



RETURN ON RETAIL
RODAMCO EUROPE ANNUAL REPORT 2009

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KEY FIGURES

KEY FIGURES - FIVE YEARS

	2009	2008	2007*	2006	2005
PORTFOLIO (€ MILLION)					
Investment property	9,550	10,900	11,693	10,349	8,831
Pipeline projects	204	426	433	233	264
Financial fixed assets	–	–	–	–	–
Total portfolio	9,754	11,326	12,126	10,582	9,095
STATEMENT OF FINANCIAL POSITION (€ MILLION)					
Shareholders' equity	6,439	7,254	7,737	6,487	5,272
External financing**	4,315	4,166	3,808	3,320	3,303
RESULTS (€ MILLION)					
Gross rental income	726	720	688	652	594
Net rental income	646	639	602	563	503
Occupancy (%)	97.9	97.3	98.6	98.4	97.9
Direct result after tax (€ million)**	472	408	329	369	341
Indirect result after tax (€ million)**	(947)	(601)	1,172	1,156	941
Net (loss)/profit (€ million)	(475)	(193)	1,501	1,525	1,282
Other comprehensive income (€ million)	(24)	(15)	(40)	8	(8)
Net comprehensive income (€ million)	(499)	(208)	1,461	1,533	1,274
FIGURES PER SHARE					
Number of shares as per end of period	89,639,292	89,639,292	89,639,292	89,639,292	89,639,292
SHARE PRICE (€)					
Highest	–	90.00	117.84	100.80	72.85
Lowest	–	82.89	83.11	67.85	56.60
Year-end***	–	–	85.20	100.80	70.30
Average	–	85.09	100.09	82.66	64.59
NAV per share as per end of period	71.83	80.92	86.31	72.37	58.81
NNNAV per share as per end of period**	73.60	87.47	92.49	76.45	60.44
Direct result per share**	5.27	4.55	3.67	4.12	3.80
Indirect result per share**	(10.56)	(6.70)	13.07	12.90	10.50
Net result per share reported	(5.30)	(2.15)	16.74	17.02	14.30
Dividend per share	4.00	3.50	3.05	3.71	3.42
Market capitalization (€ mln)	–	–	7,637	9,036	6,302
RATIOS					
Dividend yield (%)	–	–	3.60	3.68	4.86
Loan-to-Value (%)****	31.0	37.50	33.60	33.63	38.27
Interest cover****	4.5	3.40	2.90	3.55	3.65
Price/earnings ratio	–	–	23.80	24.47	18.50

* The 2007 figures have been restated.

** The 2008 figures have been restated.

*** In 2008 the last share price on May 12, 2008 was €85.59.

**** Definition changed according to Standard & Poor's requirements; 2005 has been restated.

PROFILE

VISION & MISSION

Rodamco Europe N.V.'s (Rodamco Europe) mission is to generate consistent growth in shareholder value. Pursuant to this mission, the Group combined its business portfolio with top property company Unibail Holding S.A. (Unibail) in June 2007 and subsequently became part of Unibail-Rodamco S.E. (the Group). The Group's vision continues to be the achievement of that mission through continual growth of a prime portfolio of quality retail assets around Europe. The Group manages its portfolio and properties locally to grow like-for-like rental income and, thus, add to their value, ensuring they remain the most desirable locations for retail clients – the tenants. These components form the basis of Rodamco Europe's Return on Retail strategy.

PEOPLE & CULTURE

Knowledge and best-practice exchange are key to a successful and healthy organization. At Rodamco Europe, personnel work in asset selection, retail management, finance & control and related disciplines and are dedicated to growing the business profitably. The Group aims to be a preferred employer by offering professionals opportunities to develop and enhance their skills in an organization focused on excellence.

LEGAL & FISCAL STATUS

Rodamco Europe is an investment company with variable capital and, throughout 2009, qualified as a Fiscale Beleggingsinstelling (Fiscal Investment Institution/FBI) under Dutch law; this is the Dutch equivalent of a Real Estate Investment Trust (REIT). No corporate income tax is due in the Netherlands when certain conditions are met. In France, the Group has elected for Société d'Investissement Immobilier Cotée (SIIC) (REIT equivalent) status for the full French portfolio. Income and capital gains from the portfolio are exempt from tax in France.

As reported in its press release of December 11, 2009, Rodamco Europe expects to lose its status as an FBI in 2010. The Group expects that this development will have no material impact on its direct results for the foreseeable future. For further details, see page 11.

2009 highlights

- Direct result after tax up 15.7% to €472 million (2008: €408 million)
- Direct result after tax per share €5.27 (2008: €4.55)
- Net shareholders' result of €-475 million (2008: €-193 million), including indirect result after tax of €-947 million (2008: €-601 million)
- Valuation result like-for-like of standing portfolio €-1,061 million (2008: €-704 million)
- Triple NAV (NNNAV) €6,597 million (2008: €7,841 million).
NNNAV per share is €73.60 (2008: €87.47)
- Net rental income up 1% to €646 million (2008: €639 million), like-for-like growth at 3.2% (2008: 6.3%)
- Retail occupancy unchanged at 97.9% (2008: 97.9%)
- Property assets down 12% to €10.6 billion (2008: €12.1 billion); 97.4% invested in the retail sector (2008: 94.1%)
- Total pipeline €1.8 billion (2008: €2.5 billion)
- Proposed cash dividend for 2009 is €4.00 per share (2008: €3.50)

REPORT OF THE SUPERVISORY BOARD

Rodamco Europe became part of the Unibail-Rodamco Group in 2007. Since the successful merger, it has continued its strong business focus. Throughout 2009, it has pursued an active investment and divestment program. In the reporting year, and in spite of a difficult economic environment, Rodamco Europe generated 3.3% like-for-like growth in net rental income (2008: 6.3%).

As at December 31, 2007, Unibail had acquired approximately 98.5% of Rodamco Europe shares; there was no change in that position during 2008 and 2009. Buyout proceedings of the remaining Rodamco Europe shareholders have not yet been concluded. The Enterprise Chamber of

the Court of Appeal in Amsterdam decided on March 9, 2010 to appoint three independent experts to determine the buyout value of the remaining Rodamco Europe shares. The outcome is expected in May 2010. The supervisory board continues to monitor this process closely.

Rodamco Europe has a two-tier governance structure (management board and supervisory board). The supervisory board (SB) is composed of two independent members, Mr Anton van Rossum and Mr Clarence Steininger, and a Chairman, Mr Guillaume Poitrinal, CEO of Unibail-Rodamco. The management board (MB) consists of two members, Mrs Catherine Pourre and Mr Peter van Rossum.

RODAMCO EUROPE'S SUPERVISORY BOARD

**GUILLAUME L.J. POITRINAL (1967 – MALE,
FRENCH NATIONALITY), CHAIRMAN**

Chairman of the management board and Chief Executive Officer of Unibail-Rodamco since June 26, 2007. Previously, he was Chairman and CEO of Unibail. Joined Unibail in 1995 as a Project Manager in the office of the CEO. Later became Head of Corporate Development and Planning (1997), Executive Vice President – CFO and Head of Office Division (1999), Managing Director (2002) and CEO (2005). Before joining Unibail, he spent three years with the M&A and Corporate Finance Departments at Morgan Stanley in London and then in Paris.

**ANTON VAN ROSSUM (1945 – MALE,
DUTCH NATIONALITY)**

Currently a member of the board of directors of the Credit Suisse Group A.G., a member of the supervisory board of the Münchener Rückversicherungs-Gesellschaft, Chairman of the supervisory board of Royal Vopak N.V., a member of the Conseil d'Administration of Solvay S.A. and Chairman of the supervisory board of Erasmus University (Rotterdam). Until the end of 2004, he was CEO and Chairman of the executive committee of Fortis N.V./S.A. and, prior to that, a Senior Partner at McKinsey & Company.

**CLARENCE STEININGER (1944 – MALE,
CANADIAN NATIONALITY)**

From 1976–2004, Partner and Member of senior management of Deloitte & Touche. Current board memberships at several private companies in Belgium and Luxembourg.

All supervisory board members were appointed on July 26, 2007 for a four-year term.

REPORT OF THE SUPERVISORY BOARD

The SB met five times in 2009 with an attendance rate of 100%. At all meetings, the SB discussed the company's strategy and reviewed a number of investment/divestment, construction and extension projects. In particular, the SB approved the disposal of a number of non-core assets in the Netherlands. It was informed of the company's disposal of its share in the Metropolis shopping center in Moscow to re-center its activities on the European Union and on assets where it can create value through operational management and strong market share.

The SB considered the cost sharing and cross charging in 2009 between Unibail-Rodamco and Rodamco Europe under the intercompany transaction protocol and the independent external Auditor's Report. The independent external audit on the execution of this protocol found no issues or exceptions.

At its meeting of April 7, 2009, the SB discussed its own functioning, those of its individual members, and that of the MB and its individual members to date. It also discussed the result of the MB assessment of the structure and operation of the internal risk management and control systems. Corporate strategy and the risks inherent to the business are fixed topics at all SB meetings.

The SB will continue to serve the company in the interest of its stakeholders until the buyout process is complete.

As Rodamco Europe's SB, we are pleased to see the continued focus and energy in the company in pursuit of its strategy. Its outstanding portfolio of high-quality assets and its professional workforce form a solid basis for continued excellent performance.

[April 20, 2010]

Guillaume Poitrinal, Chairman

Anton van Rossum

Clarence Steininger



Catherine C. Pourre and Peter M. van Rossum

MANAGEMENT BOARD

CATHERINE C. POURRE (1957, FEMALE – FRENCH NATIONALITY)

Member of the management board of Unibail-Rodamco since June 26, 2007. Joined Unibail in 2002 as Executive Vice-President in charge of finance, HRM, IT, legal and property engineering departments. Previously, Executive Director of Cap Gemini Ernst & Young France after 10 years as a Partner at PricewaterhouseCoopers.

PETER M. VAN ROSSUM (1956, MALE – DUTCH NATIONALITY)

Appointed CFO on April 1, 2006. Member of the management board of Unibail-Rodamco since June 26, 2007. Has 25 years of wide international expertise and experience in various finance positions at Shell. The last was as regional Finance Director for Shell Exploration and Production in Asia Pacific. He was also Finance Manager at the Nederlandse Aardolie Maatschappij (NAM) from 2000 to 2003 and a Non-Executive Director on the board of Woodside Petroleum, a company listed on the Australian stock exchange.

REPORT OF THE MANAGEMENT BOARD

STRATEGY

Rodamco Europe's long-standing Return on Retail strategy was aimed at generating consistent growth in shareholder value through ownership and operation of quality retail properties, specifically shopping centers in dominant locations. Once the merger with Unibail was formalized in June 2007, creating the Unibail-Rodamco Group, a single marketing and retail management strategy for the entire pan-European retail portfolio was created and put in place. The Unibail-Rodamco Group has created a springboard for synergies and common technologies and methodologies to ensure value creation. Detailed five-year business plans have been drawn up for all significant assets, outlining their specific potential growth value. The business plans are designed to maximize the value of each asset by aligning initiatives (market positioning, refurbishment and extensions, tenant mix, leasing, operational marketing) to grow like-for-like net rental income and identify high value-added extension projects.

CURRENT ECONOMIC ENVIRONMENT

In 2009, the economy was deeply hit by the crisis that impacted employment, purchasing power, consumer confidence and, therefore, the retail industry. In this uncertain context characterized by rising unemployment and lower spending, consumers have developed new purchasing habits oriented toward value for money. The slow recovery experienced in continental Europe over the last few months of 2009 has not, thus far, triggered a return to previous patterns of high consumption.

NEW RETAIL CONCEPTS

As a result, many obsolete retail concepts have come under pressure as they have become less attractive to customers, but no large-scale major bankruptcies have occurred thus far in continental Europe. At the same time, a number of new retail concepts have emerged and international retailers are increasingly interested in entering the continental European market. The pressure stemming from these new competitors, combined with changing customer attitudes, has obliged many major established retailers to review their concepts and adopt a more proactive stance. Lately, these retailers seem to be reviving their expansion plans on the back of improved economic indicators.

DIFFERENTIATION IS KEY

In the current environment, differentiation is key to success. For this reason, Rodamco Europe is making additional efforts to improve the ambience of its shopping centers by implementing the Welcome

Attitude concept (well-being and value-added services) and by designing tailor-made marketing events to drive footfall and sales. Differentiation also means a refreshed offer. In 2009, Rodamco Europe worked on the introduction of premium retailers via its retail intelligence department. Preferred relationships, combined with a proactive leasing strategy and accelerated tenant rotation offer customers a richer retail mix in the most attractive shopping environment. These efforts, combined with a high-quality portfolio in prime locations, have enabled Rodamco Europe to maintain its performance during the economic downturn. Looking ahead, the Group is well positioned to take advantage of a more favorable economic situation.

FINANCIAL PERFORMANCE

RENTAL INCOME – RETAIL PORTFOLIO

Total consolidated Retail Net Rental Income (NRI) amounted to €601 million in 2009, representing a rise of 4.4% compared with 2008.

NET RENTAL INCOME (€ MILLION)

REGION	2009	2008	%
France	113.5	107.8	5.3
Netherlands	142.3	158.7	(10.3)
Nordic	90.2	91.4	(1.3)
Spain	119.8	105.0	14.1
Central Europe	73.1	67.6	8.2
Austria	62.1	45.1	37.6
Global	600.9	575.5	4.4

2008 NRI differs slightly from previous publication due to reclassification of surface from retail to office in Austria.

The €25.4 million growth in NRI was generated primarily by acquisitions (+€32.7 million), of which €18.3 million from the acquisition of Shopping City Süd in Vienna at the end of May 2008 and €14 million in Spain from the acquisition of La Maquinista in Barcelona and Habaneras in Torrevieja in July 2008. Deliveries of new shopping centers or extensions generated €11.5 million, primarily the extension of Forum Nacka in Stockholm, Sweden (26,100 m²) in October 2008, and Arkady-Pankrac in Prague, Czech Republic (30,100 m²) in November 2008. Disposals accounted for -€21.5 million, primarily due to

REPORT OF THE MANAGEMENT BOARD

divestment of high-street retail assets in Belgium in 2008 and in the Netherlands in 2008 and 2009, and to a lesser extent to one asset in Germany sold at the end of 2008. After taking into account -€5.9 million of constant currency correction, primarily on the Swedish krona, -€5.2 million of one-off items in 2008, and the pro-forma NRI on Shopping City Süd that was restated in H1-2008, the net like-for-like change amounted to €16.8 million.

NET RENTAL INCOME (€ MILLION) LIKE-FOR-LIKE

REGION	2009	2008	%
France	112.5	104.3	7.6
Netherlands	116.8	115.8	0.8
Nordic	90.8	88.5	2.6
Spain	94.9	94.0	1.0
Central Europe	64.9	63.9	1.5
Austria	58.5	54.8	6.7
Global	538.0	521.3	3.2

Total net rental income grew by 3.2% on a like-for-like basis in 2009, compared to 2008. On average, this was 0.8% above inflation.

NET RENTAL INCOME LIKE-FOR-LIKE EVOLUTION (%)

REGION	INDEXATION	RENEWALS, RE-LETTINGS NET OF DEPARTURE	OTHER	TOTAL
France	3.7	2.8	1.1	7.6
Netherlands	2.2	0.7	(2.2)	0.7
Nordic	2.4	0.8	(0.7)	2.5
Spain	3.0	(1.6)	(0.4)	1.0
Central Europe	1.7	0.4	(0.5)	1.6
Austria	0.1	2.6	4.0	6.7
Global	2.4	0.9	(0.1)	3.2

Sales in Rodamco Europe's shopping centers, excluding centers delivered in 2008 and 2009, showed a limited decrease of 2.1% in 2009 compared to 2008, with wide variations from one country to another: -6.1% in Spain, -3.2% in France, +3.7% in Poland and +6.3% in Sweden, specifically due to the Forum Nacka extension (4.9%).

On the whole portfolio, sales-based rents amounted to €9.9 million (2008: €13.4 million) or 1.7% of total net rental income (2008: 2.3%).

RENTAL INCOME – OFFICE/OTHER PORTFOLIO

Rodamco Europe's consolidated net rental income from offices/other in 2009 came to €44.6 million (2008: €63.4 million). The decline in office/other rents is due to an active divestment policy. Assets divested in 2008 and 2009 include the office portfolio in Kiev (Ukraine), the logistics portfolio in Spain and several offices in the Netherlands. An amount of €63 million was invested in construction or renovation in 2009, of which €40.2 million for Tour Oxygène in Lyon (29,600 m², completion expected in 2010).

NET RENTAL INCOME (€ MILLION)

REGION	2009	2008	%
France	3.7	7.6	(51.0)
Netherlands	20.2	26.5	23.8
Nordic	16.3	17.8	(8.3)
Other	4.4	11.6	(62.0)
Global	44.6	63.4	(29.7)

2008 NRI differs slightly from previous publication due to reclassification of surface from retail to office in Austria.

LEASING ACTIVITY IN 2009

Leasing activity in 2009 resulted in 916 signed leases compared to 874 leases signed in 2008. In total, €72.2 million of Minimum Guaranteed Rents (MGR) with an average uplift of 18.1% were signed in 2009. Even if tenants need more time to decide on a new shop opening, the best shopping centers and largest malls remain in good demand from retailers in all regions. The MGR uplift demonstrates the continuing reversionary potential in the Group's shopping centers.

VACANCY AND FUTURE RENTS

As at December 31, 2009, aggregated annualized MGR from Rodamco Europe's Shopping Center portfolio amounted to €608.7 million, excluding variable rents and other income. The financial vacancy for the retail portfolio (the value of vacant space expressed over total rental income including vacant space) as at December 31, 2009 stood at the same level as December 31, 2008 (2.1%).

THE RETAIL PROPERTY MARKET

In the latter part of the reporting year especially, investors returned to the direct real estate investment/divestment market, looking for yield. Investment volumes, despite being 42% down on 2008 levels, increased in the second half of 2009 by 71% compared to the first half. The fourth quarter of 2009 marks the third consecutive quarter with growth in volume, coming off a very low base. Active investors (equity players, REITs and funds) are increasingly focusing on prime products with a steady cash flow, in an attempt to take advantage of attractively priced property, but are primarily focused on the UK and core markets in Europe. London and Paris remain at the forefront of investor interest. If domestic investors dominated the markets in the first half of 2009, cross-border investment was on the rise in the second half. This increased appetite and activity, combined with a very low supply of prime product, causes any prime assets available in the market to attract competitive bidding with hardening yields as a result. Where until recently investors were looking at smaller deal sizes to accommodate funding limits, large deals have returned, which demonstrates improved financing possibilities as well as an increased appeal of the large, dominant prime assets.

INVESTMENT/PIPELINE

Against this market environment, Rodamco Europe invested €285.7 million (Group share) in its shopping-center portfolio in 2009. New acquisitions comprising additional plots in Shopping City Süd in Vienna, Austria and a piece of land for future extension of La Maquinista in Barcelona, Spain amounted to €71.8 million. A further €84.9 million was invested in new shopping-center construction and extensions. The Esplanade in Lyon, France (1,500 m²) was delivered in March 2009 and Docks Vauban in Le Havre, France (54,500 m²) came on stream in October 2009. Construction is ongoing on the 9,150 m² Cours Oxygène in Lyon, France, scheduled for delivery in April 2010 and the 27,500 m² Donauzentrum extension in Vienna, Austria, with completion expected in October 2010. Completion on the 16,600 m² Almere Buiten extension in the Netherlands is expected in 2011. Investments in renovation of existing shopping centers amounted to €91.2 million, most notably for Velizy 2 in Paris, France and Shopping City Süd in Vienna, Austria. Financial costs were capitalized for €14.1 million. Eviction costs and other costs were capitalized for €12.5 million and €6.7 million, respectively. The total retail pipeline projects represented 427,133 m² at the end of 2009, for a total estimated investment of €1.8 billion. Fully contracted projects represented 76,555 m² and comprise two brownfield projects in the

Netherlands: Almere Buiten (16,600 m²) and Rotterdam Markthal: 8,100 m², with delivery in 2014. Extensions of existing shopping centers include Cours Oxygène in Lyon, France (9,150 m²); the Donauzentrum extension in Vienna, Austria (27,500 m²); and La Maquinista extension in Barcelona, Spain, with 15,800 m² slated for delivery in 2010.

DIVESTMENTS

In line with the Group's strategy to concentrate on large shopping centers, several assets were sold for a total net disposal price of €660.4 million. Sales of Dutch high-street retail assets represented 99% of sales in the retail portfolio that generated €531.5 million. Offices were divested for €128.9 million, mainly the Aegon building in The Hague, the Netherlands.

The Group also decided to exit from the Metropolis shopping center project in Moscow, in line with the strategy to concentrate investments on cities where the Group already has a presence. Based on the appraised value booked in the balance sheet as at December 31, 2008, the net disposal result was a loss of €30.4 million.

A letter of intent was signed in December 2009 for one building located on Avenue Hoche in Paris for €40 million, representing 5.3% net initial yield for the buyer. The sale price is 8.7% above the June 30, 2009 valuation.

PORTFOLIO VALUATION

As at December 31, 2009, Rodamco Europe's investment property portfolio was valued on the balance sheet at €10.2 billion, excluding transfer taxes and disposal costs. Fair value adjustments to investment properties represented a charge of €1,059.2 million in Rodamco Europe's income statement at December 31, 2009, of which €856.1 million was already booked as at June 30, 2009.

2009 RESULT

Group net financial expenses totaled €133.5 million in 2009, including capitalized financial expenses of €18.2 million allocated to projects under construction. Net borrowing expenses recorded in net direct profit for 2009 thus came to €115.3 million (2008: €149.5 million).

Derivative financial instruments are primarily cash-flow hedges (interest rate) and investment hedges (currency swap). Fair value changes were recorded for the effective portion directly in equity (-€30 million). A profit of €0.8 million was recorded in indirect result for derivatives not classified as hedging instruments (-€0.1 million) and provision discounting (+€0.9 million). The Group's average refinancing rate came to 3.8% in 2009.

The income tax charge came from countries where specific tax regimes for property companies, such as FBI and SIIC, do not exist. In 2009, a charge of -€4 million corporate income tax was allocated to the direct result, of which -€5.5 million effectively due and +€1.5 million resulting from deferred taxes. The direct income tax charge for 2008 (-€13.1 million) included a significant provision for an ongoing tax litigation. Furthermore, an income tax credit of €124.9 million was accounted for in the valuation result, mainly due to the variation of deferred taxes on decreasing property assets' fair value in 2009.

FBI STATUS

As reported in its press release of December 11, 2009, Rodamco Europe expects to lose its status as an FBI in the Netherlands for its Dutch activities in 2010. Rodamco Europe still qualifies as a SIIC under the French SIIC regime. Differences between the French SIIC and the Dutch FBI regime, although materially insignificant in the Group's case, proved to be irreconcilable for the Dutch tax authorities. The Group expects that this development will have no material impact on its direct results for the foreseeable future. This is due to significant Dutch tax-loss carry forwards the Group will realize, resulting from the decline in real estate values since the merger between Unibail Holding S.A. and Rodamco Europe N.V., and the implementation of other measures.

Consolidated net result (Group share) was a loss of €475.0 million in 2009. This figure breaks down as follows:

- €472.0 million of direct net profit
- -€947.0 million of fair value adjustments and disposals, due to the decrease in real estate value.

The average number of shares in issue during this period was 89.6 million.

Direct Earnings per Share came to €5.27 in 2009, representing an increase of 15.6% compared to 2008.

On June 23, 2009, Rodamco Europe N.V. distributed its annual dividend for year 2008 which amounted to €313.8 million or €3.50 per share.

The Group will propose to the Annual General Meeting of Shareholders to declare a total cash dividend for 2009 of €4.00 per share.

ASSET VALUATION

Rodamco Europe's asset portfolio, including transfer taxes, decreased from €12,073 million at year-end 2008 to €10,598 million at year-end 2009. On a like-for-like basis, the value of the overall portfolio decreased by €1,061 million net of investments, or a drop of 9.8% compared with year-end 2008. The value of Rodamco Europe's Shopping Center portfolio decreased from €11,317 million (figure adjusted slightly due to reclassification of surface from retail to office in Austria) as at December 31, 2008 to €9,992 million as at December 31, 2009. Based on an asset value, excluding estimated transfer taxes and disposal costs, the Shopping Center net initial yield at December 31, 2009 came to 6.3% compared to 5.7% at year-end 2008.

REPORT OF THE MANAGEMENT BOARD

SHOPPING CENTER PORTFOLIO BY REGION	VALUATION INCLUDING TRANSFER TAXES IN € MILLION, 12/31/2009	VALUATION EXCLUDING ESTIMATED TRANSFER TAXES IN € MILLION, 12/31/2009	NET INITIAL YIELD ^(a) , 12/31/2009	NET INITIAL YIELD ^(a) , 06/30/2009	NET INITIAL YIELD ^(a) , 12/31/2008
France	2,134	2,041	5.8%	5.6%	5.0%
Netherlands	2,057	1,924	6.4%	6.2%	5.9%
Nordic	1,610	1,588	5.9%	5.9%	5.3%
Spain	1,929	1,881	6.9%	6.7%	6.1%
Central Europe	1,071	1,052	7.2%	6.9%	6.5%
Austria	1,191	1,168	5.8%	5.6%	5.5%
Total	9,992	9,654	6.3%	6.1%	5.7%

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

Based on the year-end yield of 6.3%, a further change of +25 basis points would result in a downward adjustment of €371 million (or -3.7%) of the Shopping Center portfolio value (including transfer taxes and disposal costs). On a like-for-like basis, the value of the Shopping Center portfolio, including transfer taxes and disposal costs and restated for capital expenditure, capitalized financial expenses, leasing expenses and eviction costs, came down by €995 million or 9.6%.

This breaks down into +1.0% from the increase in revenues of Shopping Centers and -10.6% due to changes in yield.

SHOPPING CENTER – LIKE-FOR-LIKE (LXL) CHANGE^(a)

FULL YEAR 2009

REGION	LXL CHANGE IN € MILLION	LXL CHANGE (%)	LXL CHANGE RENT IMPACT	LXL CHANGE YIELD IMPACT
France	(179)	(8.2)	4.7%	(12.9%)
Netherlands	(107)	(5.2)	2.7%	(7.9%)
Nordic	(244)	(13.5)	(1.7%)	(11.8%)
Spain	(269)	(13.1)	(1.8%)	(11.3%)
Central Europe	(150)	(12.9)	0.5%	(13.4%)
Austria	(46)	(4.4)	2.3%	(6.7%)
Total	(995)	(9.6%)	1.0%	(10.6%)

^(a) Like-for-like change net of investments from December 31, 2008 to December 31, 2009.

Shopping center development and extension projects have been either assigned a market value, where possible, or taken at cost.

These development and extension projects mainly comprise:

- Investment Properties Under Construction (IPUC) at fair value: Donauzentrum extension (Vienna, Austria), Maquinista extension (Barcelona, Spain), Buitenmere (Almere, Netherlands) and Cours Oxygène (Lyon, France).
- IPUC at cost, notably Badajoz in Spain and Shopping City Süd extension in Austria.
- In Spain, a €17 million impairment on land was recognized for the year in view of market developments.

TRIPLE NET ASSET VALUE

International Financial Reporting Standards (IFRS) ignore some business aspects in valuing real estate companies. In line with the Best Practices Policy Recommendations of the European Public Real Estate Association (EPRA) for transparent, uniform and comparable financial information by real estate companies, Rodamco Europe reports the triple net asset value (Triple NAV or NNNAV). This performance measure does not replace the IFRS disclosure, but provides additional information to help investors and stakeholders to an even better understanding of Rodamco Europe's performance.

Rodamco Europe's triple NAV (Group share) stood at €73.60 per share as at December 31, 2009, a decrease of 15.9% compared with year-end 2008.

RODAMCO EUROPE TRIPLE NET ASSET VALUE (€ MILLION)

	DEC. 31, 2008	JUN. 30, 2009	DEC. 31, 2009
Consolidated shareholders' equity	7,254	6,395	6,439
Fair value adjustment			
– fixed-rate debt external	159	22	(94)
– pipeline (net of deferred taxes)	87	–	–
Adjustment to taxes	242	189	153
Adjustment to transfer taxes and disposal costs	98	101	100
Triple Net Asset Value	7,841	6,708	6,597
Number of shares	89,639,292	89,639,292	89,639,292
Triple Net Asset Value/Share	87.47	74.83	73.60
		(14.5%)	(15.9%)

Triple NAV is calculated by adding to consolidated shareholders' equity (Group share), as shown on the consolidated balance sheet (under IFRS) the following items:

Mark-to-market value of debt: In accordance with IFRS rules, derivative financial instruments were recorded on Rodamco Europe's balance sheet at their fair value and their impact included in the consolidated shareholders' equity. Only fixed-rate debt was not accounted for at its fair value. Taking fixed rate debt at its fair value would have had a negative impact of €94 million which was taken into account in the NAV calculation.

Adjustment of capital gains taxes: In accordance with accounting standards, deferred tax on property assets was calculated on a theoretical basis on the consolidated balance sheet. For the purpose of the NAV calculation, deferred tax on unrealized capital gains on assets not qualifying for tax exemption (SIIC regime), has been added back and replaced by taxes actually payable should a disposal take place. In the Netherlands, the Group expects to lose its status as an FBI for its Dutch activities in 2010. For these Dutch activities, at December 31, 2009, the properties were recognized at market value for both book and tax purposes; consequently no deferred tax was

booked and no restatement needed. In total, this resulted in a positive adjustment of €153 million to the NAV calculation.

Restatement of transfer taxes and disposal costs: Transfer taxes are estimated after taking into account the disposal scheme minimizing these costs: sale of the asset or 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 December 31, 2009, these estimated transfer taxes and other disposal costs compared to transfer taxes and costs already deducted from asset values on the balance sheet (in accordance with IFRS) came to an adjustment of €100 million.

FINANCIAL RATIOS

In 2009, the financial market environment saw short-term interest rates decreasing, credit spreads gradually tightening and liquidity improving. Rodamco Europe's financial ratios are maintained at healthy levels with a Loan to Value (LTV) of 28% as at December 31, 2009, an interest coverage ratio of 4.5 and an average cost of debt limited to 3.8% in 2009.

DEBT STRUCTURE

Rodamco Europe's consolidated nominal financial debt at December 31, 2009 amounted to €4,098 million and breaks down as follows:

- €2,000 million in bond issues, of which €1,500 million in Rodamco Europe's European Medium-Term Note (EMTN) program, and €500 million in Rodamco Europe bonds;
- €118 million short-term issues in commercial paper (euro commercial paper, backed by confirmed credit lines);
- €1,980 million in bank loans, including €1,111 million in corporate loans, €864 million in mortgage loans and €5 million in bank overdrafts.

No loans were subject to prepayment clauses linked to the Group's ratings.

FUNDS RAISED

Due to the active capital recycling policy applied in the Netherlands, Rodamco Europe raised only a few loan facilities over 2009:

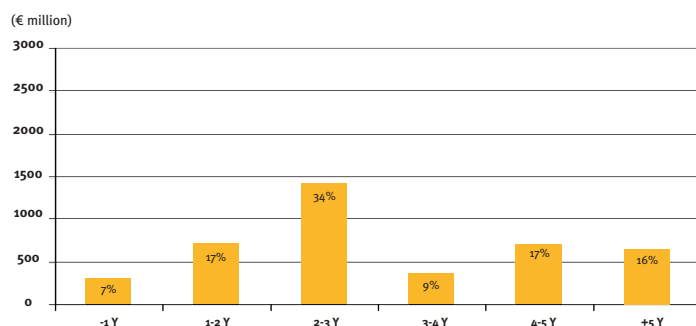
- In Poland, a bank loan in euros was signed in August to refinance an existing loan in USD. New money amounted to €72 million.

- A seven-year facility was signed between Unibail-Rodamco and Unibail-Rodamco Inversiones for an amount of €250 million.
- Other new external financial resources were obtained from the money market by issuing commercial paper. The average amount of commercial paper outstanding in 2009 was €51 million of euro commercial paper (with a maturity of up to four months). Over 2009, euro commercial paper was raised at an average margin of three basis points above Euribor.

As at December 31, 2009, the total amount of undrawn credit lines was €660 million.

DEBT MATURITY

The following chart illustrates Rodamco Europe's debt as at December 31, 2009 after the allocation of the confirmed credit lines by date of maturity and based on the residual life of its borrowings.



The average maturity of the Group's debt as at December 31, 2009, taking into account the confirmed unused credit lines, stood at 3.8 years. Rodamco Europe's immediate debt repayment needs are largely covered by the available undrawn credit lines: the amount of bonds or bank loans outstanding as at December 31, 2009 and maturing or amortizing in 2010 is €825 million. In 2011, the amount is €642 million.

AVERAGE COST OF DEBT

Rodamco Europe's average cost of debt came to 3.8% over 2009. This average cost of debt results from the level of margins on existing borrowings, the low interest rate environment in 2009, the cost of the Group's hedging instruments and the carrying cost of the undrawn credit lines.

PERFORMANCE IN THE REGIONS

Since 2007, Rodamco Europe has been part of Unibail-Rodamco (the Group), continental Europe's leading owner and operator of large shopping centers.

THE PORTFOLIO

Rodamco Europe operates in six home regions: France; the Netherlands; the Nordic countries, including Sweden, Denmark and Finland; Spain; Austria; and Central Europe, including the Czech Republic, Germany, Hungary, Poland and the Slovak Republic. It owns and operates a unique portfolio of regional and supra-regional shopping centers across Europe. Focusing on a limited number of centers concentrated in large European cities, the Group has a proactive management approach for each asset. An exceptional pipeline of new, innovative shopping centers slated to be leaders in their markets is combined with major extension projects for existing centers.

RETAIL PHILOSOPHY

The Group believes large shopping center assets are attractive to top-flight retailers not only because of their size, positioning and central locations in major European cities, but also because the Group's proactive property management strategy increases footfall and turnover.

Large shopping centers offer customers the most complete retail mix and the most attractive services and, as such, are best placed to perform in a competitive retail environment. Three quarters of the Group's shopping centers receive more than seven million visits per year. The quality and reach of this property portfolio enables the Group to attract premium retailers and provide national and international players with a reliable, proven platform for expansion. An active retail intelligence strategy and close cooperation with both established and up-and-coming brands is central to the Group's ability to offer its customers an appealing, differentiated shopping experience.

CREATING VALUE

The Group's approach to its retail assets is a value-creation method based on what customers want. Each shopping center is positioned in its market with a view to creating genuine lifestyle centers, each with its own distinct features and supported by the 'Welcome Attitude' that ensures customers come first. This approach increases the frequency

and length of shoppers' visits and the center's revenues. Boosting retail revenues is one of the fundamentals of value creation. Dynamic management policies result in higher rental income and advertising revenues, optimizing the rental value of the premises. New revenue sources are also created through specialty leasing to take advantage of visitor flow by letting locations for push carts and stands, organizing brand road shows to launch new products throughout Europe, generating advertising revenues and creating sponsored events. The Group also has the capacity to speed up the development of top international trade names and attract new concepts by capitalizing on the appeal of an unparalleled network of European shopping centers.

FRANCE

Innovation mattered more than ever in 2009. French customers were particularly receptive to brands, retail concepts and marketing events that were new, original and offered the right balance between quality and price. The unfavorable economic context and unemployment rate obviously had an effect on footfall (-1.0%) and sales (-2.2%), but the Group's ability to offer the most desirable retailers in relaxing, welcoming surroundings softened the impact and enabled it to outperform the market. The French shopping center association's (CNCC) footfall index, for example, showed a national decline in footfall of -3.7%.

RETAIL INNOVATION

In a context where customers were seeking originality and adopting a 'value'-driven approach to purchasing, the Group's active tenant rotation policy and ability to attract premium international retailers were particularly significant. Exclusive brands like MAC, G-Star and Desigual opened stores in the Group's large Parisian centers. Mariage Frères and Bel Air, two prestigious French retailers that are typically found in upscale high-street locations, also decided to open their first shopping center stores with the Group, having realized that the Group's centers provide excellent access to high-quality catchment areas and reliable customer flows.

MARKETING, EVENTS AND CUSTOMER SERVICES

Throughout the year, marketing campaigns and events provided additional color and interest for visitors. Limited-edition 'Lucky Bags' were snapped up by Christmas shoppers. Inspired by a Japanese tradition, this concept provides the perfect combination of originality, quality products and great value. More than 85,000 booklets of

vouchers giving special rates with our retailers were distributed during the 'back to school' period. Campaigns like these had a positive impact on footfall and sales.

The latest version of the Welcome Attitude has now been implemented in numerous French shopping centers and supplemented by asset-specific experiences. For example, Lyon Part-Dieu opened Les Terrasses, a new take on shopping-center dining that offers affordable concepts from prestigious names such as Paul Bocuse and Le Paradis du Fruit, the latter featuring a new design by Starck.

Docks Vauban hosted 'Abysses', a remarkable display of deep-sea creatures that has toured some of the world's finest museums. Both of these events are excellent examples of the pains taken to align events programs with the positioning of the Group's centers, to make art and culture available to the greatest number of visitors, and to make the Group's shopping centers a destination for leisure, pleasure and socializing.

NETHERLANDS

For the Group in the Netherlands, 2009 will be remembered as a year of renewal and invention. The Group continued to dispose of non-strategic assets, and improved its operational capacities by introducing sales-based rent contracts and footfall counting equipment. The Dutch economy performed relatively well compared to the rest of Europe during 2009; unemployment rates are the lowest in the euro zone (5%). Nevertheless, retail sales declined by around 5% and consumer confidence remains weak.

RE-TENANTING AND REPOSITIONING

There is continued strong demand in the Netherlands for retail space in prime assets in the best locations. The Group is implementing systems to gather sales data which will make it easier to compare sales and footfall in the Group's shopping centers with national trends and to monitor tenants' performance more closely. In 2009, the first sales-based rent contracts were signed. This process will continue in 2010.

A number of new concepts and international retailers signed leases for the Group's centers during 2009. For example, Amstelveen welcomed The Sting, a Dutch fashion brand which is expanding across Europe, by transforming a set of offices and a Fortis bank into a 1,500 m² retail

unit. Brand New arrived in Amstelveen, attracting high levels of media coverage and increasing retail differentiation for the center. This highly original store concept provides a commercial platform for a wide variety of clients, renewing its look and concept every three or four weeks. A second unit will open in the Lijnbaan shopping precinct in Rotterdam in 2010. Media Markt, another major international player, expanded its presence in Almere by 700 m².

A number of offices and mid-sized, mature high-street shops were divested as part of the ongoing process to restructure and fine-tune the Dutch portfolio. These assets were sold above their last appraised value for a total of €666 million. This was a significant achievement given the difficult conditions that prevailed in 2009.

WELCOME ATTITUDE, MARKETING AND CUSTOMER EVENTS

The Welcome Attitude was implemented in the Stadshart Amstelveen, Roselaar, Vier Meren and Citymall 036 (formerly Stadshart Almere) shopping centers during 2009 and will be introduced to the Stadshart Zoetermeer, Leidsenhage and Piazza centers during 2010. Tenants and customers alike have provided very positive feedback on the difference in terms of the atmosphere and customer experience. This is a particularly important step because traditionally the Netherlands has been a bastion of high-street shopping. Improving access, customer services and events programs and communicating on these issues is central to changing consumers' habits and consolidating their image of shopping centers as the third 'place to be' alongside the home and the office.

The Group stepped up its marketing and communication campaigns to support footfall and sales. One of the most successful events was a two-day Japan-fest to celebrate 400 years of trade between Japan and the Netherlands. Amstelveen welcomed sumo wrestlers, martial arts experts, traditional drummers and samurai swordsmen, as well as sushi chefs who created Europe's longest sushi roll. This event saw footfall rise by 53.2% compared to other shopping Sundays in 2009.

NORDIC COUNTRIES

Sweden has weathered the economic crisis reasonably well compared to the rest of Europe. Although footfall was down slightly, sales rose by 6.3%, driven by the success of Forum Nacka and an increase in the size of the average basket. Conditions have been much tougher in Denmark and Finland, but the Group's assets have outperformed those of competitors in terms of sales and footfall.

Interest from retailers is picking up, which bodes well for the launch in early 2010 of pre-leasing for new development projects. The Group continues to provide an outstanding platform for retailers looking to enter Stockholm, a city that is home to a fifth of the Swedish population and benefits from elevated levels of disposable income. Two prime cross-border retailers, Monki and Mötivi, signed leases for Fisketorvet in Copenhagen, Denmark.

MARKETING AND EVENTS

With customers planning their shopping trips and their purchases particularly carefully in 2009, it was more important than ever that the Group's centers were their first-choice retail destination. The Welcome Attitude received a very positive reception from retailers and customers in the five centers where it was rolled out: Tyresö, Haninge, Väsby, Täby and Solna, all in Sweden. The Welcome Attitude will be integral to the refurbishment of Fisketorvet in Copenhagen, which is currently underway.

The Group also worked to attract customers and support retailers through a comprehensive, imaginative program of events and entertainment. For example, popular Swedish artist Ernst Billgren was commissioned to paint a series of large pictures representing the four seasons for the façade of Forum Nacka. The paintings, in his trademark, otherworldly style, created a major buzz in the Swedish press. Haninge and Väsby hosted highly original auctions: customers used paper money they earned by spending real money in the center to bid for products donated by retailers. An interactive advent calendar on Täby Centrum's website enabled visitors to create Christmas present wish lists featuring products from Täby's retailers, then share the information with friends through email or Facebook. It is estimated that 48 million people received information about Täby and its tenants as a result of this peer-to-peer initiative.

FRAMEWORK FOR LONG-TERM GROWTH

Substantial progress was made during 2009 on a number of development, extension and renovation projects. The Group is ready to launch the 94,500 m² Mall of Scandinavia project in 2010, and the decision has been taken to invest in a project to extend Täby Centrum by 28,000 m². A major project is also being launched to upgrade and reposition Solna Centrum prior to the opening of the Mall of Scandinavia.

CENTRAL EUROPE

The exceptional quality of the Group's Central European shopping centers in terms of size, location and positioning enabled them to resist the tough economic conditions of 2009. Poland performed particularly well, with sales and footfall up by 3.7% and 3.8%, respectively compared to 2008. Although it is expected that the economic situation will remain challenging in 2010, the proven resilience of the portfolio enables the Group to face the year with confidence.

TENANT ROTATION

The premium quality and unique positioning of the portfolio enabled Central Europe to end the year with all of its assets fully let, despite continued economic uncertainty and a more cautious approach from retailers. The Group continued to implement its active tenant rotation policy, with an average of 15 to 20 new retailers being introduced in each asset. For example, Patrizia Pepe and Tara Jarmon signed leases for Galeria Mokotów in Warsaw. This center already hosts a wide range of luxury, world-class retailers, including Longchamp, Versace Collection, Max Mara, Escada Sport, Marella and Furla.

MARKETING AND EVENTS

The Group has the strongest portfolio of shopping centers in Central Europe, and is the dominant player in large, stable cities such as Prague and Warsaw. Its assets are supra-regional destinations that target very large catchment areas. To ensure that visitors continued to make the effort to travel to these assets and spend money with retailers despite the economic downturn, the Group ramped up its marketing and communication efforts in 2009 and hosted a variety of unique, attractive events.

For example, Złote Tarasy in Warsaw hosted an open-air music festival. After-work shoppers and diners at the center's restaurants were treated to live jazz, soul, R&B and funk music every evening. In April, the center hosted the Fashion Designer Awards Gala. Young designers showcased their creations alongside the latest collections from some of the center's tenants, including Wallis, Mango, Mexx, Aldo, Stefanel and Van Graaf. Footfall rose significantly during this event, which received extensive coverage in the press and on the television. Prague's Centrum Chodov hosted an entertaining, educational exhibition about outer space to celebrate the International Year of Astronomy, again with a positive impact on footfall. The Group's willingness to invest in premium footfall and

customer-experience events of this kind is one of the many reasons that there is continued high demand from retailers for space in its centers. The Group decided to exit from the Metropolis shopping center project in Moscow to re-focus its activities on the European Union and on assets where it can create value through operational management and strong market share.

AUSTRIA

Although Austria's GDP declined by around 3.5% over the course of the year, private consumption and retail spending was largely unaffected and both sales and footfall in the Group's shopping centers were stable. Further improvements to the retail mix, new customer services, and an ongoing focus on original marketing and communications will enable the Austrian team to build on this solid performance during 2010 and beyond.

ATTRACTING INTERNATIONAL RETAILERS

A very active tenant rotation policy combined with a strategic focus on bringing more international retailers to Vienna saw the Group sign 146 leases for 37,500 m² GLA of existing assets, equivalent to about 20% of the whole portfolio. This provided significant positive rental uplift. The team has also successfully pre-let 73% of the expected MGR of the new 28,000 m² extension to Donauzentrum, which is scheduled to open in October 2010. International brands that have signed leases for the Donauzentrum extension include Peek & Cloppenburg, Bestseller with Vero Moda and Jack & Jones, WE Fashion, L'Occitane, Calzedonia, Quiksilver, Marc O'Polo, and Bijou Brigitte.

Structural changes have been made to Shopping City Süd to create a dramatic 8,757 m² space for Van Graaf, which opened its high-end fashion flagship in March 2010. Esprit has inaugurated a 1,200 m² flagship store in Shopping City Süd.

The speciality-leasing program at Donauzentrum received a boost in October with the introduction of four new, mobile booths. This has increased the quality of the speciality-leasing offering and enables the Group's short-term tenants to present their products in a high-quality environment.

IMPROVING THE CUSTOMER EXPERIENCE

The Welcome Attitude was rolled out in both Shopping City Süd and Südpark in 2009 and will be introduced to Donauzentrum during 2010 as part of the extension/renovation program. The signage in Shopping City Süd has been completely revamped to facilitate the customer journey around the center, and a shopping guide has been produced to encourage customers to make the most of their visit. These improvements, which were launched in parallel with a major prize draw campaign, saw footfall in the center rise by 9.8% from one month to the next. Donauzentrum and Shopping City Süd both also introduced a 'personal shopper' service, again with a view to encouraging visitors to discover the full range of retail offerings and creating differentiation.

GENERATING TRAFFIC THROUGH MARKETING AND COMMUNICATIONS

The Group's close ties in Austria to cultural and community events continued to enrich the centers' marketing and communication programs and enhance the visitor experience. For example, all three centers co-sponsored the Elite Model Contest and held casting sessions for young hopefuls; Donauzentrum hosted a number of workshops as part of its sponsorship of the Vienna Spring Festival; and Shopping City Süd held a dance workshop and show for local students as part of its sponsorship of ImPulsTanz, Europe's top contemporary dance festival. Artist Klaus Rinke has been commissioned to produce a new work for the Donauzentrum extension.

SPAIN

The economic situation in Spain continued to be very challenging in 2009, with unemployment up sharply and consumption contracting. The size and quality of assets, and the steady management approach, has enabled the Group in Spain to weather the storm and outperform its competitors. Retail spending and, in particular, footfall in the Group's centers began picking up during the last quarter amid indications that the economy is beginning to stabilize.

RESILIENCE IN A DIFFICULT ENVIRONMENT

With the economic climate posing significant challenges to tenants and customers alike, the Group intensified its focus on value creation through leasing differentiation, customer services and marketing and communication events. These efforts enabled the Group to limit declines in footfall (-2.0%) and retail sales (-6.1%) and outperform national indices (-2.5% and -8.0%, respectively). By closely

monitoring the performance of its tenants, the Group has been able to limit bad debts, which are concentrated in smaller centers, to just 1.0% for the region as a whole.

In addition, leasing activity was very high and MGR uplift remained positive in 2009. The size and quality of the asset portfolio enabled the Group to attract premium cross-border retailers such as Rituals, MBT, Deichmann, Aldo, Totto, Kiko, Jack and Jones, and G Star, all of which opened new stores. A number of key local retailers, such as Desigual, Blanco, Querol and Musgo, also expanded their presence.

Construction started on the 15,800 m² extension to La Maquinista in Barcelona, which will open in the first half of 2010. The Group continues to work closely with tenants to achieve win-win retail solutions. For example, several retailers were relocated at La Maquinista to create larger, more visible units, introduce a new anchor (Casa del Libro) and improve customer flows. At Vallsur, adjusting the size of the Eroski hypermarket created space for Valladolid's first Decat' store. In terms of speciality leasing, exclusive brands like Nespresso showed their appreciation for the positioning and high footfall levels of the Groups assets by opening pop-up stores to market new concepts.

MARKETING EVENTS

The resilience of the Group's activities in Spain is testament not only to the size and quality of the portfolio, but also to the quality of its marketing and customer service approach. The Welcome Attitude, which has now been rolled out in all 14 assets, makes the Group's shopping centers particularly attractive as destinations, and it plays an important role in gaining the confidence of new retailers. Throughout the year, highly focused marketing campaigns have helped to support footfall by attracting more visitors from secondary catchment areas.

SUSTAINABLE COMMITMENT

The Group, as part of Unibail-Rodamco, has further implemented its sustainable development strategy. Since 2008, a yearly standalone Corporate Sustainability Report is published and Unibail-Rodamco continues its listing in two leading global socially responsible investment indexes: the Dow Jones Sustainability World Index (DJSI) and the FTSE4Good Index.

RISK MANAGEMENT

INTERNAL RISK MANAGEMENT STRUCTURE

The management board (MB) of Rodamco Europe, supervised by the supervisory board (SB), bears full responsibility for good and responsible governance. This includes risk management and internal control systems, always maintaining a focus on sustainable growth and continuity to create consistent growth in shareholder value. Throughout the year, the MB discusses the operation of the internal risk management and control system and any major planned changes or improvements with the SB.

PROCESS AND CRITERIA

Risk assessment and improving the internal control framework are ongoing Group-wide processes involving evaluation of quantitative and qualitative risk criteria, including but not limited to:

- risk indicators (e.g. changes in conditions, problems, complexities, uncertainties, required special expertise and skills);
- materiality in both economic and reputation terms;
- estimated likelihood of occurrence;
- triggers for a potential credit rating downgrade;
- triggers for a potential breach of the special tax regimes applicable to public property companies;
- triggers for a potential breach in our loan covenants;
- ability to transfer, insure or otherwise reduce (part of) the risk.

To further strengthen, integrate and embed awareness and risk management competency across the organization's day-to-day operations and practices, Rodamco Europe is integrated into Unibail-Rodamco's dedicated corporate risk management function.

FINANCIAL REPORTING

Internal control over financial reporting includes the following key 'checks and balances':

- MB involvement in approval of the significant investment/divestment transactions executed each year. The MB discusses extensively – in advance – all significant transactions with the SB.
- Budget and forecasting analysis: the predictable, long-term nature of contractual commitments to lease/service operations and financing instruments enable effective monitoring of actual-to-budgeted/forecasted results and follow-up of any anomalous or unpredicted results.
- Comprehensive asset valuation process, policy and procedures, including regular appraisals by independent surveyors.

- Close monitoring of cash flow, interest cover, leverage, debt and interest maturity and derivatives schedules against the finance policy's target ratios and debt covenants.
- Financial reporting according to standardized guidelines outlined in Rodamco Europe's internal instructions.
- The external auditors assess internal controls over financial reporting, to the extent relevant for their statutory audit opinion, and discuss their findings with the MB and SB.

REGULATORY COMPLIANCE

In the context of legal requirements pursuant to legislation on financial Supervision, the Act on Financial Supervision 'Wft', and the Decree on the Market Conduct Supervision Financial Undertakings Wft ('Bgfo'), and without prejudice to statements made in this section, Rodamco Europe states, in compliance with article 121 of the Bgfo, that Rodamco Europe has a description of the organization of its business operations as meant in article 4:14 of the Wft, which meets the requirements as laid down in the Wft and in the Bgfo. The description is part of the Group's control framework, as referred to in this risk management section. During the 2009 financial year, we have evaluated various aspects of the organization of the Group's business operations, as meant in article 4:14 of the Wft. In the course of activities, we made no observations that would indicate that the description does not meet the requirements as included in the Wft and related legislation. Also, no observations were made that in 2009 business operations, as meant in article 4:14 Wft, were ineffective and did not function in accordance with the description, except for a few observations that were promptly corrected.

INTERNAL CONTROLS

In 2009, Rodamco Europe conducted several internal audits throughout the regions. The aim was to identify and evaluate the organization and control tests implemented on matters such as leasing, invoicing and collecting rents as well as the In/Divestment process and Development project. Where necessary, the outcome of the audits has led to adjustments and tightening of applicable procedures. Given the nature and size of Rodamco Europe's organizations and operations, inherent internal control limitations exist, including shared or minority control, disproportionate control costs versus benefits, limited possibilities to segregate duties, and catastrophe and collusion risk. Absolute assurance cannot be provided as a result of these inherent limitations. The MB of Rodamco Europe is of the opinion that the internal risk management

and control systems have functioned properly in 2009 and provide a reasonable level of assurance to prevent material inaccuracies in the 2009 financial statements (see pages xx to xx of this annual report). There are no indications they will not continue to function properly in 2010.

RISK FACTORS

Rodamco Europe is an almost wholly owned subsidiary of Unibail-Rodamco. As a result, it adheres to internal control policies and arrangements put in place by the Unibail-Rodamco Group. These are based on reference documents, charters, standards, procedures and best practices, which aim to create and maintain an organization that helps to prevent or mitigate and manage controllable risk factors, notably operational, financial, tax and legal risks to which the Unibail-Rodamco Group is or could be exposed, even if these risks can never be totally eliminated. Attention is drawn to the fact that the risk factors discussed in this section are not exhaustive and that there may be other risks, either wholly or partly unknown, or of which the occurrence is not considered to be or likely to have a material adverse effect on the Group, its operations, its financial situation and/or its results.

RISK INHERENT IN BUSINESS ACTIVITIES

RISKS ARISING FROM TRENDS IN THE PROPERTY MARKET

Rodamco Europe is present in various sectors of the commercial property sector, specifically Shopping Centers and Offices. Apart from risk factors specific to each asset, Rodamco Europe's activities are exposed to factors beyond its control and to specific systemic risks, such as the cyclical nature of the sector in which it operates. Rodamco Europe's strategy and policies aim to curb the negative effects of these risks. Indeed, sudden changes in the economic, financial, currency, regulatory, geopolitical, political, social, health and ecological environment may have an adverse impact on Rodamco Europe, the value of its assets, its results, its distribution policy, its development plans and/or its investment/divestment activities.

A long-term deterioration in economic conditions with implications for the rental market may have a negative impact on the level of the Group's activities, its results, the value of its assets, and its investment and development strategy.

The Group's assets (with the exception of certain development projects) are valued biannually using the fair valuation method. The value of the Group's assets is sensitive to variation according to the valuers' principle assumptions (yield, rental value, occupancy rate) and is, therefore, susceptible to important variations that may impact the Group, its activities and/or its results.

Some of Rodamco Europe's real estate assets depend on flagship stores to attract customers and could suffer an adverse impact if one or more of these tenants were to break or fail to renew their lease or in the event of consolidation among these retail sector companies.

RISKS ARISING FROM PROPERTY ASSET CONSTRUCTION AND REFURBISHMENT PROJECTS

To the extent permitted by law, Rodamco Europe conducts development activities in the shopping center property segment whose principal risks are linked to:

- securing the requisite legal administrative authorizations (building permits, commercial licenses, opening and/or operational licenses, etc.);
- controlling construction costs (staying on time and on budget); and
- achieving a good letting rate for properties (letting of all surfaces at sufficient rent levels).

TENANT INSOLVENCY RISKS

Rodamco Europe's ability to collect rents depends on the solvency of its tenants. Before entering into a specific lease, Rodamco Europe takes the creditworthiness of tenants into consideration.

Nevertheless, it is possible that tenants may not pay rent on time or may default on payments, especially in the current economic environment, and this could affect Rodamco Europe's operating performance and/or its results.

LEGAL, REGULATORY, TAX, ENVIRONMENTAL AND INSURANCE-RELATED RISKS

LEGAL AND REGULATORY RISKS

Rodamco Europe has to comply with a wide variety of laws and regulations, notably: urban planning regulations, construction and operating permits, health and safety regulations (particularly for assets that are open to the public), environmental regulations, lease laws, labor regulations, and corporate and tax laws (see also below for the SIIC regime and the FBI regime). Changes in the regulatory framework and/or the loss of benefits associated with a status or an authorization could require Rodamco Europe to adapt its business activities, its assets or its strategy, possibly leading to a negative impact on the value of its property portfolio or its results, an increase in its expenses, and/or a slowing or even halting of the development of certain investment or letting activities. In the normal course of its business activities, Rodamco Europe could be involved in legal proceedings (for instance, regarding contractual responsibility, employers' liabilities, penal issues) and is subject to tax and administrative audits. To the best of our knowledge, Rodamco Europe is not involved in or party to litigation that could have a material adverse effect on the results or financial situation of Rodamco Europe.

TAX RISKS LINKED TO SIIC STATUS

Rodamco Europe French subsidiaries benefit from the French SIIC tax regime, which enables them to benefit from a corporate income tax exemption, provided that they meet certain conditions. If Unibail-Rodamco (Rodamco Europe's parent company) was to lose its SIIC status, Rodamco Europe French subsidiaries would return to a regular tax regime in France.

RISKS CONCERNING THE DUTCH FBI STATUS

During 2009, Rodamco Europe qualified as an FBI (Fiscale Beleggingsinstelling/Fiscal Investment Institution) for Dutch tax

purposes. Under this status, it benefits from a zero tax rate for its Dutch operations, subject to certain requirements being met. As disclosed in its press release of December 11, 2009, Rodamco Europe expects to lose its FBI status effective January 2010. The Group expects that this development will have no material impact on its direct results for the foreseeable future. See for further details also page 11.

ENVIRONMENTAL RISKS

As a property owner, Rodamco Europe has to comply with local environmental regulations in each country where it is active. Failure to comply with these local environmental regulations, or the need to comply with significant new environmental regulations that could be introduced, could lead to higher expenses or hamper the development of the Rodamco Europe's activities and could potentially affect Rodamco Europe's results. Moreover, each of Rodamco Europe's real estate assets is vulnerable to natural disasters (climate change, health or ecological crises, etc.) that may have a negative impact on the affected properties.

Each year, Rodamco Europe's parent, Unibail-Rodamco, publishes a Corporate Sustainability Report on its website. This report describes Group environmental policy, achievements and targets. It has a dedicated section on Group policy on Health and Safety risk management on its assets.

INSURANCE-RELATED RISKS

Insurers could face economic difficulties that leave them unable to pay claims related to insurance policies that have been taken out by the Group. As Rodamco Europe depends on the insurance markets and their financial capacities to cover its risks, it could experience insurance shortfalls or find it impossible to cover all or part of certain risks. Some of the Group's potential losses may not be covered or may be covered partially. In such cases, the Group could lose all or a portion of the capital invested in the asset, as well as the expected rents from the asset. Rodamco Europe may be exposed to a situation whereby external property insurance valuers have wrongly assessed the value (reconstruction cost) of one or more of its assets.

RISKS ASSOCIATED WITH THE FINANCING POLICY AND FINANCIAL ACTIVITIES

As an almost wholly-owned subsidiary of Unibail-Rodamco, Rodamco Europe is exposed to the same risks regarding its financial policy and financial activities as the Unibail-Rodamco Group.

MARKET RISKS

The Group, through its activities, is exposed to market risks that can generate losses as a result of fluctuations in interest rates and/or currency exchange rates. The Group is exposed to interest-rate risks on the loans it has taken out to finance its investments. An increase in interest rates could have a negative impact on Rodamco Europe's results. Part of the Group's exposure to variable rates is hedged through derivatives but these hedges could be insufficient to cover these risks. Moreover, changes in interest rates could have a negative impact on Rodamco Europe's result by affecting the valuation of contracted derivatives.

INTEREST-RATE RISK – SENSITIVITY ANALYSIS

Based on Rodamco Europe's debt situation as at December 31, 2009, if interest rates (Euribor, Stibor or Libor) were to rise by an average of 0.5% (50 basis points) during 2010, the resulting increase in financial expenses would have an estimated negative impact of €2.5 million on the direct net profit. A further rise of 0.5% would have an additional adverse impact of €2.5 million. Conversely, a 0.5% (50 basis points) drop in interest rates would reduce financial expenses by an estimated €2.5 million and would enhance 2010 direct net profit by an equivalent amount.

LIQUIDITY RISKS

The Group's strategy depends on its ability to raise financial resources, either in the form of borrowing or equity capital, so that it can finance its ongoing activities and its investments. It maintains significant undrawn lines of credit, and continuously adds to these. It is possible (for example in the event of disruption in the bond or equity markets, a reduction in the lending capacities of banks, changes affecting the property market or investors' appetites for property companies, a downgrade in Unibail-Rodamco's and/or Rodamco Europe's credit rating or a change in Unibail-Rodamco's business activities, financial situation or ownership structure) that the Group could – at any given point in time – encounter difficulties in raising funds and, as a result, lack the access to liquidity that it

needs. These events could also affect the cost of borrowing and lead to an increase of the financial expenses of the Group.

COUNTERPARTY RISKS

A large number of major international financial institutions are counterparties to the interest-rate derivatives and foreign-exchange contracts or deposits contracted by the Group. In the case of default by a counterparty, the Group could lose all or part of its deposits or may lose the benefit from hedges signed with such counterparties. This could then result in an increase in interest-rate or currency exposure.

MANAGING CURRENCY RISK

The Group has activities and investments in countries outside the euro-zone, primarily in Sweden, but also in Poland, the Czech Republic and a number of others. 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 (mainly cross-currency swaps and foreign exchange swaps) to achieve the same risk management-driven goal. This hedge policy excludes revaluations, capital expenditures and deferred tax. 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 rates where necessary to address short-term balances.

In line with market practice, the Group invoices rents in certain Eastern European countries (Poland, the Czech Republic) in US dollars or euros, while the tenant is receiving revenue in local currencies. In these cases, the Group is exposed to tenant default risk as a consequence of the risk of devaluation of the local currency. For 2009, approximately 7.7% of net rental income of the Group was exposed to this specific currency risk.

RISK MANAGEMENT

RISKS RELATED TO RODAMCO EUROPE'S GEOGRAPHIC PRESENCE

Although Rodamco Europe's operations are concentrated in Europe, part of the business is or may be conducted in markets where Rodamco Europe may be exposed to social, political and economic instability, among other risks. In relation to the risks related to Rodamco Europe's geographic presence, Rodamco Europe operates in some countries that have not joined the euro zone. A depreciation of the local currency of these countries could have a negative impact on Rodamco Europe's cash flows in euros:

- when rents collected in local currency are translated in euros and where the Group's hedging policy is not sufficient; or,
- when rents are collected in euros and this affects the tenants' ability to pay. A depreciation of the currency of countries outside the euro zone may also reduce the value of Rodamco Europe's portfolio, despite the implementation of hedging policies.

EXCHANGE-RATE RISK

The Group's foreign exchange risk is managed at corporate level on a regular basis. In addition, committee meetings with several members of the parent company's management board are held several times a year to decide the appropriate hedging. Procedures do not allow for speculative positions to be put in place.

CURRENCY HEDGING TRANSACTIONS

To enhance its hedging instruments, during the first half of 2009, the Group put in place cross-currency swaps transactions (replacing maturing foreign exchange swaps): two-year cross currency swaps (SEK/EUR) have been put in place for a nominal amount of SEK 3,385 million.

CURRENCY	ASSETS	LIABILITIES	NET EXPOSURE	HEDGING INSTRUMENTS	EXPOSURE NET OF HEDGES
SEK	1,413.5	362.4	1,051.1	672.0	379.1
DKK	286.7	76.5	210.2	127.3	82.9
HUF	1.0	–	1.0	-	1.0
USD	175.1	15.7	159.4	30.2	129.2
CZK	0.1	153.2	153.1	153.6	0.5
PLN	0.2	0.9	0.7	–	0.7
Total	1,876.6	608.7	1,267.9	676.0	591.9

The main exposure is to the Swedish krona. A decrease of 10% in the SEK/EUR exchange rate would have a €34 million negative impact on shareholders' equity. The sensitivity of the 2010 direct result to a 10% change in the SEK/EUR exchange rate is limited to €5 million.

HUMAN RESOURCES

Following the merger with Unibail in 2007, Rodamco Europe's Human Resources policies are increasingly integrated to gain benefits from Unibail-Rodamco Group initiatives and programs. The Group offers competitive packages to attract and retain the best professionals.

TALENTED, MOTIVATED TEAMS

The hard work and dedication of the Group's employees was key in returning solid results in 2009, despite the adverse economic conditions that prevailed. As it is important that every member of staff is fully engaged and highly skilled, the Group devotes considerable resources to training and human resources management in order to provide employees with a fulfilling, motivating work environment and, by extension, create value for shareholders.

ACQUIRING ESSENTIAL SKILLS AND EXPERIENCE

Investment, development and operational deals regularly run into millions of euros and involve multi-year contracts. All of the Group's human resources policies are aimed at providing personnel with the skills, experience and confidence they require to take sound decisions when faced with complex situations, major assets and large sums of money. The Group's ability to recruit, train, manage and motivate its employees directly affects the performance of the asset portfolio. The Group believes that ongoing value creation is only possible when it is anchored in a culture of close teamwork and multidisciplinary expertise. Internal mobility between the Group's core disciplines is strongly encouraged. As well as helping to build in-house networks, this approach provides employees with an in-depth understanding of technical processes and business priorities at different stages in the asset lifecycle.

TRAINING FOR ALL

The Group has developed an accelerated learning and networking process for young graduates in their first professional role. The European graduate Programme (EgP) is a year-long program during which participants work in at least two countries and undertake three different missions. The breadth and depth of the EgP experience means that there is fierce competition for places. Twenty young graduates from eight countries were recruited through the program in 2009. The Corporate HR department is expanding the EgP to transform it into the main access point for all young graduates who apply to the Group in key functions.

THE ACADEMY

Formal training is provided through the Unibail-Rodamco Academy. The Academy, which is based at the corporate headquarters in Paris and trains employees from all regions, provides opportunities to learn, challenge received ideas, share best practices, and develop business networks. It capitalizes on the huge reservoir of knowledge that exists in-house by relying on the Group's experienced managers to deliver the majority of its courses.

CAREER MANAGEMENT, EVALUATION AND REMUNERATION

The Group's evaluation and remuneration policies are designed to motivate employees and reward them for their efforts. Career development is supported by a 360° review process, which incorporates bi-annual hierarchical evaluations and annual functional and peer evaluations. The results are fed into the Group-wide talent review committees which set performance-related pay and salary increases. Employees receive feedback on their progress and help with identifying development needs and professional goals.

The remuneration policy aims to encourage long-term performance as well as immediate results. Performance-related bonuses are used to recognize the contribution made by individual employees to the success of their department and the wider Group. Stock options, which are subject to performance conditions, are offered across the Group to high-potential staff, key managers and outstanding employees.

The following table shows the average headcount:

LOCATION	2009	2008
Corporate Center	35	53
Austria	105	85
Denmark	21	21
Spain	135	128
France	54	66
Netherlands	74	77
Poland	33	35
Czech Republic	59	41
Russia	15	11
Sweden	151	152
Total	682	669

CORPORATE GOVERNANCE

Good business practice and transparency, both in financial reporting and our organizational structure and behavior, are considered key foundations for Rodamco Europe.

GOVERNANCE STRUCTURE

Rodamco Europe's governance is structured transparently. We are organized along functional lines with embedded working processes to ensure clear roles, responsibilities and accountabilities. This organizational structure, supported by our Business Principles, facilitates transparent reporting throughout the Group to both the SB and the MB. In turn, both SB and MB report to the Annual General Meeting of Shareholders (the AGM). The AGM, SB and MB all have specific powers and responsibilities, as laid down in the Group's Articles of Association and the Supervisory Board and Management Board Charters, all of which can be found on our website: www.rodamco.com.

THE ANNUAL GENERAL MEETING OF SHAREHOLDERS (AGM)

The AGM's powers are described in detail in Rodamco Europe's Articles of Association.

In summary, it decides on issues such as statutory changes, legal (de-)mergers, the adoption of the annual accounts and profit appropriation. It appoints, suspends or dismisses members of both the SB and MB. Furthermore, the AGM approves the remuneration of the SB. The AGM further approves the appointment of external auditors. For 2009, Ernst & Young Accountants L.L.P. was appointed.

THE SUPERVISORY BOARD

Rodamco Europe's SB is responsible for overseeing all the activities of the Company and providing guidance and advice to the MB. Supervision focuses on the achievement of strategic goals and the realization of business objectives, and corporate sustainability goals. The SB is tasked with independent supervision of the proper execution of internal risk and control structures and financial reporting, legal and regulatory compliance. From June 2007, due to the small size of the SB, members take direct responsibility for the tasks previously carried out by dedicated SB committees. In pursuing all tasks, the SB takes the interests of all stakeholders, external and internal, into account. The composition of the SB reflects areas of expertise relevant to Rodamco Europe's core activities. The chairman is responsible for the proper functioning of the SB. The SB consists of three members, of whom two, Anton van Rossum and Clarence Steininger, are independent.

THE MANAGEMENT BOARD

Under the supervision of the SB, the MB is responsible for Rodamco Europe's management and general affairs. The MB is responsible for day-to-day management, including comprehensive risk management, control, financing, and regulatory compliance. It is responsible for providing the SB with all necessary information on the performance of its tasks. Following the merger with Unibail in July 2007, the Rodamco Europe MB consists of two members. Throughout the Group, corporate and operating company accountabilities, roles and responsibilities are in place. Operating company management teams formally report, at least on a quarterly basis, to the MB to discuss operational performance, execution of strategic goals and investment and divestment opportunities. Informal contact between the MB and senior managers in the operating companies takes place on a very regular, often daily, basis. Best practice exchange takes place through Europe-wide meetings along functional lines and on a daily basis through contacts between functional specialists.

Rodamco Europe's Business Principles outline the conduct expected from Rodamco Europe's people. Rodamco Europe's employees fully understand and are committed to both the business strategy and the behavior expected of them in pursuing that strategy. Rodamco Europe's Business Principles include guidelines for behavior relating to conflicts of interest, gifts, confidential information, trading of shares, working environment and equal opportunity. Compliance is seen as a living process and activity and aims to ensure we adhere to (local) laws and regulations so that the integrity of our business and our people are safeguarded.

TRANSPARENCY TO STAKEHOLDERS

Following delisting from the stock exchange in May 2008, Rodamco Europe's disclosure requirements have changed. The Group complies with all statutory and license-related disclosures, such as monthly statements and the publication of interim and full-year results. Rodamco Europe has a protocol in place regarding the allocation of costs between Rodamco Europe and Unibail-Rodamco. According to this protocol, contracts between Rodamco Europe and Unibail-Rodamco must be at arm's length. The SB approved intra-Group sales of a number of assets in the Netherlands at arm's length for appraised net market value in accordance with article 9.8 of the Supervisory Board Charter. KPMG reviewed the procedures followed and for 2009 determined that they are in accordance with the protocol.

CORPORATE GOVERNANCE

INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS

A description of risk and control framework is included in this report on pages 19 to 23, including those actions taken to ensure reasonable assurance that these systems are reliable and comply with regulatory requirements.

COMPLIANCE WITH CORPORATE GOVERNANCE CODES

The parent company of Rodamco Europe, Unibail-Rodamco, adheres to the French Corporate Governance Code. On May 13, 2008, Rodamco Europe was delisted from the Euronext Amsterdam and Euronext Paris stock exchanges and no longer adheres to the Dutch Corporate Governance Code for reporting purposes.

REMUNERATION REPORT

MANAGEMENT BOARD REMUNERATION IN 2009

Rodamco Europe has a two-member management board (MB), Catherine Pourre and Peter M. van Rossum; both are also members of Unibail-Rodamco's MB. Neither board member receives specific remuneration for their Rodamco Europe board membership. Details for each Rodamco Europe MB member are provided in the financial statements section of this annual report. For full information on Rodamco Europe's remuneration policy, please visit www.rodamco.com.

UNIBAIL-RODAMCO STOCK OPTION PLAN

In 2007, a Stock Option Plan for Unibail-Rodamco was authorized. Any stock options are subject to performance conditions. These performance conditions are such that the right to exercise stock options is subject to Unibail-Rodamco's stock performance being higher in percentage terms than that of the benchmark EPRA index over the reference period; i.e., the period between the grant date and the last trading date before the recipient exercises the options. The stock options have a lifespan of seven years and may be exercised at any time after the fourth anniversary of the date of allocation. For stock options granted in 2007 and later, all management board members have to keep a personal investment in Unibail-Rodamco shares, equivalent to 30% of the capital gain (net of tax) on the date of exercise of the stock options granted, until they leave the Company. This rule applies until they own Unibail-Rodamco shares with a value equivalent to two years of fixed income. The shares may result from any Unibail-Rodamco stock-option plans from which management board members have benefited.

PENSION

The supplementary pension plans that are in place for the members of the Unibail-Rodamco, and therefore also the Rodamco Europe, management board reflect the Franco-Dutch character of the Group and the fact that normal practices and standards in the Netherlands can differ from those in France. For this reason, MB members benefit from the defined contributions plan within the framework of Unibail-Rodamco's supplementary pension plan. In common with all Dutch employees, Peter van Rossum is also eligible for a defined benefit plan. His defined benefit pension at retirement will be equal to 1.8421% of the respective pensionable salary for each year of service with the Group. In 2009, the pensionable salary is the base salary limited to €52,262 minus an offset of €15,024. Peter van Rossum joined the Company in 2006. Catherine C. Pourre has a defined contribution pension arrangement with Unibail-Rodamco.

SUPERVISORY BOARD REMUNERATION IN 2009 (€000)

Rodamco Europe's supervisory board (SB) consists of three members. The chairman of the SB currently receives no remuneration in this capacity. Each member of the SB receives €49 per year and an expense allowance of €1.8. The total remuneration of SB members in 2009 amounts to €98 (2008: €98), excluding net cost allowance, and is specified below.

(IN €000)	2009	2008
Guillaume L.J. Poitrinal	-	-
Anton van Rossum	49	49
Clarence Steininger	49	49
Total	98	98

Rodamco Europe does not grant stock options or compensation in Rodamco Europe shares, nor does it provide personal loans or guarantees to its SB members.

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CONSOLIDATED STATEMENT OF INCOME – PRESENTED UNDER EPRA⁽¹⁾ FORMAT

(IN € MILLION)

	Note	2009	2008
Gross rental income	8.1	725.6	719.6
Net service charge expenses	8.2	(5.2)	(5.4)
Property operating expenses	8.3	(74.9)	(75.2)
Net rental income		645.6	639.0
Corporate expenses		(68.1)	(67.2)
Development expenses		(0.8)	(1.9)
Administrative expenses	8.4	(68.9)	(69.1)
Revenues from other activities		15.0	3.7
Other expenses		(0.4)	(3.1)
Net other income	8.5	14.6	0.6
Proceeds from disposal of investment properties		660.4	1,245.6
Carrying value of investment properties sold		(701.7)	(1,211.0)
Result on disposal of investment properties	8.6	(41.4)	34.6
Valuation gains		30.9	137.5
Valuation losses		(1,055.0)	(827.8)
Valuation movements	8.7	(1,024.1)	(690.3)
Impairment of Goodwill	8.8	(35.1)	(16.4)
NET OPERATING RESULT BEFORE FINANCING COST		(509.3)	(101.6)
Financial income		56.4	63.3
Financial expenses		(171.7)	(212.8)
Net financing costs	8.9	(115.3)	(149.5)
Fair value adjustments of derivatives and debt	8.10	(0.1)	(3.4)
Debt discounting	8.11	0.9	(1.8)
RESULT BEFORE TAX		(623.7)	(256.3)
Income tax expenses	8.12	120.9	58.4
NET RESULT FOR THE PERIOD		(502.8)	(198.0)
Non-controlling interests	8.13	(27.8)	(5.4)
NET RESULT (OWNERS OF THE PARENT)		(475.0)	(192.6)
Average number of shares (undiluted)		89,639,292	89,639,292
Net result for the period (Owners of the parent)		(475.0)	(192.6)
Net result for the period (Owners of the parent) per share (€)		(5.30)	(2.15)
Average number of diluted shares		89,639,292	89,639,292
Diluted net result per share – Owners of the parent (€)		(5.30)	(2.15)

(1) Presentation complying with European Public Real Estate Association best practices policy recommendations.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME – PRESENTED UNDER EPRA⁽¹⁾ FORMAT
(IN € MILLION)

	Note	2009	2008
NET COMPREHENSIVE INCOME			
Net result for the period		(502.8)	(198.0)
Foreign currency differences on translation of financial statements of subsidiaries		(18.9)	(11.0)
Gain/loss on net investment hedge		(4.3)	(3.0)
Cash flow hedge		(1.0)	(1.0)
OTHER COMPREHENSIVE INCOME	8.14	(24.3)	(15.0)
NET COMPREHENSIVE INCOME		(527.1)	(213.0)
Non-controlling interests		(27.8)	(5.4)
NET COMPREHENSIVE INCOME (OWNERS OF THE PARENT)		(499.3)	(207.6)
Direct result ⁽¹⁾		472.0	408.1
Indirect result ⁽¹⁾		(947.0)	(600.7)
Direct result per share (€)		5.27	4.55

(1) 2008 figures differ slightly from previous publication due to income tax allocation restated between direct and indirect result.

For the presentation of the income statement by division, please refer to the “notes to the consolidated financial statements” section 3 “Business segment report”.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 2009
(IN € MILLION)

	Note	2009	2008 ⁽¹⁾
NON-CURRENT ASSETS		10,140.5	11,796.1
Investment properties	6.1	9,753.8	11,326.2
Investment properties at fair value	6.2	9,549.6	10,900.0
Investment properties at cost	6.3	204.2	426.2
Other tangible assets	6.4	2.3	3.0
Goodwill	6.5	70.9	141.4
Intangible assets	6.6	5.2	7.2
Loans	6.7	215.1	209.4
Deferred tax assets	7.4	37.9	49.9
Derivatives at fair value	7.3	55.2	59.0
CURRENT ASSETS		1,619.4	829.2
Properties under promise or mandate of sale	6.1	396.4	215.3
Trade receivables from activity	6.8	50.2	50.6
Property portfolio		42.3	35.5
Other activities		7.9	15.2
Other trade receivables	6.9	361.2	204.6
Tax receivables		29.6	92.1
Receivables on sale of properties		260.8	–
Other receivables		56.2	65.5
Prepaid expenses		14.7	47.0
Cash and cash equivalents	6.10	811.5	358.6
Financial assets		68.4	0.8
Other financial assets		675.3	238.9
Cash		67.7	119.0
TOTAL ASSETS		11,759.9	12,625.3
Shareholders' equity (Owners of the parent)		6,439.3	7,253.7
Share capital		717.1	717.1
Additional paid-in capital		2,956.0	2,956.0
Consolidated reserves		3,309.5	3,817.2
Hedging reserve		(5.0)	(4.0)
Other reserves		(63.3)	(40.0)
Consolidated result		(475.0)	(192.6)
Non-controlling interests		8.5	36.7
TOTAL SHAREHOLDERS' EQUITY		6,447.8	7,290.4
NON CURRENT LIABILITIES		4,057.5	4,985.7
Commitment to purchase non-controlling interests	7.1	10.1	10.1
Long term bonds and borrowings	7.2	3,390.7	4,119.2
Derivatives at fair value	7.3	40.1	17.4
Deferred tax liabilities	7.4	523.6	736.6
Long term provisions	7.5	11.4	28.0
Employee benefits	7.5	8.1	6.9
Guarantee deposits		66.1	60.0
Amounts due on investments	7.6	7.5	7.5
CURRENT LIABILITIES		1,254.6	349.2
Amounts due to suppliers and other current debt	7.7	239.7	201.9
Amounts due to suppliers		21.8	36.0
Amounts due on investments		53.9	54.9
Sundry creditors		89.8	52.2
Other liabilities		74.3	58.8
Current borrowings and amounts due to credit institutions	7.2	971.5	99.2
Tax and social security liabilities	7.8	32.5	39.6
Contingencies and other current liabilities	7.5	10.9	8.5
TOTAL LIABILITIES AND EQUITY		11,759.9	12,625.3

(1) 2008 figures slightly differ from previous publication due to reclassification of deferred lease incentives from non-current assets to current assets, guarantee deposits from current liabilities to non-current liabilities and reclassification of earn-out from contingencies to amounts due on investments, short term or long term, according to the future date of payment. Balances resulting from the cash pooling arrangements contracted with Rodamco Europe NV's main shareholder, Unibail-Rodamco SE, were reclassified from other receivables to cash and cash equivalents.

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

CONSOLIDATED STATEMENT OF CASH FLOWS
 (IN € MILLION)

	Note	2009	2008
OPERATING ACTIVITIES			
Net profit		(502.9)	(198.0)
Depreciation & provisions		25.8	28.2
Changes in value of property assets		1,024.1	690.0
Changes in value of financial instruments		0.1	3.4
Discounting income/charges		(0.9)	1.8
Charges and income relating to stock options and similar items		1.0	1.1
Net capital gains/losses on sales of properties ⁽¹⁾		41.4	(34.6)
Net financing costs		115.3	149.5
Income tax charge		(120.9)	(58.4)
Cash flow before net financing costs and tax		583.1	583.1
Income tax paid		(6.4)	(16.7)
Change in working capital requirement		(109.3)	130.6
TOTAL CASH FLOW FROM OPERATING ACTIVITIES		467.4	696.9
INVESTMENT ACTIVITIES			
Property activities		242.5	(26.7)
Acquisition of consolidated subsidiaries	9.1	(57.0)	(621.5)
Amounts paid for works and acquisition of property assets		(360.2)	(847.0)
Property financing ⁽²⁾		(0.7)	(30.4)
Disposal of subsidiaries	9.1	–	357.5
Disposal of investment property		660.4	1,114.7
TOTAL CASH FLOW FROM INVESTMENT ACTIVITIES		242.5	(26.7)
FINANCING ACTIVITIES			
Capital increase		–	–
Dividends paid to parent company shareholders		(313.8)	(273.4)
New borrowings and financial liabilities		526.1	1,448.8
Repayment of borrowings and financial liabilities		(671.2)	(1,476.1)
Financial income ⁽³⁾		77.9	62.6
Financial expenses ⁽³⁾		(174.5)	(186.6)
TOTAL CASH FLOW FROM FINANCING ACTIVITIES		(555.5)	(424.6)
Change in cash and cash equivalents during the period		154.4	245.6
Cash at beginning of year ⁽⁴⁾		343.1	99.1
Effect of exchange rate fluctuations on cash held		(0.4)	(1.6)
Cash at period-end⁽⁴⁾	9.2	497.1	343.1

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

(2) In 2008, property financing corresponded to an additional prepayment made to acquire an office building close to the shopping center Złote Tarasy located in Warsaw, Poland.

(3) Financial result is now presented as cash flow from financing activities. 2008 has been restated accordingly.

(4) Cash and cash equivalents include bank accounts and current accounts with terms of less than three months. This item also comprises the balances resulting from the cash-pooling arrangements contracted with Rodamco Europe N.V.'s main shareholder, Unibail-Rodamco S.E., for a total amount of €238.9 million at beginning of year and €675.3 million at period-end.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(IN € MILLION)

	Capital	Additional paid-in capital	Consolidated reserves ⁽¹⁾	Consolidated net result	Cash flow hedging reserve	Currency translation reserve ⁽²⁾	Total Owners of the parent	Non-controlling interests	Total Equity
Balance as at									
December 31, 2007	717.1	2,956.0	2,601.0	1,491.0	(3.0)	(26.0)	7,736.1	13.0	7,749.1
Profit or loss of the period	–	–	–	(192.6)	–	–	(192.6)	(5.0)	(197.6)
Other comprehensive income	–	–	–	–	(1.0)	(14.0)	(15.0)	–	(15.0)
Net comprehensive income	–	–	–	(192.6)	(1.0)	(14.0)	(207.6)	(5.0)	(212.6)
Earnings appropriation	–	–	1,491.0	(1,491.0)	–	–	–	–	–
Dividends related to 2007	–	–	(273.4)	–	–	–	(273.4)	(1.0)	(273.4)
Changes in consolidation scope	–	–	–	–	–	(1.0)	(1.0)	29.7	28.7
Share based payment	–	–	–	–	–	1.0	1.0	–	1.0
Other movements	–	–	(1.4)	–	–	–	(1.4)	–	(2.4)
Balance as at									
December 31, 2008	717.1	2,956.0	3,817.2	(192.6)	(4.0)	(40.0)	7,253.7	36.7	7,290.4
Profit or loss of the period	–	–	–	(475.0)	–	–	(475.0)	(27.9)	(502.9)
Other comprehensive income	–	–	–	–	(1.0)	(23.3)	(24.3)	–	(24.3)
Net comprehensive income	–	–	–	(475.0)	(1.0)	(23.3)	(499.3)	(27.9)	(527.2)
Earnings appropriation	–	–	(192.6)	192.6	–	–	–	–	–
Dividends related to 2008	–	–	(313.8)	–	–	–	(313.8)	–	(313.8)
Other movements	–	–	(1.3)	–	–	–	(1.3)	(0.4)	(1.7)
BALANCE AS AT									
DECEMBER 31, 2009	717.1	2,956.0	3,309.5	(475.0)	(5.0)	(63.3)	6,439.3	8.5	6,447.8

(1) Includes consolidated reserves, retained earnings and interim dividend.

(2) The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries. It is also used to record the effect of hedging net investments in foreign operations.

Changes in share capital

The share capital consists of 204,524,430 authorized shares of which 89,639,292 shares are issued and fully paid up at December 31, 2009, similar to 2008. The shares have a par value of €8 each. No movements occurred in 2009, as was the case in 2008.

NOTES TO THE 2009 CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Rodamco Europe N.V. is a public limited company, engaged in the holding of Group companies that invest in and manage property. The address of its registered office is Schiphol Boulevard 371, Tower H, 1118 BJ Luchthaven Schiphol, the Netherlands. The consolidated financial report comprises the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in associates and jointly controlled entities.

The Company was de-listed effective May 13, 2008 from all stock exchanges.

The financial statements were authorized for issue by the supervisory board on April 20, 2010 and will be proposed for adoption to the Annual General Meeting to be held on June 2, 2010.

On July 19, 2006, the Company was granted a license under the Act on the Supervision of Investment Institutions (e.g. Collective Investment Schemes) by the Netherlands Authority for the Financial Markets (“Autoriteit Financiële Markten” or AFM) and, as a consequence, has become subject to AFM supervision. Together with a number of other supervision acts, the Act on the Supervision of Investment Institutions has been incorporated into a single Act : the Act on Financial Supervision. The Act on Financial Supervision became effective on January 1, 2007 and, as a consequence, has replaced the existing supervision acts.

On April 10, 2007, the Company and Unibail Holding S.A. (“Unibail”), in a joint communiqué, announced their intention to combine both companies to create a leading pan-European commercial property company. The merger was implemented through an exchange offer initiated by Unibail consisting of 0.5223 of a Unibail common share for each Rodamco Europe common share. The combination of both companies became effective on June 25, 2007 and Unibail Holding S.A. changed its name on that date to Unibail-Rodamco S.A.

By the end of December 2009, Unibail-Rodamco S.E. held approximately 98.5% of the issued share capital of Rodamco Europe N.V. Parent company Unibail-Rodamco S.A., incorporated in France, has the power to amend the financial statements. Squeeze-out proceedings to obtain the remaining 1.5% shares were started by Unibail-Rodamco S.A. in December 2007. The squeeze-out price is to be determined by the Enterprise Chamber of the Court of Appeals in Amsterdam (“Ondernemingskamer”). In 2007, Unibail-Rodamco S.A. initially proposed a squeeze-out price that was based on the exchange ratio of the original exchange offer, adjusted for dividend payments. In arriving at the proposed squeeze-out price, the exchange ratio was applied to the volume-weighted average Unibail-Rodamco share price of the 30 trading days ended on December 12, 2007, resulting in a price of €81.03 per Rodamco Europe share. On March 23, 2009, Unibail-Rodamco filed an updated proposal for a squeeze-out price of €54.33, based on a consistent calculation methodology.

On March 9, 2010, the Dutch Enterprise Chamber rendered an interim judgment. The Court rejected the demands by the plaintiffs to set the squeeze-out price at the June 2007 cash value. The Court appointed three independent experts and asked them to give a value to Rodamco Europe as a standalone entity, as per the present moment. Their report is expected mid-May, 2010.

2. ACCOUNTING PRINCIPLES AND CONSOLIDATION METHODS

In accordance with EC regulation no. 1606/2002 of July 19, 2002, on the application of international accounting standards, the Group has prepared its consolidated financial statements for the financial year ending December 31, 2009, under International Financial Reporting Standards (IFRS) as adopted in the European Union and applicable at this date.

These can be consulted on the [website](http://ec.europa.eu/internal_market/accounting/ias/index_en.htm) (http://ec.europa.eu/internal_market/accounting/ias/index_en.htm).

The accounting principles and methods used are consistent with those applied for the preparation of the annual consolidated financial statements as at December 31, 2008, except for the application of the following new obligatory standards and interpretations:

- IAS 1 R: Presentation of financial statements
- IFRS 8: Operating segments
- Improvement of IFRS (May 2008), including the IAS 40 A “Investment property – Property under construction or development for future use as investment property”
- IAS 23 R: Borrowing costs
- IAS 32 A & IAS 1: Puttable financial instruments and obligations arising on liquidation
- IAS 39 A and IFRS 7: Reclassification of financial assets
- IAS 39 A and IFRIC 9: Embedded derivatives
- IFRS 1 A and IAS 27: Cost of an investment in a subsidiary, jointly-controlled entity or associate
- IFRS 2 A: Share-based payments – Vesting conditions and cancellations
- IFRS 7 A: Improving disclosures about financial instruments
- IFRIC 11 – IFRS 2: Group and treasury share transactions
- IFRIC 13: Customer loyalty programs
- IFRIC 14: The limit on a defined-benefit asset, minimum funding requirements and their interaction

These standards, amendments and interpretations do not have a significant impact on the Group’s accounts, except for the IAS 40 amendment about the accounting of investment properties under construction, as detailed in note 2, § 4 “Asset valuation methods”.

The following norms, interpretations and amendments have been adopted by the European Union as at December 31, 2009, but with a later effective date of application and were not applied in advance:

- IFRS 3 R: Business combinations
- IAS 27 A: Consolidated and separate financial statements
- IFRS 1 R: First-time adoption of IFRS
- IAS 39 A: Eligible hedged items
- IFRIC 12: Service concession arrangements
- IFRIC 15: Agreements for the construction of real estate
- IFRIC 16: Hedges of a net investment in a foreign operation
- IFRIC 17: Distributions of non-cash assets to owners
- IFRIC 18: Transfers of assets from customers

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

- Improvement of IFRS (April 2009)
- IFRS 9: Financial instruments
- IAS 24 R: Related party disclosures
- IFRS 1 A: Additional exemptions for first-time adopters
- IFRS 2 A: Group cash-settled share-based payment transactions
- IAS 32 A: Classification of rights issues
- IFRIC 19: Extinguishing financial liabilities with equity instruments
- IAS 32 A: Classification of right issue
- IFRIC 14 A: Prepayments of a minimum funding requirement

The Group is currently analyzing the potential impact of all of these standards on its consolidated accounts. At this stage of the analysis, the Group does not anticipate that there will be any significant impact, except for:

- IFRS 3 R: Business combinations, which will change the accounting terms of business combinations in a prospective way.

Improvement of IFRS

IASB, published in April 2009, “Improvement of IFRS” is the final version of the second annual IFRS improvement project. Unless a specific measure is planned for another date, amendments will come into force for the financial years starting after January 1, 2010, earlier application also being authorized. This project was approved by the European Union in March 2010. The measurement of the potential impacts on the consolidated accounts of the Group is ongoing.

Estimations and assumptions

Certain amounts recorded in the consolidated financial statements reflect estimates and assumptions made by management, particularly with regards to the fair value of investment properties and financial instruments as well as the valuation of goodwill. The most significant estimates are set out in the notes to the consolidated financial statements: for the valuation of investment properties in § 2.4 “Asset valuation methods”, and section 6 note 1 “Investment properties”, for the goodwill and intangible assets, respectively in § 2.2 “Business combinations” and § 2.4 “Asset valuation methods” and for fair value of financial instruments in section 7.3 “Hedging instruments”. Actual future results or outcomes may differ from these estimates. The property portfolio and intangible assets used by the Retail and Office segments are valued by independent appraisals.

The consolidated financial statements concern the financial years ending December 31, 2009 and December 31, 2008.

2.1. SCOPE AND METHODS OF CONSOLIDATION

The scope of consolidation includes all companies controlled by the Group and all companies in which the Group exercises joint control or significant influence. The method of consolidation is determined by the type of control exercised.

- Control: fully consolidated. Control is presumed if the Group directly or indirectly holds an interest of more than 50%, unless there is clear evidence that this shareholding does not provide control. Full control also exists when the parent company holds 50% or less of the voting rights in a company and has authority regarding the company’s financial and operational strategies and to appoint or dismiss the majority of members of the Board of Directors or an equivalent decision-making body.
- Joint control: proportionally consolidated. This is demonstrated by the sharing of control of an economic activity under a contractual agreement. It requires the unanimous agreement of partners for operating, strategic and financial decisions.
- Significant influence: consolidated under the equity method. Significant influence is identified when there is authority to contribute to the financial and operational decision-making of the company concerned, but without exercising control over its policies. Significant influence is assumed where the Group directly or indirectly holds more than 20% of voting rights in a company.

The consolidated financial statements are established by integrating the individual financial statements of Rodamco Europe with all relevant subsidiaries over which the Group exercises control. Subsidiaries closing their accounts more than three months before or after that of Rodamco Europe prepare pro forma interim statements to December 31, determined on a 12-month basis. All inter-group balances, profits and transactions are eliminated.

2.2. BUSINESS COMBINATIONS

The Group does not apply the revised IFRS 3 in advance. In business combinations, acquisition cost is measured as the sum of the fair values at the given date of acquisition of assets, incurred or assumed liabilities, and equity instruments issued in exchange for control of the acquired company, plus any costs directly attributable to the business combination.

At the date of acquisition and in accordance with IFRS 3, identifiable assets, liabilities, off-balance sheet items and contingent liabilities of the acquired company are valued individually at their market value regardless of their purpose. The analysis and appraisals required for the initial valuation of these items, as well as any corrections based on new information, may be carried out within 12 months of the date of acquisition.

Any surplus in the price paid over the market value of the interest in the acquired company's net assets is recorded under "Goodwill" in assets in the consolidated statement of financial position. Any negative amount of goodwill is credited immediately to the income statement.

Goodwill on acquisitions is carried at cost and is subject to regular reviews by the Group and impairment tests at least once per year, or whenever there is an indication of impairment. At the date of acquisition, goodwill is allocated to one or more cash-generating units expected to benefit from the acquisition. Potential amounts of goodwill impairment are determined with regards to the recoverable amount(s) from cash-generating unit(s). Cash-generating units are the lowest level at which management determines the return on investment on assets. The recoverable amount of a cash-generating unit is determined using the most appropriate method, most commonly the discounted cash flows method, and is applied to the full cash-generating unit rather than each legal entity.

If the recoverable amount of the cash-generating unit(s) is lower than the carrying amount, an irreversible impairment charge is recorded in the consolidated income statement for the period.

Under current accounting standards, acquisition of additional shares from non-controlling shareholders are regarded as equity transactions and therefore no additional goodwill is recognized.

Consequently, when non-controlling shareholders have an agreement to sell, non-controlling interests are reclassified as debt at the present value of the exercise price. The difference between the latest value and the net carrying value of the non-controlling interests is recognized as equity – owners of the parent. Any subsequent change in debt is also accounted for as equity – owners of the parent. Income from non-controlling interests and dividends are booked in equity – owners of the parent.

2.3. FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). Consideration in determining the functional currency is given to the denomination of the major cash flows of the entity; e.g., revenues and financing activities. As a consequence, the Group uses the functional currency rather than the local currency for the following entities:

- euro for the property companies in the Czech Republic, Hungary and Slovakia;
- US dollar for Poland.

The consolidated financial statements are presented in euros, which is the Group's functional currency.

Foreign currency transactions and balances

Transactions in foreign currencies are translated into euros at the spot foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into euros at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognized in the profit and loss account. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currency are translated using the exchange rate at the date of transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into euros at foreign exchange rates ruling at the dates the fair value was determined.

Exchange differences arising on the settlement of currency transactions or on translating monetary items at rates different from those at which they were translated on initial recognition during the year or in previous financial statements are recognized in the profit and loss account in the year in which they arise. Translation differences on non-monetary financial assets and liabilities that are stated at fair value are reported as part of the fair value gain or loss.

Foreign currency transactions are translated into the functional currency of the Group using the exchange rates at the date of transactions. Foreign exchange gains and losses resulting from settlement of these transactions are recognized in the income statement. Foreign exchange gains and losses resulting from the retranslation of monetary assets and liabilities denominated in foreign currencies are also recognized in the income statement with the exception of:

- unrealized translation results on net investments;
- unrealized translation results on intercompany loans that, in substance, form part of the net investment.

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instruments relating to the effective portion of the hedge are recognized directly in equity, whereas those relating to the ineffective portion are recognized in the profit and loss account.

Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- the assets and liabilities of Group companies, including goodwill and fair value adjustments arising on consolidation, are translated into euros at foreign exchange rates ruling at the balance sheet date;
- the income and expenses of Group companies are translated into euros at rates approximating the foreign exchange rates ruling at the dates of the transactions;
- all resulting exchange rate differences are recognized as a separate component of equity (currency translation reserve);
- when a Group company is sold, exchange differences that were recorded in equity are recognized in the income statement as part of the gain or loss on sale.

2.4. ASSET VALUATION METHODS**Investment properties (IAS 40)**

Under the benchmark treatment recommended by IAS 40, investment properties are shown at their market value.

The main significant change compared to the consolidated financial accounts for the year ended December 31, 2008 is the application of the IAS 40 A "Investment property – Property under construction or development for future use as investment property". This new disposition has been applied since January 1, 2009 in a prospective way.

Since January 1, 2009, Investment Properties Under Construction (IPUC) has been covered by IAS 40 and is eligible to be measured at fair value. In accordance with the Group's investment properties valuation method, they are valued at fair value by an external appraiser. Those for which the fair value is not reliably determinable are consequently still valued at cost until such time as a fair value valuation becomes reliable, or until the construction completion.

The pipeline project is eligible for a fair value measurement once all three of the following criteria are fulfilled:

- All administrative authorizations needed to complete the project are obtained;
- The construction has started and costs are committed toward the constructor;
- Substantial uncertainty in future rental income has been eliminated.

If the time to delivery is less than one year, the project must be taken at fair value.

For the Investment Properties Under Construction whose fair value could be reliably measured, the difference between market value and cost value was entirely recognized in the income statement.

The impact of this revaluation on the income statement of the period was a net loss of €4.5 million.

Investment Properties Under Construction (IPUC) still measured at cost are subject to impairment tests.

The market value adopted by the Group is determined on the basis of appraisals by independent external experts, who value the Group's portfolio as at June 30 and December 31 of each year. A discount is applied to the gross value in order to reflect disposal costs and transfer taxes, depending on the country and tax situation of the property.

For the Shopping Center and Office portfolio, 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 per square meter established through actual market transactions.

The income statement for a given year (Y) records the change in value for each property, which is determined as follows:

market value Y – [market value Y-1 + amount of works expenses and other costs capitalizable in year Y].

Capital gains on disposals of investment properties are calculated by comparison to their latest market value recorded in the closing statement of financial position for the previous financial year.

Properties for which a sale process has been initiated are identified separately in the statement of financial position. They are valued at the sale price, less costs to sell.

Tangible assets and properties under construction (IAS 16)

Under the preferential method proposed by IAS 16, operating assets are valued at their historic cost, less cumulative depreciation and any decrease in value. Depreciation is calculated using the "component accounting" method, where each asset is broken down into major components based on their useful life. The four components of a property are the main structure, facade, technical equipment and finishing fixtures and fittings, depreciated respectively over 60, 30, 20 and 15 years for Office properties and 35, 25, 20 and 15 years for Retail outlets.

If the appraisal value of a property is lower than the net book value, an impairment provision is booked.

Buildings under construction which do not fulfill the three criteria to be reliably eligible for a fair value measurement are valued at cost.

The buildings under construction valued at cost mainly include the shopping centers under development: Badajoz and Benidorm in Spain and the Shopping City Süd extension in Austria, as all administrative authorizations are not obtained.

Properties under construction are subject to impairment tests, determined on the basis of the estimated fair value of the project. The fair value of a project is assessed by the Development & Investment teams through a market-fair exit capitalization rate and the targeted net rents at completion. When the fair value is lower than net book value, an impairment provision is booked.

Borrowing costs generated by construction projects

After the amendment of IAS 23, borrowing costs incurred by construction projects must be capitalized as part of the cost of the relevant asset. The application of this amendment has no impact on the consolidated financial statements, as the Group had already opted to capitalize these costs.

They are measured by applying the Group's average refinancing rate to the average value of the work completed during each quarter, except in the case where specific financing exists for the project.

Intangible assets (IAS 38)/Impairment of assets (IAS 36)

An intangible asset is recognized when it is identifiable and separable and can be sold, transferred, licensed, rented or exchanged, either individually or as part of a contract with an attached asset or a liability, or which arises from contractual or other legal rights regardless of whether those rights are transferable or separable. After initial recognition, intangible assets are recognized at cost, less any amortization charges and impairment losses.

Intangible assets with a finite life are amortized on a linear basis over the life of the asset. The useful life of an asset is reviewed each year and an impairment test is carried out whenever there is an indication of impairment.

2.5. LEASING

Leases are classified as finance leases when they substantially transfer all risks and rewards of ownership of the leased asset to the lessee. Otherwise they are classified as operating leases.

Assets leased as operating leases are recorded on the statement of financial position as investment property assets. Rental revenue is recorded on a straight-line basis over the firm duration of the lease.

Accounting treatment of rents and key money

Under IAS 17 and SIC 15, the financial impacts of terms set out in the lease agreement are spread over the fixed duration of the lease starting from the date the premises are made available to the tenant. This applies to rent-free periods, step rents and key money.

Eviction costs

Compensation payments to evicted tenants may be capitalized, in view of the securing of higher rentals through new lease agreements on improved terms and which ultimately enhance, or at least maintain, asset performance.

Leaseholds

Based on the analysis of existing contracts, IAS 17 and IAS 40, a leasehold may be classified as either an operating lease or a finance lease. The choice is made on a contract-by-contract basis, and depending on the risks and rewards transferred to the Group.

For the leaseholds recognized as operating leases, rental payments are recognized as expenses in the income statement.

Buildings constructed on land under a lease agreement are recognized in accordance with the accounting principles described in § 2.4.

2.6. FINANCIAL INSTRUMENTS (IAS 32/IAS 39/IFRS 7)

The recognition and measurement of financial assets and liabilities are defined by the standard IAS 39.

Classification and measurement of non-derivative financial assets and liabilities*Loans and receivables*

Loans and receivables, acquired or granted, not held for the purpose of trading or sale, are recorded on the statement of financial position as “Loans and receivables”. After initial recording, they are measured at amortized cost based on the effective interest rate. They may be subject to impairment when necessary.

Available-for-sale securities

These are non-derivative financial assets held for an undetermined period that may be sold by the Group at any time. They are measured at their fair value at the accounting date and recorded under “Cash and cash equivalents”. Interest accrued or received on fixed-income securities is recorded as income based on the effective interest rate. Changes in market value other than income are recorded in shareholders’ equity under “Unrealized or deferred gains or losses”. Fair value variations are recorded on the income statement if the asset is sold or significantly impaired.

Non-derivative financial liabilities

Non-derivative financial liabilities are measured after initial booking at amortized cost using the effective interest rate. In certain cases, IAS 39 permits financial liabilities to be designated as at fair value upon initial recording.

Classification and measurement of financial derivatives and hedge accounting

The Group uses derivative financial instruments to hedge its exposure to movements in interest and currency exchange rates.

All financial derivatives are recorded as financial assets or liabilities at fair value on the statement of financial position. Fair value variations of financial derivatives, apart from those designated as cash flow hedges or as net investment hedges (see below), are recognized in the income statement for the period.

The Group has a macro-hedging strategy for its debt. Except for currency derivatives, it has chosen not to use the hedge accounting proposed by IAS 39. All such derivatives are therefore measured at their market value, and any fair value variations are recorded in the income statement.

The currency derivatives aim at hedging the investments made in countries outside of the eurozone. Therefore, the majority of currency swaps and forward contracts are designated as a net investment hedge. The portion of the gain or loss on these instruments that is determined to be an effective hedge is recognized directly in equity (currency translation reserve). The ineffective portion is recognized directly in the profit and loss account, as fair value changes derivative financial instruments.

Changes in the fair value of forward exchange contracts that economically hedge monetary assets and liabilities in foreign currencies and for which no hedge accounting is applied are recognized in the profit and loss account. Both the changes in fair value of the forward contracts and the foreign exchange gains and losses relating to the monetary items are recognized as part of “financing result”, as these instruments are designated as hedging instruments.

2.7. DISCOUNTING OF DEFERRED PAYMENTS

Long-term liabilities and receivables are discounted when this has a significant impact:

- Guarantee deposits received from tenants have not been discounted given the negligible impact of discounting.
- Provisions for material liabilities taken under IAS 37 are discounted over the estimated duration of the disputes they cover.

2.8. TAXES

The Group companies are taxable according to the tax rules of their country. Two countries benefit from special tax regimes for public property companies.

French SIIC status (*Société d'Investissement Immobilier Cotée*)

All the French property companies that are eligible for SIIC tax status have opted for this regime. Direct income and capital gains are exempted from French tax but the companies are required to distribute 85% of their direct income, 50% of capital gains and 100% of dividends received from SIIC subsidiaries.

Dutch FBI regime (*Fiscale Beleggings Instelling*)

Rodamco Europe N.V. had FBI status during the year 2009. Consequently, the property companies in the Netherlands did benefit from a 0% tax rate. FBI companies are required to distribute all the taxable result, except capital gains which can be added to a re-investment reserve.

Other requirements for FBI companies are related to their activities and their shareholding base.

According to the Dutch Ministry of Finance, Unibail-Rodamco S.E., the main shareholder of Rodamco Europe, itself does not qualify as an FBI, as it is deemed not to meet the activity test. This situation is not in compliance with the FBI shareholder requirements, which state that a Dutch FBI can only be owned by a foreign entity if such entity itself qualifies as an FBI.

For a grace period ending on December 31, 2009, the Dutch Ministry of Finance confirmed that Rodamco Europe N.V. would be allowed to maintain its FBI status, if and to the extent that the other requirements would be met. As Unibail-Rodamco S.E., the parent company of Rodamco Europe, is deemed not to be in compliance with the FBI rules, it expects that, according to the Dutch Ministry of Finance, Rodamco Europe N.V. itself will no longer be able to use the benefits provided by the FBI regime as from January 1, 2010.

For the Dutch activities, the properties were recognized at market value in December 2009 for both book and tax purposes. Consequently, no deferred tax on these assets existed.

Income tax and deferred tax

Corporate income tax

Corporate income tax is calculated using appropriate local rules and rates.

Deferred tax

Deferred taxes are recognized in respect of all temporary differences between the carrying amount and tax base of assets and liabilities at each financial year-end.

Deferred tax assets or liabilities are calculated based on total temporary differences and on tax losses carried forward, using the local tax rate that will apply on the expected reversal date of the concerned differences, if this rate has been set. Otherwise, they are calculated using the applicable tax rate in effect at the financial year-end date. Within a given fiscal entity and for a given tax rate, debit balances are booked to assets for the amount expected to be recoverable over a foreseeable period. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized.

The main deferred tax liabilities relate to the mark-to-market of investment properties, resulting in the recognition of a deferred tax liability for non-tax-exempt assets.

2.9. EMPLOYEE BENEFITS

Under IAS 19, a company must recognize all commitments made to its employees (i.e. current or future, formal or informal, cash payments or payments in kind). The cost of employee benefits must be recorded during the vesting period.

Post-employment benefits

Pension schemes may be defined contribution or defined benefit schemes.

Under defined contribution schemes, the employer only pays a contribution, with no commitment from the Group regarding the level of benefits to be provided. The contributions paid are booked as expenses for the year.

Under defined benefit schemes, the employer makes a formal or implied commitment to an amount or level of benefits and therefore carries the medium or long-term risk. A provision is booked to liabilities to cover all of these pension commitments. This provision is assessed regularly by independent actuaries using the projected unit credit method, which takes into account demographic assumptions, early retirements, salary increases and discount and inflation rates.

At the majority of the Group's companies, pensions due under the various compulsory retirement schemes to which employers contribute are managed by specialist external organizations. Defined contributions paid into these various compulsory retirement schemes are recognized in the income statement for the period.

The Dutch companies have pension plans with both defined contribution as well as defined benefit components. For the latter, commitments are recorded as a provision. Provisions are booked for retirement allowances relating to defined benefit schemes based on the net present value of these future allowances.

Long-term benefits

These are benefits paid to employees more than 12 months after the end of the financial year during which the corresponding service was provided. The same valuation method is used as for post-employment benefits.

Other than the provision for retirement allowances, no other commitments relating to long-term or post-employment benefits need to be accrued.

2.10. BUSINESS SEGMENT REPORTING

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

The first application of IFRS 8 does not significantly modify the Group business segment report.

Business segments

The Group presents its result by division: Retail and Offices.

Geographical segments

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

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

- France;
- The Netherlands & Belgium, managed from the Netherlands (sold in 2008);
- Spain;
- Nordic, managed from Sweden, including Sweden, Denmark and Finland;
- Austria;
- Central Europe, managed from the Czech Republic, including the Czech Republic, Germany, Hungary, Poland, Slovakia, Russia (activity disposed of in 2009) and Ukraine (sold in 2008).

2.11. EARNINGS PER SHARE

The fundamental earnings per share indicator is calculated by dividing net result (owners of the parent) by the weighted average number of ordinary shares in circulation over the period.

2.12. CURRENT AND NON-CURRENT ASSETS AND LIABILITIES

In accordance with IAS 1 “Presentation of financial statements”, assets and liabilities other than consolidated shareholders’ equity are classified in the statement of financial position as “current” when they are due or payable within 12 months of the balance sheet date.

3. BUSINESS SEGMENT REPORT

CONSOLIDATED INCOME STATEMENT BY DIVISION

(in € million)	2009			2008 ⁽¹⁾		
	Direct activities	Valuation movements and disposals	Result	Direct activities	Valuation movements and disposals	Result
RETAIL						
Gross rental income	123.7	–	123.7	118.6	–	118.6
Operating expenses & net service charges	(10.2)	–	(10.2)	(10.8)	–	(10.8)
Net rental income	113.5	–	113.5	107.8	–	107.8
Valuation movements	–	(207.6)	(207.6)	–	(163.6)	(163.6)
RESULT RETAIL FRANCE	113.5	(207.6)	(94.1)	107.8	(163.6)	(55.8)
Gross rental income	157.2	–	157.2	175.9	–	175.9
Operating expenses & net service charges	(15.0)	–	(15.0)	(17.2)	–	(17.2)
Net rental income	142.3	–	142.3	158.7	–	158.7
Gains on sales of properties	–	(1.0)	(1.0)	–	19.1	19.1
Valuation movements	–	(92.6)	(92.6)	–	(37.1)	(37.1)
RESULT RETAIL NETHERLANDS – BELGIUM	142.3	(93.7)	48.6	158.7	(17.9)	140.8
Gross rental income	118.9	–	118.9	119.4	–	119.4
Operating expenses & net service charges	(28.7)	–	(28.7)	(28.0)	–	(28.0)
Net rental income	90.2	–	90.2	91.4	–	91.4
Gains on sales of properties	–	1.1	1.1	–	–	–
Valuation movements	–	(234.9)	(234.9)	–	(136.1)	(136.1)
RESULT RETAIL NORDIC	90.2	(233.8)	(143.6)	91.4	(136.1)	(44.8)
Gross rental income	130.3	–	130.3	114.4	–	114.4
Operating expenses & net service charges	(10.5)	–	(10.5)	(9.4)	–	(9.4)
Net rental income	119.8	–	119.8	105.0	–	105.0
Gains on sales of properties	–	(2.9)	(2.9)	–	–	–
Valuation movements	–	(284.2)	(284.2)	–	(251.9)	(251.9)
RESULT RETAIL SPAIN	119.8	(287.2)	(167.4)	105.0	(251.9)	(146.9)
Gross rental income	76.2	–	76.2	70.3	–	70.3
Operating expenses & net service charges	(3.0)	–	(3.0)	(2.7)	–	(2.7)
Net rental income	73.1	–	73.1	67.6	–	67.6
Gains on sales of properties	–	(29.7)	(29.7)	–	0.5	0.5
Valuation movements	–	(97.7)	(97.7)	–	22.3	22.3
Impairment of Goodwill	–	(35.1)	(35.1)	–	–	–
RESULT RETAIL CENTRAL EUROPE	73.1	(162.5)	(89.4)	67.6	22.8	90.3
Gross rental income	67.2	–	67.2	48.5	–	48.5
Operating expenses & net service charges	(5.1)	–	(5.1)	(3.3)	–	(3.3)
Net rental income	62.1	–	62.1	45.1	–	45.1
Valuation movements	–	(41.8)	(41.8)	–	(37.2)	(37.2)
Impairment of Goodwill	–	–	–	–	(16.4)	(16.4)
RESULT RETAIL AUSTRIA	62.1	(41.8)	20.3	45.1	(53.5)	(8.4)
TOTAL RESULT RETAIL	600.9	(1,026.5)	(425.6)	575.5	(600.4)	(24.8)

CONSOLIDATED INCOME STATEMENT BY DIVISION – CONTINUED

(in € million)	2009			2008 ⁽¹⁾		
	Direct activities	Valuation movements and disposals	Result	Direct activities	Valuation movements and disposals	Result
OFFICES						
Gross rental income	52.1	–	52.1	72.5	–	72.5
Operating expenses & net service charges	(7.5)	–	(7.5)	(9.1)	–	(9.1)
Net rental income	44.6	–	44.6	63.4	–	63.4
Gains on sales of properties	–	(8.8)	(8.8)	–	14.9	14.9
Valuation movements	–	(65.2)	(65.2)	–	(86.6)	(86.6)
TOTAL RESULT OFFICES	44.6	(74.0)	(29.4)	63.4	(71.7)	(8.3)
Other property services net operating profit	5.8	–	5.8	3.7	–	3.7
Other net income	8.8	–	8.8	(3.2)	–	(3.2)
TOTAL OPERATING RESULT AND OTHER INCOME	660.1	(1,100.4)	(440.4)	639.4	(672.0)	(32.6)
General expenses	(68.1)	–	(68.1)	(67.2)	–	(67.2)
Development costs	(0.8)	–	(0.8)	(1.9)	–	(1.9)
Financing result	(115.3)	0.8	(114.4)	(149.5)	(5.2)	(154.7)
Pre-tax result	475.9	(1,099.6)	(623.7)	420.8	(677.2)	(256.4)
Corporate income tax	(4.0)	124.9	120.9	(13.1)	71.5	58.4
NET RESULT	471.9	(974.7)	(502.8)	407.7	(605.7)	(198.0)
Non-controlling interests	(0.1)	(27.7)	(27.8)	(0.4)	(5.0)	(5.4)
NET RESULT – OWNERS OF THE PARENT	472.0	(947.0)	(475.0)	408.1	(600.7)	(192.6)
Average number of shares (million)	89.6			89.6		
DIRECT RESULT PER SHARE (€)	5.27			4.55		

(1) 2008 figures slightly differ from previous publication due to asset reclassification by segment in Austria and income tax allocation restated between direct and indirect result.

The income statement by division is split between direct and indirect result. The indirect result before tax is made up of the valuation movements on investment properties, fair value adjustments on derivatives and debts, the result on disposals and impairment of goodwill.

The income tax is also split between direct taxes and indirect taxes. The Group refined the definition of direct tax which led to an adjustment of full-year 2008 figures in the income statement by division.

Direct tax is the outcome of:

- the payable income tax, but only as far as it is related to direct income;
- plus/minus changes in a deferred tax asset recognized on tax losses stemming from direct income (excluding those caused by a change in tax rate, and/or those caused by a use of such deferred tax asset by indirect profits);
- plus/minus changes in “other deferred tax assets” and “other deferred tax liabilities” relating to direct result.

RECONCILIATION BETWEEN THE RESULTS BY DIVISION AND THE INCOME STATEMENT OF THE PERIOD (EPRA FORMAT) AS AT DECEMBER 31, 2009

(in € million)	France	Netherlands	Nordic	Spain	Central Europe	Austria	Total Retail	Offices	Not allocated	Total 2009
Gross rental income	123.7	157.2	118.9	130.3	76.2	67.2	673.5	52.1	–	725.6
Net rental income	113.5	142.3	90.2	119.8	73.1	62.1	601.0	44.6	–	645.6
Administrative expenses	–	–	–	–	–	–	–	–	(68.9)	(68.9)
Revenues from other activities	–	–	–	–	–	–	–	–	15.0	15.0
Net other income	–	–	–	–	–	–	–	–	14.6	14.6
Profit on disposal of investment properties	–	(1.0)	1.1	(2.9)	(29.7)	–	(32.6)	(8.8)	–	(41.4)
Valuation movements	(207.6)	(92.6)	(234.9)	(284.2)	(97.7)	(41.8)	(958.9)	(65.2)	–	(1,024.1)
Impairment of Goodwill	–	–	–	–	(35.1)	–	(35.1)	–	–	(35.1)
Net operating result before financing cost	(94.1)	48.6	(143.6)	(167.4)	(89.4)	20.3	(425.6)	(29.4)	(54.3)	(509.3)
Result from non-consolidated companies										
Net financing costs									(115.3)	(115.3)
Fair value adjustments of derivatives and debt & debt discounting									0.8	0.8
Result before tax									–	(623.7)
Income tax expenses									120.9	120.9
NET RESULT									–	(502.8)

RECONCILIATION BETWEEN THE RESULTS BY DIVISION AND THE INCOME STATEMENT OF THE PERIOD (EPRA FORMAT) AS AT DECEMBER 31, 2008

(in € million)	France	Netherlands	Nordic	Spain	Central Europe	Austria	Total Retail	Offices	Not allocated	Total 2008
Gross rental income	118.6	175.9	119.4	114.4	70.3	48.5	647.1	72.5	–	719.6
Net rental income	107.8	158.7	91.4	105.0	67.6	45.1	575.6	63.4	–	639.0
Administrative expenses	–	–	–	–	–	–	–	–	(69.1)	(69.1)
Revenues from other activities	–	–	–	–	–	–	–	–	3.7	3.7
Net other income	–	–	–	–	–	–	–	–	0.6	0.6
Profit on disposal of investment properties	–	19.1	–	–	0.5	–	19.7	14.9	–	34.6
Valuation movements	(163.6)	(37.1)	(136.1)	(251.9)	22.2	(37.1)	(603.6)	(86.7)	–	(690.3)
Impairment of Goodwill	–	–	–	–	–	(16.4)	(16.4)	–	–	(16.4)
Net operating result before financing cost	(55.8)	140.7	(44.7)	(146.9)	90.3	(8.4)	(24.7)	(8.4)	(68.5)	(101.6)
Net financing costs									(149.5)	(149.5)
Fair value adjustments of derivatives and debt & debt discounting									(5.2)	(5.2)
Result before tax									–	(256.3)
Income tax expenses									58.4	58.4
NET RESULT									–	(198.0)

YEAR-END 2009

STATEMENT OF FINANCIAL POSITION BY DIVISION

(in € million)	France	Netherlands	Nordic	Spain	Central Europe	Austria	Total Retail	Offices	Not allocated ⁽¹⁾	Total 2009
Investment properties at fair value	2,015.3	1,589.1	1,546.8	1,779.2	1,002.8	1,099.6	9,032.9	516.7	–	9,549.6
Investment properties at cost	10.2	1.7	22.2	103.2	36.2	30.7	204.2	–	–	204.2
Properties under promise or mandate of sale	–	332.3	–	–	–	–	332.3	64.1	–	396.4
Other tangible assets	–	–	–	–	–	–	–	–	2.3	2.3
Goodwill	–	–	19.8	–	15.1	36.1	70.9	–	–	70.9
Intangible assets	–	–	–	–	–	–	–	–	5.2	5.2
	2,025.5	1,923.2	1,588.8	1,882.4	1,054.1	1,166.4	9,640.4	580.8	7.5	10,228.7
Other assets	42.3	266.1	19.4	43.5	215.9	8.4	595.5	6.0	929.8	1,531.2
TOTAL ASSETS	2,067.8	2,189.2	1,608.2	1,925.9	1,270.0	1,174.8	10,235.9	586.8	937.3	11,759.9

TOTAL LIABILITIES EXCLUDING

SHAREHOLDERS' EQUITY	81.5	60.5	272.0	161.1	119.7	142.4	837.2	15.4	4,459.5	5,312.1
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(1) Refers to structure properties, furniture and equipments items.

INVESTMENTS BY DIVISION

(in € million)	France	Netherlands	Nordic	Spain	Central Europe	Austria	Total Retail	Offices	Not allocated	Total 2009
Investments in investment properties at fair value	71.3	10.2	15.1	18.4	3.9	104.8	223.7	55.6	–	279.3
Investment in tangible assets at cost	0.4	5.2	9.2	44.8	5.3	1.3	66.3	7.6	0.3	74.2
TOTAL INVESTMENTS	71.7	15.4	24.4	63.2	9.2	106.1	289.9	63.3	0.3	353.5

YEAR-END 2008
STATEMENT OF FINANCIAL POSITION BY DIVISION

(in € million)	France	Netherlands	Nordic	Spain	Central Europe	Austria	Total Retail	Offices	Not allocated ⁽¹⁾	Total 2009
Investment properties at fair value	2,050.8	2,319.1	1,757.4	1,999.7	1,117.8	1,010.9	10,255.6	644.4	–	10,900.0
Investment properties at cost	109.3	14.2	13.8	121.1	39.7	72.2	370.3	55.9	–	426.2
Properties under promise or mandate of sale	–	212.0	–	–	–	–	212.0	3.3	–	215.3
Other tangible assets	–	–	–	–	–	–	–	–	3.0	3.0
Goodwill	–	–	19.8	–	–	121.6	141.4	–	–	141.4
Intangible assets	–	–	–	–	–	–	–	–	7.2	7.2
	2,160.1	2,545.3	1,791.0	2,120.8	1,157.5	1,204.7	10,979.3	703.6	10.2	11,693.1
Other assets	23.1	33.3	17.3	101.3	27.9	1.9	204.7	3.6	723.9	932.2
TOTAL ASSETS	2,183.2	2,578.6	1,808.3	2,222.0	1,185.4	1,206.6	11,184.0	707.2	734.1	12,625.3
TOTAL LIABILITIES EXCLUDING SHAREHOLDERS' EQUITY	45.6	48.1	150.8	409.0	43.9	24.9	722.3	6.0	4,606.6	5,334.9

(1) Refers to structure properties, furniture and equipments items.

INVESTMENTS BY DIVISION

(in € million)	France	Netherlands	Nordic	Spain	Central Europe	Austria	Total Retail	Offices	Not allocated	Total 2009
Investments in investment properties at fair value	25.8	17.8	15.7	462.6	4.6	598.9	1,125.4	22.3	–	1,147.7
Investment in tangible assets at cost	51.3	31.5	67.5	14.5	47.9	61.5	274.2	43.1	1.7	319.0
TOTAL INVESTMENTS	77.1	49.3	83.2	477.1	52.5	660.4	1,399.6	65.4	1.7	1,466.7

4. SCOPE OF CONSOLIDATION

List of consolidated companies	Country	Method ⁽⁴⁾	% interest Dec 31, 2009	% control Dec 31, 2009	% interest Dec 31, 2008
Rodamco Europe N.V.	The Netherlands	FC	100.00	100.00	100.00
SHOPPING CENTERS					
Andraka Beteiligungsverwaltungs GmbH Donauzentrum Besitz- u. Vermietungs GmbH	Austria	FC	100.00	100.00	100.00
SCS Erweiterungsbau GmbH & Co Anlagenvermietung KG	Austria	FC	90.00	90.00	90.00
SCS Infrastruktur GmbH	Austria	FC	100.00	100.00	100.00
SCS Liegenschaftsverwertungs GmbH	Austria	FC	100.00	100.00	100.00
SCS Motor City Süd Errichtungs GmbH	Austria	FC	100.00	100.00	100.00
Shopping Center Planungs- und Entwicklungs GmbH	Austria	FC	100.00	100.00	100.00
Shopping Center Planungs- und Entwicklungs GmbH & Co Werbeberatung KG Südpark Betriebs und Verwaltungs GmbH	Austria	FC	100.00	100.00	100.00
Centrum Cerny Most as	Austria	PC	50.00	50.00	50.00
Centrum Praha Jih-Chodov sro	Czech Republic	FC	100.00	100.00	100.00
Moravska Obchodni as	Czech Republic	FC	100.00	100.00	100.00
Pankrác Shopping Center ks	Czech Republic	FC	65.00	65.00	65.00
Autopaikat Oy	Czech Republic	PC	75.00	75.00	75.00
Kiinteistö Oy Vantaanportin Liikekeskus	Finland	PC	34.29	34.29	–
Kiinteistö Oy Vantaanportin Liiketilat	Finland	PC	21.40	21.40	21.40
SAS Parimall-Bobigny 2	Finland	PC	60.00	60.00	60.00
SAS Parimall-Parly 2	France	FC	100.00	100.00	100.00
SAS Parimall-Parly 2	France	FC	100.00	100.00	100.00
SAS Parimall-Ulis 2	France	FC	100.00	100.00	100.00
SAS Parimall-Vélizy 2	France	FC	100.00	100.00	100.00
SAS Parimmo-58 Marceau	France	FC	100.00	100.00	100.00
SAS Parly 2 Avenir	France	FC	78.40	78.40	78.40
SAS SALG	France	FC	100.00	100.00	100.00
SAS Villeneuve 2	France	FC	100.00	100.00	100.00
SCI Berri Washington	France	FC	100.00	100.00	100.00
SCI Bobigninvest	France	–	Liquidated	Liquidated	100.00
SCI du CC de Lyon La Part Dieu	France	FC	100.00	100.00	100.00
SCI du CC de Rouen St Sever	France	FC	100.00	100.00	100.00
SCI du Petit Parly 2	France	FC	100.00	100.00	100.00
SCI Elysées Châlons	France	FC	100.00	100.00	100.00
SCI Elysées Parly 2	France	FC	100.00	100.00	100.00
SCI Elysées Vauban	France	FC	100.00	100.00	100.00
SCI Elysées Vélizy 2	France	FC	100.00	100.00	100.00
SCI Extension Villeneuve 2	France	FC	100.00	100.00	100.00
SCI Foncière Marceau Saint Sever	France	FC	100.00	100.00	100.00
SCI Grand Magasin Sud LPD	France	FC	100.00	100.00	100.00

List of consolidated companies	Country	Method ⁽⁴⁾	% interest	% control	% interest
			Dec 31, 2009	Dec 31, 2009	Dec 31, 2008
SCI Lyon Kléber	France	FC	100.00	100.00	100.00
SCI Lyon Les Brotteaux	France	FC	100.00	100.00	100.00
SCI Marceau Bussy-Sud	France	FC	100.00	100.00	100.00
SCI Marceau Côté Seine	France	FC	100.00	100.00	100.00
SCI Marceau Parly 2	France	FC	100.00	100.00	100.00
SCI Marceau Plaisir	France	FC	100.00	100.00	100.00
SCI Parlunic 2	France	FC	100.00	100.00	100.00
SCI Rouen Bretagne	France	FC	100.00	100.00	100.00
SCI Rouen Verrerie	France	FC	100.00	100.00	100.00
SCI Vendôme Villeneuve 2	France	FC	100.00	100.00	100.00
SEP Valorisation CC LPD	France	PC	59.30	62.51	59.30
SEP Valorisation CC Parly 2	France	PC	47.85	48.47	47.85
SEP Valorisation CC Saint Sever	France	PC	76.55	76.55	76.55
SEP Valorisation CC Villeneuve 2	France	PC	52.57	52.57	52.57
SEP Valorisation CC Ulis 2	France	PC	18.05	18.05	–
SNC Cegep et Cie	France	FC	100.00	100.00	100.00
Immobilienkommanditgesellschaft Dr. Mühlhäuser & Co Einkaufscenter Magdeburg KG Schliebe & Co Geschäftszentrum	Germany	PC	50.00	50.00	50.00
Frankfurter Allee	Germany	PC	66.67	66.67	66.67
EKZ 6 Kft	Hungary	PC	33.00	33.00	33.00
Euromall Kft	Hungary	FC	100.00	100.00	100.00
Vezer Center Kft	Hungary	FC	100.00	100.00	100.00
Rodamco CH1 Sp zoo	Poland	PC	50.00	50.00	50.00
Aupark as	Slovakia	PC	50.00	50.00	50.00
Essential Whites SL	Spain	FC	52.78	100.00	52.78
Promociones Inmobiliarias Gardiner SL	Spain	FC	52.78	100.00	52.78
Proyectos Inmobiliarios Time Blue SL	Spain	FC	51.11	100.00	51.11
Unibail-Rodamco Benidorm SL	Spain	PC	88.29	88.29	88.29
Unibail-Rodamco Garbera SL	Spain	FC	100.00	100.00	100.00
Unibail-Rodamco Inversiones SL	Spain	FC	100.00	100.00	100.00
Unibail-Rodamco Ocio SL	Spain	FC	100.00	100.00	100.00
Unibail-Rodamco Proyecto Badajoz SL	Spain	FC	100.00	100.00	100.00
Unibail-Rodamco Steam SL	Spain	FC	51.11	100.00	51.11
Unibail-Rodamco Vallsur SL	Spain	FC	100.00	100.00	100.00
Eurostop KB	Sweden	FC	100.00	100.00	100.00
Rodamco Arninge Centrum KB	Sweden	FC	100.00	100.00	100.00
Rodamco Centerpool AB	Sweden	FC	100.00	100.00	100.00
Rodamco Eneby AB	Sweden	FC	100.00	100.00	100.00
Rodamco Fisketorvet AB	Sweden	FC	100.00	100.00	100.00
Rodamco Forum Nacka KB	Sweden	FC	100.00	100.00	100.00
Rodamco Garage AB	Sweden	FC	100.00	100.00	100.00
Rodamco Helsingborg KB	Sweden	FC	100.00	100.00	100.00
Rodamco Nova Lund KB	Sweden	FC	100.00	100.00	100.00
Rodamco Nova Lund 2 AB	Sweden	FC	100.00	100.00	100.00
Rodamco Nova Lund 3 AB	Sweden	FC	100.00	100.00	100.00
Rodamco Parkering AB	Sweden	FC	100.00	100.00	100.00
Rodamco Solna Centrum AB	Sweden	FC	100.00	100.00	100.00

List of consolidated companies	Country	Method ⁽⁴⁾	% interest	% control	% interest
			Dec 31, 2009	Dec 31, 2009	Dec 31, 2008
Rodamco Täby Centrum KB	Sweden	FC	100.00	100.00	100.00
Rodamco Tyresö Centrum AB	Sweden	FC	100.00	100.00	100.00
Rodamco Väsby Centrum AB	Sweden	FC	100.00	100.00	100.00
Oranjevast/Amvest CV	The Netherlands	EM	10.00	10.00	10.00
Rodamco Nederland Winkels BV	The Netherlands	FC	100.00	100.00	100.00
Turbozwaan BV	The Netherlands	FC	100.00	100.00	100.00
Unibail-Rodamco Nederland Winkels BV	The Netherlands	FC	100.00	100.00	100.00
OFFICES					
SA Rodamco France	France	FC	100.00	100.00	100.00
SAS Parimmo-18 Bis Hoche	France	FC	100.00	100.00	100.00
SAS Parimmo-20 Hoche	France	FC	100.00	100.00	100.00
SCI Bureaux Tour Crédit Lyonnais	France	FC	100.00	100.00	100.00
SCI Marceau Part Dieu	France	FC	100.00	100.00	100.00
Akvest Kantoren CV	The Netherlands	FC	90.00	90.00	90.00
SERVICES					
Donauplex Betriebs GmbH	Austria	FC	90.00	100.00	90.00
Donauzentrum Betriebsführungs GmbH	Austria	FC	90.00	100.00	90.00
SCS Immobilienverwaltungs GmbH	Austria	FC	100.00	100.00	100.00
Shopping Center Vösendorf Verwaltungs GmbH	Austria	FC	100.00	100.00	100.00
Südpark Holding GmbH	Austria	FC	100.00	100.00	100.00
Unibail-Rodamco Beteiligungsverwaltung GmbH	Austria	FC	100.00	100.00	100.00
Unibail-Rodamco Invest GmbH	Austria	FC	100.00	100.00	100.00
Rodamco Ceska Republica sro	Czech Republic	FC	100.00	100.00	100.00
SAS Rodamco France Management	France	FC	100.00	100.00	100.00
SAS Rodamco Gestion	France	FC	100.00	100.00	100.00
PFAB GmbH	Germany	EM	22.22	22.22	-
Rodamco Europe Sp zoo	Poland	FC	100.00	100.00	100.00
Rodamco Metropolis Management LLC	Russia	FC	100.00	100.00	100.00
RF Property Management spol, sro	Slovakia	PC	50.00	50.00	-
Unibail-Rodamco Spain SA	Spain	FC	100.00	100.00	100.00
Rodamco Management AB	Sweden	FC	100.00	100.00	100.00
Rodamco Projekt AB	Sweden	FC	100.00	100.00	100.00
Rodamco Sverige AB	Sweden	FC	100.00	100.00	100.00
Rodamco Europe Beheer BV	The Netherlands	FC	100.00	100.00	100.00
Rodamco Nederland BV	The Netherlands	FC	100.00	100.00	100.00
Unibail-Rodamco Development Nederland BV	The Netherlands	FC	100.00	100.00	100.00
HOLDINGS AND OTHER					
SCS Werbe GmbH	Austria	FC	100.00	100.00	100.00
Unibail-Rodamco Liegenschaftserwerbs GmbH	Austria	FC	100.00	100.00	100.00
Rodamco Pankrác as	Czech Republic	FC	100.00	100.00	100.00
Rodareal Oy	Finland	FC	100.00	100.00	100.00
SA Union Internationale Immobilière	France	FC	100.00	100.00	100.00
SAS Cegep	France	-	Liquidated	Liquidated	100.00
SAS Frankvink Investissements	France	FC	100.00	100.00	100.00

List of consolidated companies	Country	Method ⁽¹⁾	% interest	% control	% interest
			Dec 31, 2009	Dec 31, 2009	Dec 31, 2008
SAS Hoche Poincaré	France	FC	100.00	100.00	100.00
Rodamco Deutschland GmbH	Germany	FC	100.00	100.00	100.00
Rodamco Deutschland GmbH & Co Süd Liegenschafts KG	Germany	FC	100.00	100.00	100.00
Rodamco Germany Management GmbH	Germany	–	Liquidated	Liquidated	100.00
Zeilgalerie Gbr	Germany	FC	100.00	100.00	100.00
Arrendamientos Vaguada CB	Spain	PC	62.47	62.47	62.47
Promociones Unibail-Rodamco Generales SL	Spain	FC	100.00	100.00	100.00
Proyectos Inmobiliarios New Visions SL	Spain	FC	100.00	100.00	100.00
Unibail-Rodamco Levante SL	Spain	FC	100.00	100.00	100.00
Unibail-Rodamco Parques Comerciales SL	Spain	FC	100.00	100.00	100.00
Eurostop AB	Sweden	FC	100.00	100.00	100.00
Eurostop Holding AB	Sweden	FC	100.00	100.00	100.00
Fastighetsbolaget Helsingborg Östra AB	Sweden	FC	100.00	100.00	–
Fastighetsbolaget Helsingborg Västra AB	Sweden	FC	100.00	100.00	–
Fjärilen Bostads AB	Sweden	FC	100.00	100.00	–
Piren AB	Sweden	FC	100.00	100.00	100.00
Rodamco AB	Sweden	FC	100.00	100.00	100.00
Rodamco Expand AB	Sweden	FC	100.00	100.00	100.00
Rodamco Hallunda Centrum HB	Sweden	FC	100.00	100.00	100.00
Rodamco Holding AB	Sweden	FC	100.00	100.00	100.00
Rodamco Invest AB	Sweden	FC	100.00	100.00	100.00
Rodamco Nacka AB	Sweden	FC	100.00	100.00	100.00
Rodamco Northern Europe AB	Sweden	FC	100.00	100.00	100.00
Rodamco Täby AB	Sweden	FC	100.00	100.00	100.00
Rodamco Tummlaren AB	Sweden	FC	100.00	100.00	100.00
Belindam BV	The Netherlands	FC	100.00	100.00	100.00
Cijferzwaan BV	The Netherlands	FC	100.00	100.00	100.00
Deenvink BV	The Netherlands	FC	100.00	100.00	100.00
Dotterzwaan BV	The Netherlands	FC	100.00	100.00	100.00
Feldkirchen BV	The Netherlands	FC	100.00	100.00	100.00
New Tower Real Estate BV	The Netherlands	FC	51.11	51.11	51.11
Old Tower Real Estate BV	The Netherlands	FC	52.78	52.78	52.78
Rodamco Austria BV	The Netherlands	FC	100.00	100.00	100.00
Rodamco Central Europe BV	The Netherlands	FC	100.00	100.00	100.00
Rodamco Czech BV	The Netherlands	FC	100.00	100.00	100.00
Rodamco Deutschland BV	The Netherlands	FC	100.00	100.00	100.00
Rodamco Eastern Europe Holding BV	The Netherlands	FC	100.00	100.00	100.00
Rodamco España BV	The Netherlands	FC	100.00	100.00	100.00
Rodamco Europe Finance BV	The Netherlands	FC	100.00	100.00	100.00
Rodamco Europe Finance II BV	The Netherlands	FC	100.00	100.00	100.00
Rodamco Europe Properties BV	The Netherlands	FC	100.00	100.00	100.00
Rodamco Hungary BV	The Netherlands	FC	100.00	100.00	100.00
Rodamco Project I BV	The Netherlands	FC	100.00	100.00	100.00
Rodamco Retail Deutschland BV	The Netherlands	FC	100.00	100.00	100.00
Rodamco Russia BV	The Netherlands	FC	100.00	100.00	100.00
Rodamco Turkey BV	The Netherlands	FC	100.00	100.00	100.00
Romanoff Eastern Europe Property BV	The Netherlands	FC	80.00	80.00	80.00
RoProperty Holding BV	The Netherlands	–	Liquidated	Liquidated	35.90
Vuurvink BV	The Netherlands	FC	100.00	100.00	100.00

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

5. HIGHLIGHTS AND COMPARABILITY OF THE LAST TWO YEARS

IN 2008

5.1. ACQUISITIONS

Acquisition of Shopping City Süd, Vienna

On May 21, 2008, the Group acquired 140,400 m² in "Shopping City Süd" in Vienna, Austria. As this involves both the property and the operational and financial management, the acquisition was treated as a business combination.

Detail of the purchase price allocation:

Purchase price	617.9
Direct costs relating to the acquisition	7.9
Total purchase price	625.8
Fair value of net identifiable assets and liabilities	496.4
Goodwill	129.4

The goodwill relates mainly to the deferred tax liability recorded for an amount of (€113.2) million after the assets were booked at their fair value at the date of acquisition. The remaining amount of €16.4 million, which mainly corresponds to the purchase costs, was impaired.

The amounts recognized at the acquisition date for each class of assets and liabilities and the carrying amounts before combination are presented below.

	Fair value	Carrying amounts before combination
NON-CURRENT ASSETS	618.1	160.5
Tangible assets	28.0	4.3
Investment properties	580.8	156.2
Deferred tax assets	9.3	–
CURRENT ASSETS	13.6	12.7
Trade receivables from activity	1.2	1.2
Other trade receivables	1.8	0.9
Cash and cash equivalents	10.6	10.6
TOTAL ASSETS	631.7	173.2
TOTAL EQUITY	496.4	151.3
NON-CURRENT LIABILITIES	122.1	8.7
Long-term bonds and borrowings	8.3	8.3
Deferred tax liabilities	113.2	–
Other liabilities	0.6	0.4
CURRENT LIABILITIES	13.2	13.2
Amounts due to suppliers and other current debt	3.6	3.6
Other liabilities	9.6	9.6
TOTAL LIABILITIES AND EQUITY	631.7	173.2

The values recognized in the consolidated balance sheet as at December 31, 2008 are based upon current best estimates. No further adjustments were recognized within 12 months of the acquisition.

The amount of the result included since the date of acquisition in the consolidated accounts amounts to €1 million for the direct result and to (€46.6) million for the indirect result.

If the entry of Shopping City Süd into the scope of consolidation had been on January 1, 2008, the impact would be:

- Gross rental income: €33.5 million
- Direct result: €2.8 million
- Indirect result: (€46.6) million

Acquisition of Toys in Los Arcos

During the first half 2008, the Group acquired Toys in Los Arcos, Spain, representing 4,301 m² for a cost of €14.2 million.

Acquisition of an economic interest in an office building in Warsaw

A total of €30.5 million was invested in March 2008 for an economic interest in an office building in Warsaw, Poland (12,115 m² adjacent to Zlote Tarasy shopping center). As the developer is not yet in a position to deliver the shares, this investment was accounted for as a prepayment, and a financial income has been recorded instead of rental income.

Acquisition of shopping centers in Spain

In July 2008, the Group completed the acquisition of two shopping centers in Spain, “La Maquinista” and “Habaneras”, for a total amount of €434 million. As at December 18, 2008, 48.89% and 47.22% respectively of the shares and loans of the companies’ owners of the assets were sold to GIC Real Estate based on the same asset value.

5.2. DISPOSALS

Divestment of part of the Dutch Retail portfolio of high-street shops

The Group divested a part of the Dutch Retail portfolio to IEF Capital N.V., a joint venture of Bouwfonds Asset Management and Inflation Exchange Fund for an amount of €716 million. This disposal had no effect on the 2008 net result, as these assets were classified as at December 31, 2007 as “properties under promise or mandate of sale” and valued at their price of sale.

Divestment of Belgian and German assets

The Group sold its holdings in Belgium and assets in Germany for a net disposal price of €112.5 million. The Group no longer has investments in Belgium.

Sale of offices

Four buildings in the Netherlands (Parnassustoren-Amsterdam, Schonenvaert-Haarlem, OHK-Amsterdam and Hoogstraat-Rotterdam), logistics premises in Spain, one building in France and one in Ukraine were sold for a total net disposal price of €417.3 million.

5.3. RODAMCO EUROPE DELISTING

Rodamco Europe N.V. was delisted from the Amsterdam and Paris stock exchanges on May 13, 2008.

IN 2009

5.4. DISPOSALS

Disposals of offices

Three buildings in the Netherlands and one in Sweden were sold for a total net disposal price of €109.1 million.

Disposals of shopping centers

The Group divested €322.8 million from its Retail portfolio in 2009, 94% of which came from Dutch high-street retail assets, pursuant to the Group's strategy to concentrate on large shopping centers.

Disposals to Unibail-Rodamco

Rodamco Europe sold six Dutch assets to the permanent establishment in the Netherlands of Unibail-Rodamco for a net disposal price of €254.7 million.

5.5. END OF DUTCH FBI REGIME

As reported in its press release of December 11, 2009, the Group expects to lose its status as an FBI (Fiscale Beleggings Instelling) in the Netherlands for its Dutch activities in 2010. The Group still qualifies as an SIIC under the French SIIC regime.

Differences between the French SIIC and the Dutch FBI regime, although materially insignificant in the Group's case, proved to be irreconcilable for the Dutch tax authorities.

The Group expects that this development will have no material impact on its direct results for the foreseeable future, due to significant Dutch tax-loss carry forwards the Group will realize as a result of the decline in real estate values since the merger between Unibail Holding S.A. and Rodamco Europe N.V., and the implementation of other measures.

5.6. DISPOSAL OF RUSSIAN ACTIVITY

The Group decided to exit from the Metropolis shopping center project in Moscow, in line with the strategy to concentrate investments on cities where the Group already has a presence. All the costs related to this discontinued operation were recorded in the result for the period on the line "result on disposal of investment properties" for an amount of €30.4 million.

5.7. IMPAIRMENT OF THE SHOPPING CITY SÜD GOODWILL

A fiscal group was created in 2009, leading to the recognition of deferred tax assets of €70.5 million. The goodwill recorded at the acquisition was impaired for the same amount. Both amounts were recorded under "income tax expenses" on the statement of comprehensive income.

6. NOTES TO THE CONSOLIDATED ASSETS

6.1. INVESTMENT PROPERTIES

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

Although a large downward value correction took place during the first half of 2009, the second half and, most notably, the fourth quarter of 2009 saw stabilization in property investment markets. The second half contrasts with the first half of the year, when the company reported a shortage of representative (“benchmark”) transactions. Investors are increasingly seeking to take advantage of the re-pricing that occurred since the start of the crisis. This increased interest, combined with improved availability of equity and credit, has led to the execution of more representative transactions and improved liquidity for large prime assets, which in turn has led to stabilization of prime yields compared to June 30, 2009 valuations. Investors’ interest remained focused on prime products with secure cash flows.

Some appraisers have observed that the volumes involved in investments in real estate remain relatively thin. Given the underlying macro-economic fundamentals, the markets may continue to show some volatility. Yet the increase in volumes towards the end of the year, combined with the increased investor appetite for transactions, gives a solid basis for the year-end 2009 valuations.

Investment Properties Under Construction (IPUC) are covered by IAS 40 since January 1, 2009 and are eligible for revaluation, except for those for which the fair value is not reliably determinable (see section 2 “Accounting principles and consolidation methods”).

IPUC are taken at fair value once management considers that a substantial part of the development’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.

IPUC 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.

IPUC stated at fair value relate to Tour Oxygène, Cours Oxygène in France, the Donauzentrum extension in Austria, Almere Buitenmere in the Netherlands and the Maquinista extension in Spain. These projects represented a total amount of €249.7 million in the consolidated statement of financial position at December 31, 2009, of which €103.4 million for Offices and €146.3 million for Retail. The total impact of the revaluation of these assets in the income statement for 2009 was a loss of €4.5 million.

As at December 31, 2009, the assets still stated at cost were mainly in Spain, Benidorm and Badajoz; in the Czech Republic, the extensions of Centrum Chodov and Centrum Cerny Most; in Sweden, the Täby extension and the Mall of Scandinavia. Assets stated at cost were subject to an impairment test at December 31, 2009. The total amount of impairment booked at December 31, 2009 is €19.2 million.

As mentioned in section 2 “Accounting principles and consolidation methods” § 4 “Asset valuation methods”, for the Shopping Center and Office portfolio, the valuation principles adopted are based on the discounted cash flow and yield methodologies.

Shopping Center portfolio

Based on an asset value excluding estimated transfer taxes and disposal costs, the division net initial yield at December 31, 2009 came to 6.3% compared to 5.7% at year-end 2008. Based on the year-end yield of 6.3%, a further change of +25 basis points would result in a downward adjustment of €371 million (or -3.7%) of the portfolio value (including transfer taxes and disposal costs).

Office portfolio

For occupied offices, and based on an asset value excluding estimated transfer taxes and disposal costs, the division net initial yield at December 31, 2009 increased by 30 basis points to 7.9% compared to 7.6% at year-end 2008. Based on the year-end yield of 7.9%, a further change of +25 basis points would result in a downward adjustment of €17 million (or -2.8%) of the portfolio value (occupied and vacant space, including transfer taxes and disposal costs).

For further information on the parameters used for the investment properties valuation, see the note on "Net asset value".

As at December 31, 2009, the outstanding balances of deferred lease incentives and key monies amortized over the firm term of the lease and deducted from the appraisal value represented €4.7 million.

6.2. CHANGES IN INVESTMENT PROPERTIES AT FAIR VALUE

(in € million)	Dec 31, 2008	Acquisitions ⁽¹⁾	Capitalized expenses ⁽²⁾	Disposals ⁽³⁾	Reclassification and transfer of category ⁽⁴⁾	Valuation movements	Currency translation	Dec 31, 2009
Retail	10,255.6	42.8	180.8	(332.9)	(150.4)	(943.3)	(19.7)	9,032.8
Offices	644.4	40.2	15.5	(129.6)	7.0	(62.3)	1.6	516.8
TOTAL INVESTMENT PROPERTIES	10,900.0	83.0	196.3	(462.5)	(143.4)	(1,005.6)	(18.2)	9,549.6
Properties under promise or mandate of sale	215.3	–	–	(215.3)	396.4	–	–	396.4 ⁽⁵⁾
TOTAL	11,115.3	83.0	196.3	(677.8)	253.1	(1,005.6)	(18.2)	9,946.1

(1) The main acquisitions were additional plots in Shopping City Süd in Vienna, Austria for Retail and a forward-purchase agreement for Tour Oxygène in Lyon, France for Offices.

(2) Major works related to the Tour Oxygène offices (€5.6 million) in Lyon, and for shopping centers Docks Vauban in Le Havre (€34.6 million), Cours Oxygène in Lyon (€15.5 million) and Vélizy 2 Parimall in Vélizy-Villacoublay (€6.5 million) all in France, Shopping City Süd (€57.9 million) and Donauzentrum (€46.8 million) in Vienna, Austria and Forum Nacka in Stockholm, Sweden (€5.0 million).

(3) Refers mainly to the disposal of high-street shops and an office property in the Netherlands (€411.7 million), and office properties in Sweden (see section 5 “Highlights and comparability of the last two years” § 4). In addition, €262.8 million of Dutch assets were sold to the permanent establishment in the Netherlands of the parent company Unibail-Rodamco S.E.

(4) The office Tour Oxygène and shopping center Cours Oxygène, both in France, the Donauzentrum extension in Austria, the Maquinista extension in Spain and the Buitenmere extension in the Netherlands were transferred from “IPUC at cost” to “Investment properties at fair value”. In France, the shopping center Docks Vauban in Le Havre and Esplanade in Lyon were delivered during the period.

(5) Sales commitments for Office properties in France and in Spain for a total amount of €64.1 million and for Retail properties in the Netherlands for a total amount of €332.3 million.

(in € million)	Dec 31, 2007	Acquisitions	Capitalized expenses	Disposals	Reclassification and transfer of category	Valuation movements	Currency translation	Dec 31, 2008
Retail	10,556.1	1,057.2	68.2	(807.9)	76.2	(583.7)	(110.5)	10,255.6
Offices	1,136.5	–	22.3	(402.7)	(3.5)	(82.1)	(26.2)	644.4
TOTAL INVESTMENT PROPERTIES	11,692.6	1,057.2	90.5	(1,210.6)	72.7	(665.8)	(136.7)	10,900.0
Properties under promise or mandate of sale	–	–	–	–	215.3	–	–	215.3
TOTAL	11,692.6	1,057.2	90.5	(1,210.6)	288.0	(665.8)	(136.7)	11,115.3

6.3. CHANGES IN INVESTMENT PROPERTIES AT COST

(in € million)	Dec 31, 2008	Acquisitions ⁽¹⁾	Capitalized expenses ⁽²⁾	Disposals ⁽³⁾	Reclassification and transfer of category ⁽⁴⁾	Impairment ⁽⁵⁾	Currency translation	Dec 31, 2009
Gross value	449.6	28.5	45.4	(24.2)	(252.8)	–	0.3	246.8
Amortization	(23.4)	–	–	–	–	(19.2)	–	(42.6)
TOTAL	426.2	28.5	45.4	(24.2)	(252.8)	(19.2)	0.3	204.2

(1) Relates to the acquisition of a piece of land for La Maquinista extension in Barcelona, Spain for €28.5 million.

(2) Major works related to offices in the Netherlands (€7.6 million) and shopping centers Praha Cerny Most (€3.7 million) in Czech Republic, Badajoz (€12.7 million) and Benidorm (€2.7 million) in Spain, Täby Centrum (€4.3 million) in Sweden and Almere Buitenmere (€5.0 million) in the Netherlands.

(3) Main disposals refer to Badajoz in Spain for Retail, Zoetermeer offices in the Netherlands and the exit from the Metropolis project in Moscow, Russia.

(4) Corresponds mainly to the transfer of assets to the category "Investment properties at fair value". See 6.2. "Changes in investment properties at fair value" footnote (4) for more details.

(5) Refers mainly to the impairment of the shopping center projects Benidorm in Spain, and other offices in the Netherlands.

(in € million)	Dec 31, 2007	Acquisitions	Capitalized expenses	Disposals	Reclassification and transfer of category	Impairment	Currency translation	Dec 31, 2008
Gross value	433.3	28.0	289.3	(13.2)	(284.9)	–	(2.9)	449.6
Amortization	–	–	–	–	–	(23.4)	–	(23.4)
TOTAL	433.3	28.0	289.3	(13.2)	(284.9)	(23.4)	(2.9)	426.2

6.4. OTHER TANGIBLE ASSETS

2009 Change

(in € million)	Dec 31, 2008	Acquisitions and capitalized expenses	Disposals	Other movements	Amortization	Dec 31, 2009
Gross value	10.1	0.3	(1.5)	(0.1)	–	8.8
Amortization	(7.1)	–	1.5	–	(0.9)	(6.5)
TOTAL	3.0	0.3	–	(0.1)	(0.9)	2.3

2008 Change

(in € million)	Dec 31, 2007	Acquisitions and capitalized expenses	Disposals	Other movements	Amortization	Dec 31, 2008
Gross value	18.6	1.7	(11.5)	1.4	–	10.1
Amortization	(7.7)	–	3.4	(1.3)	(1.6)	(7.1)
TOTAL	10.9	1.7	(8.1)	0.1	(1.6)	3.0

6.5. GOODWILL

2009 Change

(in € million)	Dec 31, 2008	Increase	Impairment	Dec 31, 2009
Gross value	166.2	35.1	–	201.3
Impairment	(24.8)	–	(105.6)	(130.4)
TOTAL	141.4	35.1	(105.6)	70.9

The goodwill at December 31, 2009 is mainly justified by the deferred taxes and the impairment is calculated according to these balances.

The impairment of the goodwill corresponds to:

- the impairment of the goodwill which has been recognized on Aupark in Bratislava, Slovakia following the payment of the earn-out. This adjustment of the goodwill of €35.1 million has been fully impaired (see note 8.8 on “Impairment of goodwill”);
- the impairment of the goodwill of Shopping City Süd in Vienna, Austria for an amount of €70.5 million, following the recognition of a deferred tax asset for the same amount (see section 5 “Highlights and comparability of the last two years” § 7). This impairment was recorded in “Income tax expenses” in the income statement.

2008 Change

(in € million)	Dec 31, 2007	Entry into the scope of consolidation	Impairment	Dec 31, 2008
Gross value	36.8	129.4	–	166.2
Impairment	–	–	(24.8)	(24.8)
TOTAL	36.8	129.4	(24.8)	141.4

6.6. INTANGIBLE ASSETS

Intangible assets mainly relate to the software SAP, amortized over five years. The amortizations are included in the administrative costs in the statement of comprehensive income.

2009 Change

(in € million)	Dec 31, 2008	Acquisitions	Disposals	Charges	Reclassification and other movements	Dec 31, 2009
Gross value	13.4	0.7	–	–	–	14.1
Amortization	(6.1)	–	–	(2.8)	–	(8.9)
TOTAL	7.2	–	–	(2.8)	–	5.2

2008 Change

(in € million)	Dec 31, 2007	Acquisitions	Disposals	Charges	Reclassification and amortization	Dec 31, 2008
Gross value	13.6	0.3	(0.4)	–	(0.1)	13.4
Amortization	(3.8)	–	0.3	(2.4)	(0.2)	(6.1)
TOTAL	9.8	0.3	(0.1)	(2.4)	(0.3)	7.2

6.7. LOANS AND RECEIVABLES

(in € million)	Dec 31, 2009			Dec 31, 2008		
	Gross	Provision	Net	Gross	Provision	Net
Advances to companies consolidated under the proportional method	10.2	–	10.2	12.7	–	12.7
Non-consolidated interests	0.2	–	0.2	0.2	–	0.2
Deposits paid	6.0	–	6.0	0.6	–	0.6
Prepayments ⁽¹⁾	198.4	–	198.4	195.3	–	195.3
Other financial assets	0.3	–	0.3	0.7	–	0.7
TOTAL	215.1	–	215.1	209.4	–	209.4

(1) Refers to the prepayment done to ING in 2007 for the acquisition of the company owning the shopping center Złote Tarasy located in Warsaw, Poland. As at December 31, 2009, the shares have not yet been delivered.

6.8. TRADE RECEIVABLES FROM ACTIVITY

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

Trade-related receivables (in € million)	Dec 31, 2009	Dec 31, 2008
Trade receivables	43.8	43.1
Doubtful accounts	14.5	19.6
Rent-free periods and step rents	8.0	6.5
Gross value	66.3	69.2
Provisions for doubtful accounts	(16.1)	(18.5)
NET	50.2	50.6

Breakdown of trade receivables by business line (in € million)	Dec 31, 2009	Dec 31, 2008
Retail	39.6	33.8
Offices	2.7	1.7
Other	7.9	15.2
TOTAL	50.2	50.6

Changes in provisions for doubtful accounts (in € million)	Dec 31, 2009	Dec 31, 2008
As of January 1	(18.5)	(12.6)
Change in scope of consolidation	(0.2)	–
Reclassifications	3.1	–
Additions	(6.6)	(15.7)
Use and reversal	6.1	9.8
AS OF DECEMBER 31	(16.1)	(18.5)

6.9. OTHER TRADE RECEIVABLES

All of these receivables are due within one year.

Tax receivables (in € million)	Dec 31, 2009	Dec 31, 2008
Value-Added Tax ⁽¹⁾	27.5	88.6
Corporate income tax	2.0	3.5
TOTAL	29.6	92.1

Receivables on sale of properties (in € million)	Dec 31, 2009	Dec 31, 2008
Receivables on sale of properties ⁽²⁾	260.8	–
TOTAL	260.8	–

Other receivables (in € million)	Dec 31, 2009	Dec 31, 2008
Receivables from suppliers	2.4	2.4
Service charges due ⁽³⁾	6.4	–
Other debtors	45.0	49.9
Receivables from partners	3.4	13.3
Gross value	57.2	65.6
Provisions	(1.0)	(0.3)
NET	56.2	65.5

Prepaid expenses (in € million)	Dec 31, 2009	Dec 31, 2008
Prepaid expenses ⁽⁴⁾	14.7	47.0
TOTAL	14.7	47.0

(1) A reimbursement of Value-Added Tax of €75 million was received in 2009 in Spain.

(2) Mainly due to assets disposals from the Netherlands to the permanent establishment of Unibail-Rodamco, the parent company, in the Netherlands.

(3) As at December 31, 2009, this amount corresponds to major works to be re-invoiced to the tenants.

(4) The decrease is mainly due to a sale of a Dutch asset.

6.10. CASH AND CASH EQUIVALENTS

(in € million)	Dec 31, 2009	Dec 31, 2008
Available-for-sale investments ⁽¹⁾	68.4	0.8
Cash	67.7	119.0
Current account to balance out cash flow	675.3	238.9
TOTAL	811.5	358.6

(1) This item comprises investments in money-market SICAV (marketable securities). There were no unrealized capital gains or losses on the portfolio.

This item also comprises the balances resulting from the cash-pooling arrangements contracted with Rodamco Europe N.V.'s main shareholder, Unibail-Rodamco S.E., for a total amount of €675.3 million (€238.9 million at the end of December 2008 respectively).

There are no restrictions on cash in banks.

7. NOTES TO THE CONSOLIDATED LIABILITIES

7.1. COMMITMENT TO PURCHASE NON-CONTROLLING INTERESTS

The Group has given commitments to purchase the non-controlling interests in the shopping center Donauzentrum in Vienna, Austria.

7.2. CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

Debt breakdown

Borrowings and other financial liabilities (in € million)	Dec 31, 2009	Dec 31, 2008
Bonds and EMTNs	2,019.8	2,011.1
Principal debt	2,000.0	2,000.0
Accrued interest	16.0	16.0
Charges and premiums on issues of borrowings	(5.8)	(9.1)
Mark-to-market of debt (fair value hedge)	9.6	4.2
Bank borrowings	1,548.5	1,733.5
Principal debt	1,222.7	1,701.6
Accrued interest	13.4	15.0
Charges and premiums on issues of borrowings	(3.6)	(4.0)
Bank overdrafts	5.2	15.4
Accrued interest on bank overdrafts	1.6	5.5
Current accounts to balance out cash flows	309.2	–
Other financial liabilities	794.0	473.8
Interbank market instruments and negotiable instruments	118.0	–
Parent company borrowings	442.7	231.3
Accrued interest on parent company borrowings	1.4	–
Current accounts with non-controlling interests	231.9	242.5
TOTAL	4,362.2	4,218.4

No loans were subject to prepayment clauses linked to the Group's ratings, barring exceptional circumstances such as change in control. A significant part of bank loans and credit facilities contains financial covenants such as LTV (Loan To Value) and ICR (Interest Coverage Ratio) ratios. Current ratio levels show ample headroom vis-à-vis those bank covenants (see "Financial resources").

Due to the active capital recycling policy applied in the Netherlands, only a few financings were raised over 2009 by Rodamco Europe:

- In Poland, a bank loan in euros was signed in August to refinance an existing loan in US dollars. New money amounted to €72 million.
- A seven-year facility was signed between Unibail-Rodamco S.E. and Unibail-Rodamco Inversiones for an amount of €250 million.
- Other new external financial resources were obtained from the money market by issuing commercial paper. The average amount of commercial paper outstanding in 2009 was €51 million of euro commercial paper (maturity of up to four months).

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

Outstanding duration to maturity (in € million)	Current	Non-current		Total Dec 31, 2009
	Less than 1 year	1 to 5 years	More than 5 years	
Bonds and EMTNs	510.2	1,509.6	–	2,019.8
Principal debt	500.0	1,500.0	–	2,000.0
Accrued interest	16.0	–	–	16.0
Charges and premiums on issues of borrowings	(5.8)	–	–	(5.8)
Mark-to-market of debt (fair value hedge)	–	9.6	–	9.6
Bank borrowings	341.9	814.0	392.5	1,548.5
Principal debt	16.1	814.0	392.5	1,222.7
Accrued interest	13.4	–	–	13.4
Charges and premiums on issues of borrowings	(3.6)	–	–	(3.6)
Bank overdrafts	5.2	–	–	5.2
Accrued interest on bank overdrafts	1.6	–	–	1.6
Current accounts to balance out cash flows	309.2	–	–	309.2
Other financial liabilities	119.4	424.6	250.0	794.0
Inter-bank market instruments and negotiable instruments	118.0	–	–	118.0
Parent company borrowings	–	192.7	250.0	442.7
Accrued interest on parent company borrowings	1.4	–	–	1.4
Current accounts with non-controlling interests	–	231.9	–	231.9
TOTAL	971.5	2,748.2	642.5	4,362.2

As at December 31, 2009, Rodamco Europe's average debt maturity was 3.8 years, after taking the confirmed unused credit lines into account.

The amount of bonds or bank loans outstanding as at December 31, 2009 and maturing or amortizing in 2010 is €825 million. In 2011, the amount is €642 million.

Characteristics of bonds

Issue date	Rate	Amount at Dec 31, 2009 (in € million)	Maturity
July 2003	Fixed rate 3.750%	500.0	July 2010
October 2004	Fixed rate 4.375%	500.0	October 2014
December 2005	Fixed rate 3.750%	500.0	December 2012
April 2006	Fixed rate 4.125%	500.0	April 2011
TOTAL		2,000.0	

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

The bonds issued by Rodamco Europe under the EMTN program and maturing in 2011, 2012, and 2014 (€1,500 million as at December 31, 2009), include a restriction of the amount of indebtedness at subsidiary level, which cannot exceed an aggregate 30% of total Group assets. At December 31, 2009, this threshold is observed.

The market value of Rodamco Europe's fixed-rate and index-linked debt is presented in the table below. The remainder of the Group's outstanding debt is variable-rate debt, whose carrying value on the statement of financial position is the sum of the nominal amount and coupon payments.

Long-term debt (in € million)	Dec 31, 2009		Dec 31, 2008	
	Carrying value	Market value	Carrying value	Market value
Fixed-rate and index-linked borrowings, inter-bank instruments and negotiable market instruments	3,027.3	3,121.4	2,732.3	2,564.4

7.3. HEDGING INSTRUMENTS

Derivative instruments owned by the Group are stated at their fair values and are recorded in the statement of financial position as at December 31, 2009 for €55.2 million as assets and €40.1 million as liabilities.

Derivatives are valued by discounted estimated future cash flows based on the interest rate curve at the end of December 2009. The valuation has been cross-checked against valuations by banks.

The change in derivatives as well as the amounts recorded in the different lines of the statement of comprehensive income are described in the table below:

(in € million)	Dec 31, 2008	Amounts recognized in the statement of comprehensive income			Dec 31, 2009
		Net financing costs	Fair value adjustments of derivatives and debts	Other comprehensive income	
ASSETS					
Derivatives at fair value	59.0	3.5	4.4	(11.7)	55.2
– Fair value hedge	34.7	3.2	–	–	37.9
– Cash flow hedge	9.1	0.3	–	(0.5)	8.9
– Net investment hedge	11.2	–	–	(11.2)	–
– No hedge accounting	4.0	–	4.4	–	8.4
LIABILITIES					
Derivatives at fair value	17.4	–	4.5	18.2	40.1
– Cash flow hedge	0.6	–	–	(0.8)	(0.2)
– Net investment hedge	(0.1)	–	–	19.0	18.9
– No hedge accounting	16.9	–	4.5	–	21.4

7.4. DEFERRED TAX
2009 change

(in € million)	Dec 31, 2008	Increase	Decrease	Reclassifications	Currency translation	Changes in scope of consolidation	Dec 31, 2009
Deferred tax liabilities	735.5	4.8	(186.1)	–	(3.2)	–	551.0
Deferred tax on investment properties	735.5	4.8	(186.1)	–	(3.2)	–	551.0
Other deferred tax liabilities	1.1	(20.6)	–	(8.0)	–	–	(27.5)
– Tax loss carry-forward ^(a)	(2.9)	(20.6)	–	(8.0)	–	–	(31.5)
– Others	4.0	–	–	–	–	–	4.0
TOTAL DEFERRED TAX LIABILITIES	736.6	(15.8)	(186.1)	(8.0)	(3.2)	–	523.5
Deferred tax assets							
Tax-loss carry-forward	(49.9)	(2.0)	6.2	8.0	(0.2)	–	(37.9)
TOTAL DEFERRED TAX ASSETS	(49.9)	(2.0)	6.2	8.0	(0.2)	–	(37.9)

(a) Deferred tax on tax loss carry-forward at the end of December 2009 corresponds mainly to the losses recognized within the tax group of Shopping City Süd, Austria.

Deferred tax liabilities on properties refer to those countries where there is no tax efficient status comparable to that of France (SIIC), providing a tax exemption on direct income and capital gains on property sales. The decrease of deferred tax liabilities on investment properties is mainly due to the decrease of the valuation of the assets.

For the Dutch activities, the properties were recognized at market value in December 2009 for both book and tax purposes. Consequently, no deferred tax on these activities was taken into account (See section 2 “Accounting principles and consolidation methods” § 2.8 “Taxes”).

2008 change

(in € million)	Dec 31, 2007	Increase	Decrease	Reclassifications	Currency translation	Changes in scope of consolidation	Dec 31, 2008
Deferred tax liabilities	747.0	–	(95.3)	–	(19.2)	103.0	735.5
Deferred tax on investment properties	747.0	–	(95.3)	–	(19.2)	103.0	735.5
Other deferred tax liabilities	(2.0)	3.1	–	–	–	–	1.1
– Tax loss carry-forward	(4.0)	1.1	–	–	–	–	(2.9)
– Others	2.0	2.0	–	–	–	–	4.0
Total deferred tax liabilities	745.0	3.1	(95.3)	–	(19.2)	103.0	736.6
Deferred tax assets							
Tax-loss carry-forward	(45.0)	(3.9)	3.0	–	2.0	(6.0)	(49.9)
Total deferred tax assets	(45.0)	(3.9)	3.0	–	2.0	(6.0)	(49.9)

Unrecognized deferred tax assets

(in € million)	Dec 31, 2009	Dec 31, 2008
Temporary differences investment properties	85.0	–
Tax loss carry-forwards not recognized	89.9	69.0
TOTAL UNRECOGNIZED ASSETS	174.9	69.0

The temporary differences and tax losses are mainly related to real estate operations in Germany (€45.6 million) and in Spain (€98.3 million). Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available that can be offset against these assets. €70 million of these tax loss carry-forwards have no limit in time.

7.5. PROVISIONS
2009 change

(in € million)	Dec 31, 2008	Allocations	Reversals used	Reversals not used	Discount	Other movements ⁽²⁾	Dec 31, 2009
Long-term provisions	28.0	–	(1.1)	(9.4)	(0.9)	(5.2)	11.4
Provisions for litigation ⁽¹⁾	27.7	–	–	(9.2)	(0.9)	(6.3)	11.3
Other provisions	0.3	–	(1.1)	(0.2)	–	1.1	0.1
Provisions for pension liabilities	6.9	2.6	–	(2.5)	–	1.0	8.1
Short-term provisions	8.5	1.5	(3.9)	–	–	4.8	10.9
Provisions for litigation	0.4	0.9	(3.2)	–	–	7.2	5.3
Other provisions	8.2	0.6	(0.7)	–	–	(2.4)	5.6
TOTAL	43.4	4.1	(5.0)	(11.9)	(0.9)	0.6	30.4

(1) A litigation that occurred during an acquisition process in France was settled out of court, resulting in the reversal of the provision not used for €9.2 million.

(2) Other movements relate mainly to the reclassification of various provisions between long term and short term, depending on the current estimate of when they will be settled.

2008 change

(in € million)	Dec 31, 2007	Allocations	Reversals used	Reversals not used	Changes in scope of consolidation	Other movements ⁽²⁾	Dec 31, 2008
Long-term provisions	23.2	13.1	(0.7)	(2.7)	0.6	(5.7)	28.0
Provisions for litigation	14.1	13.1 ⁽¹⁾	–	(0.2)	0.6	–	27.7
Other provisions	9.1	–	(0.7)	(2.5)	–	(5.7) ⁽²⁾	0.3
Provisions for pension liabilities	6.0	2.6	–	(1.8)	0.2	(0.1)	6.9
Short-term provisions	7.2	1.9	(0.5)	–	–	–	8.6
Provisions for litigation	–	0.4	–	–	–	–	0.4
Other provisions	7.2	1.5	(0.5)	–	–	–	8.2
TOTAL	36.5	17.6	(1.2)	(4.5)	0.9	(5.8)	43.5

(1) €9.5 million in provisions were recorded to cover potential tax litigations.

(2) An amount of €5.5 million, related to an additional price for the Donauzentrum extension in Vienna, Austria, was reclassified in "Amounts due on investments" according to the Group's accounting method.

7.6. AMOUNTS DUE ON INVESTMENTS

As at December 31, 2009, the non-current balance comprised the earn-out due for Donauzentrum in Vienna, Austria for €7.5 million. The earn-out of €18.0 million for Aupark in Bratislava, Slovakia, which was classified in current liabilities in 2008, was paid during the period.

7.7. AMOUNTS DUE TO SUPPLIERS AND OTHER CURRENT DEBT

Trade payables by division (in € million)	Dec 31, 2009	Dec 31, 2008
Retail	14.9	14.9
Offices	0.7	0.4
Others	6.1	20.7
TOTAL	21.8	36.0
Sundry creditors (in € million)	Dec 31, 2009	Dec 31, 2008
Due to customers ⁽¹⁾	9.6	1.6
Due to partners	11.4	–
Other creditors	68.8	50.6
TOTAL	89.8	52.2
Other liabilities (in € million)	Dec 31, 2009	Dec 31, 2008
Prepaid income ⁽²⁾	74.3	58.8
Total	74.3	58.8

(1) This item includes eviction costs in particular.

(2) Mainly rents received in advance. In 2009, the key monies to be received for rents signed but not effective are accounted for in prepaid income.

7.8. TAX AND SOCIAL SECURITY LIABILITIES

(in € million)	Dec 31, 2009	Dec 31, 2008
Social security liabilities	5.6	9.2
Value-added tax	22.8	17.2
Income tax due ⁽¹⁾	1.9	10.1
Other tax liabilities	2.3	3.1
TOTAL	32.5	39.6

(1) Due to the decrease of the taxable result, mainly in Spain.

8. NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**8.1. GROSS RENTAL INCOME**

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

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

8.2. NET SERVICE CHARGE EXPENSES

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

(in € million)	2009	2008
Service charge income	146.5	145.5
Service charge expenses	(151.7)	(151.0)
TOTAL	(5.2)	(5.4)

8.3. PROPERTY OPERATING EXPENSES

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

8.4. ADMINISTRATIVE EXPENSES

This item comprises head office and Group administrative expenses and expenses relating to development projects.

8.5. NET OTHER INCOME

Revenues from other activities cover the margin for property management and maintenance services provided to Offices and Shopping Centers when fees are invoiced by property service companies.

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

8.6. RESULT ON DISPOSAL OF INVESTMENT PROPERTIES

Proceeds from the disposal of investment properties correspond to the disposal price received net of disposal costs. The carrying value of disposed assets corresponds to the latest market valuation recorded on the closing statement of financial position for the previous financial year, plus works costs and capitalized expenses for the period, and adjusted for reversals of rent-free periods and step rents. See section 5 “Highlights and comparability of the last two years” for details of the main assets disposals.

8.7. VALUATION MOVEMENTS

This item reflects changes in market valuation of investment properties.

(in € million)	2009	2008
Retail	(958.9)	(603.7)
Offices	(65.2)	(86.6)
TOTAL	(1,024.1)	(690.3)

The valuation movements include the revaluation of the IPUC for an amount of €4.5 million in 2009, and the impairment of the investment properties at cost for an amount of €19.2 million in 2009 and €23.4 million in 2008.

8.8. IMPAIRMENT OF GOODWILL

Following the payment of the earn-out on Aupark in Bratislava, Slovakia, a goodwill of €35.1 million was recognized and immediately fully impaired.

8.9. NET FINANCING COSTS

(in € million)	2009	2008
Other financial interest ⁽¹⁾	29.5	20.9
Interest income on caps and swaps	26.9	42.4
Total financial income	56.4	63.3
Security transactions	–	(0.7)
Interest on bonds	(83.8)	(84.3)
Interest and expenses on loans	(62.2)	(89.0)
Interest on partners' advances	(15.3)	(8.3)
Other financial interest	(4.1)	(4.1)
Interest expenses on caps and swaps	(24.4)	(46.9)
Currency losses	(0.1)	(0.4)
Sub-total financial expenses	(189.9)	(233.6)
Capitalized financial expenses	18.2	20.8
Total financial expenses	(171.7)	(212.8)
NET FINANCIAL EXPENSES	(115.3)	(149.5)

(1) Other financial interest includes financial interest on the prepayment for the acquisition of the company owning the shopping center Zlote Tarasy in Warsaw, Poland, as well as the prepayment for the acquisition of an office building adjacent to this shopping center (see note 6.7 "Loans and receivables").

8.10. FAIR VALUE ADJUSTMENTS OF DERIVATIVES AND DEBT

During 2009, changes in fair value of derivatives (caps and swaps) generated a loss of €0.1 million.

In 2008, changes in fair value of derivatives (caps and swaps) generated a loss of €3.4 million.

8.11. DEBT DISCOUNTING

This item records the discounting of long-term provisions and liabilities, according to their scheduled term.

8.12. INCOME TAX EXPENSES

(in € million)	2009	2008
Deferred tax on:		
– Change in fair value of investment properties	181.3	95.3
– Impairment of goodwill justified by taxes	(70.5)	(8.5)
– Indirect income	14.1	(15.3)
– Direct income	(4.0)	(3.6)
Allocation/reversal of provision concerning tax issues	–	(9.5)
Total tax	120.9	58.4
Total tax due	(6.4)	(16.7)

Reconciliation of effective tax rate	%	2009
Profit before tax and impairment of goodwill		(588.6)
Income tax using the average tax rate	(31.3%)	184.0
Tax exempt profits (including effect of FBI and SIIC)	10.4%	(61.1)
Tax exempt costs	0.2%	(1.1)
Effect of non-recognized tax losses	4.9%	(28.8)
Effect of change in tax rates	0.5%	(3.1)
Other ⁽¹⁾	(17.2%)	101.5
Impairment of goodwill justified by taxes	12.0%	(70.5)
	(20.5%)	120.9

(1) This item mainly comprises the recognition of a deferred tax asset for Shopping City Süd in Vienna, Austria following the creation of a fiscal group. (See section 5 "Highlights and comparability of the last two years" § 7).

8.13. NON-CONTROLLING INTERESTS

For 2009, this item mainly comprised non-controlling interests in net losses in Spain resulting from valuation movements of La Maquinista and Habaneras.

8.14. OTHER COMPREHENSIVE INCOME

For 2009, other comprehensive income comprised:

- €18.9 million in foreign currency differences on translation of financial statements of subsidiaries related mainly to Sweden, Denmark and the property company in Poland;
- €4.3 million in net investment hedge, which comprises the fair value adjustments of derivatives and the impact of foreign currency translation on loans qualified as net investment hedge; and,
- €1.0 million in depreciation of the hedging reserve related to derivatives qualified as cash flow hedge.

9. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

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

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

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

As at June 23, 2009, €313.8 million was declared as dividend on shares regarding the 2008 financial year, of which €3.9 million was paid to the non-controlling shareholders.

9.1. BREAKDOWN OF ACQUISITIONS AND DISPOSALS OF CONSOLIDATED SUBSIDIARIES

(in € million)	2009	2008
Acquisition price of shares	(57.0)	(621.5)
Acquisitions net of cash acquired⁽¹⁾	(57.0)	(621.5)
Net price of shares sold	–	95.8
Cash and current accounts sold	–	261.7
SALES NET OF CASH SOLD	–	357.5

(1) As of December 31, 2009, this item refers to the payment of the earn-out of Aupark in Bratislava, Slovakia.

9.2. RECONCILIATION OF CASH AT PERIOD-END ON THE STATEMENT OF CASH FLOWS AND CASH ON THE STATEMENT OF FINANCIAL POSITION

(in € million)	2009	2008
Available-for-sale investments	68.4	0.7
Parent company cash pooling ⁽¹⁾	675.3	238.9
Cash	67.7	119.0
Total cash and cash equivalents	811.5	358.6
Parent company credit facilities ⁽¹⁾	(309.2)	–
Bank overdrafts	(5.2)	(15.5)
CASH AT PERIOD-END	497.1	343.1

(1) The cash pooling agreements between Rodamco Europe Finance B.V. and Unibail-Rodamco S.E. and between Rodamco Europe N.V. and Unibail-Rodamco S.E. took effect on June 24, 2008.

10. FINANCIAL INSTRUMENTS

Carrying value of financial instruments per category in accordance with IAS 39

- L&R: Loans and Receivables
- AFS: Available for Sale financial assets
- FAHFT: Financial Assets Held for Trade
- FLAC: Financial Liabilities measured At Cost
- FLHFT: Financial Liabilities Held for Trade

Year-end 2009 (in € million)	Categories in accordance with IAS 39	Carrying amount at Dec 31, 2009	Amounts recognized in statement of financial position according to IAS39			
			Amortized Cost	Fair value recognized in equity	Fair value recognized in profit & loss	Fair value
ASSETS						
Loans	L&R	215.1	215.1	–	–	240.8
Derivatives at fair value	FAHFT	55.2	–	(4.3)	59.5	55.2
Trade receivables from activity ⁽¹⁾	L&R	42.2	42.2	–	–	42.2
Receivables on sale of properties	L&R	260.8	260.8	–	–	260.8
Other receivables ⁽²⁾	L&R	56.2	56.2	–	–	56.2
Cash and cash equivalents	AfS	811.5	–	68.4	743.1	811.5
TOTAL		1,441.0	574.3	64.2	802.5	1,466.7
LIABILITIES						
Financial debts	FLAC	4,053.0	3,757.4	–	295.6	4,147.1
Derivatives at fair value	FLHFT	40.1	–	19.1	21.0	40.1
Guarantee deposits	FLAC	66.1	66.1	–	–	66.1
Amounts due to suppliers and other current debt ⁽³⁾	FLAC	164.3	164.3	–	–	164.3
TOTAL		4,323.5	3,987.8	19.1	316.6	4,417.6

Year-end 2008 (in € million)	Categories in accordance with IAS 39	Carrying amount at Dec 31, 2008	Amounts recognized in statement of financial position according to IAS39			
			Amortized Cost	Fair value recognized in equity	Fair value recognized in profit & loss	Fair value
ASSETS						
Loans	L&R	209.4	209.4	–	–	209.4
Derivatives at fair value	FAHFT	59.0	–	6.7	52.3	59.0
Trade receivables from activity ⁽¹⁾	L&R	44.1	44.1	–	–	44.1
Other receivables ⁽²⁾	L&R	65.5	65.5	–	–	65.5
Cash and cash equivalents	AfS	358.6	–	0.8	357.8	358.6
TOTAL		736.6	319.0	7.5	410.1	736.6
LIABILITIES						
Financial debts	FLAC	4,218.4	3,928.2	–	290.2	4,050.5
Derivatives at fair value	FLHFT	17.4	–	–	17.4	17.4
Guarantee deposits	FLAC	60.0	60.0	–	–	60.0
Amounts due to suppliers and other current debt ⁽³⁾	FLAC	143.1	143.1	–	–	143.1
TOTAL		4,438.9	4,131.3	–	307.6	4,271.0

(1) Excluding rent-free periods and step rents.

(2) Excluding prepaid expenses, service charges due and tax receivables.

(3) Excluding prepaid income and service charges billed.

“Trade receivables from activity”, “Receivables on sale of properties”, “Other receivables”, “Cash and cash equivalents” and “Amounts due to suppliers and other current debt” mainly have short-term maturity; their carrying amounts at the reporting date approximate the fair value.

Fair value hierarchy of financial instruments

This table splits the financial instruments in assets or liabilities into three levels:

- Level 1: financial instruments quoted in an active market.
- Level 2: financial instruments whose fair value is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets.
- Level 3: financial instruments whose fair value is determined in whole or in part using a valuation technique based on assumptions that are not supported by prices from observable current market transactions in the same instrument (i.e. without modification or repackaging) and not based on available observable market data.

(in € million)	Fair value measurement at Dec 31, 2009			
	Total	Level 1	Level 2	Level 3
ASSETS				
FAIR VALUE THROUGH PROFIT AND LOSS				
Derivatives	59.5	–	59.5	–
FAIR VALUE THROUGH EQUITY				
Derivatives	(4.3)	–	(4.3)	–
Available-for-sale investments	68.4	68.4	–	–
TOTAL	123.6	68.4	55.2	
LIABILITIES				
FAIR VALUE THROUGH PROFIT AND LOSS				
Bonds	295.6	–	295.6	–
Derivatives	21.0	–	21.0	–
FAIR VALUE THROUGH EQUITY				
Derivatives	19.1	–	19.1	–
TOTAL	335.7	–	335.7	–

Net gain (loss) by category

2009 (in € million)	From interest	From trading	From subsequent measurement			Net gain (loss)
			At fair value	Currency translation	Impairment/reversal of impairment	
Loans & receivables	24.6	–	–	–	–	24.6
Financial instruments held for trading	–	2.5	–	–	–	2.5
Financial liabilities at amortized cost	(160.5)	–	–	–	–	(160.5)
	(135.9)	2.5	–	–	–	(133.4)
Capitalized expenses						18.2
Other						(0.1)
NET FINANCIAL EXPENSES						(115.3)

2008 (in € million)	From interest	From trading	From subsequent measurement			Net gain (loss)
			At fair value	Currency translation	Impairment/reversal of impairment	
Loans & receivables	15.0	–	–	–	–	15.0
Financial instruments held for trading	–	(4.5)	–	–	–	(4.5)
Financial liabilities at amortized cost	(180.5)	–	–	–	–	(180.5)
	(165.5)	(4.5)	–	–	–	(169.9)
Capitalized expenses						20.8
Other						(0.4)
NET FINANCIAL EXPENSES						(149.5)

11. RISK MANAGEMENT

The Group closely monitors the financial risk linked to its activities and the financial instruments it uses. The Group identifies and regularly evaluates its different risk exposures (liquidity, interest rates, currency exchange rates) in order to implement an adapted strategy when necessary.

11.1. CREDIT RISK

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

When tenants sign their leasing agreements, they are required to provide financial guarantees, such as a deposit, first-demand guarantee or surety bond, amounting to between three and six months' rent. Late payment reminders are automatically issued in the event of late payments and penalties are applied. Such late payments are monitored by a special "default" committee in each business division, which decides on the pre-litigious or litigious action to be taken.

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

- 50% of receivables due for more than three months (calculation after preliminary deduction of possible deposits and bank guarantee); and,
- 100% of receivables due for more than six months.

11.2. MARKET RISK

a) Liquidity risk

The following table shows the Group's contractually agreed interest payments and repayments of the non-derivative financial liabilities, and the derivatives with positive and negative fair values. Amounts in foreign currencies were translated at the closing rate at the reporting date. The payments of the floating-rate interests have been calculated on the basis of the last interests rates published on December 31, 2009. Lines drawn as at December 31, 2009, are considered as drawn until maturity.

Commercial papers have been allocated at the earliest period of redemption, even if they are rolled over. All other borrowings have been allocated by date of maturity.

Bonds, borrowings and amounts due to credit institutions:

(in € million)	Carrying amount ⁽¹⁾	Less than 1 year		1 year to 5 years		More than 5 years		Total	
	Dec 31, 2009	Interest	Redemption	Interest	Redemption	Interest	Redemption	Interest	Redemption
BONDS, BORROWINGS AND AMOUNTS DUE TO CREDIT INSTITUTIONS:									
Bonds and EMTNs	(2,000.0)	(80.0)	(500.0)	(145.7)	(1,500.0)	–	–	(225.7)	(2,000.0)
Bank borrowings and other financial liabilities	(2,324.5)	(87.4)	(443.3)	(230.2)	(1,238.6)	(65.1)	(642.6)	(382.7)	(2,324.5)
FINANCIAL DERIVATIVES:									
<i>Derivative financial liabilities:</i>									
Currency and interest rate derivatives in connection with net investment hedges									
	(19.1)	0.3	–	0.1	–	–	–	0.4	–
Interest rate derivatives without a hedging relationship									
	(21.0)	(12.3)	–	(32.3)	–	–	–	(44.6)	–
<i>Derivative financial assets:</i>									
Currency derivatives in connection with cash flow hedges									
	8.9	(0.8)	–	1.6	–	–	–	0.8	–
Interest rate derivatives without a hedging relationship									
	8.4	4.4	–	17.7	–	–	–	22.1	–
Currency and interest rate derivatives in connection with fair value hedges									
	37.9	9.6	–	10.7	–	–	–	20.3	–

(1) Corresponds to the amount of principal debt (see note 7.2 "Current and non-current financial liabilities").

Rodamco Europe's long-term refinancing policy consists of diversifying the Group's expiry schedules and financial resources. Accordingly, bonds & EMTN issues represented 49% of financial nominal debt at December 31, 2009, bank loans and overdrafts 48% and short-term instruments 3%.

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

As of December 31, 2009 the total amount of undrawn credit lines came to €660 million.

b) Counterparty risk

Due to its use of derivatives to minimize its interest and exchange rate risk, 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. To limit counterparty risk, the Group relies solely on major international banks for its hedging operations.

c) Interest rate risk management

Rodamco Europe is exposed to interest rate fluctuations on its variable rate loans, which fund its investment policy and secure the cash position required. The Group's strategy regarding interest rate risk is to minimize the impact that changes in rates could have on earnings and cash flow and minimize the overall cost of financing. In order to implement this strategy, Rodamco Europe borrows at variable rates and uses derivatives (mainly caps and swaps) to hedge its interest rate exposure. The Group's market transactions are confined exclusively to those interest hedging activities. All transactions are managed centrally and independently by the Group.

Average cost of debt

Rodamco Europe's average cost of debt came to 3.8% over 2009. This average cost of debt results from the level of margins on existing borrowings, the low interest rate environment in 2009, the cost of the Group's hedging instruments and the cost of carry of the undrawn credit lines.

Interest rate hedging transactions

The Group's interest rate policy is managed at Parent level (Unibail-Rodamco) through a macro-hedging policy. After taking into account interest rate swaps and cross currency swaps, the debt at fixed rate represents 89% of total net debt.

Note that, when applying IFRS, Rodamco Europe applied a cash flow hedge accounting policy according to IFRS for some of its derivative instruments.

Measuring interest rate risk

(in € million)	Outstanding total at Dec 31, 2009	
	Fixed rate	Variable rate ⁽¹⁾
Financial liabilities	(3,027.1)	(1,070.7)
Financial assets	68.6	742.9
Net financial liabilities before hedging program	(2,958.5)	(327.8)
Hedging	286.0	(257.7)
Net financial liabilities after micro-hedging⁽²⁾	(2,672.5)	(585.5)
Swap-rate hedging ⁽³⁾		219.6
HEDGING BALANCE		(365.9)

(1) Including index-linked debt.

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

(3) Forward hedging instruments are not accounted for in this table.

As of December 31, 2009, net financial nominal debt stood at €3,286 million, excluding partners' current accounts and after taking cash surpluses into account (€811.5 million). Current accounts that can be reimbursed on Rodamco Europe's demand have been classified in cash equivalents.

The outstanding nominal net debt was hedged in totality against an increase in variable rates, based on debt outstanding as at December 31, 2009 through both:

- debt kept at fixed rate;
- hedging in place as part of Rodamco Europe's macro-hedging policy. Part of this hedging is made of caps and collars, which will allow the Group to benefit to a certain extent from the decrease of short-term interest rates in 2010.

Based on Rodamco Europe's debt situation on December 31, 2009, if interest rates (Euribor, Stibor or Libor) were to rise by an average of 0.5% (50 basis points) during 2010, the resulting increase in financial expenses would have an estimated negative impact of €2.5 million on the direct net profit. A further rise of 0.5% would have an additional adverse impact of €2.5 million. Conversely, a 0.5% (50 basis points) drop in interest rates would reduce financial expenses by an estimated €2.5 million, and would enhance 2010 direct net profit by an equivalent amount.

d) Currency exchange rate risk management

Regarding exchange rate risk, the Group aims to limit its net exposure to an acceptable level by taking up debt in the same currency, by using derivatives and by buying or selling foreign currencies at spot rates.

Measuring currency exchange rate exposure

The Group has activities and investments in countries outside the eurozone, 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 rates where necessary to address short-term balances.

Main foreign currency positions at December 31, 2009 (in € million)

Currency	Assets	Liabilities	Net exposure	Hedging instruments	Exposure net of hedges
SEK	1,413.5	362.4	1,051.1	672.0	379.1
DKK	286.7	76.5	210.2	127.3	82.9
HUF	1.0	–	1.0	–	1.0
USD	175.1	15.7	159.4	30.2	129.2
CZK	0.1	153.2	(153.1)	(153.6)	0.5
PLN	0.2	0.9	(0.7)	–	(0.7)
TOTAL	1,876.6	608.7	1,267.9	676.0	591.9

The main exposure is in Swedish krona (SEK). A decrease of 10% in the SEK/EUR exchange rate would have a €34 million negative impact on shareholders' equity. The sensitivity of the 2010 direct result to a 10% change in the SEK/EUR exchange rate is limited to €5 million. Exposure net of hedges in US dollars will be reduced significantly in 2010, as part of the Polish rents previously in US dollars will be changed to euros, and most assets valued in US dollars will be valued directly in euros.

11.3. CAPITAL RISK MANAGEMENT

When managing capital, the Group's objectives are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may issue new debt or buy back existing outstanding debt, return capital to shareholders, issue new shares or buy back outstanding shares or sell assets to reduce debt.

The Group has disclosed the debt ratio "Loan-to-value" (LTV) as this is the measure the Group uses to monitor capital. This ratio is calculated as the net financial nominal debt, expressed as a percentage of the portfolio valuation (including transfer taxes). On December 31, 2009, net financial debt stood at €3,286 million excluding partners' current accounts and after taking cash surpluses into account (€811.5 million). The portfolio valuation (including transfer taxes) of the Group on the same date amounted to €10,598 million. On December 31, 2009, the calculated ratio stood at 31%, in line with the levels recorded on December 31, 2008 (30%).

12. FINANCIAL COMMITMENTS AND GUARANTEES

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

12.1. COMMITMENTS GIVEN

(in € million)	Dec 31, 2009	Dec 31, 2008
Mortgages and first lien lenders ⁽¹⁾	879.1	807.9
Properties under construction: residual commitments related to works contracts and to forward purchase agreements ⁽²⁾	217.3	591.2
Residual commitments related to other works contracts	1.4	–
Liability warranties (capped) ⁽³⁾	2.0	5.8
Purchase undertakings and earn-out ⁽⁴⁾	101.5	100.0
Other guarantees given	24.5	18.5
TOTAL	1,225.8	1,523.5

(1) Discloses the outstanding balances at the reporting date of the debts and credit lines which are guaranteed by mortgages. The gross amount of mortgages contracted, before taking into account subsequent debt reimbursement and unused credit lines, was €1,250.1 million at December 31, 2009 (€1,121.6 million at December 31, 2008).

(2) Concerns commitments linked to the building of new or extension of existing shopping centers and offices, particularly Tour and Cours Oxygène in Lyon, France; Buitenmere in Almere and Markthal in Rotterdam, the Netherlands; Mall of Scandinavia in Stockholm (negotiation ongoing for the renewal of the previous commitment); and Täby Centrum in Täby, Sweden.

The decrease in the commitments on projects under construction is a result of the completion of several projects during 2009, such as Docks Vauban in France; the advancement of several others, such as Donauzentrum in Austria; and the exit from the Metropolis project in Moscow, Russia. Commitments on the Täby Centrum project in Sweden have increased during its initial phase.

(3) Liability warranties granted under the usual terms for the disposal of companies, capped at €2.0 million as of December 31, 2009, with the exception of certain specifically identified representations and warranties.

(4) Concerns the Aupark shopping and entertainment center in Bratislava, Slovakia, for €100.8 million. Further to the Group's acquisition in 2006 of a 50% stake in this center, the vendor has an option to sell an additional 40% to the Group from 2006 onwards. From 2009 onwards, the vendor also has an option to sell the remaining 10% to the Group. The remaining €0.8 million relates to the earn-out commitment on the Zlote Tarasy shopping center located in Warsaw, Poland, subject to the finalization of the related share acquisition.

12.2. COMMITMENTS RECEIVED

(in € million)	Dec 31, 2009	Dec 31, 2008
Refinancing agreements obtained but not used ⁽¹⁾	660.0	175.0
Guarantees received relating to Hoguet Regulation	18.0	18.1
Guarantees received from tenants	82.6	60.4
Other commitments received ⁽²⁾	107.8	128.1
TOTAL	868.4	381.6

(1) These agreements are concluded in coordination with Rodamco Europe N.V.'s main shareholder, Unibail-Rodamco S.E. They are usually accompanied by a requirement for Unibail-Rodamco S.E. to meet specific target ratios based on revalued shareholders' equity, Group portfolio valuation and debt. Certain credit lines are also subject to an early pre-payment clause (in full or in part) in the event of a change in ownership or a series of disposals reducing portfolio assets below a given threshold. Based on current forecasts, excluding exceptional circumstances, these thresholds on target ratios are not expected to be attained during the current year.

(2) Further to the vendor's options to sell a further 40% plus 10% in the Aupark shopping and entertainment center in Bratislava, Slovakia, as described above in note 12.1 "Commitments given", the Group has an option to buy an additional 40% from 2013 onwards, thereby extending its stake to 90%. This commitment received amounts to €80.6 million. The 2008 figures have been accordingly restated to take into account this commitment. Other commitments received also relate to guarantees provided to vendors on forward purchase agreements. These guarantees are provided by banks or by Rodamco Europe N.V.'s main shareholder, Unibail-Rodamco S.E.

12.3. COMMITMENTS RELATING TO OPERATING LEASES
General overview of the main provisions of lease agreements

The period of commercial lease agreements varies greatly by region, most often varying from three to ten years. Rents are, in general, annually indexed with inflation during the lease agreement. Rents may be stepped or constant, and can include rent-free periods or step rents. The level of rent is determined at the time the lease agreement is signed and remains in force for the term of the lease. In most regions, the charges, including land duties and office tax, are usually paid by the tenant, unless stated otherwise in the lease agreement. In the case of shopping centers, rent is based on a minimum guaranteed rent, indexed and established so that the variable turnover based part of rents represents a small part of total rents. In 2009, variable rents accounted for just 1.6% of total rents.

Minimum guaranteed rents under leases

On December 31, 2009, minimum future rents due under leases until the next possible termination date break down as follows:

Minimum future rents per year (in € million)

Year	Retail	Offices	Total
2010	603.2	38.6	641.8
2011	459.9	28.2	488.0
2012	377.0	21.9	398.9
2013	289.4	16.0	305.4
2014	212.1	11.9	224.0
2015	153.5	11.3	164.8
2016	113.8	9.5	123.2
2017	83.3	7.7	90.9
2018	63.8	7.1	70.9
2019	43.1	6.5	49.6
2020	35.9	6.3	42.1
Beyond	113.1	14.3	127.4
Total	2,547.9	179.2	2,727.1

13. EMPLOYEE REMUNERATION AND BENEFITS

13.1. PERSONNEL COSTS

Personnel costs (in € million)	2009	2008
Head office personnel costs	58.5	65.8
Employee benefits ⁽¹⁾	2.1	1.1
TOTAL	60.6	66.9

(1) Expenses relating to the Company Savings Plan, stock options and bonus share awards, recognized with an equivalent increase in equity.

13.2. NUMBER OF EMPLOYEES

The average number of employees of the Group's companies breaks down as follows:

Regions	2009	2008
Austria	105	85
Central Europe	107	87
France	54	66
The Netherlands	109	130
Nordic	172	173
Spain	135	128
TOTAL	682	669

13.3. EMPLOYEE BENEFITS

Pension plan

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

(in € million)	Dec 31, 2009	Dec 31, 2008
Benefit obligations	36.5	32.9
Fair value of plan assets	(29.1)	(26.5)
Funded status of the plans	7.4	6.5

The movement in the present value of funded obligation over the year is as follows:

(in € million)	Dec 31, 2009	Dec 31, 2008
Beginning of the year	32.9	30.0
Current service cost	1	1.0
Interest cost	1.6	1.0
Contributions	0.1	–
Benefit payments	(0.7)	–
Curtailments	–	–
Actuarial gains and losses	1.5	0.9
Settlements	–	–
END OF YEAR	36.5	32.9

The movement in the fair value of plan assets over the year is as follows:

(in € million)	Dec 31, 2009	Dec 31, 2008
Beginning of the year	(26.5)	(25.0)
Expected return on plan assets	(1.2)	(1.9)
Contributions	0.9	(2.9)
Benefit payments	0.7	1.1
Curtailments	–	2.2
Actuarial gains and losses	(2.9)	–
Settlements	–	–
END OF YEAR	(29.5)	(26.5)

Movement in the net liability recognized in the “Statement of financial position”:

(in € million)	Dec 31, 2009	Dec 31, 2008
Net liabilities at the beginning of the year	6.5	6.0
Employer contributions	0.9	(2.7)
Expenses recognized in the profit and loss account	–	3.2
Actuarial gains(losses)	(1.3)	1.8
Current service costs	1.0	1.1
Interest costs	1.6	1.6
Expected return on plan assets	(1.2)	(1.3)
NET LIABILITIES AT YEAR-END	7.4	6.5

Principal actuarial assumptions used:

	Dec 31, 2009	Dec 31, 2008
Discount rate	5.0%	5.0%
Expected return on plan assets	4.3%	4.5%
Future salary increase	3.25%	4.50%/3.75%
Future inflation	2.25%	2.0%
Future pension increase	2.25%/3.25%	2.0%/3.0%

Stock-option plans

In 2006, the Group introduced a Long-Term Incentive Plan for the management board and other senior staff, and conditionally granted shares to the management board and other senior staff. As this plan was cancelled at the end of 2007, no fair value expenses have been recognized in 2008. This Performance Share Plan has been replaced by the Unibail-Rodamco Stock-option Plan. Stock options were granted in 2007, 2008 and 2009. The total expense recognized in the profit and loss account for share-based payments in 2009 amounts to €1.1 million (€1.1 million in 2008).

All stock options granted are subject to this performance condition: the right to exercise options depends on Unibail-Rodamco’s overall stock market performance being higher in percentage terms than that of the EPRA benchmark index over the reference period (i.e. the period between the date on which the management board decides to grant options, which will be at the end of the fourth year at the earliest, and at the end of the plan’s term; i.e., the end of the seventh year at the latest).

14. RELATED PARTY DISCLOSURES

The consolidated financial statements include all of the companies in the Group's scope of consolidation (see note 4 "Scope of consolidation").

The parent company is Rodamco Europe N.V.

Rodamco Europe N.V. has a related party relationship with its major shareholder Unibail-Rodamco S.E., its subsidiaries, joint ventures, associates, providers of employee benefits and with its key management personnel. Key management personnel comprise both members of the management board and senior management. There were no related party relationships with close members of the family of supervisory board and the management board members.

Transactions with the major shareholder Unibail-Rodamco S.E. and its subsidiaries

The relation between Rodamco Europe N.V. and its major shareholder, Unibail-Rodamco S.E., involves transactions including cost charges that are common practice and at arm's length. These cost charges include cost charges for management and stock option schemes among other cost charges.

The main related party transactions with Unibail-Rodamco S.E. and its subsidiaries are detailed below:

(€ million)	Dec 31, 2009	Dec 31, 2008
Parent company borrowings	444.1	231.3
Amounts due to suppliers and other current debt	14.9	2.0
Current accounts to balance out cash flows	309.2	–
Total liabilities	768.2	233.3
Trade receivables and other receivables	3.1	0.2
Current accounts receivables (cash-pooling)	674.3	251.9
Total assets	677.4	252.1
Costs charges invoiced	(22.6)	(5.3)
Stock-option cost charges	(1.1)	(1.1)
Financial expenses	(19.8)	(13.9)
Financial income	10.1	1.5
NET RESULT	(33.4)	(18.8)

Furthermore, in 2009, Rodamco Europe sold several assets located in the Netherlands to Unibail-Rodamco's Permanent Establishment in the Netherlands. These assets were sold for a total net disposal price of €254.7 million, which generated a loss on disposal of €8.2 million (see section 5 "Highlights and comparability of the last two years" § 4).

The relationship between Rodamco Europe N.V. and its subsidiaries, joint ventures and associates involves transactions that are necessary for managing the Group's normal operations.

The relationship between Rodamco Europe N.V. and U&R Management B.V., a subsidiary of Unibail-Rodamco S.E., involves the administration of joint staff activities.

All transactions between the Group and its related parties are done on an arm's-length basis.

Transactions with other related parties

Remuneration of management board:

Paid in (in €):	2009	2008
Fixed income	800,000	800,000
Short-term incentive	380,000	564,200
Other benefits ⁽¹⁾	143,014	147,343
TOTAL	1,323,014	1,511,543

(1) Mainly pension and company car.

In 2009, members of the management board were allocated a total of 50,000 stock options, all of which are subject to performance criteria. Towers Perrin, an independent firm, valued each option at €6.50.

Regarding the 2009 results, the management board members will receive, in 2010, a total variable remuneration of €366,242.

- Remuneration of the Supervisory Board: €98,000.

Loans or guarantees granted to directors: None.

Transactions involving directors: None.

15 RELATIONSHIP WITH STATUTORY AUDITORS

In 2009 and 2008, the parent company and fully consolidated subsidiaries of the Rodamco Europe Group have accounted for the following fees from the Group auditors:

	Ernst & Young		Deloitte		Others	
	2009	2008	2009	2008	2009	2008
Audit of the annual accounts	1.0	1.0	0.5	0.6	0.0	0.1
Other audit services	0.1	–	0.1	0.1	–	–
TOTAL	1.1	1.0	0.6	0.7	0.0	0.1

Of the total amount for 2009, €0.5 million (2008: €0.5 million) is related to the Netherlands for Ernst & Young's audit of the annual accounts.

Concerning the subsidiaries consolidated by the proportional or equity methods, the fees of Group auditors for the 2009 fiscal year for the audit of the annual accounts amount to €0.1 million, essentially with Deloitte.

OTHER INFORMATION

SUBSEQUENT EVENTS

Disposal of shopping centers in the Netherlands

On February 16, 2010, the Group announced that, as part of its strategy to focus on large shopping centers, it has entered into an agreement to sell five Dutch shopping centers. Four will be sold to Wereldhave and one to Ahold for a total consideration of €235 million, and for a total GLA of approximately 60,000 m². The major part of the transaction was effective on March 16, 2010 and finalized on March 30, 2010.

Rodamco Europe squeeze-out proceedings

On March 9, 2010, the Dutch Enterprise Chamber rendered an interim judgment. The Court rejected the demands by the plaintiffs to set the squeeze-out price at the June 2007 cash value. The Court appointed three independent experts and asked them to give a value to Rodamco Europe as a standalone entity, as per the present moment. Their report is expected mid-May, 2010.

COMPANY INCOME STATEMENT RODAMCO EUROPE N.V. FOR THE YEAR 2009

(in € millions)	Note	2009	2008
Corporate profit after tax		(10)	(31)
Result of subsidiaries after tax	3	(465)	(162)
NET PROFIT/(LOSS) AFTER TAX		(475)	(193)

COMPANY STATEMENT OF FINANCIAL POSITION RODAMCO EUROPE N.V.
AS AT DECEMBER 31, 2009
(BEFORE PROFIT APPROPRIATION)

(in € millions)	Note	2009	2008 ¹
Investments in Group companies	3	7,600	8,094
TOTAL NON-CURRENT ASSETS		7,600	8,094
Trade and other receivables		24	31
Cash at banks		1	0
Total current assets	4	25	31
TOTAL ASSETS		7,625	8,125
Share capital		717	717
Share premium		2,956	2,956
Revaluation reserve		1,695	2,627
Hedging reserve		(5)	(4)
Foreign currency translation reserve		(63)	(41)
Retained earnings		1,614	1,192
Profit/(loss) for the year		(475)	(193)
SHAREHOLDERS' EQUITY	6	6,439	7,254
Interest-bearing loans and borrowings		0	50
Inter-company loans		1,185	821
Trade and other payables		1	0
Short-term liabilities	5	1,186	871
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		7,625	8,125

COMPANY STATEMENT OF CHANGES IN EQUITY RODAMCO EUROPE N.V.

AS AT DECEMBER 31, 2009

(in € millions)	Issued and paid-in capital	Additional paid-in capital	Revaluation reserve	Hedging reserve	Currency translation reserve	Retained earnings	Unappropriated net result for the year	Total
Opening balance at January 1, 2008	717	2,956	3,459	(3)	(26)	(867)	1,501	7,737
Final dividend 2007	-	-	-	-	-	(273)	-	(273)
Appropriation of net result 2007	-	-	-	-	-	1,501	(1,501)	-
Net result 2008	-	-	-	-	-	-	(193)	(193)
Currency translation result	-	-	-	-	(12)	-	-	(12)
Movement revaluation reserve	-	-	(832)	-	-	832	-	-
Other movements	-	-	-	(1)	(3)	(1)	-	(5)
Balance at December 31, 2008	717	2,956	2,627	(4)	(41)	1,192	(193)	7,254
Opening balance at January 1, 2009	717	2,956	2,627	(4)	(41)	1,192	(193)	7,254
Final dividend 2008	-	-	-	-	-	(314)	-	(314)
Appropriation of net result 2008	-	-	-	-	-	(193)	193	-
Net result 2009	-	-	-	-	-	-	(475)	(475)
Currency translation result	-	-	-	-	(23)	-	-	(23)
Movement revaluation reserve	-	-	(932)	-	-	932	-	-
Other movements	-	-	-	(1)	1	(3)	-	(3)
BALANCE AT DECEMBER 31, 2009	717	2,956	1,695	(5)	(63)	1,614	(475)	6,439

NOTES TO THE 2009 COMPANY FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The description of Rodamco Europe N.V.'s activities and structure, as included in the notes to the consolidated financial statements, also apply to the Company financial statements.

The corporate accounts have been prepared in accordance with the financial reporting requirements of Part 9, Book 2 of the Dutch Civil Code. In accordance with article 402, Book 2 of the Dutch Civil Code, the Company's income statement only shows the result of subsidiaries after tax as a separate item.

In order to harmonize the accounting principles of the Company accounts with the consolidated accounts, the management board decided, from January 1, 2005 onwards, to adopt the provisions of article 362, paragraph 8, Book 2 of the Dutch Civil Code, whereby the accounting principles applied in the consolidated accounts also apply to the Company financial statements of Rodamco Europe N.V. The consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) issued and interpreted by the International Accounting Standards Board (IASB) and as adopted by the European Commission per December 31, 2009.

2. ACCOUNTING PRINCIPLES

The accounting principles as described in the notes to the consolidated financial statements also apply to the Company financial statements, unless otherwise indicated.

Investments in Group companies

In accordance with section 2:362, subsection 8 of the Dutch Civil Code, all subsidiaries are valued at equity value. For determining the equity value, all assets, liabilities and profits and losses are subject to the accounting principles as applied to the consolidated financial statements.

3. INVESTMENTS IN GROUP COMPANIES

Investments in Group companies include subsidiaries of Rodamco Europe N.V.

The movement in investments in Group companies is as follows:

(in € millions)	2008	2007 ¹⁾
Balance at January 1	8,094	8,271
Result of subsidiaries	(465)	(162)
Other	(29)	(15)
BALANCE AT DECEMBER 31	7,600	8,094

Subsidiaries (directly held by Rodamco Europe N.V.)

Rodamco Europe Properties B.V.	100.00%
Rodamco France SA	100.00%
Rodamco Russia B.V.	100.00%
SAS Frankvink Investissement	100.00%
SAS Hoche Poincaré	99.99%

Only Rodamco Russia B.V. has a negative equity value per December 31, 2009.

4. CURRENT ASSETS

These represent amounts receivable from Group companies and cash at banks.

5. SHORT-TERM LIABILITIES

These represent inter-company loans and other payables.

6. SHAREHOLDERS' EQUITY**SHARE CAPITAL AND SHARE PREMIUM**

The share capital consists of 204,524,430 authorized shares, of which 89,639,292 shares are issued and outstanding at December 31, 2009, similar to December 31, 2008. The shares have a par value of €8 each.

The holders of ordinary shares are entitled to receive dividends, as declared from time to time, and are entitled to one vote per share at meetings of the Company.

The share premium is exempted from tax to the amount of €1,963 (2008: €1,963).

OTHER RESERVES

Other reserves in the company balance sheet are reserves to be maintained under local legislation and comprise revaluation reserve, hedging reserve and currency translation reserve. The amounts recognized by these reserves, totaling €1,627 (2008: €2,582) are not freely distributable, as they are restricted reserves under Dutch Civil Code. A brief description of the major reserves is as follows:

Revaluation reserve

The revaluation reserve relates to investment property, and comprises the cumulative increase in the fair value of the property, net of deferred tax. This is a legal requirement following Article 390, Book 2 of the Dutch Civil Code.

Currency translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations with a functional currency other than the Company's functional currency, as well as from the translation of liabilities (including quasi-equity loans) that hedge the Company's net investment in a foreign subsidiary.

7. LONG-TERM INCENTIVE: STOCK OPTION PLAN

Please refer to note 13.3 of the consolidated accounts for details.

8. EMPLOYEES

During 2009, the legal entity employed an average of two employees, located in the Netherlands (2008: 1).

9. REMUNERATION MEMBERS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

Please refer to note 14 of the consolidated accounts for details.

10. JOINT AND SEVERAL LIABILITY

For most of the Dutch Group companies, Rodamco Europe has assumed joint and several liability, in accordance with article 403, Book 2 of the Dutch Civil Code.

These Dutch Group companies are:

Name company	Legal seat
Rodamco Europe Properties B.V.	Rotterdam, Netherlands
Rodamco Nederland Winkels B.V.	Amsterdam, Netherlands
Rodamco Nederland B.V.	Amsterdam, Netherlands
Unibail-Rodamco Nederland Winkels B.V.	Rotterdam, Netherlands
Turbozwaan B.V.	Rotterdam, Netherlands
Rodamco Europe Finance B.V.	Rotterdam, Netherlands
Feldkrichen B.V.	Rotterdam, Netherlands
Belindam B.V.	Rotterdam, Netherlands
Rodamco Eastern Europe Holding B.V.	Rotterdam, Netherlands
Rodamco Retail Deutschland B.V.	Rotterdam, Netherlands
Deenvink B.V.	Rotterdam, Netherlands
Rodamco Espana B.V.	Rotterdam, Netherlands
Vuurvink B.V.	Rotterdam, Netherlands
Rodamco Central Europe B.V.	Rotterdam, Netherlands
Rodamco Deutschland B.V.	Rotterdam, Netherlands
Cijferzwaan B.V.	Rotterdam, Netherlands
Dotterzwaan B.V.	Rotterdam, Netherlands
Rodamco Austria B.V.	Rotterdam, Netherlands
Rodamco Hungary B.V.	Rotterdam, Netherlands
Rodamco Project I B.V.	Rotterdam, Netherlands
Rodamco Czech B.V.	Rotterdam, Netherlands
Rodamco Europe Beheer B.V.	Rotterdam, Netherlands
Rodamco Europe Finance II B.V.	Rotterdam, Netherlands
Rodamco Russia B.V.	Rotterdam, Netherlands

11. DUTCH DECREE ON THE SUPERVISION OF COLLECTIVE INVESTMENT SCHEMES: DISCLOSURES

Related-party transactions

The members of the supervisory board and the management board of Rodamco Europe had no personal interests in any of Rodamco Europe's investments during the 2009 financial year. To our knowledge, no property or other transactions took place in the year under review with persons or institutions that can be considered to be directly related to the Group.

Also refer to note 14 of the consolidated financial statements.

Managing directors' interests

Statement pursuant to Article 122, paragraph 2, of the Dutch Decree on Supervision of Market Conduct of Financial Firms (Besluit Gedragstoezicht financiële ondernemingen Wft). As at December 31, 2009, the members of the management board together held no Rodamco Europe shares.

12. POST BALANCE SHEET EVENTS AND ADDITIONAL INFORMATION

Post balance sheet events

See 'Other information' in the consolidated accounts.

Other

Rodamco Europe N.V. is an investment company with variable capital, and qualified throughout 2009 as a Fiscal Investment Institution (Fiscale Beleggings Instelling – FBI) under Dutch law. No corporate income tax is due in the Netherlands if the conditions of the Dutch corporate income tax exemption are met.

As reported in its press release of December 11, 2009, Rodamco Europe expects to lose its status as an FBI in 2010. The Group expects that this development will have no material impact on its recurring results for the foreseeable future.

The net asset value per share is as follows:

	2009	2008	2007
Net asset value (in € million)	6,439	7,254	7,737
Shares outstanding	89,639,292	89,639,292	89,639,292
NET ASSET VALUE PER SHARE (€)	71.83	80.92	86.31

Luchthaven Schiphol, April 20, 2010

Supervisory board:

Guillaume L.J. Poitrinal, chairman
Clarence Steininger
Anton van Rossum

Management board:

Catherine C. Pourre
Peter M. van Rossum

OTHER INFORMATION

Rodamco Europe N.V. is a public limited liability company in the form of an investment company with variable capital. Rodamco Europe N.V. has a license under the Dutch Act on the Supervision of Collective Investment Schemes. This license was renewed on July 19, 2006, based on the revised Act. The prospectus of the company is available at the Group's offices.

Articles of association rules with respect to profit appropriation

In accordance with Article 37 – 38 of the Articles of Association, profits will be distributed as follows:

- part of the profit will be used to form or to supplement reserves, if and insofar as the management board, in agreement with the supervisory board, deems this desirable.
- the balance of the profit then remaining will be at free disposal of the Annual General Meeting of Shareholders.
- among the shareholders in proportion to their nominal holdings of shares.

Proposed appropriation of net profit

According to Rodamco Europe's Articles of Association, the appropriation of the net result for the year is decided upon at the Annual General Meeting of Shareholders. For the financial year 2009, the management board, in agreement with the supervisory board, proposes the payment of a final cash dividend of €4.00 per share. As no interim dividend was paid in 2009, total cash dividend for 2009 is €4.00 per share. The total amount of the dividend, based on the outstanding number of shares (89,639,292) will be €359 million.

Should this proposal be accepted, the final dividend will be payable from June 30, 2010. Awaiting the decision by the shareholders, the net profit for the year is separately recorded in the shareholders' equity as unappropriated net profit.

AUDITORS' REPORT

To: the Annual General Meeting of Shareholders of Rodamco Europe N.V.

Report on the financial statements

We have audited the accompanying financial statements 2009 of Rodamco Europe N.V., Rotterdam. The financial statements consist of the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated statement of financial position as at December 31, 2009, the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes. The company financial statements comprise the company statement of financial position as at December 31, 2009, the company income statement and the company statement of changes in equity for the year then ended and the notes.

Management's responsibility

The management board of the company is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the management board report in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Rodamco Europe N.V. as at December 31, 2009, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Opinion with respect to the company financial statements

In our opinion, the company financial statements give a true and fair view of the financial position of Rodamco Europe N.V. as at December 31, 2009, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part f of the Netherlands Civil Code, we report, to the extent of our competence, that the management board report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Zwolle, April 20, 2010

Ernst & Young Accountants LLP

Signed by A.J. Buisman

