a deal made by Pernod-Ricard, Place des Etats-Unis).

In La Défense, prime rents remained stable standing at €511 /m² 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%
Total	**99.8**	**108.1**	-7.7%

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

- -€8.9 Mn due to disposals:

[13] 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%
Total	**68.0**	**65.9**	3.2%

In France, 11 leases were signed or renewed during the first half of 2011.
15,700 m² were renewed and 6,100 m² 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%
M€	**204.1**	**100%**	**204.1**	**100%**

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[14] 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[15] (see following section on Net Asset Value).

[14] Based on EPRA definition.
[15] 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[16] 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[17] were still in issue as at June 30, 2011.

[16] Net share settled bonds convertible into new and/or existing shares.
[17] 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[18] 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[19] 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[20] 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 closer to -3%.

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[18] 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.
[19] In France : SIIC (Société Immobilière d'Investissements Cotée).
[20] 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 m² 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 m² 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 m² GLA of cinemas and restaurants to So Ouest, on top of 36,000 m² 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.

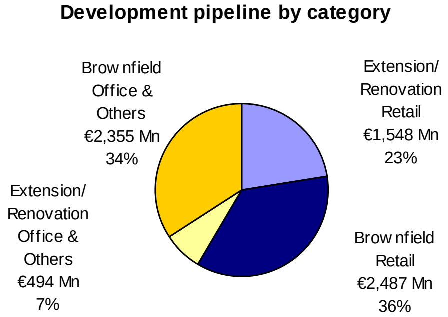
These administrative authorisations are major milestones for projects initially launched during the 2005-2007 period, and since re-visited to further improve their cost-efficiency (re-negotiation of land prices, re-adjustment of development structure and cost,...) to meet economic hurdle rates.

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:

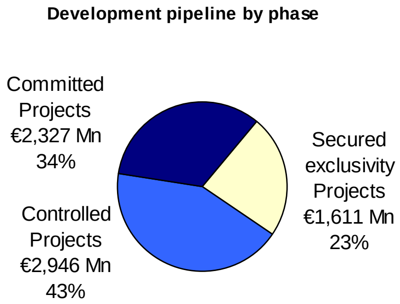


The €4.0 Bn retail pipeline is split into brownfield projects, which represent 62%, and extensions and renovations, which make up the remaining 38%. This corresponds to the creation of 746,300 m² GLA and redevelopment of 98,600 m².

Expected investments in the "Offices & Other" pipeline category amount to €2.8 Bn. Brownfield projects, corresponding to some 374,550 m² of new GLA, represent 83% of this investment. The remainder will be invested in redeveloping or refurbishing 143,690 m² of existing assets.

3. Phases of the pipeline projects

Committed[21] projects as of June 30, 2011 amounted to €2.3 Bn (vs. €1.7 Bn at end 2010), Controlled[22] projects to €2.9 Bn (vs. €2.9 Bn at end 2010) and Secured Exclusivity projects[23] 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 63,035m² 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 m² 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 m² of GLA and 3,300 parking places;
- The extension and renovation of the Forum des Halles, in the heart of Paris, France which will add 15,386 m² 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 Mn[24] 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

[21] 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.
[22] 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.
[23] Secured exclusivity projects: projects for which Unibail-Rodamco has the exclusivity but where negotiations for building rights or project definition are still underway.

[24] 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.

Developement projects (1)	Business	Country	City	Type	Total Complex GLA (m²)	GLA U-R scope of consolidation (m²)	Cost to date(2) U-R scope of consolidation (€ Mn)	Expected cost (3) U-R scope of consolidation (€ mn)	Expected Opening date(4)	U-R Yield on cost (%)
SO OUEST OFFICES	Office & others	France	Paris Region	Greenfield / Brownfield	33,419 m²	33,419 m²	153	193	H2 2011	
DONAUZENTRUM	Shopping Centre	Austria	Vienna	Extension / Renovation	0 m²	0 m²	46	55	H2 2011	
70-80 WILSON	Office & others	France	Paris Region	Redevelopment / Refurbishment	12,462 m²	12,462 m²	4	18	H2 2011	
SOLNA	Shopping Centre	Sweden	Solna	Extension / Renovation	2,950 m²	2,950 m²	17	28	H2 2011	
PARLY 2 RENOVATION	Shopping Centre	France	Paris Region	Extension / Renovation	0 m²	0 m²	10	14	H2 2011	
ROTTERDAM PLAZA	Office & others	Netherlands	Rotterdam	Redevelopment / Refurbishment	16,025 m²	16,025 m²	0	20	H2 2011	
ISSY GUYNEMER	Office & others	France	Paris Region	Redevelopment / Refurbishment	14,833 m²	14,833 m²	5	25	H2 2011	
LYON CONFLUENCE	Shopping Centre	France	Lyon	Greenfield / Brownfield	53,542 m²	53,542 m²	212	282	H1 2012	
FARO DEL GUADIANA	Shopping Centre	Spain	Badajoz	Greenfield / Brownfield	66,000 m²	43,000 m²	42	90	H2 2012	
FISKETORVET	Shopping Centre	Denmark	Copenhagen	Extension / Renovation	49 m²	49 m²	7	30	H2 2012	
CENTRUM CERNY MOST	Shopping Centre	Czech Rep.	Prague	Extension / Renovation	44,213 m²	44,213 m²	20	145	H1 2013	
SO OUEST SC	Shopping Centre	France	Paris Region	Greenfield / Brownfield	46,712 m²	46,712 m²	208	326	H1 2013	
AEROVILLE	Shopping Centre	France	Paris Region	Greenfield / Brownfield	81,423 m²	81,423 m²	93	321	H2 2013	
MAJUNGA	Office & others	France	Paris Region	Greenfield / Brownfield	63,035 m²	63,035 m²	128	376	H2 2013	
FORUM DES HALLES	Shopping Centre	France	Paris	Extension / Renovation	15,386 m²	15,386 m²	27	102	H1 2014	
TABY CENTRUM	Shopping Centre	Sweden	Täby	Extension / Renovation	27,868 m²	27,868 m²	70	257	H2 2014	
OTHERS					10,732 m²	10,732 m²	22	46		
Committed Projects					**488,649 m²**	**465,649 m²**	**1,063**	**2,327**		**7.7%**
ROSNY 2	Shopping Centre	France	Paris Region	Extension / Renovation	5,545 m²	5,545 m²	27	35	H1 2012	
CARRE SENART 3	Shopping Centre	France	Paris Region	Greenfield / Brownfield	14,409 m²	14,409 m²	7	24	H2 2012	
SHOPPING CITY SUD	Shopping Centre	Austria	Vienna	Extension / Renovation	0 m²	0 m²	7	73	H2 2012	
PARLY 2 EXT	Shopping Centre	France	Paris Region	Extension / Renovation	18,392 m²	14,433 m²	5	92	H1 2013	
RENNES ALMA	Shopping Centre	France	Rennes	Extension / Renovation	10,395 m²	10,395 m²	22	86	H2 2013	
LA TOISON D OR	Shopping Centre	France	Dijon	Extension / Renovation	11,392 m²	11,392 m²	1	83	H2 2013	
COURCELLOR 1	Office & others	France	Paris Region	Redevelopment / Refurbishment	40,382 m²	40,382 m²	7	176	H2 2014	
LES PORTES DE GASCOGNE	Shopping Centre	France	Toulouse	Greenfield / Brownfield	85,936 m²	25,468 m²	14	105	H2 2014	
OCEANIC	Shopping Centre	Spain	Valencia	Greenfield / Brownfield	74,249 m²	74,249 m²	0	181	H1 2015	
MALL OF SCANDINAVIA(6)	Shopping Centre	Sweden	Stockholm	Greenfield / Brownfield	96,364 m²	96,364 m²	16	549	H1 2015	
BENIDORM	Shopping Centre	Spain	Benidorm	Greenfield / Brownfield	53,939 m²	26,970 m²	38	75	H2 2015	
PHARE	Office & others	France	Paris	Greenfield / Brownfield	124,776 m²	124,776 m²	48	910	Post 2015	
TRIANGLE	Office & others	France	Paris	Greenfield / Brownfield	83,887 m²	83,887 m²	3	514	Post 2015	
OTHERS					8,495 m²	8,495 m²	6	42		
Controlled Projects					**628,161 m²**	**536,765 m²**	**201**	**2,946**		**8.0%-8.5%**
3 PAYS (5)	Shopping Centre	France	Hésingue	Greenfield / Brownfield	90,000 m²	90,000 m²			H2 2014	
TRINITY	Office & others	France	Paris	Greenfield / Brownfield	45,975 m²	45,975 m²			H2 2015	
LE CANNET	Shopping Centre	France	Le Cannet	Greenfield / Brownfield	21,820 m²	5,455 m²			Post 2015	
OTHERS					219,298 m²	219,298 m²				
Secured Exclusivity Projects					**377,093 m²**	**360,728 m²**	**14**	**1,611**		**8.0%-8.5%**
U-R Total Pipeline					**1,493,902 m²**	**1,363,141 m²**	**1,278**	**6,884**		**8% target**
					Of which additionnal area	1,120,860 m²				
					Of which redevelopped area	242,282 m²				

(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) A first instance court judgment has cancelled the agreement signed in the frame of the local community tender which had selected Unibail-Rodamco's project. However, Unibail-Rodamco has appealed against this decision and believes that the initial decision was legally valid.
(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 €0.64 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[25] 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.

[25] 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%
Total	**24,532**	**100%**	**24,836**	**100%**	**538**	**2.4%**

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, Bälsta 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%
		100%

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 1st 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)
Valuation 30/06/2011 (€ Mn)		**18,708**	

(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 inital yield (a) June 30, 2011**	**Net inital 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%
Total	**18,708**	**18,086**	**5.5%**	**5.7%**

(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 -€779 Mn (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%
Total	**483**	**2.8%**	**2.1%**	**0.7%**

(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)
Valuation 30/06/2011 (€ Mn)	**3,967**	

(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%
Total	**3,967**	**100%**

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 occupied office space - June 30, 2011	Valuation including transfer taxes in € Mn (a)	Valuation excluding estimated transfer taxes in € Mn	Net inital yield (b) June 30, 2011	Net inital 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
Total	**3,143**	**3,038**	**6.5%**	**6.6%**

(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 -€139 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	-	-	-	-
Total	**21**	**0.7%**	**0.8%**	**-0.1%**

(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%
Total	**3,561**	**100%**

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 occupied office space - June 30, 2011	Valuation including transfer taxes in € Mn (a)	Valuation excluding estimated transfer taxes in € Mn	Net inital yield (b) June 30, 2011	Average price €/m2 (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
Total	**2,792**	**2,698**	**6.3%**	**7,825**

(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^2 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[26] or on capitalised cash flows over the last year.

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[27] 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%
Total	**34**	**2.2%**

(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.

[26] For Porte de Versailles, a concession renewal probability of 22% was assumed by the appraiser.

[27] 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):

	Full scope consolidation		Group share	
Asset portfolio valuation - December 31, 2010	€ 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%
Total	**24,532**	**100%**	**22,346**	**100%**
Asset portfolio valuation - June 30, 2011	€ 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%
Total	**24,836**	**100%**	**22,692**	**100%**
Like for Like change - net of Investments - Half year 2011	€ 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%
Total	**538**	**2.4%**	**468**	**2.3%**
Like for Like change - net of Investments - Half year 2011 - Split rent/yield impact	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	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 adjustements on NRI	0.1%	0.0%
Effect of estimated transfer taxes and transaction costs	-0.2%	-0.2%
EPRA topped-up yield (a)	**5.4%**	**5.6%**
Effect of lease incentives	-0.2%	-0.1%
EPRA cash yield (b)	**5.3%**	**5.5%**

(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 ORNANE[28] were recorded on Unibail-Rodamco's statement of financial position at their fair

[28] 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	
Include						
revaluation intangible assets	106		126		127	
exclude						
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	
EPRA NAV	12,707	135.80 €	12,345	129.20 €	12,685	130.00 €
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	
EPRA NNNAV	**12,259**	**131.00 €**	**11,906**	**124.60 €**	**12,394**	**127.00 €**
October 2010 distribution		- 20.00 €				
EPRA NNNAV Proforma with distribution of October 2010		111.00 €		124.60 €		127.00 €
% of change over 6 months		**2.6%**		**12.3%**		**1.9%**
% of change over 1 year						**14.4%**

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	
GOING CONCERN NAV	**13,304**	**142.20 €**	**13,042**	**136.50 €**	**13,541**	**138.80 €**

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**
as at Dec. 31, 2010		**124.60 €**	**136.50 €**
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
as at June 30, 2011		**127.00 €**	**138.80 €**

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 disposals 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).

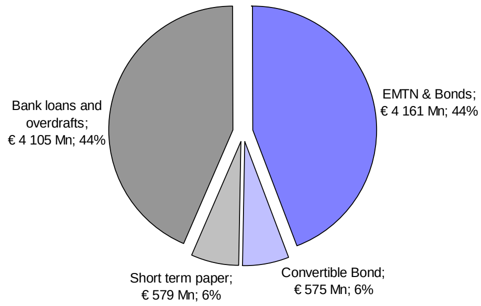
This financial debt includes €575 Mn of net share settled bonds convertible into new and/or existing shares of Unibail-Rodamco (ORNANE) for 100% of their nominal value.

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)[29];
- €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[30]



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.

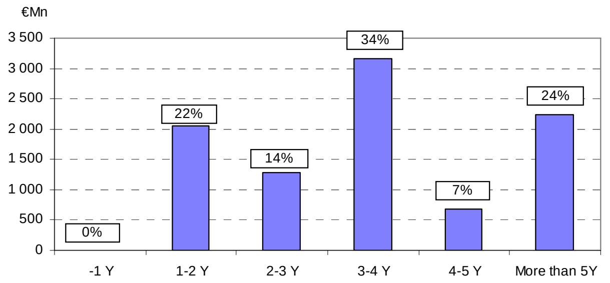
[29] Short term paper is backed by confirmed credit lines (see 1.2).
[30] Baring exceptional circumstances (change in control).

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).

<u>Liquidity needs</u>

Unibail-Rodamco's immediate debt repayment needs[31] 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

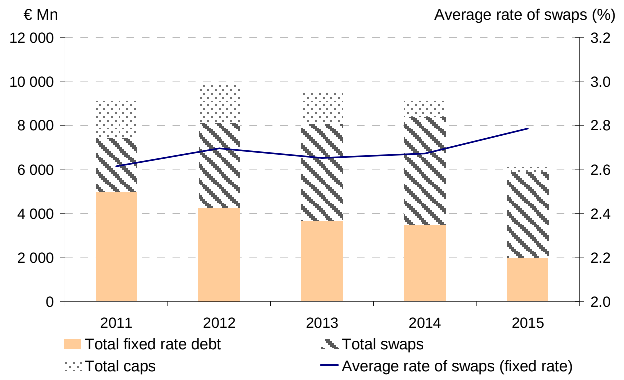
During H1-2011, interest rates stayed at low levels despite an increase in short term rates.

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.

[31] 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%[32] (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.

[32] 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)

(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
Total	**1 762.3**	**- 688.8**	**1 073.6**	**160.4**	**1 234.0**

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[33] 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.

[33] 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.

Financial ratios	June 30, 2011	Dec. 31, 2010
LTV[34]	38%	37%
ICR[35]	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.

[34] Loan-to-Value (LTV) = Net financial debt / Total portfolio valuation including transfer taxes.
[35] 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].