


Annual Report 2008




unibail·rodamco

1	Profile
3	Message from the CEO
4	Message from the Chairman of the Supervisory Board
6	Key figures
8	Stock market performance & shareholding structure
10	Financial strategy
12	Investment strategy
	
14	Group vision
16	Leadership in Europe
18	Operations
20	Unibail-Rodamco Development
22	Sustainability engagements

	
28	Activities
30	France
32	Netherlands
34	Nordic Countries
36	Central Europe
38	Spain
40	Offices
42	Convention-Exhibition

	
44	Portfolio
46	France
52	Netherlands
55	Nordic Countries
56	Central Europe
57	Spain

	
58	Financial & legal information
61	Business review & 2008 results
87	Consolidated financial accounts
145	Legal information
183	Report of the Chairman of the Supervisory Board
194	Annual disclosure form

Unibail-Rodamco is the leading listed European commercial property operator, investor and developer.

With a property portfolio valued at €24.6 billion at December 31, 2008, Unibail-Rodamco is active in three major business lines: shopping centres, offices and convention-exhibition centres.

A clear focus

The Group has a clear focus on high quality assets in Europe which have a leading competitive edge in their respective markets in terms of footfall, size, specifications, location and reputation. The Group targets segments of the real estate market where demand exceeds supply.

A value creation approach

For each core business, Unibail-Rodamco aims to maximise shareholder value and return on investment through proactive management, a dynamic acquisition and disposal policy, and a high level of expertise in the management of major development and refurbishment projects.

An independent group

Unibail-Rodamco is one of Europe's most liquid listed property investment stocks, is part of the French CAC 40, Euronext 100 and Dutch AEX Index, and benefits from an "A" rating from Standard & Poor's.

Contents

Profile





Management Board

Willem Ledeboer
Chief Investment Officer

Guillaume Poitrinal
CEO & Chairman
of the Management Board

Michel Dessolain
Chief Operating Officer

Bertrand Julien-Laferrrière
Chief Development Officer

Catherine Pourre
Chief Resources Officer

Peter van Rossum
Chief Financial Officer

Message from the CEO

The Group's assets demonstrated their resilience in 2008 in an environment that suddenly became more difficult. This strength enabled Unibail-Rodamco to return results that exceeded its objectives.



The first year of operations for VIPARIS, which brings together the Group's convention-exhibition activities and those of the Paris Chamber of Commerce and Industry, proved the relevance of this strategic alliance. VIPARIS, which manages **10 world-class convention and exhibition venues** in Paris, recorded a 6% increase in total visitor numbers in 2008 relative to 2006, the most recent comparable year.

Over the course of the year, the opening of **major new shopping centres and extensions**, including Rivétoile in Strasbourg, Forum Nacka in Stockholm, and Arkády Pankrác in Prague, increased the Group's retail capacity by 100,000 m². All of these centres were fully let at opening and have enjoyed immediate success with the public.

The Group retains a **high degree of flexibility** in its development pipeline, where spending and firm commitments account for only €1.7 billion.

In 2008, the Group increased its focus on sustainable development, issuing its first Corporate Sustainability Report (CSR) and entering the Dow Jones Sustainability World Index. We invite you to consult the 2008 CSR for a detailed review of our activities and of our objectives for the coming years. In 2009, we will make further improvements to our environmental performance.

Our high quality portfolio, strong balance sheet and committed team allow us to remain confident as we look to the future.

Unibail-Rodamco's performance in 2008 is founded on the **strength of its fundamental drivers**:

- A high quality asset base. The Group focuses on large shopping centres, 75% of which welcome more than seven million visits per annum. In these centres, footfall remains strong and vacant space is almost non-existent. In the current climate, this is a major value proposition for retailers.
- A conservative financial structure. A Loan to Value ratio of only 30% and undrawn credit lines worth €1.6 billion at year end.
- Hard working professionals. The Group's highly skilled, dedicated international team operates across 12 countries and thrives on the diverse challenges and opportunities presented by the market.

An active investment/divestment programme in 2008 enabled the Group to bolster its financial strength in troubled times. During the year, Unibail-Rodamco sold €1.5 billion of assets, notably a large portfolio composed primarily of high street shops and small shopping centres in the Netherlands, with a premium to last appraisal value. In parallel, the Group acquired €1.2 billion of assets, including two assets which figure among continental Europe's top 25 shopping centres by footfall.

As a result of dynamic leasing activity in the Group's shopping centres, vacancy rates at year end remained low. **Leasing activity in the office division also remains strong** due to a shortage of large, high quality office spaces, particularly in Paris and La Défense where the Group's activities are concentrated. Almost all of the Group's properties are fully leased and contributing healthy, annually-indexed cash flows.

Guillaume Poitrinal,
CEO & Chairman of the Management Board

Message from the Chairman of the Supervisory Board

2008 will be remembered for the unprecedented financial turmoil that affected markets and economies around the world. The Group's excellent real estate portfolio and strong balance sheet provide a comforting degree of protection from this crisis, and astute management is further reducing its impact. Nevertheless, Unibail-Rodamco looks forward, like other companies, to a challenging year in 2009.



The Supervisory Board worked closely with the management to **ensure that the Group was able to meet the challenges of the financial crisis** while maintaining its focus on long-term strategic goals. The Board reinforced its ability to provide robust, independent guidance during this exceptional period by conducting an ad hoc study into the possible effects of the global crisis.

The five-year plans used to manage each of Unibail-Rodamco's assets were, as always, reviewed and updated at the end of the year. They were also discussed in depth during the Group's first off-site strategic retreat, which was attended by the members of Unibail-Rodamco's Management and Supervisory Boards.

During the year, the Supervisory Board reviewed the effectiveness of the 2007/2008 integration of Unibail and Rodamco's operational and corporate activities. A comprehensive action programme was carried out to strengthen and, where possible, broaden the Group's funding arrangements.

The quality and breadth of Unibail-Rodamco's asset base **enabled the Group to generate solid results despite the difficult economic context**. Highlights of 2008 include the divestment of a large but non-strategic portion of the Dutch portfolio, the planning of a complex development project to build the 100,000 m² Mall of Scandinavia in Stockholm, and the acquisition of two major shopping centres: Shopping City Süd in Austria and La Maquinista in Spain.

The Group's shareholders **appointed two new members to the Supervisory Board** and re-appointed four existing members. The Supervisory Board now has 12 members. An experienced Secretary to the Supervisory Board was appointed to ensure that members receive consistent, effective support in corporate, legal, administrative and operational matters.

The Group agreed to Mr. Joost Bomhoff's request to focus exclusively on social responsibility, sustainability and the Unibail-Rodamco Academy during his remaining time with the Group. Consequently, he stepped down from the Management Board. At the same time, Mr. Bertrand Julien-Laferrrière was appointed to the Management Board with responsibility for coordinating all of Unibail-Rodamco's development activities. A strategic decision was taken to split the Central Europe region into two regions, Austria and Central Europe, effective 2009.

In May, the Group relocated its Parisian headquarters to newly renovated offices at 7, place du Chancelier Adenauer and regrouped its Dutch teams, both corporate and regional, at the new operational headquarters in Schiphol.

The Supervisory Board continued to monitor and **refine the Group's corporate governance and compliance structure** during 2008. The Code of Ethics was updated and a new compliance programme was implemented. The charters of the Management Board and of the Governance, Nomination and Remuneration Committee were revised to clarify the respective roles and responsibilities of these bodies. These documents have been made public.

In line with good corporate governance principles, the Group appointed a dedicated Compliance Officer with Group-wide responsibilities.

Since January 1, 2009, Unibail-Rodamco is in full compliance with all of the recommendations of the AFEP-MEDEF (the French employers' federation) regarding corporate governance and remuneration.

The Supervisory Board **wishes to express its thanks to Unibail-Rodamco's employees, managers, Management Team members and Management Board members**. The Group's strong performance in 2008 is testimony to their hard work and unwavering dedication.

Robert F. W. Van Oordt,
Chairman of the Supervisory Board



Supervisory Board

From left to right:
Mr. Robert ter Haar
Mr. Henri Moulard
Mr. Bart R. Okkens
Mrs. Mary Harris
Mr. Jean-Louis Laurens
Mr. Jacques Dermagne
Mr. Yves Lyon-Caen
Mr. Alec Pelmore
Mr. Robert F.W. van Oordt (seated)
Mr. Frans J.G.M. Cremers
Mr. Jos W.B. Westerburgen
Mr. François Jactot

2008 Key figures

Net Rental Income (NRI) (in million €)



● 2008
● 2007

Growing recurring income

The Group's recurring EPS grew by 8.4% in 2008 thanks to a strong like-for-like rental performance by all of Unibail-Rodamco's operating activities.

This performance derives from:

- continuous growth in rental income,
- a contained cost of debt.

Recurring Earnings per share (in €)



+8.4%

Distribution per share (in €)



+7.1%

The IFRS net profit shows a loss of €1,116 million due to IAS 40 mark-to-market property value adjustment. This loss does not affect cash flow. The dividend pay-out policy is maintained: a full year distribution of €7.50 per share (+7.1%) for fiscal year 2008 is proposed.

These property value adjustments lead to a decrease of NAVPS (triple net liquidation asset value per share) to €151.20, a 10.7% decline compared to December 31, 2007.

(1) Pro-forma including 100% of Unibail, Rodamco and VIPARIS for full year 2007
(2) Subject to approval by AGM

€151.20

Fully diluted liquidation NAV/share

€24.6 billion

Property portfolio

Strong net rental income growth across the different divisions

€Mn		2008	2007 Pro-forma ⁽¹⁾⁽²⁾	Growth %	Growth % like-for-like
Shopping centres	France	420	353	+18.8%	+10.0%
	Netherlands	159	187	-15.0%	+3.4%
	Spain	105	87	+20.6%	+7.1 %
	Nordic Countries	91	86	+6.4%	+5.7%
	Central Europe	113	82	+38.3%	+8.1%
	Net rental income	888	795	+11.7%	+7.7%
Offices	France	173	156	+11.4%	+13.1%
	Other	55	57	-4.0%	+8.7%
	Net rental income	228	213	+7.2%	+12.1%
Convention-Exhibition	Net rental income	99	92	+8.1%	+8.1%
Total	Net rental income	1,215	1,100	+10.5%	+8.5%

(1) Pro-forma including 100% of Unibail, Rodamco and VIPARIS for full year 2007
(2) Minor restatements in comparison to full year 2007 due to accounting reclassifications

Key consolidated indicators (in €Mn)	2008	2007 ⁽¹⁾ Unibail+H2 Rodamco	Growth %	Growth % like-for-like
Net rental income	1,215	771		8.5%
Valuation movements and gain on disposals	- 1,739 ⁽³⁾	539 ⁽³⁾		
Net profit group share	-1,116	945		
of which net recurring profit-Group share	777	539		
Recurring earnings per share	€8.52	€7.86	8.4%	
Distribution ⁽²⁾	€7.50	€7.00	7.1%	

(1) Combination between Unibail & Rodamco effective on June 30, 2007 - restated further to the completion of the Purchase Price Allocation of Rodamco
(2) Subject to approval by AGM
(3) Including Goodwill impairment

	Dec 31, 2008	Dec 31, 2007	%
Fully diluted liquidation Net Asset Value per share	€151.20	€169.30	-10.7%

Stock market performance and shareholding structure

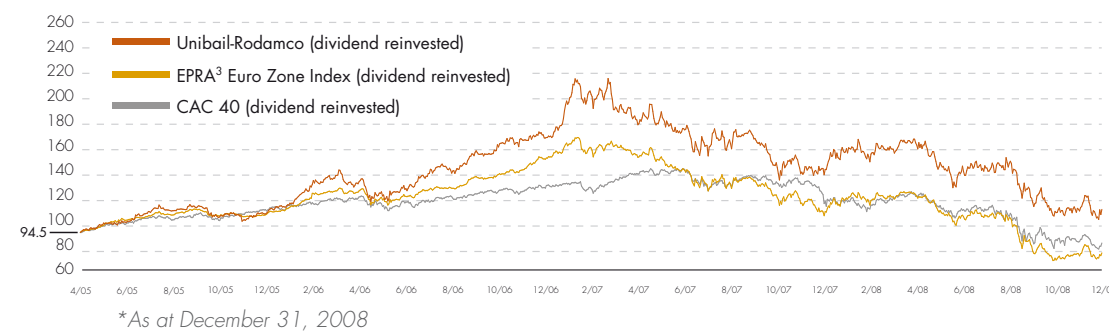
Shareholding structure

Unibail-Rodamco has been listed on the Paris Stock Exchange since 1972, and included in the CAC 40 index since June 18, 2007. On December 31, 2008, the Group had a market capitalisation of €9.7 billion¹. Unibail-Rodamco is included in the Euronext 100. As a result of the merger with Rodamco, the Group has also been included in the Dutch AEX Index since June 22, 2007.

Unibail-Rodamco has a large and diverse international shareholding base, which is mainly composed of institutional investors based in the Netherlands, the United Kingdom, the United States and France.

On January 1, 2009, none of Unibail-Rodamco's shareholders had declared holdings of more than 10% of the issued share capital. The principal known investors, with holdings of between 2.96% and 8.56%, include Stichting Pensioenfonds ABP, Cohen & Steers, Inc., and Crédit Agricole S.A.

Relative performance of Unibail-Rodamco's share* (Rebased to UR share price at April 28, 2005²)



Stock market performance

Stock market value creation is measured by Total Shareholder Return (TSR). TSR indicates the total return obtained through ownership of a share over a given period of time. It includes dividends (or any other distribution) paid and any change in the company's share price.

Annualised TSR for Unibail-Rodamco shares with dividends (or any other distribution) reinvested amounted to:

- 16.3% over a 10-year period between December 30, 1998, and December 31, 2008, compared with 0.2% for the CAC 40 index and 6.5% for the EPRA³ property investment companies' performance index (Euro zone).
- 7.0% over the period between April 28, 2005², and December 31, 2008, compared with -2.0% for the CAC 40 index and -6.6% for the EPRA³ property investment companies' performance index (Euro zone).
- -25.2% over the full year 2008, compared with -40.3% for the CAC 40 index and -42.8% for the EPRA³ property investment companies' performance index (Euro zone).

1. Including 9,317,022 ORAs outstanding at December 31, 2008.

2. Date of the appointment of Mr. Guillaume Poitral as CEO of the Company.

3. European Public Real Estate Association (<http://www.epra.com>).

Traded volumes

In 2008, the number of shares traded grew to an average daily volume of 574,000 shares compared to 528,000 shares in 2007. In parallel, due to the fall in the share price, the average daily traded capitalisation fell to €82.1 million in 2008, compared to €98.0 million in 2007.

Change in share price and traded volumes since 2003



2008-2009 distribution schedule

Unibail-Rodamco's current distribution policy is to pay out between 85% and 95% of the financial year's net recurring profit.

At the 2009 General Meeting, the Board will propose a distribution of €7.50 per share for the 2008 financial year. This represents an increase of 7.1% compared to the 2007 distribution of €7.00 per share.

Subject to approval by the General Meeting, a final distribution of €2.25 per share will be paid on July 15, 2009. This distribution will follow the three interim dividends of €1.75 paid on October 15, 2008, January 15, 2009 and April 15, 2009.

The 2008 financial year distribution is as follows:

October 15, 2008	Interim dividend of €1.75
January 15, 2009	Interim dividend of €1.75
April 15, 2009	Interim dividend of €1.75
July 15, 2009	Payment of the balance of the 2008 distribution of €2.25*

Investor and shareholder relations contacts

Website: www.unibail-rodamco.com

Investor relations (telephone): +33 (0)1 53 43 73 03 / +31 (0)2 06 58 25 15

Investor relations: investors@unibail-rodamco.com

Financial services for shares and dividends:

Crédit Agricole – Caisse d'Épargne Investor Services (CACEIS)

Service Émetteurs-Assemblées

14, rue Rouget de Lisle

92862 Issy-les-Moulineaux Cedex 9 – France

Telephone: +33 (0)1 57 78 34 44

Fax: +33 (0)1 57 78 34 00

* Subject to approval by the 2009 General Meeting.

Financial strategy

“2008 was characterised by turbulent financial markets and increasingly restricted access to debt. The fixed income market in particular has become very expensive, with the few companies that have access to the bond market doing so at much higher spreads. Unibail-Rodamco has adapted its financing approach accordingly and has focused on the bank debt market. The Group managed to secure €2 billion of new funding during the course of the year and renewed €430 million of bank facilities.”

Peter van Rossum, Chief Financial Officer



Unibail-Rodamco’s value proposition

In 2008, the Group maintained an “A” credit rating from Standard and Poor’s. This rating, which is one of the highest in the sector, is based on a high quality asset portfolio, a low Loan to Value (LTV) and strong financial indicators. For example, LTV stood at 30% at year end 2008, well below the threshold disclosed as being required for an “A” rating, and the Group had an EBITDA Interest Coverage Ratio of 3.8x. Even after the downward asset revaluations of 2008, the Group remains comfortably within the financial covenants applicable to its bank loans.

Most of the Group’s interest costs are hedged, either through fixed interest rates or through its active hedging programme, which covers interest rate exposures well into 2012. The Group has limited exposure to exchange rates as it focuses on the Euro zone. For countries where rents are not invoiced in euros, the Group covers this risk either by matching cash investments in a specific currency with debt in the same currency, or by using derivatives, mainly cross-currency swaps and foreign exchange swaps.

Unibail-Rodamco’s cash flows are largely predictable, stable and controllable. The Group is not directly exposed to fluctuations in the retail income of its shopping centre tenants or the business results of its office tenants, nor is it exposed to single large tenants or industry sectors. The Group’s largest retail tenant accounts for just over 2% of its net rental income (NRI), and the financial services sector accounts for only around 25% of the French office division’s tenant base. Doubtful debtors account only for 0.9% of annual gross rental income.

Borrowing activities

Based on the strength of their business case, the Group’s Treasury officers have been able to secure new funding at affordable costs. Almost €2 billion of new medium- to long-term loans and bonds were raised in 2008 and €430 million of bank lines were renewed or extended. These new loans and bonds were concluded at an average spread of 86 basis points (bps). Unibail-Rodamco’s financing activity concentrated on the bank market, which includes corporate loans and, to a more limited extent, mortgage loans. The Group remained active in the short-term commercial paper markets.

Repayment of bonds and bank loans outstanding at December 31, 2008, is limited to €339 million in 2009 and €530 million in 2010. To cover these needs and its investments, the Group benefits from undrawn lines of €1.6 billion at December 31, 2008.

Distribution policy

Thanks to a rise in recurring EPS of 8.4% in 2008, the Group is able to offer a distribution per share of €7.50*.

* Subject to approval by the 2009 General Meeting

€7.50*
Distribution per share

4.2%
Average cost of debt

30%
Loan to Value

3.8x
EBITDA Interest Coverage Ratio

Investment strategy

“The quality of Unibail-Rodamco’s portfolio and the geographical spread of its investments are fundamental to the Group’s success, particularly in the current economic climate. An active investment, divestment and asset management strategy maintains the strength and diversity of this asset base and enhances the Group’s ability to create value, generate returns and reduce risks. 2008 was an important and memorable year for this activity, with the divestment of retail and office properties worth €1.5 billion and €1.2 billion of prime shopping centre acquisitions.”

Willem Ledeboer, Chief Investment Officer



Market overview

The severe crisis in financial markets and the subsequent economic recession in most of Europe have significantly affected real estate investment markets. Investment volumes in European commercial real estate have decreased by well over 50%, from €246 billion in 2007 to €116 billion in 2008 (source: CB Richard Ellis). This downward trend is set to continue, primarily as access to financing remains restricted.

€24.6 billion
property portfolio

All over Europe, in all property sectors, yields* have weakened substantially, even for prime property. On a like-for-like basis and according to external appraisers, yield expansion in the Group’s portfolio in 2008 came out at 60 basis points (bps) for shopping centres and 100 bps for occupied offices. At December 31, 2008, average yields in these two sectors stood at 5.4% and 6.4% respectively, against 4.8% and 5.4% at year end 2007. The value of the overall portfolio decreased by €2.07 billion on a like-for-like basis net of investments, a decline of 9.1% compared to year end 2007. The Net Asset Value (NAV) note of this annual report provides more details by country and by sector.

Although the economic environment is likely to remain difficult for the next couple of years, experience of previous downturns suggests that unique opportunities will arise for the Group to add assets to its portfolio that would not otherwise come onto the market.

Divestments

Following the merger in June 2007, the Group decided to focus on large, prime shopping centres and reduce its exposure to non-core properties. It therefore sold €744 million of high street shops and small shopping centres in the Netherlands and a portfolio of high street shops in various cities in Belgium.

The Group also divested mature properties in the office sector, notably in France and the Netherlands, as well as a portfolio of four logistics warehouses in Spain and a small office portfolio in the Ukraine.

In total, €1.5 billion of assets have been sold at an average premium of 4% to last appraisal values. The release of these additional financial resources leaves the Group well placed to seize upcoming opportunities.

Investments

2008 saw the Group complete the largest single shopping centre asset transaction in its history when it acquired Shopping City Süd, in Vienna. This 119,500 m² shopping centre is located in a larger retail and leisure complex which attracts 25 million visits per annum and offers significant reversionary potential and extension opportunities. In Spain, the Group enhanced its market leading position with the acquisition of La Maquinista in Barcelona and the Habaneras shopping gallery in Torrevieja, near Alicante. With 74,400 m² of retail space and annual footfall of 15 million, La Maquinista ranks among Spain’s most resilient shopping centres. The Group has since sold a minority stake in these two Spanish shopping centres to GIC, the real estate investment arm of the Government of Singapore, initiating a partnership with this long-term investor.

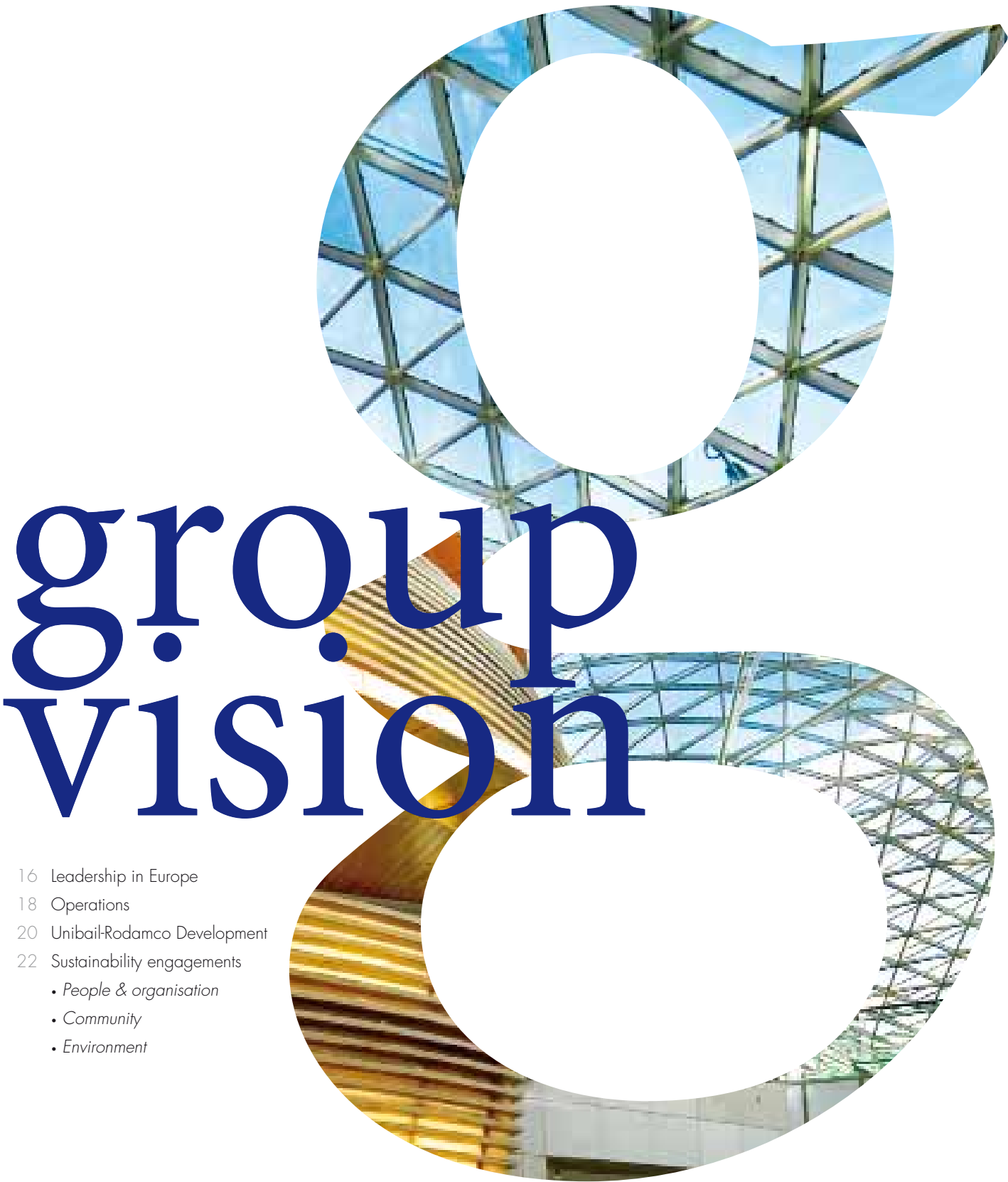
In France, Unibail-Rodamco strengthened its presence in shopping centres such as Rennes-Alma, Vélizy 2 and Vélizy Usines Center by buying interest held by other partners. In Paris, it increased its ownership in Gaité Montparnasse to over 99%, and acquired Les Boutiques du Palais des Congrès (17,800 m²) and an additional 33,000 m² in Aquaboulevard.

In the Netherlands, the Group swapped a number of high street shops in return for units in the Leidsenhage shopping centre near the Hague, and in Poland, it acquired economic ownership of office space in Złote Tarasy, a modern retail and office complex in Warsaw city centre.

Organisation and processes

Acquisitions and disposals are managed by experienced regional teams. The corporate investment team provides support and guidance on subjects including structuring and risk assessment. In parallel, asset management teams oversee the regular assessment of the Group’s portfolio, double-check all assumptions and financials in the five-year business planning process, and coordinate the biannual external valuation process.

*Yield equals net rental income divided by asset value



- 16 Leadership in Europe
- 18 Operations
- 20 Unibail-Rodamco Development
- 22 Sustainability engagements
 - People & organisation
 - Community
 - Environment



Unibail-Rodamco is the European leader in commercial real estate. The Group’s success is founded on its ability to obtain excellent returns by creating strong relationships with tenants and communities and comfortable, welcoming spaces for people to work, shop, relax and do business. Whether managing existing assets or developing new offices and shopping centres, the Group is committed to optimising profitability and maintaining its strong financial ratios.

Leadership in Europe

€24.6 billion
property portfolio

12
countries in operation

752 million*
visits per year

Unibail-Rodamco's 15 largest shopping centres by number of visits

Forum Des Halles, France	40.4 million	Parquesur, Spain	16.3 million
Les Quatre Temps, France	38.5 million	Rosny 2, France	15.4 million
Lyon Part-Dieu, France	30.9 million	La Maquinista, Spain	15 million
La Vaguada, Spain	25.5 million	Carré Sénart, France	14.3 million
Shopping City Süd**, Austria	25 million	Parly 2, France	14.1 million
Donauzentrum, Austria	20 million	Arkád**, Hungary	14 million
Złote Tarasy, Poland	18.3 million	Centrum Chodov, Czech Rep.	13 million
Velizy 2, France	16.4 million		

*Number of visits reported by quantaflo and other automatic counting software in 59 centres plus estimates based on manual/random counts or tenants' report data in other shopping centres, including full year estimates for Shopping City Süd and La Maquinista as well as visits to new extensions as registered from their opening date.
**Estimated figure.



Operations

“Unibail-Rodamco’s operational teams constantly adapt the marketing strategy, commercial mix and communication programmes of the Group’s shopping centres to support the financial objectives of tenants and ensure that these assets retain their leading edge. The Group’s strategy of investing in large, prime assets in prime locations, and working to enhance customer and tenant satisfaction, continues to provide excellent returns. Demand for rental space in Unibail-Rodamco shopping centres remains strong.”

Michel Dessolain, Chief Operating Officer



An unmatched portfolio of shopping centres

The Group’s shopping centres occupy leadership positions in major European cities. Seventy-five percent of them receive more than seven million visits per year.

This positioning is in line with retailers’ priorities. Brands are becoming more selective, choosing to invest in centres that promise high returns per square metre of retail space. This trend has been accentuated by the deterioration in the economic environment during the second half of 2008. The crisis has had a negative impact on the sales of many retailers, forcing them to review their development strategies but increasing their determination to position themselves in leading shopping centres which provide high levels of traffic. Furthermore, some international brands, such as Media Markt, Celio or G Star, are taking advantage of the economic context to increase their market share and are opening new stores, particularly in large cities. As a result, **demand for space in the well-located, prime shopping centres that are typical of the Group’s portfolio remained solid in 2008**, even in the last quarter.

752 million
visits per year

102
shopping centres

The average vacancy rate in the Group’s shopping centres remains low, standing at 1.8% on December 31, 2008. It should be noted that, in terms of turnover, the best-performing sales outlets of a number of international retailers, notably H&M, FNAC and UGC, are to be found in Unibail-Rodamco shopping centres.

A finely-tuned management strategy

The mix of tenants is carefully managed to ensure that each centre occupies **a unique position on the market** and is relevant to residents of the catchment area. This positioning enables different shopping centres in the Group’s portfolio to share the same catchment area without cannibalisation. For example, Arkády Pankrác, which opened in Prague in November 2008, is aimed at the high end of the market to avoid taking market share from the Group’s other centre in this area, the mass market Centrum Chodov. This strategy has been successful.

During 2008, Unibail-Rodamco’s corporate marketing team worked closely with leading retailers to help them identify new growth opportunities and new markets. As a result, companies such as H&M, Inditex, Saturn, Esprit, Mango, Mexx and Sephora opened new shops in Unibail-Rodamco shopping centres across Europe, while Gap, Muji, Uniqlo, Fossil, Apple Store and Uterque signed their first leases with the Group.

Unibail-Rodamco also **encourages the emergence of new, promising brands**. For example, it organises the annual Grand Prize for Young Retail Entrepreneurs, which awards prizes worth €1.7 million to up-and-coming French entrepreneurs.

Creating customer loyalty

Each of the Group’s centres is managed according to an annual operational marketing plan, which is designed to **grow market share and increase the frequency and duration of visits**. These plans, which cover everything from the tenant mix to marketing campaigns, are drawn up in consultation with key retailers and anchors.

As the economic situation across Europe deteriorates, the need to generate traffic in the Group’s centres has become an increasingly important strategic objective. In 2009, advertising and communication, and marketing promotions such as grouped buying, night shopping, children’s entertainment and exceptional Sunday opening, will be reinforced to help attract visitors. The Group recognises that a customer’s decision to visit one centre rather than another also depends on simple things such as signage, the availability of clear floor plans, cleanliness and safety. It is, therefore, renewing its focus on these basic issues.

Welcome Attitude

In parallel, the Group continues to create customer preference by developing a unique identity for each of its centres and appealing to consumers of all kinds, whether they are making everyday purchases or shopping for pleasure. The Welcome Attitude policy helps visitors adopt a shopping mindset by reducing stress and creating a relaxed atmosphere. Covering everything from web sites and road signs to car parking, interior signage, children’s play areas and ambient music, it ensures that every stage of the customer journey is easy to navigate and enjoyable.

The Welcome Attitude also helps **differentiate Unibail-Rodamco’s shopping centres from those of the competition**. This policy was revised and improved in 2008. Specialised teams in the Group’s centres implement the Welcome Attitude, which is central to customer satisfaction and retention, and work closely with local authorities and communities to ensure that each centre is well integrated into its environment.



Forum Nacka / Stockholm

Unibail-Rodamco Development

“Property development is one of the pillars of Unibail-Rodamco’s business model.”

Bertrand Julien-Laferrière, Chief Development Officer



A structured approach to development

Unibail-Rodamco Development, an entity in charge of the Group’s project development programme, was created in 2008. A core group of professionals in Paris manages the development strategy and oversees the portfolio while, in each country, individual projects are led by a regional director of development with a team of developers and project managers. A distinctive feature of Unibail-Rodamco’s approach is the Concept Studio, an in-house creative team that briefs and challenges architects and fosters innovation in retail design.

Successful openings in 2008

2008 saw the successful delivery of a number of development projects and some significant achievements, including: the final phase of the renovation and extension of Les Quatre Temps shopping centre at La Défense; a 26,100 m² extension of Forum Nacka in Stockholm; Rivétoile, a new 28,200 m² shopping centre in Strasbourg; and Arkády Pankrác, a 38,500 m² shopping centre in Prague city centre.

All of these projects were fully let to prime tenants and provided yields on cost in excess of 8%. They are also drawing large numbers of visitors, evidence of their attractiveness and relevant positioning.

Projects underway

Construction work and project administration for schemes launched in 2007 and 2008 continues to advance smoothly. Four major projects are underway in France: Lyon Confluence, a 52,300 m² retail and hotel development; Docks 76, a 37,000 m² shopping centre in Rouen; Docks Vauban, a 57,000 m² shopping centre in Le Havre; and a 39,000 m² retail/office extension to La Part-Dieu shopping centre in Lyon.

Donauzentrum, the second most-visited shopping centre in Vienna, is being extended by 27,500 m² and the existing space is being fully renovated.

Although some of these projects are still two or three years from opening, their **costs are largely secured and significant capacity has been pre-let**. In terms of financial performance, they are expected to generate yields on cost in excess of 8%.

An attractive pipeline

In addition to these projects that are in progress, Unibail-Rodamco has a strong pipeline of extension and development projects at the pre-contract stage. For most of these projects, the Group is under no obligation to build. All of them have sound fundamentals in terms of size, competitive position and location.

Extensions and redevelopments of shopping centre assets account for 31% of the retail development pipeline. Key projects being studied include: a 40,000 m² extension of Cerný Most; a 10,000 m² extension of the Rennes-Alma shopping centre in Rennes, France, which the Group acquired in 2007; a major redevelopment and extension of Parly 2; and a value creation project for Shopping City Süd in Vienna, which was acquired by Unibail-Rodamco in 2008.

The Group is also studying brownfield projects such as Mall of Scandinavia, a large scheme with 100,000 m² of retail space that forms part of a wider urban redevelopment project in Stockholm, and Eiffel, a mixed-use project comprising 49,000 m² of retail space and 33,000 m² of office space in Levallois, just outside Paris.

Design work is progressing for Tour Phare and Tour Majunga, two environmentally-sound skyscrapers at La Défense with office capacity of 130,000 m² and 63,000 m² respectively.

Unibail-Rodamco takes a pragmatic approach to property development. It is clear that conditions for several projects will be re-negotiated in light of changes to the economic environment and that profitability objectives will have to be raised to reflect changed risk profiles. The launch of most of these projects will also, in line with changing market conditions, be subject to various other criteria, including sufficient pre-leasing, well structured financing and lower construction prices.

The Group remains convinced of the value proposition offered by well designed, customer oriented projects located in major European cities.

A dynamic long-term strategy

Unibail-Rodamco will continue to reinforce its partnerships with local partners and regional authorities with a view to creating long-term value for all of the Group’s stakeholders. At the same time, the Group will look at opportunities to acquire high quality existing assets and development projects at attractive prices in the largest cities of the countries where it operates.

close up

“Vie en Ville” is an innovative, inventive urban retail concept which was created by Unibail-Rodamco Development and illustrated by proposals from three leading architects: Manuelle Gautrand, Philippe Chiambaretta (PCA) and Winy Maas (MVRDV). The challenge was to design an integrated, well balanced, sustainable urban district that incorporates offices, housing, public buildings and shops and plays on the traditional retail concepts of the department store, the market and the high street.

Lyon Confluence project / Lyon



Donauzentrum project / Vienna



Docks 76 project / Rouen



Sustainability engagements

Throughout 2008, the Group has been working to reduce its environmental impact and create value for all of the different stakeholders who are affected by, or interested in, the Group’s activities, that is for shareholders, investors, employees, tenants, customers, suppliers, local authorities and communities.

The Group has made considerable progress in the implementation of its sustainable development strategy this year. It published a standalone Corporate Sustainability Report for the first time and was **listed in two leading global socially responsible investment indexes**: the Dow Jones Sustainability World Index (DJSI) and the FTSE4Good Index. In its annual analysis of energy efficiency and communication within the French real estate sector, Novethic, the leading research centre in France for corporate social responsibility and responsible investment issues, named Unibail-Rodamco as one of the best performing companies on the market.

The performance of the Group’s **employees** is central to its success: recruiting, training and rewarding employees are all key priorities. In 2008, the Group increased its efforts to build a common corporate culture and enable employees to share experiences and knowledge more easily, notably through improved communication tools and greater international mobility.

As in previous years, 2008 saw a wide range of local, national and international charities organise fund-raising events in the Group’s shopping centres. In addition to offering space in its centres, Unibail-Rodamco is pleased to provide financial **support to educational and cultural organisations** and to young entrepreneurs.

Finally, the Group continues to expand and strengthen its **environmental policies** and to drive progress within the industry at European level, where it provides an active contribution to the development and implementation of strategies that are making existing assets and new projects more sustainable.

Further information

For more detailed information on all of these engagements, read on or consult the Corporate Sustainability Report (CSR). It describes Unibail-Rodamco’s policy, strategy and goals, highlights key achievements in different activities, and explains the tools used to assess environmental and social performance. The CSR is available in English and French and can be downloaded from the Unibail-Rodamco corporate website: www.unibail-rodamco.com.



People and Organisation

“In 2008, the Group has focused on strengthening its existing social, recruitment, talent management and mobility policies and on promoting shared values and best practices by building greater synergies between regions.”

Catherine Pourre, Chief Resources Officer



Recruitment and training
Unibail-Rodamco seeks to recruit the best talents from across Europe and invests heavily in training that supports career progression, facilitates internal mobility and provides employees with essential skills.

In 2008, the Group raised its profile among future graduates by participating in campus events and career forums at leading business and engineering schools such as the Stockholm School of Economics, the Rotterdam School of Management, ESADE in Barcelona, and ESSEC, Centrale, HEC and Polytechnique in Paris. These sessions highlight the **challenging and varied international career opportunities** that are available within the Group.

Unibail-Rodamco recruited 278 permanent full-time staff in 2008 and will continue to recruit actively in 2009 to take advantage of increased activity in the employment market. In line with its commitment to select candidates solely on the basis of their skills and experience, the Group requests anonymous CVs during the application process.

The **Unibail-Rodamco Academy**, which was launched in 2008, is designed to link learning goals to strategy and support the long-term success of the Group by anticipating and responding to future skills requirements. The Academy provides tailored, flexible, best-in-class learning programmes in the “hard” skills that underpin Unibail-Rodamco’s financial performance, as well as in essential “soft” skills such as project and team management, negotiation and leadership, and ethical business behaviour.

In 2008, the Group training plan included 11 different programmes made up of 58 tailored courses. In 2009, 28 training programmes composed of 150 courses will be on offer. The Academy also makes an important contribution to corporate culture by bringing employees from different countries and departments together for these intensive learning and networking sessions.



278
people recruited in 2008

32,400
hours of training in 2008

Innovative career management and remuneration policies

The Group's evaluation and remuneration policies are designed to ensure that staff remain motivated and are suitably rewarded for their efforts. Career development is supported by biannual hierarchical, functional and peer evaluations, the results of which are discussed during end-of-year Group-wide talent review committees. Employees receive feedback on individual progress and help with identifying development needs and professional goals. In 2008, an extensive **360° assessment process** was rolled out across the whole Group to facilitate upward and horizontal feedback.

The remuneration policy rewards individual achievements and aims to give all staff a vested interest in the Group's performance. In 2008, the roll-out of a short-term incentive (STI) policy saw employees recognised for their performance and their contribution to the success of their department and the wider Group. Under the STI scheme, **performance-related bonuses** reflect the responsibility that the employee holds and ensure that those who make the greatest contributions receive the greatest rewards.

Long-term incentives (LTI) encourage staff to target lasting growth as well as immediate results. For example, stock options, which are all subject to performance conditions, are offered to high-potential staff, key managers and outstanding employees. Around 18% of staff benefit from the stock option plan. More than 87% of eligible employees are also shareholders in Unibail-Rodamco through the Company Savings Plan (PEE), a clear demonstration of their commitment to and confidence in the Group.



Strengthening a common culture

During 2008, the consolidation of the organisational structure, development strategy and shared processes such as planning models, standardised management information and KPIs has contributed to the strengthening of a common corporate culture and helped to reduce distinctions between the pre-merger groups. These efforts have also reduced costs and enhanced performance. For example, the operational efficiency of the finance organisation improved by 30% following a review and international benchmark, while grouping the Dutch country team alongside the International Operational Head Office team at Schiphol Airport, Amsterdam, reduced operating costs and increased efficiency.

The development of Group-wide communication tools, such as the intranet and monthly newsletter, promoted **information sharing between different regions**. In June, the second annual Group Management Convention brought together 200 managers from across Europe for two days of presentations, workshops and networking. Participants gained a deeper understanding of the importance and size of the projects managed by the Group and shared their experience and insights.

Intra-group mobility is a strong accelerator of synergies in terms of know-how and best practices. Twenty-two of the Group's employees are now working outside their country of origin as a result of international mobility exchanges. The Group also rolled out a European Graduate Programme, which enables new employees to spend their first year gaining valuable practical experience and on-the-job training by completing several assignments of three to six months each, in at least two different countries. Twelve recent graduates were recruited to this highly selective programme in 2008.

Unibail-Rodamco is considering transforming the Group holding company into a European company (Societas Europaea). This project, which remains subject to approval from the Group's shareholders, would result in the creation of a supranational employee representative body with members from each country where the Group is present. It would facilitate consultation with employees across the Group and help to promote European social dialogue on a lasting basis. The creation of such a body is in line with the Group's goals and commitments in terms of social dialogue and reflects its wider approach to sustainable development and social responsibility.

Sponsorships to promote excellence in education

In June, Unibail-Rodamco partnered with Morgan Stanley Real Estate to create the Chair in Real Estate at HEC, a leading European business school. This Chair will promote **high-level research and education** in international real estate finance, economics, asset management and development, and real estate transactions. 2008 also saw the Group become a corporate partner of CEMS, a strategic alliance of international business schools, and maintain its partnerships with top French business and engineering schools.

Community

The Group’s values and professional interests are reflected in its partnership and sponsorship activities.



Grand Prize for Young Retail Entrepreneurs 2008: the jury and winners with Mr. Hervé Novelli, Secretary of State for Commerce

Encouraging young entrepreneurs

In September, the Group organised the second edition of the Grand Prize for Young Retail Entrepreneurs, which provides **financial and operational support to talented young entrepreneurs**. The winners of the 2007 edition opened their boutiques in Les Quatre Temps shopping centre in La Défense, France, in December.

Supporting education

In October, the Group signed a partnership agreement with the “Ecole de la deuxième chance” (School of the Second Chance), which offers vocational training to young adults without formal qualifications. As well as becoming **a donor member of the Foundation**, the Group will offer work experience in its French shopping centres to participants.

Sponsoring culture

As a leading developer of urban spaces, the Group has chosen to sponsor the new permanent exhibition at the Pavillon de l’Arsenal, “Paris, a guided tour”, which presents the historical and contemporary architecture of Paris and explores the cityscapes of the future. Sponsorship from Unibail-Rodamco enabled the Ballet of the Paris Opera to participate at Impulstanz, the international dance festival of Vienna.

Unibail-Rodamco also contributed to the construction of the “Manège Carré”, a spectacular fairground carousel that features giant mechanical animals such as ants, fish and buffalos. This remarkable living art installation, which made its debut at the Carré Senart shopping centre outside Paris and is scheduled to travel elsewhere in Europe, is both a sign of the Group’s commitment to culture and a popular attraction for families visiting its shopping centres.

Helping humanitarian causes

In 2008, Unibail-Rodamco continued to provide financial support to a range of organisations, including Habitat et Humanisme, Enfants du Monde and IFRAD. The Group also donated space in its shopping centres to local and international associations, such as Save the Children, the Red Cross, Unicef and Amnesty International, to hold fund-raising events.

In total, **the Group provided support worth €3.4 million** to the community in 2008.



Environment

“Unibail-Rodamco’s environmental sustainability policy was reinforced in 2008 through the implementation of regional performance indicators and ongoing efforts to share best practices.”

Joost Bomhoff, Executive Director, in charge of Sustainability



Measuring results

Following the merger in 2007, a key challenge was the identification of a coherent set of environmental indicators that could be used to obtain uniform, comparable data for all of the countries where the Group is present. In 2008, this process was successfully completed with the drawing up of Key Performance Indicators (KPIs) that will be used to **measure and communicate the Group’s environmental performance** across the board. The internal International Environmental Performance Committee (IEPC) played an important role in this process by identifying quick wins and long-term objectives.

These KPIs, which are structured around the themes of **climate change, water management, waste management and green transport**, form the basis of the Group’s quantitative environmental performance targets for the period 2009-2011. They have also been used to conduct a retrospective assessment of the Group’s environmental performance data from 2006-2008.

A CO₂ analysis of four of Unibail-Rodamco’s existing assets and one of its development assets (Tour Phare) showed that only a small proportion of emissions result from activities that are directly controlled by the Group. As well as developing and implementing long- and short-term action plans to reduce its own environmental impact, the Group is working with its partners, particularly retailers, office tenants and local transport authorities, to reduce emissions at all stages of the life cycle.

Taking responsibility

The Group is integrating environmental management into its acquisition and development policies. For example, environmental performance is now assessed alongside traditional risks, such as contamination and pollution, during the due diligence process. The Group has prepared **“green” building design and construction guidelines** for internal use. From 2009 onwards, all new developments with a surface greater than 10,000 m² will be designed to achieve a rating of “good” or above according to BREEAM, the world’s most widely used environmental assessment method for buildings. Of the four development projects that were registered in 2008 for assessment by the “BREEAM Europe: Retail” working group, two are owned by Unibail-Rodamco.

Environmental programmes have been added to the strategic five-year business plans that are drawn up for each of the Group’s assets on an annual basis. The Group will include more extensive sustainability clauses in its supplier contracts from 2009 onwards.

Improving communication

The Management Board and Supervisory Board receive regular updates on sustainability issues and a new sustainability section has been introduced into the Group’s internal newsletter to raise awareness among employees. Sustainable practices were on the agenda at Management Team meetings and the biannual shopping centre managers’ meeting. As a member of the International Council of Shopping Centers, Unibail-Rodamco also participates actively in the sharing of best practices at an industry level.



activities

- 30 France
- 32 Netherlands
- 34 Nordic Countries
- 36 Central Europe
- 38 Spain
- 40 Offices
- 42 Convention-Exhibition

The Group owns and manages high-quality shopping centres, offices and convention-exhibition centres in and around major European cities. Despite the troubled economic context, the Group’s shopping centres remain attractive to tenants due to their size, positioning, large catchment populations, and a value creation approach that focuses on visitor comfort. Location and quality also underpin the Group’s strong performance in the office and convention-exhibition sectors.

France

“The Group expanded and strengthened its French shopping centre portfolio in 2008, opening Rivétoile in Strasbourg and delivering the final phase of the Quatre Temps renovation and extension. The French team’s ongoing commitment to customer satisfaction continues to pay dividends for the Group, tenants and visitors.”

Jean-Marie Tritant, Managing Director Retail France



The French retail market in 2008

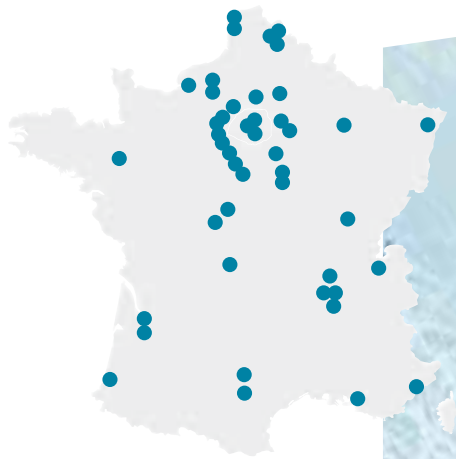
Following a strong start to the year, the French retail market started to feel the effects of the global economic downturn during the last quarter. Although the Group’s shopping centres were affected by this decline in consumer confidence, the impact is mitigated by the location and quality of these assets. Almost all of Unibail-Rodamco’s centres are located in or near major cities with large catchment areas and excellent public and private transport links.

Sales in the Group’s French shopping centres increased slightly during 2008, while **vacancy rates remained very low**, decreasing from 1.4% at year end 2007 to 1.2% at year end 2008.

Developing commercial partnerships

The scale and strength of the Group’s assets make it a **favoured partner for retailers** that wish to expand rapidly across the French market by opening in a number of centres at the same time, and for international retailers looking to open in high-profile locations. The Group’s retail intelligence team actively seeks to increase the attractiveness of Unibail-Rodamco’s centres by identifying and signing leases with successful international retailers. In 2008, contracts were signed with 14 new retailers, including Guess, Chattawak, Tommy Hilfiger, Ulric de Varens and Le Temps des Cerises. During 2008, the Forum des Halles welcomed Fossil’s first store in a French shopping centre and New Look’s first flagship store in France. Apple will open a store in the Carrousel du Louvre in 2010.

Unibail-Rodamco also supports the creation of original, attractive retail concepts through the annual Grand Prize for Young Retail Entrepreneurs. The first and second prize winners of the 2007 edition opened boutiques in Les Quatre Temps in the last quarter of 2008.



34
shopping centres



Les Quatre Temps / La Défense



Rivétoile / Strasbourg

New ways to generate traffic

Unibail-Rodamco’s marketing and communication teams constantly seek to increase traffic at the Group’s shopping centres. In 2008, two new marketing programmes were launched: “Shopping gagnant” and “Achetons groupé” (grouped buying).

“Shopping gagnant” enables customers to access discount vouchers for shops in the Group’s centres across the country by completing an online registration form. The first shared marketing programme to be rolled out simultaneously across all of the Group’s Parisian shopping centres, “Shopping gagnant” had an immediate impact: footfall for the first two weeks of November increased by 29% year-on-year at Carré Sénart, 15% at Rosny 2 and 14% at the Forum des Halles.

“Achetons groupé” enables groups of friends to obtain discounts by buying in bulk. For example, the retailer offers a discount of 30% when a group of three people buys a product, while a group of five benefits from 50% off. This concept was successfully tested at the reopening of Les Quatre Temps and will be optimised and expanded during 2009.

Creating customer preference

For Unibail-Rodamco, **shopping centres are more than just great places to shop**. They are also an excellent environment for socialising with friends and family, particularly when they offer a range of facilities and events that appeal to adults, children and teenagers alike. In 2008, events at the Group’s French shopping centres included the Cité Stars talent show at Cité Europe, mid-afternoon piano performances at Les Quatre Temps, and regular children’s entertainment programmes on Wednesday afternoons, when French schools are closed.

Looking forward

The Group’s assets benefit from sound fundamentals and are managed by an experienced team that understands the importance of creating customer preference. In 2009, the Group will open new shopping centres, expand the Welcome Attitude concept to other assets, and continue to invest in the events, communications and activities that make its centres attractive to tenants and visitors and underpin its solid economic performance.

close up

The renovation and extension of Les Quatre Temps demonstrates the Group’s proactive asset management strategy. The centre was redesigned by Anthony Belluschi, a prominent American architect, to make the shopping environment brighter, create space for a 16-screen cinema complex and add a new dining and relaxation zone, known as “the Dôme”. New retailers and concepts were introduced, such as the first Uniqlo store in France and the latest restaurant design from McDonald’s. Finally, the Welcome Attitude was rolled out to improve the quality of the customer facilities and reduce the micro stresses that can be associated with a visit to a large shopping centre. As a result, retail sales at Les Quatre Temps have increased by 10.1% year-on-year despite the difficult economic environment.

Netherlands

“The Group significantly restructured its activities in the Netherlands during 2008. A series of successful divestments has focused the portfolio on prime assets with high growth potential in leading urban centres, bringing it more closely into line with Group strategy.”

Hans Vermeeren, Managing Director Netherlands



Market context

The Dutch retail sector performed well during 2008 although house and car sales stalled. It is expected that falling consumer confidence will have a negative impact on spending in 2009. Consumer spending declined over the course of the year, but this did not have a direct impact on the Group's rental income. Vacancy rates in the Group's Dutch shopping centres remained stable at 1.2% at year end 2008, compared to 0.9% at year end 2007.

Successful divestment

During the year, the Group undertook a divestment programme to consolidate its portfolio around key cities in the Netherlands. In the first quarter, a mix of high street shops, small shopping centres, standalone supermarkets and retail warehouse strips was sold to IEF Capital NV and other buyers for €744 million, at a premium to the last external appraised value.

This restructuring saw the Group dispose of around €1 billion-worth of assets while consolidating its presence in the Hague, Amsterdam and Rotterdam regions. The portfolio now consists primarily of prime assets in major urban centres which offer better rental growth prospects and lower risks.

Improving retail management

The Group continues to create value through the careful management of its existing shopping centres and the addition of new retail capacity. In 2008, Unibail-Rodamco delivered the final phase of Stadshart Almere and welcomed new tenants such as Watch! and Apple in Amstelveen, Fossil in Utrecht, and Apple in Leidsenhage. Mango will open in Almere in 2009. As part of its policy of introducing new concepts into its shopping centres, the Group will also host Brand New, a retail chain that changes its products and interior on a quarterly basis.

The Group is rolling out new leasing contracts that require tenants to share turnover figures. Although this is standard practice elsewhere in Europe, it is still relatively new to the Netherlands. The introduction of these contracts increases transparency and makes it easier for the Group to monitor the tenant mix and performance of its centres.

close up

Both Stadshart Almere and Vier Meren have been built to serve rapidly growing new cities in the Amsterdam region. Stadshart Almere serves Almere, which Eurostat identified in August 2008 as the fastest growing city in Europe. Its young, multicultural population is expected almost to double from 200,000 in 2007 to 350,000 in 2030. Vier Meren serves Hoofddorp, another fast-growing city with a strong and prosperous demographic mix.

27
shopping centres



Vier Meren /Hoofddorp

Spazio Stadshart / Zoetermeer



Stadshart Almere / Almere

The Group also disposed of its high street shops across Belgium for €92 million, again in excess of their appraised value at end 2007. Although these were prime assets, they lacked critical mass and a suitable local management structure. A number of offices, including the former operational headquarters of the Group's Dutch subsidiary in Amsterdam, were also sold to improve the coherence of the portfolio. Finally, the Group conducted an asset swap with a Dutch fund, Vastned Retail, disposing of a number of high street shops in Dutch cities in return for stronger position in the Leidsenhage shopping centre in the Hague region.

Nordic Countries

“Following a successful year in 2008, the Nordic region is looking forward to consolidating its performance and developing new projects during 2009. Although the economic situation looks set to dampen consumer spending, the Group’s strategy of focusing on customer service and the tenant mix should help to mitigate any impact on footfall and sales.”

Lars Johansson, Managing Director Nordic Countries



Economic context

The global downturn hit Sweden during the last quarter of 2008 and started to affect consumption. Nevertheless, retail sales in the Group’s Nordic shopping centres remained stable year-on-year and vacancy rates remained low, standing at 3.3% at year end.

Unibail-Rodamco’s activities are concentrated in **key Nordic cities which have large populations with relatively high levels of disposable income**. Shopping centres located in and around Stockholm, Copenhagen and Helsinki account for 80% of the value of Unibail-Rodamco’s Nordic portfolio. These cities are home to a quarter of the population of Sweden, Denmark and Finland.

Improving the customer experience

The Group’s Welcome Attitude policy, which optimises the customer experience from the moment visitors arrive at the shopping centre until the moment they leave, has been integrated into the new Forum Nacka extension and will be rolled out across the Group’s Nordic centres from 2009 onwards. The introduction of Welcome Attitude components, such as baby lounges, restaurant areas, children’s play areas and improved design and decoration, is attracting visitors from beyond Forum Nacka’s usual catchment area and saw footfall increase by 85% in October-December 2008, following completion of the extension, compared to the same period in 2007.

Tenant rotation will continue to feature highly on the agenda as it remains, alongside the Welcome Attitude, one of the most effective ways of ensuring that the Group’s centres are attractive to customers and able to propose the latest, most fashionable retailers. During 2008, the Group welcomed Lloyd Shoes, Tamaris, Fossil, Apotek 1 and Solid to its shopping centres in Sweden. Zara opened its first ever branch in a Swedish shopping centre at Forum Nacka, and a number of brands which were previously only present in Stockholm’s city centre, notably Gerry Weber, Mango, G Star and Marc O’Polo, signed leases in the Group’s centres. The success of Forum Nacka should help to drive this move towards shopping centres and encourage other retailers to expand in this direction.

Laying foundations for future growth
The Group’s centres make it **a key partner for any retailer seeking to establish a presence in central Stockholm**. Developments in 2008 have reinforced this situation.

Mall of Scandinavia, a new 100,000 m² development project on a brownfield site near central Stockholm, could open in phases between 2012 and 2014. Part of a wider urban redevelopment scheme, this iconic project has already generated interest from a number of international retailers, who are attracted by the location and sheer scale of the project. Extensions to existing centres, such as Täby Centrum, are also being considered.

2009: focus on fundamentals

In 2009, the Group will build on the strong results achieved in 2008. It will concentrate on the performance of its standing portfolio, notably in terms of leasing, tenant mix and customer facilities, and create the right conditions for future returns through carefully managed expansion and development projects.

close up

Forum Nacka opened in 1989 to serve a small community just outside Stockholm. Almost 20 years later, the area has become a magnet for young families and the population is expanding rapidly. The new 26,100 m² extension has almost doubled the retail space, improved customer facilities and given visitors access to new, attractive retailers such as Zara and Media Markt. The figures speak for themselves: during the last quarter, sales and footfall increased by 94% and 85% respectively.

Forum Nacka / Stockholm



Mall of Scandinavia project / Stockholm



Forum Nacka / Stockholm



Central Europe

“Unibail-Rodamco Central Europe performed well in 2008, with net rental income increasing by 38%, equivalent to 8% growth on a like-for-like basis, and footfall rising by an average of 3% across the region. The Group acquired Shopping City Süd in Vienna, one of the largest shopping centres in Continental Europe, and successfully delivered Arkády Pankrác, a new development in an upmarket area of Prague.”

Arnaud Burlin, Managing Director Central Europe
Markus Pichler, Managing Director Austria



2008 review
Retail markets across the region were generally stable during 2008, although the effects of the crisis started to be felt towards the end of the year. The Czech Republic continues to perform well, while Poland performed in line with expectations, returning year-on-year retail growth of 6.3%. **Vacancy rates in the Group’s Central European shopping centres remained low, at 1.5%.**

Focus on performance
The Group’s performance across the region reflects the inherent strength of its assets and the effort that goes into leasing activities.

In Vienna, while the performance of Donauzentrum has been affected by the extension and renovation works that are currently underway, this improvement programme has enabled the Group to sign pre-leases for an additional 12,000 m² of capacity. A number of new leases have also been signed at Shopping City Süd, primarily with a view to improving the tenant mix. Sales in the main mall at this centre, which was acquired in May 2008, increased by 4.7% year-on-year.

In Warsaw, Galeria Mokotów recorded an increase in retail sales of more than 6% thanks to careful market positioning, an excellent location and a customer-focused tenant mix. Top brands that have been introduced recently include MAX&Co., Max Mara, Penny Black, Mont Blanc and Poland’s first Massimo Dutti, which is performing extremely well. Retail sales at Złote Tarasy, which opened in February 2007, rose by 37%, with footfall increasing by around 33% year-on-year. Złote Tarasy is a genuine urban lifestyle centre and the most dynamic asset in the region.

Another outstanding performer was Centrum Chodov, in Prague. It welcomed a wide range of new retailers in 2008, including Swarovski, Denny Rose, Mac, So Pretty (Victoria’s Secret), Home & Cook and Bio Foods. This focus on the tenant mix and customer interests earned the centre first prize for “Best Shopping Centre of the Year” in the GE Money Multiservice “Retailer of the Year” competition.

Strengthening the portfolio
The Group reinforced its position in key Austrian and Central European cities during 2008. The acquisition of 119,500 m² in Shopping City Süd, Austria’s largest shopping centre, fits well with Group strategy thanks to the centre’s **strong fundamentals in terms of size, location, number of visits, and potential for upgrade and expansion.** An adjacent plot with retail development potential of 40,000 m² was also purchased. A programme was launched to refurbish and reposition Donauzentrum and add 28,000 m² of retail capacity.

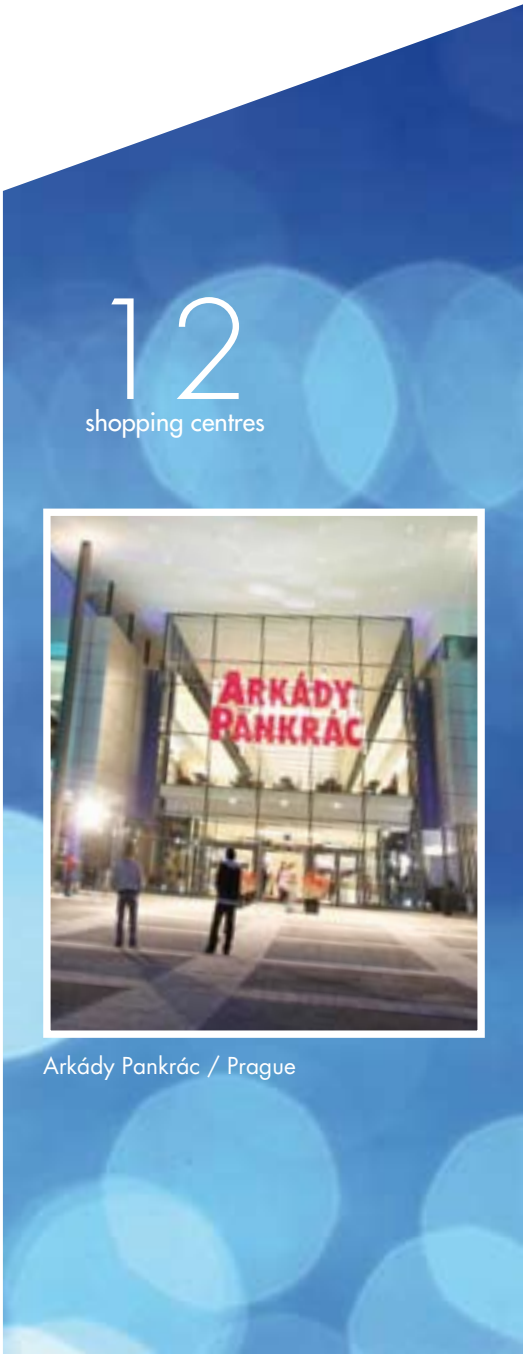
Arkády Pankrác, which offers 38,500 m² of Gross Lettable Area (GLA) and is positioned to complement Centrum Černý Most and Centrum Chodov, the Group’s existing shopping centres in Prague, was successfully delivered. Preparations are underway for the refurbishment and extension of Centrum Černý Most. The Group has been working with its investment partners to develop the Metropolis shopping centre in northern Moscow, scheduled to open in 2009.



Centrum Chodov / Prague

A proactive management strategy
The Group will continue to create value in Central Europe during 2009 by investing time, energy and expertise in attracting new retailers and increasing customer footfall. Austria will be managed as a separate region from January 2009, a decision that reflects the importance of the Shopping City Süd acquisition and increases the Group’s ability to respond to changes in these markets.

close up
The tenant mix at Arkády Pankrác includes a number of retailers who are taking their first steps in the Czech market, such as Bugatti, Don Gil Donna, Gerry Weber, Massimo Dutti, Stradivarius, Super Street Shoes and Moloko. Arkády Pankrác received first place in the “Best Shopping Centre Development” category at the 2008 Construction Journal Awards.



Arkády Pankrác / Prague



Donauzentrum / Vienna

Spain

“Unibail-Rodamco’s business model continues to prove its relevance in an extremely challenging retail environment. Although the Group is not immune to the economic situation in Spain, it has been able to turn conditions to its advantage, improving and re-energising the tenant mix and acquiring a leading prime asset in Barcelona.”

Simon Orchard, Managing Director Spain



Prime assets in a resilient portfolio

The economic environment in Spain deteriorated significantly during the course of 2008. The Group is operating in an environment where success depends on the expert management of a solid portfolio of prime assets. In this challenging context, vacancy rates, particularly in smaller centres, increased over the course of the year to stand at 3.6% on December 31, 2008. Sales in the Group’s centres declined by 6.3%, although the quality of the asset portfolio meant that there was no impact on rental income.

Unibail-Rodamco’s ability to outperform the market in terms of retail sales, especially in smaller units during 2008, clearly demonstrates the relevance of the strategy that the Group has pursued over the years. Well-established centres in large cities, such as Parquesur and La Vaguada in Madrid and La Maquinista in Barcelona, are driving this performance.

Strengthening existing assets

The Group builds on the sound fundamentals of its assets by implementing **a proactive investment and management strategy** and maintaining **an ongoing commitment to its customers**. The Group is taking advantage of the economic situation to improve its tenant mix in centres like Parquesur, Los Arcos and La Maquinista, and introduce new retail brands, such as G Star and Desigual.

The Group successfully introduced H&M in a number of centres, notably in former cinema units at Albacenter and Bahia Sur and in part of a reduced Toys R Us unit at Garbera. This kind of tenant rotation creates value for the Group and its shareholders, tenants and visitors by delivering rental uplift and making centres more attractive to customers.



14
shopping centres



Habaneras / Torrevieja-Alicante

During 2008, the Group hosted a number of events, including an acrobatic and pyrotechnic circus in Valsur, a Disney-themed children’s roadshow that visited all Unibail-Rodamco shopping centres in Spain, and the “Veranoterapia”, three months of activities at Parquesur that brought in 80,000 visitors on the opening day alone. Co-branded events such as a performance of “Mamma Mia” by the original cast at Glòries, and auditions for the “Fama” dancing contest at Parquesur, also significantly increased footfall. To celebrate the 25th anniversary of La Vaguada, a promotion that gave away €3,000 in prizes every day for 25 days resulted in a very positive sales impact. These events, together with new tenant brands and Welcome Attitude actions, encourage customers to visit the Group’s shopping centres and help to create loyalty.

Capital recycling

As part of its capital recycling policy, the Group sold most of its Spanish logistics portfolio at book value to AXA. These assets had been fully let in 2008. At the same time, the Group reinforced its position in Spain through the acquisition of La Maquinista, a major shopping centre with 74,400 m² of retail space, and the Habaneras shopping gallery (24,100 m²).

Looking forward

2008 will be remembered as a year in which Unibail-Rodamco in Spain **focused on core strategy** and took advantage of the Group’s substantial firepower to invest in and acquire prime assets, recycle capital from other sectors, and further consolidate its leading position on the market.

Although consumer spending is expected to decline in 2009, the Group’s pro-active management approach and strategic positioning should allow it to maintain its solid performance and take advantage of new opportunities.

close up

The economic situation has enabled the Group to acquire two prime shopping centres from a leading competitor: La Maquinista, in central Barcelona, and Habaneras, in the popular tourist destination of Torrevieja. La Maquinista, in particular, offers significant upside potential thanks to its low initial occupancy cost ratio and a major expansion plan. Planning permission for an extension to this centre is expected in 2009.



La Maquinista / Barcelona

Offices

“Following several years of expansion, the businesses served by the Office Division in France have entered a period of rationalisation and regrouping. This offers new opportunities for the Group, whose portfolio is well positioned to respond to the operating requirements of large companies in the current economic climate.”

Olivier Bossard, Managing Director Offices France



A strategy that remains relevant

The Group focuses on large and very large buildings at prime locations in the Paris central business district (CBD) and La Défense. At present, 80% of the Group’s French office portfolio is concentrated in these two areas. In the Paris region, there has not been an over-production of office capacity in recent years. No new projects of more than 10,000 m² will be delivered at La Défense before 2011. As a result, supply will remain tight for the foreseeable future and should help to limit the vacancy level.

A solid letting market

Despite more troubled economic and financial conditions, the fundamental dynamics of supply and demand meant that rental activity in the Paris CBD and La Défense was lively in 2008, with a take-up of 2,359,650 m². This is lower than the levels recorded in 2007 but remains in line with the average of the last six years.

Following a number of major transactions in 2008, **the majority of the Group’s buildings are fully let**. Highlights included the letting of 11,130 m² at 7, place du Chancelier Adenauer for the Group’s new headquarters and the letting of almost 10,000 m² in Capital 8 to SAP, Nixon Peabody and Sun Microsystems at rents in excess of €800/m². At year end, 98% of the 63,400 m² of Capital 8 had been let, demonstrating that, even in a challenging economic context, high rentals can be achieved on highly efficient, well-positioned buildings that meet major tenants’ requirements.

In November, the Group delivered 20,500 m² of refurbished office space in the Cnit, a landmark of La Défense which combines convention-exhibition space, a four-star hotel, and a shopping centre that will open in 2009. The lack of new office supply above 10,000 m² in La Défense prior to 2011 should facilitate the letting process.

21
assets



136 avenue Charles de Gaulle / Neuilly



Cnit / La Défense

A tighter market for divestments

Investment activity in the Paris region weakened considerably in 2008 compared to 2007 as a result of the credit crisis. Investment volumes declined and investors focused on smaller deals.

Despite the market turmoil, **the Group successfully disposed of €309 million of assets** in France in 2008. Highlights included the sale of 136 avenue Charles de Gaulle in Neuilly for a net disposal price of €120 million, a 30% premium on its valuation on June 30, 2008, and 17-21 rue du Faubourg Saint Honoré, a mixed-use luxury high-street retail and office building, for a net disposal price of €112 million, a net initial yield of 4.2%. These two deals show that well-located, prime quality assets of this size remain attractive and demonstrate the relevance of the Group’s positioning in this niche.

Investing in future growth

The Office Division is actively involved in **a number of development projects**. The 29,600 m² Oxygène Tower in Lyon, which will be delivered in Q2 of 2010, is 54% pre-let to SNCF. Building rights for the 33,400 m² Eiffel project in Levallois-Perret were signed in July 2008, with construction due to start in summer 2009 and delivery expected in 2011. Two major projects – Tour Phare and Tour Majunga – which are central to the renovation of La Défense are being worked on to ensure they provide the expected return on investment.



Capital 8 / Paris

close up

The flagship refurbishment of Capital 8, the former headquarters of EDF, is the largest business complex in central Paris. The site has been redeveloped to facilitate seamless communications and modern working practices. At the same time, the historical characteristics of the original buildings have been respected, as have the needs of the people who work there: tenants enjoy the use of a fleet of bicycles, a gym, an onsite concierge and 6,000 m² of gardens and landscaped areas.

Convention-Exhibition

“The Group’s convention-exhibition activities took on new life and a new identity in 2008 with the successful launch of VIPARIS and Comexpodium. The decision to merge Unibail-Rodamco’s activities in this sector with those of the Paris Chamber of Commerce and Industry (CCIP) is already proving its relevance.”

Renaud Hamaide,
Managing Director Convention-Exhibition France



A successful merger
The decision to merge the convention-exhibition activities of Unibail-Rodamco and the CCIP was taken on June 5, 2007, and came into effect on February 1, 2008. VIPARIS, which is jointly owned by the two entities and managed by Unibail-Rodamco, operates a portfolio of ten world-class venues in Paris and the surrounding area. Comexpodium brings together Exposium, the former Unibail-Rodamco events entity, and Comexpo, the events organisation business of the CCIP.

Over the course of the year, the Group’s teams have initiated and completed a number of major steps on the path towards full integration, notably the setting up of shared headquarters, the harmonisation of IT systems, and the creation of a single sales platform, which covers all ten venues and is organised by activity rather than by site. These projects, which have been undertaken rapidly, efficiently and in a positive atmosphere, should start to bear fruit in 2009.

Improving the visitor welcome
Throughout the year, the Group has worked closely with the Ile-de-France Region, Aéroports de Paris, the SNCF, the City of Paris and other major actors to ensure that suitable signage, transport, concierge and reception services are in place not only at VIPARIS venues, but also at key transit points in the region. This programme will be rolled out in 2009. The Group’s ability to negotiate these important agreements is a direct result of the additional strength and presence that has been gained through the merger.



A solid performance in 2008
When financial and economic conditions are difficult, shows are seen as one of the best ways of doing business and the networking opportunities they offer become increasingly important to companies. Although some participants reduce the size of their stand, this is generally compensated by an increase in the number of companies renting space at the event and in the number of professionals present.

All of the main shows held at VIPARIS in 2008 recorded an increase in visitor numbers, particularly from the end of September onwards. Highlights included a new record for visitor numbers at the Mondial de l’auto, which welcomed 1,432,972 people, and a 5.2% increase in visitor numbers at the Salon de la mode. Relative to 2006, which provides a better basis for comparison than 2007 given that many shows operate on a biennial basis, exhibitor numbers in 2008 increased by 2.7% and the total number of visits rose by 6%.

A positive outlook
The Group captured significant new business in 2008, notably the European Society of Cardiology Congress, which will be held at Paris Nord Villepinte in August 2011. One of the three largest conventions in the world in terms of participant numbers, this congress brings together around 30,000 medical experts.

VIPARIS benefits from strong momentum and solid pre-letting. At year end 2008, contracts equivalent to 86% of the division’s anticipated annual gross rental income had already been signed for 2009.

Porte de Versailles / Paris

VIPARIS

- VIPARIS, which has a portfolio of 10 venues at strategic locations in and around Paris, has a space to suit every event.
- Cnlt Paris La Défense: 24,000 m²
 - Paris Porte de Versailles: 226,000 m² across nine halls
 - Paris Nord Villepinte: 210,000 m² across eight halls, plus 90,000 m² of outside space
 - Paris le Bourget: 80,000 m² of covered exhibition space plus 350,000 m² of outside space
 - Le Palais des Congrès de Paris: 32,000 m²
 - Espace Champerret: 9,100 m²
 - Espace Grande Arche: 9,500 m²
 - Les Salles du Carrousel: 7,125 m²
 - Palais des Congrès de Versailles: 3,170 m² plus 1,800 m² of outside space
 - Le Palais des Congrès d’Issy*: 3,000 m²

* Incorporated in the portfolio in 2009.





portfolio

- 46 France
- 52 Netherlands
- 55 Nordic Countries
- 56 Central Europe
- 57 Spain

Unibail-Rodamco is Europe’s leading listed property operator, investor and developer. The Group owns and manages real estate assets worth €24.6 billion in 12 European countries. In addition to the large European shopping centres that account for 74% of the portfolio, the Group owns a number of prestigious office buildings and convention-exhibition centres, most of which are located in and around Paris.

France: Shopping Centre Portfolio

as at December 31, 2008

Location - Property names	GLA of the whole complex (m ²)	Parking spaces	Catchment area (in million people)	Number of visits in 2008 (in millions)	2008 overall turnover of the complex (in million euros)	Year of acquisition	Construction date Refurbishment (R) date Extension (E) date	GLA of the property owning companies (m ²)	% Unibail-Rodamco's shares	% of consolidation	Total space according to consolidation (m ²)
Shopping centres in the Paris Region											
Les Quatre Temps (La Défense) Auchan, Castorama, C&A, 29 MSU, 202 shops, a cinema complex	130,000	6,500	3.6	38,5	873	1992/95 1999	1981 R 2006/08	125,700	53%	100%	125,700
Carré Sénart Carrefour, 1 shopping park, 15 MSU, 115 shops, 4 restaurants, 1 Bowling	108,400	5,260	2.8	14.3	405	1994/99	2002 2006/07	82,300	100%	100%	82,300
Vélizy 2 Auchan, FNAC, Le Printemps and 7 MSU, 151 shops and 7 cinemas Truffaut, Amarine	106,300	6,915	7.6	16.4	837	1994 2007	R 2005/07	40,100 24,200	100% 100%	100% 100%	40,100 24,200
Le Forum des Halles (Paris 1 ^{er}) FNAC, 19 MSU and 148 shops, 1 Ciné-cité UGC, 1 UGC Orient Express	60,000	2,100	5.3	40.4	546	1994	1979/86 R 1996	60,000	65%	100%	60,000
Parly 2 191 shops (o/w Printemps, Fnac, BHV, Habitat, Truffaut, Darty)	107,000	5,050	2.5	14.1	646		1969/87	45,800	100%	100%	45,800
CNIT (Shopping arcade - La Défense) FNAC, 28 shops and a restaurant area	27,800	1,136	3.6	7.1	98	1999	1989	27,800	100%	100%	27,800
Rosny 2 192 shops o/w 13 MSU	106,000	5,950	5.9	15.4	628	1994 2001	1973 R 1997	31,800 17,300	26% 100%	26% 100%	8,300 17,300
Ulis 2 Carrefour, 9 MSU and 92 shops, 4 cinemas, 4 restaurants	51,500	3,200	3.3	6.6	321	1994	1973 R 1998/99	22,700	100%	100%	22,700
Vélizy Usines Center 136 shops (o/w Gerard Darel, Ventilo, Quiksilver, Hygena, Le Coq Sportif)	20,500	1,200	7.6	1.5	85	2005		20,500	100%	100%	20,500
Boutiques Palais des Congrès (Paris 17 ^{ème}) Galerie Gourmande, Les Editions du Palais, Palais Maillot, 4 MSU, 1 Cinema and 70 shops	17,800	1,600	7.3	5.1	110	2008		17,800	50%	100%	17,800
Coté Seine (Argenteuil) Géant Casino, 67 shops (o/w H&M, Maisons du Monde, La Grande Récré)	29,000	1,350	6.4	5.6	96		2002	14,600	100%	100%	14,600
Galerie Gaité (Paris 15 ^{ème}) 4 MSU, 1 Bowling and 17 shops	14,000	1,992 ⁽¹⁾	3.4	4.5	66	1998	1976 R 2000/01	13,000	100%	100%	13,000
Carrousel du Louvre (Paris 1 ^{er}) 7 MSU, 45 shops and a food court	11,000	700 ⁽²⁾	6.3	9.0	51	1999	1993	11,000	100%	100%	11,000
Bobigny 2 Atac, 65 shops	27,000	1,100	0.9	2.4	n.a	2004	1974	8,000	100%	100%	8,000
Sub-total Shopping centres in the Paris Region											539,100

Catchment area : less than 30 minutes from the Shopping Centre
MSU : Medium Size Units
(1) Gaité Montparnasse car parks are shared between Meridien hotel, Gaité shopping gallery and office.
(2) The Carrousel du Louvre car park is shared between the shopping centre and the exhibition spaces.
Parkings not owned by Unibail-Rodamco.
(3) Including "Passages Meriadeck" extension.
(4) Accounted for under the equity method.

France: Shopping Centre Portfolio

as at December 31, 2008

Location - Property names	GLA of the whole complex (m ²)	Parking spaces	Catchment area (in million people)	Number of visits in 2008 (in millions)	2008 overall turnover of the complex (in million euros)	Year of acquisition	Construction date Refurbishment (R) date Extension (E) date	GLA of the property owning companies (m ²)	% Unibail-Rodamco's shares	% of consolidation	Total space according to consolidation (m ²)
Shopping centres in the French Provinces											
Lyon La Part Dieu Carrefour, Galeries Lafayette, Décathlon, C&A, BHV, 26 MSU, 194 shops and 14 screen UGC cinema complex.	110,000	4,200	1.5	30.9	724	2004	1975 R 2001/02	69,300	100%	100%	69,300
Calais Cité Europe - L'Usine Côte d'Opale Carrefour, Tesco, C&A, Bowling, 14 MSU and 134 shops 62 factory outlets	86,400	5,100	0.4	7.9	271	1995	1995 2003	50,800 13,400	50% 100%	50% 100%	25,400 13,400
Bordeaux Mériadeck ⁽³⁾ Auchan, 7 MSU and 80 shops	42,200	1,670	0.8	11.7	199	1994	1980 R 2000 / E 2008	27,000 7,400	61% 100%	100% 100%	34,400
Rouen Saint Sever Leclerc, 90 shops (o/w Go Sport, UGC, Cool Cat, La Grande Récré)	43,000	1,800	0.7	10.8	158		1978/02	34,300	100%	100%	34,300
Dijon Toison d'Or Carrefour, 14 MSU and 102 shops, 11 restaurants	58,600	3,540	0.3	7.2	352	1994	1990	33,000	100%	100%	33,000
Villeneuve 2 Auchan, 7 MSU, 128 shops	57,000	3,250	0.7	12.1	437		1977 R 2004/06	32,700	100%	100%	32,700
Strasbourg Rivétoile Leclerc, 4 MSU, 84 shops	28,200	1,800	1.1	n.a	n.a	-	2008	28,200	100%	100%	28,200
Toulouse Labège 2 Carrefour, C&A, 6 MSU and 108 shops (with extension)	47,900	3,310	1.0	5.9	311	1994 2006	1983/92 E 2008	18,300 3,300	100%	100%	21,600
Rennes Alma Carrefour, Printemps, 1 MSU and 54 shops	37,500	2,670	0.5	5.7	208	2005 2007	1971 R 1990	11,500 9,600	100% 100%	100% 100%	11,500 9,600
L'Usine Roubaix Carrefour, 3 MSU and 82 shops	18,600	400	1.3	3.1	n.a		1984	18,600	100%	100%	18,600
Nice Etoile 5 MSU, 94 shops and 4 restaurants	19,000	1,200	0.7	12.5	125	2000	1982 R 2005	17,000	100%	100%	17,000
Limoges Saint-Martial 7 MSU, 3 restaurants and 60 shops	18,000	700	0.3	3.6	67	1989	R 2007/08	15,100	100%	100%	15,100
Orléans Place d'Arc Carrefour, 61 shops o/w 3 MSU	27,000	750	0.3	3.8	111	1988	1988	13,500	73%	100%	13,500
Châlons Croix Dampierre Carrefour, 62 shops (o/w C&A, Mc Donald, Maison du Monde, Flunch)	34,700	2,209	0.1	4.5	169		1973/92	11,200	100%	100%	11,200
Bayonne BAB 2 Carrefour, 3 MSU and 80 shops	37,000	2,500	0.3	6.1	216	1994	1982	11,000	100%	100%	11,000
Marseille La Valentine Printemps, Go Sport	31,700	1,500	n.a	n.a	7.4	2007	1982 R 1999	10,100	100%	100%	10,100
Marseille Bonneveine Carrefour, 2 MSU, 61 shops, 5 restaurants and 5 cinemas	25,000	1,000	1.0	7.7	198	1986	1983	9,800	100%	100%	9,800

Catchment area : less than 30 minutes from the Shopping Centre
MSU : Medium Size Units
(1) Gaité Montparnasse car parks are shared between Meridien hotel, Gaité shopping gallery and office
(2) The Carrousel du Louvre car park is shared between the shopping centre and the exhibition spaces
(3) Including "Passages Meriadeck" extension.
(4) Accounted for under the equity method

France: Shopping Centre Portfolio

as at December 31, 2008

Location - Property names	GLA of the whole complex (m ²)	Parking spaces	Catchment area (in million people)	Number of visits in 2008 (in millions)	2008 overall turnover of the complex (in million euros)	Year of acquisition	Construction date Refurbishment (R) date Extension (E) date	GLA of the property owning companies (m ²)	% Unibail - Rodamco's shares	% of consolidation	Total space according to consolidation (m ²)
Annemasse Shopping Etrembières 1 hyper Migro, 3 MSU, 2 restaurants and 44 shops	19,000	1,000	0.4	2.3	101	2006	1994	8,600	100%	100%	8,600
Lyon Saint-Genis 2 Auchan, BHV, 2 MSU and 66 shops	29,000	1,800	1.3	4.6	258	1994/96	1981	5,900	100%	100%	5,900
Euralille ⁽⁴⁾ Carrefour, 10 MSU and 110 shops, a food court and activity area	67,000	2,900	1.4	11.6	218	1994	1994	43,100	40%	n.a.	n.a.
Sub-total Shopping centres in the French Provinces											438,200
Other holdings											
Paris Aquaboulevard Decathlon, Water park, Fitness center Event areas, 1 «food court», 3 shops	42,000	1,000	n.a	4.9	n.a	2006 2008	1990 1990	2,800 33,200	100% 100%	100% 100%	2,800 33,200
Paris - 23, boulevard de Courcelles (Paris 8) Renault car dealer	12,900		n.a	n.a	n.a	1999	R 1989	12,900	100%	100%	12,900
Paris - 40 ter, avenue de Suffren (Paris 15) Volkswagen car dealer	10,900		n.a	n.a	n.a	1999	R 1982	10,900	100%	100%	10,900
Go Sport : Marseille Grand Littoral, Evreux, Saintes	7,200			n.a	n.a			7,200	100%	100%	7,200
Plaisir Planete Saturn	5,100	100	n.a	n.a	17	2001		5,200	100%	100%	5,200
Evry 2 Carrefour, Galeries Lafayette, 10 MSU, 240 shops and multiplexes CGR	93,000	5,300	0.7	20	n.a	2004	1975 R 2002/03	53,800	7.5%	7.5%	4,000
Grigny 2 Casino, 1 MSU, 26 shops	10,700	1,200	n.a	n.a	n.a	2004	1973 R 2000	1,600	100%	100%	1,600
Limoges Boisseuil				1.5	n.a	2004		700	100%	100%	700
Boissy 2 Renault car dealer	23,000	900	0.2	n.a	n.a	2004	1976	7,000	100%	100%	700
Paris Maine Montparnasse 1 shop Naf Naf	35,500	1,900	na	n.a	n.a	2007		200	100%	100%	200
Sub-total Other holdings											75,400
TOTAL (according to the scope of consolidation)											
											1,052,700

Catchment area : less than 30 minutes from the Shopping Centre
MSU : Medium Size Units
(1) Gaité Montparnasse car parks are shared between Meridien hotel, Gaité shopping gallery and office
(2) The Carrousel du Louvre car park is shared between the shopping centre and the exhibition spaces
(3) Including «Passages Meriadec» extension.
(4) Accounted for under the equity method

France: Convention-Exhibition Portfolio

as at December 31, 2008

France: Convention- Exhibition Portfolio							
as at December 31, 2008	Year of acquisition	Construction Refurbishment (R) date	Parking spaces	% Unibail ⁽¹⁾	Total floor space per asset (m ²)*	% consolidation	Description
PARIS AND PARIS-LA DÉFENSE							
Property and operation							
Paris Porte de Versailles - Paris 15	2000	Hall 5 in 2003	5,500	50%	226,000	100%	8 exhibition halls (from 5,000 to 70,000 m ²), 32 conference rooms of which 3 auditoriums
Paris Nord Villepinte	2008	Hall 7 in 2010	13,000	50%	210,000	100%	9 exhibitions halls, 45 conference rooms of which 3 auditoriums
Cnit - La Défense	1999 ⁽²⁾	R 2007	4,800	100%	24,000	100%	Exhibition and convention space (24,000 m ²) and a Hilton Hotel
Espace Grande Arche - La Défense	2001	R 2003		50%	9,500	100%	Flexible space covering 9,500 m ²
Espace Champerret - Paris 17	1989/1995	R 2008	1,100 ⁽²⁾	50%	9,100	100%	Exhibition space (Trade shows)
Le Palais des Congrès de Paris	2008	1993	1,500 ⁽²⁾	50%	32,000	100%	92 conferences rooms of which 4 auditoriums
Carrousel du Louvre (Expos) - Paris 1	1999 ⁽²⁾	1993	4,300 ⁽²⁾	100%	7,100	100%	Exhibition space (Trade and fashion shows, corporate events)
Palais des Sports - Paris 15	2002			50%	n.a.	50%	Flexible entertainment or convention room from 2 000 to 4 200 seats
Operation							
Paris Le Bourget	2008		12,000	50%	80,000	100%	5 exhibitions halls, 7 conferences rooms of which 1 auditorium
Palais des Congrès de Versailles	2008		4,300 ⁽²⁾	45%	3,200	100%	11 conferences rooms of which 1 auditorium
Méridien-Montparnasse Hotel - Paris 14	1998	1974	⁽³⁾	100%	57,400	100%	Hotel, conference centre and private parking lot ⁽³⁾
TOTAL (according to the scope of consolidation)					658,300		

* total floor space according to consolidation
(1) Unibail-Rodamco's interest in floor space and rents
(2) This parking lot does not belong to the group
(3) 2 227 parking spaces for the whole Gaité Montparnasse complex (Méridien Hotel, Gaité Shopping Gallery and office)

France: Offices Portfolio*

as at December 31, 2008

	Year of acquisition	Construction (C)/ Refurbishment (R) date	Total floor space of asset (m ²)	Parking spaces	% consolidation	Total floor space according to consolidation (m ²)	Main tenants (in terms of rental income)
--	---------------------	---	--	----------------	-----------------	---	---

PARIS CBD, PARIS AND WESTERN PARIS OUTSKIRTS							
Paris 1							
39-41, rue Cambon	2001	R 2006	17,215	199	100%	17,215	NYSE-Euronext, Oddo, Medicapital
34-36, rue du Louvre	1976	R 2006	4,183	-	100%	4,183	BNP Paribas
Paris 2							
12, rue du Mail	1985	R 2008	1,429	-	100%	1,429	Red Bull
Paris 8							
Capital 8 (av. de Messine/Monceau/Murat)	2001	R 2006	63,422	513	100%	63 422	Rothschild, Gaz De France, Eurazeo, Dechert, Sap, Marionnaud, Aforge, Arsene, Kraft, De Senilhes Glucroft Associates Aarpi
5, boulevard Malesherbes	1999	R 2000	7,899	60 ⁽¹⁾	100%	7,899	SALANS
18bis-20, avenue Hoche	1982/2007	R 2007	2,774.00	22	100%	2,774	Mayer Brown
Paris 9							
11-15, rue Saint-Georges	1991	R 1993	7,855	142	100%	7,855	La Halde, Hypo Real Estate
Paris 16							
7, place du Chancelier Adenauer	1999 ⁽²⁾	R 2008	12,065	150	100%	12,065	Unibail-Rodamco's headquarters
42, avenue d'Iéna	1998	R 1999	1,686	3	100%	1,686	
Sub-total "Paris CBD"						118,528	

92 Paris-La Défense							
Espace 21 (Les Villages)	1999	R 2006	39,366	631	100%	39,366	Genegis, Concorde Management Company, Louvre Hotels
Tour Ariane	1999	R 2008	58,622	224	100%	58,622	Marsh, British Telecom France, Societe Generale, Completel, Ciments Francais, Mercer, Network Appliance, Regus, Vanco, Air Liquide
Cnit (Offices)	1999	R 2008	36,576	-	100%	36,576	ESSEC, APEC, Select TT
Immeuble Michelet-Galilée	1999	C 1986	32,662	127	100%	32,662	Total
70-80, av. Wilson	1999	C 1988	21,005	575	100%	21,005	Axa, Exposium, Orphan
Sub-total "Paris-La Défense"						188,231	

92 Neuilly-sur-Seine							
2, rue Ancelle	1996	R 2000	16,041	170	100%	16,041	Gras Savoye
168, av. Charles de Gaulle	1984	R 2004	7,355	122	100%	7,355	BNP Paribas, Regus, Deloitte
92 Levallois							
Courcellor 1	2005	-	19,734	344	100%	19,734	SFIG (Groupe Gaz De France)
92 Issy-les-Moulineaux							
34-38, rue Guynemer	1999	R 2006	45,479	897	100%	45,479	Mondadori, Carlson, Aldata, Accor, Bercy Services, Alain Bensoussan
Sub-total "Neuilly-Levallois-Issy"						88,609	

France: Offices Portfolio*

as at December 31, 2008

	Year of acquisi tion	Construction (C)/ Refurbishment (R) date	Total floor space of asset (m ²)	Parking spaces	% consolidation	Total floor space according to consolidation (m ²)	Main tenants (in terms of rental income)
--	----------------------	---	--	----------------	-----------------	---	---

Other office buildings in Paris (Paris 14)							
Gaité-Montparnasse (Offices)	1998	C 1974	9,829	1,992 ⁽³⁾	100%	9,829	Le Point, CRAF
Sub-total of other office assets in Paris						9,829	
Sub-total Paris CBD, Paris and Western Paris outskirts						405,197	

OUTSIDE PARIS							
Lyon							
Tour Crédit Lyonnais	1996/2007	C 1977	12,949	60	100%	12,949	France Telecom, DHL, CAF de Lyon
92 Clichy							
24-26, rue Villeneuve	2006	R 2008	14,867	219	100%	14,867	SNCF
Sub-total Outside Paris						27,816	
TOTAL (according to the scope of consolidation)						433,013	

* and related: shops in office buildings, light-industrial space, appartments...
(1) Number of car parks on 2 concessions
(2) Refurbishment from 2004 to 2008
(3) The Gaité Montparnasse private parking lot is shared between offices, the Hotel Méridien and the Gaité Shopping Gallery

Netherlands:
Shopping
Centre Portfolio

as at December 31, 2008

	GLA of the whole complex (m ²)	Parking spaces	Catchment area (in millions of people)	Number of visits (in millions)	2008 overall turnover of the complex (in millions of euros)	Year of acquisition	Construction (C) Refurbishment (R) date	GLA of the property owning companies (m ²)	% Unibail-Rodamco's shares	% of consolidation	Total space according to consolidation (m ²)
SHOPPING CENTRES											
Almere - Stadshart Almere	84,300	1,807	0.6	6.5	n.a.	2002	2002/2008	79,900	100%	100%	79,900
Zoetermeer - Stadshart Zoetermeer	75,000	3,340	1.9	n.a.	n.a.	1983	1983/2005	50,300	100%	100%	50,300
Amstelveen - Stadshart Amstelveen	78,200	2,775	1.7	8.5	n.a.	2005	1960/1998	48,200	100%	100%	48,200
Den Bosch - De Bossche Boulevard	39,200	800	1.0	n.a.	n.a.	1970	1977/2003	39,200	100%	100%	39,200
Hoofddorp - Vier Meren	74,000	1,900	1.6	5.6	n.a.	2004	2004	31,600	100%	100%	31,600
Eindhoven - Piazza Center	45,400	1,460	0.8	n.a.	n.a.	1997	2004	23,900	100%	100%	23,900
Leidschendam - Leidsenhage	73,500	3,000	2.1	n.a.	n.a.	1990	1971/2000	21,700	100%	100%	21,700
Purmerend - Eggert Winkelcentrum	21,200	375	1.1	4.8	n.a.	1986	1979/2000	19,900	100%	100%	19,900
Amersfoort - St. Jorisplein	28,200	460	1.1	5.9	n.a.	2000	2000	17,300	100%	100%	17,300
Barendrecht - Carnisse Veste	15,900	500	0.2	n.a.	n.a.	2001	2004	15,900	100%	100%	15,900
Bergen op Zoom - De Parade	18,000	400	n.a.	n.a.	n.a.	2003/2007	2003/2007	15,900	100%	100%	15,900
Zwijndrecht - Walburg	28,000	900	0.2	n.a.	n.a.	1995	1974/1994	15,100	100%	100%	15,100
Maassluis - Koningshoek	14,700	1,000	0.2	n.a.	n.a.	1971	1972/1985	14,700	100%	100%	14,700
Hilversum - Kerkstraat	12,300	72	n.a.	n.a.	n.a.	1993	n.a.	12,300	100%	100%	12,300
Roosendaal - Roselaar	28,000	425	0.5	5.6	n.a.	1996/1999	1970/1996	11,900	100%	100%	11,900
Rijswijk - In de Bogaard	90,000	2,800	n.a.	n.a.	n.a.	1963	2000	11,800	100%	100%	11,800
Deventer - Colmschate	11,300	375	0.1	n.a.	n.a.	1989	1985	11,300	100%	100%	11,300
Hengelo - Hasselo	11,000	355	0.7	n.a.	n.a.	1981	2005	10,500	100%	100%	10,500
Rotterdam - Lijnbaan	10,500	n.a.	n.a.	n.a.	n.a.	1994	1953/1996	10,500	100%	100%	10,500
Hoogezaand - De Hooge Meren	22,500	590	n.a.	n.a.	n.a.	1980	1995	10,300	100%	100%	10,300
Eindhoven - WoensXL	41,000	1,900	0.8	n.a.	n.a.	1991/2004	1967/2006	10,000	100%	100%	10,000
Zwolle - AA-landen	9,900	290	n.a.	n.a.	n.a.	1999	1999	9,900	100%	100%	9,900
Utrecht - Overvecht	26,600	1,100	1.3	n.a.	n.a.	1995	1972/1996	9,200	100%	100%	9,200
Oosterhout - Arendshof	18,400	560	n.a.	n.a.	n.a.	1995/1996	1980/1998	9,100	100%	100%	9,100
Capelle aan den IJssel - De Koperwiek	22,000	900	0,1	n.a.	n.a.	1995	1965/1995	8,600	100%	100%	8,600
Zoetermeer - Rokkeveen	7,800	400	n.a.	n.a.	n.a.	1996	1994	7,800	100%	100%	7,800
Oldenzaal - In den Vijfhoek	7,700	340	n.a.	n.a.	n.a.	1980	1980	7,700	100%	100%	7,700
Almere - Buitenmere14 200	2,643	n.a.	n.a.	n.a.	n.a.	1996	1994	7,700	100%	100%	7,700
Deventer - Brink 100	7,700	n.a.	n.a.	n.a.	n.a.	1993	1735	7,700	100%	100%	7,700
Stadskanaal - Oude Marktpassage	8,900	195	n.a.	n.a.	n.a.	1998	1989	6,800	100%	100%	6,800
Den Haag - Wagenhoek	5,800	103	n.a.	n.a.	n.a.	1982	1900	5,800	100%	100%	5,800
Amsterdam - Boven 't IJ	35,000	2,500	1.2	n.a.	n.a.	1996	1969/1992	5,200	100%	100%	5,200
Almere - Zoetelaarpassage	4,900	0	n.a.	n.a.	n.a.	1983	1983	4,900	100%	100%	4,900
Amsterdam - Kalverstraat	4,900	n.a.	n.a.	n.a.	n.a.	1979	n.a.	4,900	100%	100%	4,900
Den Bosch - Helftheuvel	17,000	750	n.a.	n.a.	n.a.	1998	1999	4,600	100%	100%	4,600
Rotterdam - Woonmall Alexandrium III	65,000	1,000	n.a.	n.a.	n.a.	1998	1996	4,500	100%	100%	4,500
Huizen - Centrum Huizen	4,400	340	n.a.	n.a.	n.a.	1998	1993	4,400	100%	100%	4,400

Netherlands:
Shopping
Centre Portfolio

as at December 31, 2008

	GLA of the whole complex (m ²)	Parking spaces	Catchment area (in millions of people)	Number of visits (in millions)	2008 overall turnover of the complex (in millions of euros)	Year of acquisition	Construction (C) Refurbishment (R) date	GLA of the property owning companies (m ²)	% Unibail-Rodamco's shares	% of consolidation	Total space according to consolidation (m ²)
Groningen - Grote Markt	4,400	n.a.	n.a.	n.a.	n.a.	1998	1947	4,400	100%	100%	4,400
Rotterdam - Plaza	3,800	488	n.a.	n.a.	n.a.	1992	1992	3,800	100%	100%	3,800
Groningen - Herestraat	3,600	n.a.	n.a.	n.a.	n.a.	1994	1920	3,600	100%	100%	3,600
Rotterdam - Korte Lijnbaan	3,500	n.a.	n.a.	n.a.	n.a.	1994	1953/1996	3,500	100%	100%	3,500
Eindhoven - Rechtestraat	3,300	n.a.	n.a.	n.a.	n.a.	1996	1930	3,300	100%	100%	3,300
Maastricht - Grote straat/Kleine straat	2,900	n.a.	n.a.	n.a.	n.a.	1993	n.a.	2,900	100%	100%	2,900
Haarlem - Schalkwijk	32,500	1,439	n.a.	n.a.	n.a.	1996	1971/1992	2,800	100%	100%	2,800
Rotterdam - K.Doormanstraat/J. Banckertsplaats	2,700	n.a.	n.a.	n.a.	n.a.	1996	1957	2,700	100%	100%	2,700
Arnhem - Vijzelstraat 26-27	2,300	n.a.	n.a.	n.a.	n.a.	1990	1973	2,300	100%	100%	2,300
Venlo - Carleijspassage 10	1,900	n.a.	n.a.	n.a.	n.a.	1993	1951	1,900	100%	100%	1,900
Den Bosch - Hooge Steenweg	1,800	n.a.	n.a.	n.a.	n.a.	1998	n.a.	1,800	100%	100%	1,800
Wolvega - Sportlaan 1	1,800	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1,800	100%	100%	1,800
Groningen - Guldenstraat	1,700	n.a.	n.a.	n.a.	n.a.	1994	n.a.	1,700	100%	100%	1,700
Rotterdam - Beursplein 8	1,600	n.a.	n.a.	n.a.	n.a.	1996	1996	1,600	100%	100%	1,600
Rotterdam - Coolsingel	1,600	n.a.	n.a.	n.a.	n.a.	1961	n.a.	1,600	100%	100%	1,600
Waalwijk - De Els	14,500	500	n.a.	n.a.	n.a.	1990	1975/1990	1,200	100%	100%	1,200
Zwolle - Diezerstraat	1,200	n.a.	n.a.	n.a.	n.a.	1990	1780	1,200	100%	100%	1,200
Breda - Houtmarktpassage	3,500	300	n.a.	n.a.	n.a.	1999	1951/1989	1,100	100%	100%	1,100
Den Haag - van Hoytemastraat	1,100	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1,100	100%	100%	1,100
Sneek - Oosterdijk	900	n.a.	n.a.	n.a.	n.a.	1988	n.a.	900	100%	100%	900
Utrecht - Bakkerstraat	700	n.a.	n.a.	n.a.	n.a.	1993	1900	700	100%	100%	700
Den Bosch - Hinthamerstraat	700	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	700	100%	100%	700
Den Haag - Lange Poten 9-11	700	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	700	100%	100%	700
Breda - Ginnekenstraat	600	n.a.	n.a.	n.a.	n.a.	2000	n.a.	600	100%	100%	600
Hoorn - Grote Noord	600	n.a.	n.a.	n.a.	n.a.	1993	1900	600	100%	100%	600
Rotterdam - Zuidplein	70 000	1 700	n.a.	n.a.	n.a.	n.a.	1972/2003	500	100%	100%	500
Amersfoort - Utrechtsestraat	400	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	400	100%	100%	400
Amsterdam - Leidsestraat	400	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	400	100%	100%	400
Utrecht - Lange Elisabethstraat	400	n.a.	n.a.	n.a.	n.a.	1985	n.a.	400	100%	100%	400
Arnhem - Grote Oord/Rijnstraat	400	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	400	100%	100%	400
Maastricht - Wolfstraat 29	400	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	400	100%	100%	400
Den Haag - Spuistraat	300	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	300	100%	100%	300
Eindhoven - Demer 43-45	300	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	300	100%	100%	300
Amstelveen - Pieter Lastmanweg 2-6	200	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	200	100%	100%	200
Doetinchem - Hamburgerstraat	100	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	100	100%	100%	100
Utrecht - Mariastraat 1	100	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	100	100%	100%	100
TOTAL (according to the scope of consolidation)											643,000

Netherlands: Offices Portfolio

as at December 31, 2008

	GLA of the whole complex (m ²)	Parking spaces	Catchment area (in millions of people)	Number of visits (in millions)	2008 overall turnover of the complex (in millions of euros)	Year of acquisition	Construction (C) Refurbishment (R) date	GLA of the property owning companies (m ²)	% Unibail-Rodamco's shares	% of consolidation	Total space according to consolidation (m ²)
OFFICES											
Den Haag - Aegonplein 1-50	40,100	556	n.a.	n.a.	n.a.	1982	1985	40,100	100%	100%	40,100
Rotterdam - Plaza	29,700	474	n.a.	n.a.	n.a.	1989	1992	29,700	100%	100%	29,700
Leidschendam - Leidsenhage	25,300	3,000	n.a.	n.a.	n.a.	2007	1971/2000	25,300	100%	100%	25,300
Zoetermeer - Stadshart Zoetermeer	15,700	3,340	n.a.	n.a.	n.a.	1983/2005	1983/2005	15,700	100%	100%	15,700
Den Bosch - De Bossche Boulevard	12,200	800	n.a.	n.a.	n.a.	1970	1977/2003	12,200	100%	100%	12,200
Almere - Zoetelaarpassage	9,200	0	n.a.	n.a.	n.a.	1983	n.a.	9,200	100%	100%	9,200
Rotterdam - Coolsingel	9,200	28	n.a.	n.a.	n.a.	n.a.	1961	9,200	100%	100%	9,200
Groningen - Oude Boteringestraat	7,300	n.a.	n.a.	n.a.	n.a.	1992	1992	7,300	100%	100%	7,300
Eindhoven - Piazza Center	6,800	1,460	n.a.	n.a.	n.a.	1997	2004	6,800	100%	100%	6,800
Hoofddorp - De Polderlanden	3,700	1,037	n.a.	n.a.	n.a.	1996	2008	3,700	100%	100%	3,700
Delft - Kalfjeslaan 2	4,200	n.a.	n.a.	n.a.	n.a.	1999	n.a.	4,200	100%	100%	4,200
Rotterdam - Hofplein 33	3,500	n.a.	n.a.	n.a.	n.a.	1984	1987	3,500	100%	100%	3,500
Den Haag - Wagenhoek	3,100	0	n.a.	n.a.	n.a.	1982	1900	3,100	100%	100%	3,100
Amstelveen - Stadshart Amstelveen	2,600	2,775	n.a.	n.a.	n.a.	2005	1960/1998	2,600	100%	100%	2,600
Almere - Buitenmere	2,600	2,643	n.a.	n.a.	n.a.	1996	1994	2,600	100%	100%	2,600
Amersfoort - St. Jorisplein	2,200	460	n.a.	n.a.	n.a.	2000	2000	2,200	100%	100%	2,200
Hoofddorp - Dik Tromplein	2,100	n.a.	n.a.	n.a.	n.a.	1999	1999	2,100	100%	100%	2,100
Almere - Stadshart Almere	2,100	1,807	n.a.	n.a.	n.a.	2002	n.a.	2,100	100%	100%	2,100
Huizen - Centrum Huizen	1,600	340	n.a.	n.a.	n.a.	1998	1993	1,600	100%	100%	1,600
TOTAL (according to the scope of consolidation)											183,200

Nordic: Shopping Centre Portfolio

as at December 31, 2008
(including offices connected to shopping centres)

	GLA of the whole complex (m ²)	Parking spaces	Catchment area (in millions of people)	Number of visits (in millions)	2008 overall turnover of the complex (in millions of euros)	Year of acquisition	Construction (C) Refurbishment (R) date	GLA of the property owning companies (m ²)	% Unibail-Rodamco's shares	% of consolidation	Total space according to consolidation (m ²)
Sweden											531,700
Greater Stockholm - Solna Centrum 133 units	97,400	1,265	1.5	6.6	142	1985	1962/1965/1992	97,400	100%	100%	97,400
Greater Stockholm - Täby Centrum 174 units and a cinema complex	78,300	2,400	1.1	9.8	261	1997	1968/1969 1975/1992	78,300	100%	100%	78,300
Greater Stockholm - Forum Nacka 150 units	66,800	1,900	1.4	4.3	101	1996	1990/1997/2008	66,800	100%	100%	66,800
Greater Stockholm - Väsby Centrum 74 units	45,100	700	1.0	5.8	84	2004	1972/1986/1991 2003/2007	45,100	100%	100%	45,100
Greater Stockholm - Eurostop Arlandastad 32 units	40,500	1,600	1.0	2.1	59	1996	1992	40,500	100%	100%	40,500
Greater Stockholm - Haninge Centrum 78 units	40,100	850	0.9	5.1	100	1996	1966/1989/2006	40,100	100%	100%	40,100
Tyresö - Tyresö Centrum 68 units	36,600	850	1.0	5.7	83	2003	1967/1992	36,600	100%	100%	36,600
Lund - Nova Lund (1, 2 & 3) 70 units	25,900	1,300	0.6	2.5	90	2002/ 2005	2002/2006	25,900	100%	100%	25,900
Örebro - Eurostop Örebro 13 units	20,200	900	0.2	3.5	71	1996	1991/1996/2007	20,200	100%	100%	20,200
Greater Stockholm - Arninge Centrum 31 units	20,200	500	1.0	2.9	83	2001	1983/1990	20,200	100%	100%	20,200
Halmstad - Eurostop Halmstad 35 units	30,100	1,500	0.1	3.1	68	1996	1991/2001	20,100	100%	100%	20,100
Greater Stockholm - Bålsta Centrum 38 units	19,600	250	0.4	2.9	50	1996	1970/1991	19,600	100%	100%	19,600
Jönköping - Eurostop Jönköping 8 units	12,400	450	0.1	1.0	14	1996	1989	12,400	100%	100%	12,400
Helsingborg - Helsingborg 1 unit	8,500	400	1.0	2.4	63	2001	1998	8,500	100%	100%	8,500
Danemark											57,800
Copenhagen - Fisketorvet 122 shops and a cinema complex	57,800	1,600	1.0	7.5	203	2000	2000	57,800	100%	100%	57,800
Finland											29,300
Helsinki - Jumbo 95 units	85,500	4,600	0.5	8.6	394	2005	1999/2005	29,300	100%	100%	29,300
TOTAL (according to the scope of consolidation)											618,800

Central Europe:
Shopping Centre
Portfolio

as at December 31, 2008

	GLA of the whole complex (m ²)	Parking spaces	Catchment area (in millions of people)	Number of visits (in millions)	2008 overall turnover of the complex (in millions of euros)	Year of acquisition	Construction (C) Refurbishment (R) date	GLA of the property owning companies (m ²)	% Unibail-Rodamco's shares	% of consolidation	Total space according to consolidation (m ²)
Austria											231,600
Vienna - Shopping City Süd (SCS) 300 units	195,700	10,000	3.5	25.0	347	2008	1976/2002	119,500	100%	100%	119,500
Vienna - Donauzentrum 202 units and a cinema complex	100,750	1,320	1.8	20.0	273	2003	1975/2000 R 2006/2008	100,750	90%	100%	100,750
Klagenfurt - Sudpark 85 units	22,700	620	0.2	2.8	22	2007	2004	22,700	50%	50%	11,350
Czech Republic											142,600
Prague - Centrum Chodov 212 units	57,400	2,600	2.1	13.0	258	2005	2005	57,400	100%	100%	57,400
Prague - Centrum Cerny Most 79 units and a cinema complex	56,400	2,500	1.8	10.9	162	2000	1997	56,400	100%	100%	56,400
Prague - Centrum Pankrac 121 units	38,500	950	1.3	n.a.	n.a.	2005	2008 (C)	38,500	75%	75%	28,800
Poland											31,200
Warsaw - Galeria Mokotow 246 units and a cinema complex	62,300	2,600	1.8	12.3	256	2003	2000/2002/2006	62,300	50%	50%	31,200
Warsaw - Zlote Tarasy 207 units and a cinema complex	89,200	1,600	1.8	18.3	239	2007 ⁽¹⁾	2007	n.a. ⁽¹⁾	n.a. ⁽¹⁾	n.a. ⁽¹⁾	n.a. ⁽¹⁾
Slovak Republic											29,200
Bratislava - Aupark 252 units and a cinema complex	58,300	2,220	0.6	12.7	155	2006	2000/2001/2007	58,300	50%	50%	29,200
Hungary											41,200
Budapest - Europark 71 units	25,100	950	0.8	7	n.a.	1999	1997	25,200	100%	100%	25,200
Budapest - Árkád Örs Vezér Tér 241 units	48,400	1,350	1.1	14	191	2002	2002	48,400	33%	33%	16,000
Germany											39,400
Magdeburg - Allee-Center 149 retail units	51,400	1,300	0.8	10.5	191	1996	1998/2006	51,400	50%	50%	25,700
Berlin - Ring-Center 1 67 retail units and a cinema complex	20,600	1,000	1.3	5	60	1996	1997	20,600	67%	67%	13,700
TOTAL (according to the scope of consolidation)											515,200

⁽¹⁾ Economic ownership. The income is treated as financial income for the time being.

Spain: Shopping
Centre Portfolio

as at December 31, 2008

	GLA of the whole complex (m ²)	Parking spaces	Catchment area (in millions of people)	Number of visits (in millions)	2008 overall turnover of the complex (in millions of euros)	Year of acquisition	Construction (C) Refurbishment (R) date	GLA of the property owning companies (m ²)	% Unibail-Rodamco's shares	% of consolidation	Total space according to consolidation (m ²)
Madrid - Parquesur 230 units	151,200	5,800	4.3	16.3	529	1994	1989/2005	93,300	100%	100%	93,300
Barcelona - La Maquinista 236 units and a Hypermarket	74,400	5,350	3.8	15	298	2008	2000	59,300	51.1%	100%	59,300
Valencia - Bonaire 200 units Retail Park	135,000	5,700	1.5	8.9	275	2001	2001/2003	47,300	100%	100%	47,300
Madrid - Equinoccio 57 units	36,800	1,408	3.5	3.1	56	1998	1998/2003	34,000	100%	100%	34,000
Barcelona - Barnasud 81 units and a cinema complex	43,600	2,500	2.5	4.7	149	2001	1995/2006	33,300	100%	100%	33,300
Valladolid - Vallsur 92 units	31,800	2,250	0.4	6.2	105	2002	1998/2004	31,300	100%	100%	31,300
Barcelona - Las Glorias 175 units	56,300	2,900	3.6	11.6	205	1998	1995/2001	30,300	100%	100%	30,300
Cádiz - Bahía Sur 104 units	59,000	2,737	0.3	7.1	183	1994	1992/2005	26,500	100%	100%	26,500
Torrevieja - Habaneras 68 units	24,100	850	0.2	4.8	74	2008	2005	24,100	52.8%	100%	24,100
San Sebastian - Garbera 84 units	36,000	2,784	0.4	5.8	185	2002	1997	23,200	100%	100%	23,200
Madrid - La Vaguada “Madrid 2” 252 units	85,500	3,600	4.1	25.5	456	1995	1983/2003	21,300	100%	100%	21,300
Seville - Los Arcos 107 units	43,400	1,800	1.1	8.6	152	1995	1992/2002	17,700	100%	100%	17,700
Seville - Dos Hermanas FOC 60 units	16,500	1,200	2.0	1.8	29	2002	1999/2000	16,000	100%	100%	16,000
Albacete - Albacenter 69 units	28,000	1,223	0.2	3.7	61	2002	1996/2005	15,100	100%	100%	15,100
TOTAL (according to the scope of consolidation)											472,700

Spain:
Other Portfolio

as at December 31, 2008

		GLA of the whole complex (m ²)	Parking spaces	Year of acquisition	Construction (C) Refurbishment (R) date	GLA of the property owning companies (m ²)	% Unibail-Rodamco's Shares	% of consolidation	Total space according to consolidation (m ²)
Location	Property names								
Madrid	Leganes	34,969			2008	34,969	100%	100%	34,969
TOTAL (according to the scope of consolidation)									34,969



financial & legal information

- 61 Business review & 2008 results
- 87 Consolidated financial accounts
- 145 Legal information
- 183 Report of the Chairman of the Supervisory Board
- 194 Annual disclosure form

Unibail-Rodamco's main financial objective is the generation of predictable, sustainable and growing levels of cash flow. In 2008, the Group's performance in this respect has exceeded expectations. The Group benefits from a strong balance sheet and good access to liquidity. It operates an active asset rotation policy, selling assets which have limited growth prospects and reinvesting in high-potential prime assets and development projects.

Business Review and 2008 Results

I. SCOPE OF CONSOLIDATION ACCOUNTING PRINCIPLES	61
II. BUSINESS REVIEW BY SEGMENT	62
III. 2008 RESULT	68
IV. DISTRIBUTION	69

Net Asset Value

I. PROPERTY PORTFOLIO	70
II. TRIPLE NET NAV CALCULATION	75

Financial Resources

I. DEBT STRUCTURE AT 31 DECEMBER 2008	78
II. RATINGS	79
III. MARKET RISK MANAGEMENT	79
IV. FINANCIAL STRUCTURE	81

Human Resources

I. EMPLOYMENT	82
II. EMPLOYEE RELATIONS	83

Outlook

Business Review and 2008 Results

I. SCOPE OF CONSOLIDATION, ACCOUNTING PRINCIPLES

1. Scope of consolidation

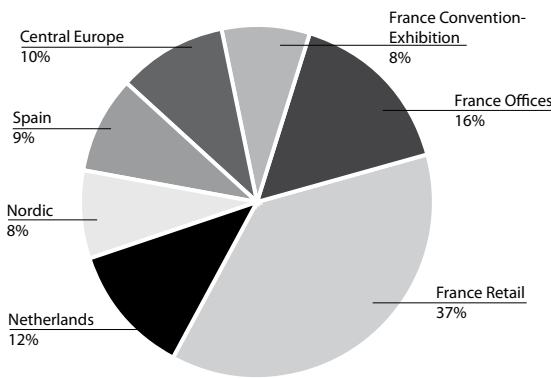
Further to the combination between Unibail and Rodamco effective on June 30, 2007, and the combination of the convention and exhibition businesses of CCIP¹ and Unibail-Rodamco early 2008, the scope of consolidation of Unibail-Rodamco as at December 31, 2008 included 286 companies in 12 countries. These companies have been fully consolidated with the exception of 21 companies accounted for under proportional method and 5 companies under the equity method.

Rodamco Europe NV has been delisted from Amsterdam and Paris Stock Exchange on May 13, 2008. Minority shareholders still own 1.48% of Rodamco Europe NV. Squeeze out proceedings under Dutch law initiated on December 14th, 2007 before Enterprise Chamber of the Court of Appeal in Amsterdam are ongoing.

During 2008, the Unibail-Rodamco group was operationally organised under 5 geographical regions: France, the Netherlands, Spain, Nordic and Central Europe. As from January 1st, 2009, Austria which represents €1.2 Bn of asset value has become a separate region and is no longer part of Central Europe. As France has substantial representation of all 3 business-lines of the group, this region is itself divided in 3 segments: Shopping Centres, Offices and Conventions & Exhibitions. The other regions operate mainly in the shopping centre segment.

¹ Chambre de Commerce et d'Industrie de Paris
² As applicable in the European Union as at Dec 31, 2008.
³ European Public Real-estate Association

The table below shows the split of asset value per region.



2. Accounting principles

Unibail-Rodamco's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards² (IFRS) and are compliant with the EPRA³ best-practices policy recommendations.

No changes were made compared to the accounting principles used for the previous year.

Further to the combination of Conventions and Exhibitions activities of CCIP and Unibail-Rodamco and according to the governance policies introduced in each business line, VIPARIS (real estate investment and operations) has been fully consolidated and COMEXPOSIUM (shows organisation) has been consolidated under the equity method.

II. BUSINESS REVIEW BY SEGMENT

1. Shopping centres

1.1. Shopping centre market in 2008

The financial crisis which started in 2007, hit the economy in the second half of 2008 with many countries officially going into recession. The Unibail-Rodamco country portfolio has not escaped the effects, although the impacts of the recession on consumer retail spending differ from country to country. Within the Group's portfolio, Spain has shown the largest impact with consumer spending down 6.3%. Other countries remained stable. Retailers are considering their options, in terms of development and expansion plans, location selection and opportunities. Despite the deepening crisis in the second half year, top quality and international retailers should continue to perform well and expand, as they are in, or targeting to enter, the best performing shopping centres. New leases signed throughout 2008 showed stable rents and even an increase in the best performing shopping centres in accordance with targets. Performance of centres is defined by their size (bigger is better), sales per square meter, footfall, location (direct catchments and accessibility), quality (retail/entertainment mix) and special attractions organised by the centre.

Unibail-Rodamco, as a landlord, has acted decisively to safeguard the performance of its centres even though it has experienced little immediate impact of the crisis. More efforts have gone into marketing initiatives, and events to increase footfall and sales. Areas where recession impacts would be visible, such as footfall numbers, timely debt collection and occupied retail space, are not unaffected but remained strong. The high quality of the portfolio is being put to the test, and the outcomes are more than satisfactory.

1.2. Rental income from Unibail-Rodamco shopping centres

Total consolidated Net Rental Income (NRI) amounted to €888.0 Mn in 2008, representing a rise of €359.5 Mn compared with 2007 Unibail-Rodamco financial communication. These two figures are hardly comparable as Unibail and Rodamco merger took place on June 30, 2007.

For a more relevant analysis of NRI variation year on year, 2007 figures have been restated pro forma⁴ as if the merger took place on January 1st, 2007.

Region	Net Rental Income (€Mn)		
	2007 pro forma	2008	%
France	353.2	419.5	18.8%
Netherlands	186.6	158.7	-15.0%
Nordic	85.9	91.4	6.4%
Spain	87.1	105.0	20.6%
Central Europe	82.0	113.4	38.3%
Global	794.8	888.0	11.7%

The total variation in NRI (€93.2 Mn) came mainly from:

- Acquisitions: +€54.5 Mn:
 - +€20.1 Mn in France: mainly acquisition of additional plots in Velizy 2, in addition to “les Boutiques du Palais des Congrès”⁵ in Paris.
 - +€22.7 Mn in Central Europe: mainly acquisition end of May of 140,400 m² in Shopping City Süd in Vienna, the largest retail and leisure complex in Austria.
 - +€11.7 Mn in Spain: acquisition of La Maquinista in Barcelona and Habaneras in Torrevieja in July, together representing 83,416 m².
- Delivery of new shopping centres or extensions: +€13.3 Mn: mainly in France (opening of Rivetoile, a new shopping centre of 28,200 m² in Strasbourg in September 2008), Sweden (delivery of 24,900 m² of extension in Forum Nacka in Stockholm) and the Czech Republic (delivery of Arcady-Pankrac, 28,838 m² in Prague).
- Disposals: –€33 Mn due to high street retail portfolio disposed of in Netherlands and in Belgium.
- €57.2 Mn: increase in NRI like for like, broken down by region as shown in the following table:

⁴ Un-audited. Slightly different from 2007 publication due to accounting reclassifications.
⁵ Part of the combination of CCIP and Unibail-Rodamco's activities.

Region	Net Rental Income (€Mn) Like-for-like		
	2007	2008	%
France	346.1	380.8	10.0%
Netherlands	138.8	143.5	3.4%
Nordic	85.5	90.4	5.7%
Spain	87.1	93.3	7.1%
Central Europe	83.2	89.9	8.1%
Global	740.7	797.9	7.7%

The total NRI grew by 7.7% on a like-for-like basis in 2008, compared to 2007. This represented on average 4.4% above inflation.

Region	Net Rental Income like-for-like evolution (%)			
	Indexation	Renewals, relettings net of departure	Other	Total
France	4.0%	6.7%	-0.7%	10.0%
Netherlands	2.0%	-0.4%	1.8%	3.4%
Nordic	3.7%	3.4%	-1.4%	5.7%
Spain	2.9%	2.7%	1.5%	7.1%
Central Europe	2.4%	3.1%	2.6%	8.1%
Global	3.3%	4.1%	0.3%	7.7%

The highest growth was in France (+10%), in Central Europe (+8.1%) and in Spain (7.1%). Net of indexation, these growth rates were 6% in France, 5.7% in Central Europe and 4.2% in Spain. The low progression recorded in The Netherlands (1.5% above inflation) is due to a particularly protective legal environment for tenants and a portfolio less concentrated on prime shopping centres.

On the whole portfolio, sales based rents represented 2.3% of total net rental income.

1.3. Leasing activity in 2008

Leasing activity slowed down in 2008 compared to 2007 activity which was very strong. In total €95.7 Mn of Minimum Guaranteed Rents with an average uplift of 25% was signed in 2008 versus €112 Mn and an average uplift of 27% in 2007.

Negotiations with tenants are taking more time in an environment where they are faced with the economic crisis and sales slowdown. Nevertheless, in this context, prime locations in the best shopping centres are still in heavy demand in all regions.

Region	Lettings / Re-lettings / Renewals excl. Pipeline				
	Nb of leases signed	M²	MGR	MGR uplift	
				€Mn	%
France	305	58,909	35.7	7.3	39%
Netherlands	146	35,049	11.9	2.6	33%
Nordic	223	64,205	20.8	1.5	10%
Spain	219	39,779	13.8	1.6	17%
Central Europe	204	33,000	13.5	2.5	24%
Global	1,097	230,942	95.7	15.5	25%

MGR: Minimum Guaranteed Rent

1.4. Vacancy and Lease expiry schedule

As at December 31, 2008 aggregated annualised Minimum Guaranteed Rents from Unibail-Rodamco's shopping centre portfolio amounted to €937.7 Mn, excluding variable rents and other income (€846 Mn at year end 2007).

The following table shows a breakdown by expiry date and by next termination option of the leases⁶.

Retail portfolio	Lease expiry schedule			
	At date of next break option	As a % of total	At expiry date	As a % of total
Expired	33.3	3.5%	34.6	3.7%
2009	131.7	14.0%	53.5	5.7%
2010	182.4	19.4%	80.6	8.6%
2011	179.3	19.1%	61.9	6.6%
2012	102.0	10.9%	99.4	10.6%
2013	65.7	7.0%	62.8	6.7%
2014	59.9	6.4%	54.1	5.8%
2015	45.3	4.8%	60.7	6.5%
2016	25.3	2.7%	49.6	5.3%
2017	32.2	3.4%	59.5	6.3%
2018	26.5	2.8%	64.1	6.8%
2019	20.0	2.1%	28.2	3.0%
Beyond	34.1	3.6%	228.6	24.4%
M€	937.7	100%	937.7	100%

Potential rents from vacant space in operation on the total portfolio amounted to €17.2 Mn at Dec 31, 2008. The financial vacancy stood at a low level, 1.8% on average across the total portfolio, with a slight increase (1.1% as at Dec 31, 2007) driven by Spain and Nordic.

Region	Vacancy (Dec 31, 2008)	
	€Mn	%
France	4.8	1.2%
Netherlands	2.0	1.2%
Spain	4.3	3.6%
Nordic	4.1	3.3%
Central Europe	2.0	1.5%
Global	17.2	1.8%

⁶ Un-audited. In The Netherlands, the landlord cannot terminate the lease unilaterally; therefore the expiry date is considered as indefinite. These leases have been classified on the line “beyond” of the table.

The occupancy cost ratio⁷ moderately increased reaching 12.4% in Central Europe, 12% in France, 10.6% in Spain, 10.7% in the Nordic countries.

On average on the whole portfolio, it increased from 10.9% at year end 2007 to 11.6% at year end 2008.

1.5. Investment/pipeline

Unibail-Rodamco invested €1,656 Mn⁸ (group share) in its shopping centre portfolio in 2008:

- o €1,107 Mn was invested in new acquisitions, mainly:
 - €591 Mn in Central Europe: 140,400 m² in Shopping City Süd, in Vienna, the largest retail and leisure complex in Austria. The acquisition was made on May 21, 2008 on a net initial yield of 5%. Adjacent land was also acquired for €28 Mn with development potential of up to 40,000 m².
 - €258 Mn in France:
 - Acquisition⁹ of the stakes of the other partner in Rennes-Alma (43%) and Vélizy Usines Centres (49%). Unibail-Rodamco now owns 100% of these two shopping centres.
 - Acquisition of Aquaboulevard in Paris (33,000 m²)
 - Acquisition of Galerie commerciale du Palais des Congrès de Paris (17,765 m²), as part of the combination of CCIP and Unibail Rodamco Convention & Exhibitions activities
 - €220 Mn in Spain: mainly, acquisition of La Maquinista (59,330 m²) in Barcelona, Habaneras in Torrevieja (24,086 m²), after deduction of the 49% stake sold to GIC Real Estate.

- o €321 Mn was invested in new shopping centres or extensions under construction:
 - Deliveries in 2008: Rivetoile in Strasbourg-France (28,124 m²), which grand opening took place in September 2008, extension of Forum Nacka (24,900 m²) in Stockholm opened in October 2008 and delivery of Arcady Pankrac (28,838 m²) in Prague in October 2008.
 - Pipeline projects fully contracted at year end 2008, including:
 - Greenfield projects:
 - Docks-76 in Rouen/France: 37,000 m², completion in 2009;
 - Docks Vauban in Le Havre/France: 57,000 m², completion in 2009;

⁷ Occupancy Cost Ratio = (rental charges + service charges including marketing cost for tenants)/tenants’ sales. As tenants’ turnover is not known for The Netherlands, no reliable occupancy cost ratio can be calculated.

⁸ Variation in gross asset value group share.

⁹ Sell option exercised by the minority shareholder.

- Metropolis in Moscow/Russia: 81,000 m² (of which Unibail-Rodamco’s share is 50%), completion in 2009 for contemplated acquisition in 2010;
- Lyon Confluence in Lyon/France: 52,300 m², completion expected in 2011;
- Almere Buiten in Almere/Netherlands: 16,300 m², completion expected in 2011;
- Extensions:
 - BAB 2 in Anglet/France: 3,100 m², completion 2009;
 - Esplanade in Lyon/France: 1,500 m², completion in 2009;
 - Cours Oxygène in Lyon/France: 9,000 m², completion expected in 2010;
 - Donauzentrum extension in Vienna/ Austria: 27,500 m², completion expected in 2010.
- Redevelopment:
 - CNIT Retail in La Défense/France: 28,000 m², completion expected in 2009.

- o €145 Mn was invested in renovation of existing shopping centres: mainly Cnit and Les 4 Temps, Velizy 2 and Labège in Toulouse.

- o Financial and other costs were capitalised respectively for €30 Mn and €53 Mn.

Major development projects have made good progress in 2008 with notably commercial licences granted for 115,903 m² in France (of which Aéroville near Charles de Gaulle Airport). Building permits have been received for Centrum Cerny Most extension (39,600 m²) in Prague and regional licences to proceed have been received for Badajoz in Spain (35,000 m² for Unibail-Rodamco).

In March 2008, Unibail-Rodamco has signed an agreement to acquire the right to develop “Mall of Scandinavia”, 100,000 m² of retail near the new National Soccer Stadium of Stockholm.

Unibail-Rodamco’s development pipeline for shopping centres currently amounts to 961,276 m².

¹⁰ Of which €28 Mn for an asset still awaiting transfer in The Netherlands.

¹¹ Of which €16.4 Mn of goodwill impairment.

1.6. Divestments

The Group divested €856 Mn¹⁰ from its retail portfolio in 2008.

Part of Dutch high street retail portfolio was sold for €744.1 Mn¹⁰. This disposal, in line with the strategy to focus on large scale premium assets, had a limited effect on the 2008 P&L, as the sale price was allocated under IFRS purchase price allocation rules to the Unibail Rodamco combination.

Unibail-Rodamco sold its holdings in Belgium and assets in Germany for a net disposal price of €112.5 Mn and a net result of €11.2 Mn. Unibail-Rodamco no longer has investments in Belgium.

1.7. Portfolio valuation

As at Dec 31, 2008 the shopping centre portfolio of Unibail-Rodamco was valued on the balance sheet at €17,139 Mn, excluding transfer taxes and disposal cost. Of this total, €16,550 Mn was accounted for as investment property and valued at fair value based on appraisals carried out by external valuers (see Net Asset Value section). Projects under development were recorded at cost in the balance sheet and amounted to €587 Mn as at Dec 31, 2008.

Fair value adjustments to investment properties generated a charge of €1,113.9 Mn on Unibail-Rodamco income statement at Dec 31, 2008: –€623.9 Mn in France, –€39.2¹¹ in Central Europe, –€53.5 Mn in The Netherlands, –€145.4 Mn in Nordic and –€251.9 Mn in Spain (see note on Net Asset Value).

2. Offices

2.1. Office property market in 2008

Some 86% of Unibail-Rodamco’s office portfolio is located in France, concentrated in Paris CBD¹² and La Défense in particular. Developments on these markets drive the office division’s result for 2008.

The rental activity in the Paris Region decreased in 2008 with a take-up of 2.4 Mn m², compared to 2.8 Mn m² in 2007. The 2008 letting volume is particularly due to large and very large transactions (75 transactions over 5,000 m² during the year) and the recent cost efficiency driven office centralisation and rationalisation policies which have been implemented by many firms.

Thanks to limited deliveries, the vacancy rate stabilized at a low average level of 5.4%¹³ in the Paris region. Attractive office areas such as the Central Business District (at 4.1%) and La Défense (at 3.7%) are even below the 5% rate considered by the market as the liquidity rate.

Latest transactions in the CBD have seen rental levels over €800 per m², while La Défense prime rents amounted to €550 per m². The high-end rents in these areas have been stable or declining slightly in 2008. The evolution of market for the future is difficult to predict.

The investment activity for commercial property was severely affected by the financial crisis. Office deals weakened considerably in the Paris region, decreasing by 58% compared to 2007. In 2008, liquidity was limited to the smaller size investments: deals under €100 Mn made up many of the transactions. Only 3 transactions over €200 Mn have been registered in 2008 in the Paris region (versus 14 transactions in 2007).

2.2. Office division 2008 activity

Unibail-Rodamco consolidated net rental income from offices (NRI) in 2008 came to €228.4 Mn.

For a more relevant analysis of NRI variation, 2007 figures have been restated on a pro forma basis¹⁴ as if the merger with Rodamco took place on January 1st, 2007.

Region	Net Rental Income (€Mn)		
	2007 pro forma	2008	%
France	155.5	173.2	11.4%
Netherlands	30.8	26.5	-14.0%
Nordic	16.2	17.8	9.9%
Spain	7.4	7.9	6.8%
Central Europe	3.2	3.0	-6.3%
Global	213.1	228.4	7.2%

The variation of €15.2 Mn between 2007 (pro forma) and 2008, breaks down as follows:

- –€12.2 Mn came from disposals (6 buildings sold in France in 2008 and 4 in the Netherlands).
- +€4.8 Mn came from the delivery and leasing of new buildings in Paris: Clichy, a turn-key project of 14,800m² entirely let to SNCF in March 2008, 12 rue du Mail let to Red Bull and 18-20 av Hoche let to Mayer Brown.
- +€2.4 Mn of non recurring item (tax reimbursement in France).
- Like-forlike NRI increased by €20.2 Mn, ie a 12.1% growth, of which 7.8% above indexation. This growth is broken down as shown in the following table.

Region	Net Rental Income (€Mn) Like-for-like		
	2007 pro forma	2008	%
France	129.1	146.0	13.1%
Netherlands	20.4	21.4	4.9%
Nordic	16.2	18.5	14.2%
Spain	-	-	-
Central Europe	1.4	1.4	-
Global	167.1	187.3	12.1%

In 2008: 63,633 m² has been let or re-let on the whole office portfolio for €31.7 Mn minimum guaranteed rents, with 15% uplift on renewals and re-lettings.

- In France, the leasing activity has been strong with notably:
- Capital 8-Paris 8: 9,378 m² let to SAP, Nixon Peabody and Sun Microsystems at an average of €839/m² . This complex is now 98% let.
 - Rue Cambon- Paris 1: 1,715 m² let to Medicapital Bank (€720/m²).
 - Rue du Mail-Paris 2: fully let to Red Bull (€593/m²).
- These achievements demonstrate that rents remain strong for prime properties of the Paris central business district.

As at Dec 31, 2008 annualised minimum guaranteed rents generated by the office portfolio amounted to €251.1 Mn. The expiry schedule of the leases (termination option and expiry date) is shown in the following table.

Office portfolio	Lease expiry schedule			
	At date of next break option	As a % of total	At expiry date	As a % of total
Expired	1.4	0.6%	5.2	2.1%
2009	31.0	12.3%	25.3	10.1%
2010	47.5	18.9%	18.2	7.3%
2011	21.4	8.5%	4.8	1.9%
2012	18.1	7.2%	11.5	4.6%
2013	17.7	7.0%	34.6	13.8%
2014	9.5	3.8%	13.9	5.5%
2015	32.8	13.1%	34.8	13.9%
2016	25.2	10.0%	36.3	14.5%
2017	20.1	8.0%	27.9	11.1%
2018	9.8	3.9%	15.0	6.0%
2019	1.8	0.7%	1.9	0.7%
Beyond	14.6	5.8%	21.5	8.6%
M€	251.1	100%	251.1	100%

Potential rents from vacant office space in operation amounted to €27.2 Mn at Dec 31, 2008. The financial vacancy stood at 9.8% for the whole portfolio (7% as at Dec 31, 2007). In France the financial vacancy increased from 8% at year-end 2007 to 10% at Dec 31, 2008, mainly due to the delivery of 20,488 m² of renovated surface in Cnit La Défense in Oct 2008.

2.3. Investment/divestment

Unibail-Rodamco invested €218 Mn in its office portfolio in 2008:

- o New acquisitions:
 - €16 Mn in France to acquire additional plots in Gaîté Montparnasse-Paris.
 - €30 Mn was invested in March 2008 for an economic interest¹⁵ in an office building in Warsaw (12,115 m² on the Zlote Tarasy shopping centre complex).
- o Capital expenditures:
 - €88 Mn was invested for renovation, mainly on Cnit-La Défense in Paris where 20,488 m² have been delivered, and on 7 Adenauer Paris 16.
 - €18 Mn was paid as last instalment on the delivery of Villeneuve building in Clichy (France) in March 2008 (turn key fully let project).
 - €52 Mn was invested for tour Oxygène in Lyon (28,000 m², completion expected in 2010) and studies for the two development projects in Paris-La Défense: “Phare” and “Majunga”.
 - €14 Mn of financial charges and other costs was capitalised.

The Group divested €614.5 Mn from its office portfolio in 2008.

Six buildings were sold in France in 2008 for a total net disposal price of €309.1 Mn, two of them (136 av. Ch. de Gaulle-Neuilly and 17-21 rue du Faubourg St-Honoré-Paris 8) representing 75% of the proceeds. Based on the appraised value booked in the balance sheet as at Dec 31, 2007, the net capital gain amounted to €28.5 Mn.

Four buildings¹⁶ in The Netherlands, logistics premises in Spain and one building in Ukraine were sold for a total net disposal price of €305.4 Mn and a net capital gain of €9.3 Mn.

2.4. Portfolio valuation

The office portfolio was valued €4,178 Mn (excluding transfer taxes and disposal cost) on the balance sheet at Dec 31, 2008:

- €3,875 Mn in assets recorded as investment properties and accordingly marked-to-market based on independent appraisals (after transfer taxes deduction).
- €303 Mn of asset at historical cost: 7 Adenauer Paris (own-use building)¹⁷, and projects under construction.

The change in the fair value of office investment properties since December 31, 2007 generated a negative valuation result of €624.1 Mn (see note on Net Asset Value).

¹² CBD: Central Business District.
¹³ Source: CBRE.
¹⁴ Un-audited. Slightly different from 2007 publication due to accounting reclassifications.

¹⁵ As the developer is not yet in a position to deliver the shares, this investment was accounted for a pre-payment and a financial income is recorded instead of rental income.
¹⁶ Parnassustoren-Amsterdam, Schonenvaert-Haarlem, OHK-Amsterdam and Hoogstraat-Rotterdam.

¹⁷ 70 Wilson is no longer partially accounted for as an operational building as Comexposium is consolidated under equity method since January 1st, 2008. 5 bd Malesherbes, previous headquarters of Unibail has been reclassified in investment property for its fair value, the valuation surplus being added to equity.

3. Convention & Exhibition

This activity is exclusively located in France, and consists of real estate investment and operations (VIPARIS) and trade shows organisation (COMEXPOSIUM). At the beginning of 2008, Unibail-Rodamco's Convention & Exhibition businesses merged with those of the Paris Chamber of Commerce and Industry (CCIP), to create the leading Convention & Exhibition player in France.

The Convention & Exhibition business is seasonal in nature, with more events during even years compared to odd years. Visitor numbers in 2008 were up some 20% compared to odd year 2007, but also improved some 6% compared to even year 2006. Despite few cancellations, for which the group received cancellation fees, realised EBITDA was better than plan. In total, VIPARIS leased space to 347 shows, 150 conventions and 382 corporate events in 2008, in its 9 venues. Feedback from the long standing and loyal tenant base indicates that presence at shows remains a priority in the current economic climate, while economies for exhibitors are realised mostly by savings in their outfitting costs. Pre-letting of the venues for the Convention & Exhibition events for 2009 remains strong, with over 86% of the normal capacity already signed up by year-end 2008. This compares to 89% pre-letting on average in previous years.

The different Convention & Exhibition venues are owned:

- by VIPARIS (50/50 with CCIP): Parc des expositions de la Porte de Versailles, Paris Nord Villepinte, Palais des congrès de Paris et de Versailles, Parc des expositions du Bourget, l'Espace Champerret and Espace Grande Arche.
- 100% by Unibail-Rodamco: Cnit in La Défense and Carrousel du Louvre.

They are all managed by VIPARIS, and fully consolidated.

Total net consolidated revenues from this activity came to €127.4 Mn in 2008 versus €64.3 Mn in 2007 before the combination with CCIP. On a pro forma¹⁸ basis, 2007 contribution would have been €112.8 Mn, ie a 13% growth in 2008. As previously noticed, even years benefit from more bi-annual shows like "motor show" in Porte de Versailles, "world packaging exhibition" in Villepinte.

Due to restructuring works, no corporate events and congress activity were possible in the Cnit during the first half year 2008. This venue has been fully operational again since Sept 2008.

The event organisation business is managed through

COMEXPOSIUM (50% Unibail-Rodamco), and has been consolidated under equity method since January 1st, 2008, in consideration of its corporate governance. Its contribution to Unibail-Rodamco recurring result was €10.4 Mn in 2008.

Including the hotels Méridien-Montparnasse (Paris) and Hilton-Cnit (Paris la Défense), of which the long term rental income is part of this segment of activity, and after deduction of amortisations, the division showed an operating profit of €139.1 Mn in 2008, not directly comparable to 2007 considering the CCIP combination and the change in consolidation method for Exposium.

III. 2008 RESULT

Administrative expenses amounted to €101.7 Mn.

The new organisation with corporate structures located in Paris and Amsterdam-Schiphol and the 5 operational regions (France/Netherlands/Spain/Nordic/Central Europe) has been fully operational since the beginning of the year.

Cost incurred for feasibility studies of development projects amounted to €5.7 Mn in 2008.

Property services net operating result (+€8.3 Mn) came from property services companies in France, and in Spain.

The item "other income" reflected the result of the finance leasing portfolio of ex-Unibail (+€1.2 Mn) and two non recurring items, a success fee¹⁹ and a provision for litigation, resulting in a net profit of €2.6 Mn.

Group net financial expenses totalled €314.1 Mn, including capitalised financial expenses of €38.9 Mn allocated to projects under construction. Net borrowing expenses recorded in the net recurring profit thus came to €275.2 Mn.

According to IFRS rules, a debt component of the ORA has been accounted for in the balance sheet, which is amortised over the life of the ORA. The fixed rate debt of Rodamco which was accounted at fair value in Unibail Rodamco's balance sheet at the date of the merger is amortised over the life of the bonds as well. These amortisations amounted to €22.8 Mn in 2008 and did not affect the recurring result.

In accordance with the option adopted by Unibail-Rodamco for hedging instruments accounting (IAS 39), the change in value of caps and swaps driven by the low base rate interest at year-end, was recognised directly in the P&L, resulting in a negative amount of €285.4 Mn. This charge did not affect the recurring result.

The Group's average refinancing rate came to 4.2% in 2008 (4% in 2007). Unibail-Rodamco's refinancing policy is described in the following section 'Financial Resources'. In accordance with the share buyback program 552,758 shares were bought in 2008 at an average price of €103.9 /share, and cancelled²⁰.

The income tax charge came from countries where specific tax regimes for property companies²¹ do not exist and activities in France which are not eligible to the SIIC regime, mainly in the Convention & Exhibition business. Total income tax allocated to the recurring result amounted to €21.2 Mn, while a credit of €59.4 Mn was accounted for in valuation result due mainly to the variation of deferred taxes on assets' fair value.

Consolidated net recurring profit after tax for 2008 amounted to €868.4 Mn.

Minority interests in the consolidated net recurring profit after tax amounted to €91.6 Mn. They related mainly to CCIP's minority share in VIPARIS (€32.5 Mn), to shopping centres in France (€54.1 Mn, mainly Les Quatre Temps and Forum des Halles) and to the remaining 1.48% minority shareholders in Rodamco Europe (€5 Mn).

Consolidated net result (group share) was a loss of €1,116 Mn in 2008. This figure breaks down as follows:

- €776.8 Mn of recurring net profit.
- €47 Mn net gains on property disposals.
- –€1,939.8 Mn of fair value adjustments, mainly due to decreasing real estate values.

The average number of shares and ORAs²² in issue during this period was 91,132,579.

Recurring Earnings per Share came to €8.52 in 2008, representing an increase of 8.4% compared to 2007.

IV. DISTRIBUTION

Based on the 2008 recurring result of €8.52/share, the Group will propose to the Annual General Meeting to declare a total distribution over 2008 of €7.50/share, part of it²³ being paid out of share premium.

2008 distribution represents a 7.1% increase over the €7.00/share distributed over 2007.

With interim payments of €1.75/share each in October 2008 and January 2009, and a third €1.75/share payment payable in April 2009, the final distribution will come to €2.25/share and will be paid on July 15, 2009.

¹⁸ Un-audited

¹⁹ Based on the additional value created on Rennes Alma and Velizy Usines Centre during the period where these two shopping centres were in partnership.

²⁰ 2,666 were kept and delivered as last bonus shares allocation on Jan 31, 2009.

²¹ In France: SIIC (Société Immobilière d'Investissements Cotée) and in Netherlands: FBI (Fiscal Investment Institution).

²² ORA: Obligations Remboursables en Actions = bonds redeemable for shares. It has been assumed here that the ORAs have a 100% equity component.

²³ Circa €1.24. This amount may be slightly adjusted on distribution date.

Net asset value

as at December 31, 2008

Unibail-Rodamco’s fully-diluted triple net liquidation NAV (Net Asset Value) amounted to €151.20 per share as at December 31, 2008, down 10.7% from year-end 2007. Over the year, value reduction amounted to €11.05 per share, by adding back to the NAV decrease of €18.10 per share, the €7.05 dividend paid out in 2008.

I. PROPERTY PORTFOLIO

The financial crisis has significantly impacted the real estate investment market and valuations by the same token. The investment market has suffered from a severe decrease in liquidity in the overall direct real estate sector with (i) outflows from specialised real estate investors and (ii) more limited and more costly access to debt markets. The amount invested in the commercial real estate market in Europe has decreased from €246 Bn in 2007 to €116 Bn in 2008 (source CBRE²⁴), with in particular fewer transactions on large assets. This decrease in liquidity leads to a strong rise in property yields across the board.

On the contrary and quite unexpectedly, the large shopping centre market has been quite active with the landmark transactions such as “Grand Littoral” (Corio), Steen & Ström (Klepierre), Shopping City Süd and La Maquinista (Unibail-Rodamco).

Unibail-Rodamco’s asset portfolio including transfer taxes decreased from €25,229 Mn by year-end 2007 to €24,572 Mn by year-end 2008. On a like-for-like basis, the value of the overall portfolio decreased by €2,069 Mn net of investments, i.e. a drop of 9.1%, compared with year-end 2007.

Asset portfolio valuation of Unibail-Rodamco (including transfer taxes) ⁽¹⁾	December 31, 2007 ⁽²⁾		December 31, 2008		Like-for-like change at Dec 31, 2008 ⁽³⁾		Like-for-like change net of investment at Dec 31, 2008	
	€Mn	%	€Mn	%	€Mn	%	€Mn	%
Shopping centres	18,231	72%	18,037	74%	-1,086	-6.5%	-1,274	-7.7%
Offices	5,557	22%	4,478	18%	-578	-12.1%	-664	-13.9%
Convention-Exhibition centres ⁽⁴⁾	985	4%	1,724	7%	-109	-11.0%	-120	-12.2%
Services	456	2%	333	1%	-11	-4.2%	-11	-4.2%
Total	25,229	100%	24,572	100%	-1,784	-7.9%	-2,069	-9.1%

(1) Based on a full scope of consolidation, including transfer taxes and disposal costs (see \$1.5 for Group share figures). The valuation of the portfolio includes:
- the appraised value of the entire property portfolio (100% when fully consolidated, group share when consolidated under the proportional method).
- the market value of Unibail-Rodamco’s equity holdings in companies consolidated under the equity method and loans granted to these companies (SCI Triangle des Gares, which owns the Euralille shopping centre and Comexpodium, a trade shows organisation business).

(2) Due to the re-categorisation of Swedish and Dutch buildings, the breakdown between offices and shopping centres slightly differs from year-end 2007 publication.

(3) Principal changes in the scope of consolidation during the year 2008:
- Acquisition of Shopping City Süd (SCS) in Vienna and of the Maquinista and Habaneras shopping centres in Spain.
- Acquisition of lots in the Leidsenhage (Netherlands) and Los Arcos (Spain) shopping centres.
- Acquisition of co-ownership lots in Aquaboulevard (Paris) and Vélizy 2 and of land next to Vélizy Usine Center.
- Acquisition of the 10 Vercingetorix Office building in Paris.
- Deal with the Paris Chamber of Commerce of Paris which brought in the portfolio the Palais des Congrès de Paris shopping centre, 4 new Convention-Exhibition Centres (Villepinte, Le Bourget, Palais des Congrès de Paris, Palais des Congrès de Versailles) and one Service Company (Comexpo: trade shows organisation).
- Disposal of part of the highstreet shop portfolio in the Netherlands, of the Belgian highstreet shop portfolio, of part of the Spanish Logistics portfolio and of the Ukrainian office portfolio.
- Disposal of Spar Handelszentrum (Cottbus, Germany).
- Disposal of 1 St Georges-34/36 Provence, 126 Jules Guesdes, Square Défense, 136 Charles de Gaulle, 52 Lisbonne and 17-21 Faubourg St Honoré office buildings in France.
Changes on a like-for-like basis do not include the changes listed above.

(4) Based on a full scope of consolidation; with a 50% ownership for most Convention-Exhibition centres, group share portfolio valuation as at December 31, 2008, is equal to €1,041 Mn (see \$1.5).

²⁴ CBRE: CB Richard Ellis

Valuation methodology

The appraisers valuing Unibail-Rodamco’s Shopping centres and Office assets are appointed from a short list based on a number of solid qualifications, e.g. reputation, credibility, compliance with RICS (Royal Institute of Chartered Surveyors) and IVSC “International Valuation Standards Committee” and codes of conduct. This list is used to select appraisers and includes: CB Richard Ellis, Cushman & Wakefield, Healey & Baker, Jones Lang LaSalle and DTZ.

The valuation principles adopted are based on the discounted cash flow and yield methodologies. The independent appraiser determines the fair market value based on the results of these two methods. Furthermore, the resulting valuations are cross-checked against the initial yield and the fair market values established through actual market transactions.

Instability in financial markets has led to a significantly reduced level of representative (“benchmark”) transactions. Most transactions that are occurring involve vendors in financial distress and purchasers looking for “bargains” with increased pricing volatility as a result. Appraisers have reacted to this situation of increased uncertainty by carefully interpreting the limited evidence available, including abortive transactions, and by putting more emphasis on both discounted cash flow parameters and other outcomes.

Valuation scope

As at December 31, 2008, independent experts have appraised 94.6% of Unibail-Rodamco’s portfolio.

The remaining assets (5.4%), which have not been externally appraised as at December 31, 2008, have been valued as follows:

- At cost for properties under construction accounting for 3.0% of the value of Unibail-Rodamco’s total portfolio. These mainly represent shopping centres under development (notably Donauzentrum extension in Austria, Benidorm & Badajoz in Spain, and in France: Lyon Confluence, Docks de Rouen, Le Havre) and office developments (Phare and Majunga at La Défense, Tour Oxygène in Lyon).
- At their acquisition cost for assets purchased during the preceding six-month period, including principally Maquinista and Habaneras in Spain, French co-ownership lots in Aquaboulevard and Vélizy 2, and the 10 Vercingetorix Office building in Paris. These assets represent 2.3% of total portfolio.
- At their disposal price for assets under sale agreement representing 0.1% of the total asset portfolio.

1. Shopping Centre portfolio

The value of Unibail-Rodamco’s shopping centre portfolio is the addition of the value of each individual asset. Accordingly, no value is placed on Unibail-Rodamco’s market share, even though its market share is undoubtedly significant in this sector.

Evolution of Unibail-Rodamco’s Shopping Centre portfolio valuation

The value of Unibail-Rodamco’s Shopping Centre Portfolio decreased from €18,231 Mn to €18,037 Mn at December 31, 2008, including transfer taxes and disposal costs:

Valuation 31.12.2007	18,231
Revaluation of Non Like for Like assets ⁽¹⁾	210
Capex/Acquisitions	1,907
Currency effect ⁽²⁾	-116
Like for Like revaluation	-1,274
Disposals	-920
Valuation 31.12.2008	18,037

(1) Non Like for Like assets regard delivered developments (including Pankrac, Forum Nacka and Strasbourg Etoile) and acquisitions during the year.
(2) Composed of a currency loss €142 Mn on Nordic and a currency gain of €26 Mn of Central Europe, before offsets from foreign currency loans and hedging programs.

Based on an asset value, excluding estimated transfer taxes and disposal costs, the shopping centre division’s net initial yield at December 31, 2008 came to 5.4% vs. 4.8% at year-end 2007:

Shopping Centre portfolio by region	Valuation including transfer taxes in €Mn	Valuation excluding estimated transfer taxes in €Mn ⁽¹⁾	Net initial yield ⁽²⁾ Dec. 31, 2008	Net initial yield ⁽³⁾ Dec. 31, 2007
France ⁽⁴⁾	8,978	8,610	5.0%	4.3%
Netherlands	2,726	2,549	5.9%	5.6%
Nordic ⁽⁵⁾	1,819	1,792	5.3%	4.8%
Spain	2,175	2,121	6.1%	5.1%
Central Europe	2,339	2,298	6.0%	5.8%
Total	18,037	17,369	5.4%	4.8%

(1) Valuation excluding estimated transfer taxes and disposal costs (see \$2.7).
(2) Annualised rent (including latest indexation) net of expenses, divided by the value of the portfolio net of estimated transfer taxes and disposal costs. Shopping centres under development are not included in the calculation.
(3) Year-end 2007 NAV note mentions slightly different yield for Netherlands; the difference comes from more accurate Retail/Office split.
(4) For France, if including entrance fees received in the Net Rental Income, the Net initial yield would be equal to 5.5% as at 31/12/2008 and 4.7% as at 31/12/2007.
(5) According to external appraisals, retail represents 84% of Swedish portfolio against 87% in last year estimations.

Based on the year end yield of 5.4%, a further change of +25 basis points would result in a downward adjustment of €780 Mn (or -4.3%) of the shopping centre portfolio value (including transfer taxes and disposal costs).

Like for Like analysis

On a like-for-like basis, the value of the Shopping Centre portfolio, including transfer taxes and disposal costs, reduced by €1,086 Mn (-6.5%) compared with year-end 2007. Restated for capital expenditure, capitalised financial expenses, leasing expenses and eviction costs, the value of the Shopping Centre portfolio came down by 7.7% or €1,274 Mn on a like-for-like basis breaking down into +5.2% from the increase in revenues of shopping centres and -12.9% due to changes in yield.

Shopping Centre - Like for Like evolution ⁽¹⁾ , year 2008	Like for Like evolution ⁽¹⁾ in €Mn	Like for Like evolution ⁽¹⁾ in %	Like for Like evolution ⁽¹⁾ - Rent impact	Like for Like evolution ⁽¹⁾ - Yield impact
France	-820	-9.4%	4.1%	-13.5%
Netherlands	-62	-2.4%	4.3%	-6.7%
Nordic	-156	-8.1%	6.2%	-14.3%
Spain	-228	-12.6%	5.6%	-18.2%
Central Europe	-7	-0.5%	10.0%	-10.4%
Total	-1,274	-7.7%	5.2%	-12.9%

(1) Like for like evolution net of investments from December 31, 2007 to December 31, 2008.

Shopping centre development and extension projects

Shopping centre development and extension projects have not been assigned a market value, despite the potential capital gains, but are valued at cost until delivery, except in cases of impairment. These development and extension projects mainly comprise:

- In France: Lyon Confluence, Docks de Rouen, Docks Vauban (Le Havre), Versailles-Chantiers, the Eiffel project in Levallois and the Aéroville project (Paris Charles de Gaulle airport).
- In the rest of Europe: Badajoz in Spain as well as the Donauzentrum and Shopping City Süd extensions in Austria.
- In Spain, a €14.3 Mn impairment was recorded for a land in Benidorm in view of market developments.

At December 31, 2008, Shopping Centre development projects represented a total cost of €587 Mn on the balance sheet of Unibail-Rodamco.

2. Office portfolio

Evolution in Unibail-Rodamco’s Office valuation

The value of the Office Portfolio decreased from €5,557 Mn to €4,478 Mn at December 31, 2008, including transfer taxes and disposal costs:

Valuation 31.12.2007	5,557
Revaluation of Non Like for Like assets ⁽¹⁾	37
Capex/Acquisitions	183
Currency effect ⁽²⁾	-27
Like for Like revaluation	-664
Disposals	-609
Valuation 31.12.2008	4,478

(1) Non Like for Like assets regard delivered developments, including Clichy Villeneuve, and acquisitions during the year.

(2) Composed of currency loss of €27 Mn on Nordic, before offsets from foreign currency loans and hedging programs.

The split by region of the total portfolio is the following:

Valuation of Office portfolio	Valuation (including transfer taxes) ⁽¹⁾	
	€Mn	%
France	3,858	86.2%
Netherlands	320	7.1%
Nordic ⁽²⁾	247	5.5%
Spain	33	0.7%
Central Europe	21	0.5%
Total	4,478	100%

(1) Valuation including transfer taxes and disposal costs of all office portfolio assets.

(2) According to external appraisals, office represents 16% of Swedish portfolio against 13% in last year estimations.

For occupied offices and based on an asset value excluding estimated transfer taxes and disposal costs, the Office division’s net initial yield at December 31, 2008 increased with 100 basis points to 6.4% vs. 5.4% at year-end 2007.

Valuation of occupied office space	Valuation including transfer taxes in €Mn ⁽¹⁾	Valuation excluding estimated transfer taxes in €Mn ⁽¹⁾	Net initial yield ⁽²⁾ Dec. 31, 2008	Net initial yield ⁽²⁾ Dec. 31, 2007
France	3,383	3,269	6.2%	5.1%
Netherlands	288	269	8.4%	6.8%
Nordic	238	235	6.9%	6.1%
Spain	33	32	7.3%	6.2%
Central Europe	20	20	7.3%	8.2%
Total	3,962	3,825	6.4%	5.4%

(1) Valuation of occupied office space as at December 31, 2008, based on the appraiser’s allocation of value between occupied and vacant space.

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

Based on the year end yield of 6.4%, a further change of +25 basis points would result in a downward adjustment of €164 Mn (or -3.7%) of the total office portfolio value (occupied and vacant space, including transfer taxes and disposal costs).

Like for Like analysis

On a like-for-like basis, the value of Unibail-Rodamco’s office portfolio, including transfer taxes and disposal costs, has decreased by €578 Mn since year-end 2007, i.e. a drop of 12.1%. After accounting for the impact of capital expenditure and capitalised financial and leasing expenses, the valuation of the Office portfolio, on a like-for-like basis, has decreased by €664 Mn or 13.9% breaking down into +4.8% from the increase of rents and lettings and -18.7% due to changes in yield.

Office - Like for Like evolution ⁽¹⁾ , year 2008	Like for Like evolution ⁽¹⁾ in €Mn	Like for Like evolution ⁽¹⁾ in %	Like for Like evolution ⁽¹⁾ - Rent impact	Like for Like evolution ⁽¹⁾ - Yield impact
France	-595	-14.4%	4.8%	-19.2%
Netherlands	-66	-17.8%	1.6%	-19.4%
Nordic	-4	-1.5%	9.7%	-11.2%
Spain	-	-	-	-
Central Europe	1	3.3%	7.1%	-3.8%
Total	-664	-13.9%	4.8%	-18.7%

(1) Like for like evolution net of investments from December 31, 2007 to December 31, 2008.

French Office Portfolio

Unibail-Rodamco’s French office portfolio split by sector is the following:

French Office portfolio by sector	Valuation (including transfer taxes) ⁽¹⁾	
	€Mn	%
Paris CBD	1,596	41%
Neuilly-Levallois-Issy	543	14%
La Défense	1,458	38%
Other	261	7%
Total	3,858	100%

(1) Valuation including transfer taxes and disposal costs of all office portfolio assets.

For occupied offices, and based on an asset value, excluding estimated transfer taxes and disposal costs, the French Office division’s yield at December 31, 2008 came to 6.2%. This yield was 110 basis points higher than at year-end 2007:

Valuation of French occupied office space	Valuation including transfer taxes in €Mn ⁽¹⁾	Valuation excluding estimated transfer taxes in €Mn ⁽¹⁾	Net initial yield ⁽²⁾	Average price €/m ²⁽³⁾
Paris CBD	1,526	1,488	5.7%	13,590
Neuilly-Levallois-Issy	541	511	6.7%	5,403
La Défense	1,116	1,077	6.7%	6,867
Other	199	195	6.7%	4,583
Total	3,383	3,270	6.2%	8,218

(1) Valuation of occupied office space as at December 31, 2008, as based on the appraiser’s allocation of value between occupied and vacant space.

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

(3) Based on the scope described in note(1), excluding estimated transfer taxes, except for the parking spaces at 68/82 rue du Maine-Paris 14th arrondissement. Restatement of parking spaces on the basis of €30,000 per space for Paris CBD and Neuilly-Levallois-Issy, and €15,000 for other areas.

3. Convention-Exhibition Portfolio

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

Valuation methodology

The valuation methodology adopted by KPMG for the venues is mainly based on a discounted cash flow model applied to total net income projected over the life of the concession or leasehold, if it exists (notably the Porte de Versailles concession) or otherwise over a 10-year period, with an estimation of the asset’s value at the end of the given time period, based either on the residual contractual value for concessions or on capitalised cash flows over the last year.

The valuations carried out by KPMG took into account total net income, which comprised net rents and ancillary services, as well as net income from car parks.

The cost of maintenance works, major repairs, refurbishments, redevelopments and extensions, as well as concession or leasehold fees, are included in projected cash flow figures.

The valuation methodology used by DTZ Eurexi to determine the fair market value of the Méridien-Montparnasse hotel asset at December 31, 2008 consists in capitalising the fixed portion of annual income, plus discounting cash flows representing the variable portion of rents. The discounted cash flow model has been adopted for the Cniti-Hilton hotel (operating under an operational lease agreement).

Evolution of the Convention-Exhibition Centres valuation
The value of Convention-Exhibition centres (including hotels), including transfer taxes and disposal costs, came to €1,724 Mn as at December 31, 2008. The strong increase is due to the full consolidation of the new Convention-Exhibition Centres contributed by the Paris Chamber of Commerce of Paris (CCIP). The 50% share of the CCIP is accounted for under minority shares.

On a like-for-like basis, net of net of investments, the value of Convention and Exhibition properties is down 12.2% compared with year-end 2007.

Convention-Exhibition Portfolio including transfer taxes (€Mn)	Dec 31, 2007	Dec 31, 2008 ⁽¹⁾	Like-for-like change net of investments	
			€Mn	%
Viparis ⁽²⁾	778	1,527	-108	-13.9%
Hotels	206	197	-12	-5.8%
Total	985	1,724	-120	-12.2%

(1) Based on a full scope of consolidation, including transfer taxes and disposal costs (see §1.5 for Group share figures).
(2) Viparis includes all of the Group’s Convention-Exhibition centres.

As a consequence of the above mentioned merger (CCIP deal) and full consolidation method, the value of the Convention-Exhibition portfolio (Viparis) almost doubled (+96%). On a like-for-like basis and net of investments, the decline of 13.9% compared to year-end 2007 resulted from an increase in discount rate and the amortisation of another year of the Porte de Versailles leasehold (end in December 2026) with the City of Paris.

Based on these valuations, the average EBITDA yield on Viparis at December 31, 2008 (2008 recurring operating profit divided by the value of the asset, excluding transfer taxes) was 8.6%.

The value of the Cniti-Hilton and Méridien-Montparnasse hotels decreased over the year by a total of €12 Mn, a reduction of 5.8%.
The Lyon Confluence Hotel project is valued at cost.

4. Services

Services portfolio is composed of:

- Comexposium, a trade show organisation business, resulting from the merger of the activities of Exposium and Comexpo.
- Espace Expansion and Rodamco Gestion, companies specialised in the promotion, marketing and management of property assets.

Valuation methodology

PricewaterhouseCoopers appraised as at December 31, 2008 the Services portfolio in order to include at their market value all significant intangible assets in the portfolio and in the calculation of Unibail-Rodamco’s NAV. Intangible assets are not revalued but maintained at cost or amortized cost on Unibail-Rodamco’s consolidated balance sheet.

PricewaterhouseCoopers valued the Services portfolio mainly using the discounted cash flow method based on their business plans. A market-based (peer comparison) approach was also used by PricewaterhouseCoopers to cross-check the resulting valuations.

Evolution of the Services valuation

The change in value (from €456 to €333 Mn) was mainly attributable to the change of scope following the combination with the Paris Chamber of Commerce of Paris which took place in January 2008:

- As at December 31, 2007, 100% of the value of Exposium was taken into account.
- As at December 31, 2008, 50% of the value of Exposium as well as 50% of the value of Comexpo was taken into account. Exposium which has been so far fully consolidated is now consolidated under the equity method within Comexposium.

The decrease of €11 Mn (-4.2%) on a like for like basis²⁵ is mainly due to the discount rate impact.

5. Group share figures for the Property Portfolio

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

	Full scope of consolidation		Group Share	
Asset portfolio valuation - Dec 31, 2007	€Mn	%	€Mn	%
Shopping centres	18,231	72%	16,917	71%
Offices	5,557	22%	5,529	23%
Convention-Exhibition	985	4%	985	4%
Services	456	2%	456	2%
Total	25,229	100%	23,887	100%

Asset portfolio valuation - Dec 31, 2008	€Mn	%	€Mn	%
Shopping centres	18,037	74%	16,755	74%
Offices	4,478	18%	4,465	20%
Convention-Exhibition	1,724	7%	1,041	5%
Services	333	1%	333	1%
Total	24,572	100%	22,594	100%

Like for Like - net of Invt - 2008	€Mn	%	€Mn	%
Shopping centres	-1,274	-7.7%	-1,141	-7.5%
Offices	-664	-13.9%	-663	-13.9%
Convention-Exhibition	-120	-12.2%	-74	-7.5%
Services	-11	-4.2%	-11	-4.2%
Total	-2,069	-9.1%	-1,888	-8.9%

Like for Like - net of Invt - 2008 - Split rent/yield impact	Rent impact %	Yield impact %	Rent impact %	Yield impact %
Shopping centres	5.2%	-12.9%	5.2%	-12.7%
Offices	4.8%	-18.7%	4.8%	-18.7%

Net Initial Yield	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2007
Shopping centres	5.4%	4.8%	5.4%	4.9%
Offices - occupied space	6.4%	5.4%	6.4%	5.4%

II. TRIPLE NET NAV CALCULATION

Triple net liquidation NAV is calculated by adding to consolidated shareholders’ equity (Group share), as shown on the consolidated balance sheet (under IFRS) several items as described hereafter.

1. Consolidated shareholders’ equity

At December 31, 2008, consolidated shareholders’ equity (Group share) came to €12,885.2 Mn.

Shareholders’ equity (Group share) incorporated net recurring profit of €776.8 Mn and –€1,876.0 Mn of fair value adjustments on property assets and on derivative financial instruments and of capital gain on sales of properties.

The debt component of the ORAs, recognised in the financial statements (€224.6 Mn) was added to shareholders’ equity for the calculation of NAV. At the same time, all ORAs were treated as equity shares.

A receivable of €157.8 Mn was recognised as at December 31, 2008, in respect of shareholders and ORA holders representing the interim dividend due, being €1.75 per share, which was actually paid on January 15th, 2009. This amount, which was deducted from the shareholders’ equity shown on the consolidated balance sheet as at December 31, 2008, was added back for the calculation of NAV.

2. Adjustments linked to Rodamco’s combination

The remaining goodwill (€174.0 Mn) which corresponds to the value of tax optimisation on Rodamco’s assets at the date of the combination was deducted, as the optimisation of deferred taxes and transfer taxes was computed for the Unibail-Rodamco portfolio as a whole (see below).

For the calculation of the triple net asset value, Unibail-Rodamco has always recorded the projects at their historical cost. To be fully consistent, the value recognised for Rodamco’s projects in the purchase price allocation and recorded in Unibail-Rodamco’s balance sheet was deducted (€36.1 Mn).

²⁵ Espace Expansion, Rodamco Gestion and 50% of Exposium.

3. Unaccounted capital gains on the property portfolio

Further to the move of the headquarters of Unibail-Rodamco in May 2008, the previous location (5, bd Malesherbes-Paris 8th) was reclassified in investment property at fair value while the new location (7 Adenauer-Paris 16th) was transferred to tangible assets for its fair value.
As at December 31, 2008, no adjustment was necessary for the NAV calculation since the book value of Adenauer was equal to its fair value.

4. Capital gains on intangible assets

The appraisal of Espace Expansion, Rodamco Gestion and of the goodwill of Paris Nord Villepinte/Palais des Congrès de Paris/Palais des Congrès de Versailles gave a rise to an unrealised capital gain of €99.6 Mn which was added for the NAV calculation.

Unibail-Rodamco’s other operational subsidiaries (U2M, and Unibail Management) were valued at their consolidated book value, i.e. the value of their operating fixed assets. Accordingly, this cautious approach did not give rise to any unrealised capital gains or losses.

5. Mark-to-market value of debt

In accordance with IFRS rules, derivative financial instruments were recorded on Unibail-Rodamco’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: nominal value for ex-Unibail debt and fair value at the date of the combination (June 30, 2007) for ex-Rodamco debt. Taking fixed rate debt at its fair value would have had a positive impact of €132.8 Mn after deduction of deferred tax, mainly coming from an increase in Unibail-Rodamco spread. This impact was taken into account in the NAV calculation.

6. 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 as at December 31, 2008. For the purpose of the NAV calculation, deferred tax on unrealised capital gains on assets not qualifying for tax exemption (SIIC or FBI regime), should be re-integrated and replaced by taxes actually payable, should a disposal take place.

This resulted in an adjustment of €290.3 Mn to the NAV calculation.

7. Restatement of transfer taxes and disposal costs

Transfer taxes are estimated after taking into account the disposal scheme minimising 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, 2008, 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 €204.1 Mn.

8. Treasury shares and securities giving access to share capital

Unibail-Rodamco held 2,666 treasury shares as at December 31, 2008. The corresponding equity was deducted from the shareholders equity and the number of shares reduced accordingly.

Moreover, the exercise of stock-options and allotment of bonus shares outstanding at December 31, 2008 would have led to a rise in the number of shares of 2,703,720, increasing shareholders’ equity by €343.6 Mn.

As at December 31, 2008, the fully-diluted number of shares taken into account for the NAV calculation totalled 93,465,395, including the ORAs and the dilutive impact of stock-options and bonus shares.

Unibail-Rodamco’s triple net liquidation NAV (Group share) thus stood at €14,127.8 Mn or €151.20 per share (fully-diluted) as at December 31, 2008, a decrease of 10.7% compared with year-end 2007.

Value reduction during the year amounted to €11.05 per share, by adding back to the NAV decrease of €18.10 per share, the €7.05 dividend paid out to shares and ORA in 2008.

UNIBAIL-RODAMCO Triple net liquidation NAV (€Mn)	Dec 31, 2007 ⁽¹⁾	June 30, 2008	Dec 31, 2008
Consolidated shareholders’ equity	14,603.7	14,883.2	12,885.2
Amounts owed to shareholders	139.2	155.4	142.6
Bonds redeemable for shares (restatement of debt component)	240.7	232.7	224.6
Amounts owed to bonds redeemable for share	14.7	17.7	15.2
Deduction of the goodwill on exchange offer	-244.0	-203.7	-174.0
Deduction of pipeline fair value recognised in PPA	-47.5	-44.1	-36.1
Fair value adjustment			
Property excluding investment properties	91.5	-	-
Intangible asset ⁽²⁾	111.0	101.4	99.6
Fixed-rate debt net of deferred tax	53.7	139.9	132.8
Adjustment to taxes			
Deferred tax on capital gains on property assets (balance sheet)	806.4	806.4	732.6
Actual tax	-446.7	-486.0	-442.3
Adjustment to transfer taxes and disposal costs			
Taxes already deducted from value of assets in balance sheets	766.6	739.7	770.1
Actual Transfer taxes	-564.7	-550.2	-566.0
Impact of rights giving acces to share capital			
Potential impact of stock options granted	265.9	252.0	343.6
Triple net liquidation NAV	15,790.3	16,044.3	14,127.8
Fully diluted number of shares	93,279,736	93,268,803	93,465,395
Fully diluted triple net liquidation NAV per share	€169.3	€172.0	€151.2
% Change vs Dec. 31, 2007			-10.70%

(1) As published on December 31, 2007, without adjustments due to the completion of the purchase price allocation of Rodamco, impact on NAV/share being non significant.
(2) Expositum or Comexpositum, Espace Expansion, Rodamco Gestion, and goodwill of Paris Nord Villepinte, Palais des Congrès Paris, Palais des Congrès Versailles.

NAV as at December 31, 2008 is reconciled with NAV as at December 31, 2007 in the following table:

Fully diluted NAV per share as at Dec. 31, 2007	€169.30
Revaluation of property assets	-17.93
Retail	-10.75
Offices	-6.55
Convention & exhibition and other	-0.63
Capital gain on disposals	0.49
Recurring net profit	8.31
Distribution in 2008	-6.59
Mark-to-market of debt and financial instruments	-2.45
Variation in transfer taxes & deferred taxes adjustments	-0.72
Other	0.80
Fully diluted NAV per share as at Dec. 31, 2008	€151.20

Financial Resources

The 2008 financial market environment has been a difficult one in terms of bank liquidity, credit spread and volatile interest rates. Unibail-Rodamco, thanks to its strong financial profile, performed well in this environment, raising €2 Bn of new medium to long term debt. The average cost of funding has been limited to 4.2% on 2008. Financial ratios are maintained at healthy levels with an interest coverage ratio of 3.8x and an LTV of 30% at year end 2008.

I. DEBT STRUCTURE AT 31 DECEMBER 2008

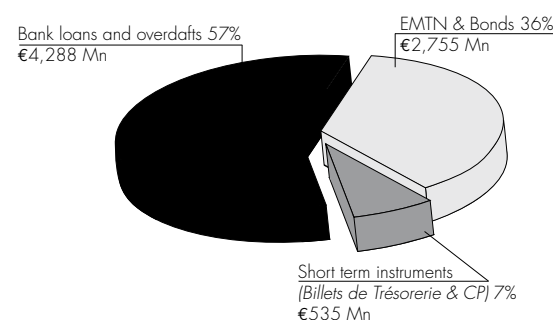
Consolidated gross financial debt at December 31, 2008 amounted to €7,578 Mn. It has been assumed for the sake of computing the Group's debt that the ORA had a 100% equity content²⁶.

1. Debt breakdown

Unibail-Rodamco's gross financial debt as at December 31, 2008 breaks down as follows:

- €2,755 Mn in bond issues, of which €755 Mn in Euro Medium Term Notes (EMTN) of Unibail's programme and €1,500 Mn in EMTN of Rodamco's programme, the remainder, €500 Mn, in Rodamco bonds;
- €535 Mn short term issues in commercial paper (*billets de trésorerie*)²⁷;
- €4,288 Mn in bank loans, including €3,392 Mn in corporate loans, €861 Mn in mortgage loans and €35 Mn in bank overdrafts.

No loans were subject to prepayment clauses linked to the Group's ratings²⁸.



2. Funds Raised

During 2008, new financial resources for Unibail-Rodamco were obtained from the money-market by issuing commercial paper and billets de trésorerie, the bank loan market and to a lower extent on the bond market.

The Group's refinancing operations over 2008 break down as follows:

- €2,285 Mn of medium to long term loans have been raised or rolled over through:
 - (i) A 5.5-year club deal loan of €600 Mn signed in April 2008. It has been drawn in totality in June 2008. The margin paid upon drawdown is 72.5 bp over Euribor;
 - (ii) €1,255 Mn of bilateral loans, partially drawn, with a maturity ranging between 2.5 years and 5 years;
 - (iii) €430 Mn of bilateral lines were renewed or extended.

A further €105 Mn EMTN private placement with a 5-year maturity at an equivalent of 95 bps has been raised in 2008.

On average, the margin applicable to those €2,390 Mn medium to long term loans and EMTN private placement is 82 bp and the average maturity is 4.7 years. Excluding the €430 Mn of bilateral lines renewed or extended, the margin would be 86 bp and the average maturity 5.4 years. However, the margin spreads have kept increasing throughout the year: average spread for H2 2008 was 125 bp, a 60 bp increase versus H1 2008.

²⁶ ORA= Obligations Remboursables en Actions Unibail-Rodamco. The €224.6 Mn of the ORA recognised as debt is included in shareholders' funds – this approach is consistent with treatment of the ORA by S&P. For more information on ORA, see 3.1. in the Notes to the Consolidated Financial Statements, "Accounting for ORA".

²⁷ Short term paper is backed by confirmed credit lines (see 1.2).

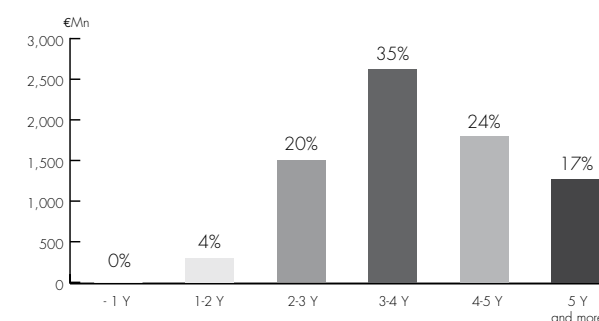
²⁸ Barring exceptional circumstances (change in control).

- A total amount of €734 Mn in short term loans from money brokers was raised or rolled over. Of this amount, €50 Mn was outstanding as at December 31, 2008.
- €4,175 Mn in commercial paper with a maturity of up to one year. €3,089 Mn in commercial paper *Billets de Trésorerie*²⁹ and €1,086 Mn in Euro Commercial Paper during 2008. €535 Mn *Billets de Trésorerie* were outstanding as at December 31, 2008.
- The commercial paper programs are backed by confirmed credit lines³⁰. 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 at December 31, 2008, the total amount of undrawn credit lines came to €1,598 Mn.

In addition, the Group has signed a new credit line in January 2009 for an amount of €125 Mn.

3. Debt maturity

The following chart illustrates Unibail-Rodamco's debt as at December 31, 2008 after the allocation of the confirmed credit lines (including the undrawn part of the bank loans) by date of maturity and based on the residual life of its borrowings.



More than three quarters of the debt had a maturity of more than 3 years as at December 31, 2008 (after taking into account undrawn credit lines).

The average maturity of the Group's debt as at December 31, 2008, taking into account the confirmed unused credit lines, stood at 4.4 years (4.1 years as of December 31, 2007).

Liquidity needs

Unibail-Rodamco's immediate debt repayment needs are limited: the amount of bonds or bank loans outstanding as at December 31, 2008 and maturing in 2009 is €339 Mn and about €530 Mn for 2010.

4. Average cost of Debt

Unibail-Rodamco's average refinancing rate came to 4.2% over 2008. It remained stable in comparison with 2007 (4.1% over 2007, integrating Rodamco on a full-year basis). This average cost of debt results from the level of margins on existing borrowings and the interest rate risk hedging programme implemented in 2003 and significantly built up in 2005, 2006 and the beginning of 2008.

II. RATINGS

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

Standard & Poor's confirmed its long-term rating "A" and its short-term rating "A1" with a stable outlook in August 2008.

Moody's confirmed the Group's long-term rating of "A3", also with a stable outlook in May 2008.

Rodamco is rated "A" with a stable outlook by Standard & Poor's.

III. MARKET RISK MANAGEMENT

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

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

²⁹ Excluding Billets de Trésorerie issued in favour of Subsidiaries.

³⁰ These confirmed credit lines generally include requirements to meet specific ratios relating to debt, financial expenses and revalued shareholders equity and are not usually subject to prepayment clauses linked to the company's ratings.

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

Due to its use of derivatives to minimise its interest rate and currency 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.

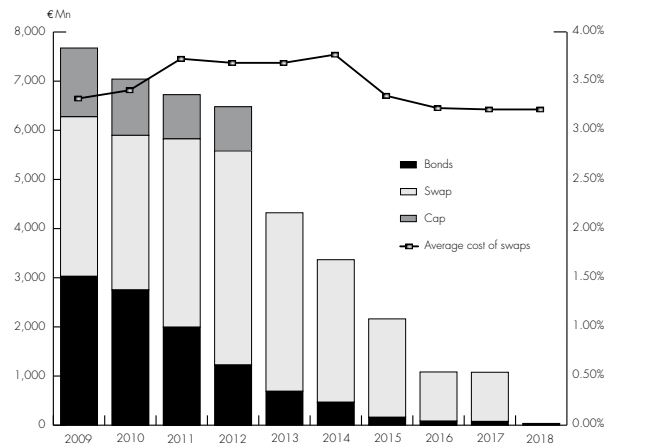
1. Interest rate risk management

1.1. Interest rate hedging transactions

Unibail-Rodamco reinforced its already existing hedging portfolio in 2008, using collars, in order to benefit from the decrease in interest rates and medium-term swaps to hedge the Group on longer periods.

- In particular, it entered into:
- €650 Mn of 3-year collars beginning in 2009 and 2010;
 - Forward swaps, contracted on different amounts and maturities to hedge the 2009–2014 period.

Annual projection of average hedging amounts and fixed rate debt (€ Mn)



- The graph above shows:
- The part of debt which is kept at fixed rate, corresponding mainly to Rodamco's bonds;
 - The hedging instruments used to hedge the variable rate loans and fixed rate debt immediatly converted into variable-rate debt through the Group's macro hedging policy.

Note that, when applying IFRS, Unibail Holding did not opt to classify its financial hedging instruments as a cash flow hedge. As a result, any fair value changes in these instruments are recognised in the income statement.
As for Rodamco, it applied a cash flow hegde accounting policy according to IFRS for some of its derivative instruments.

1.2. Measuring interest rate exposure

As at December 31, 2008, net financial debt stood at €7,419 Mn, excluding partners' current accounts and after taking cash surpluses into account (€159 Mn).

- The outstanding debt was hedged at 97% against an increase in variable rates, based on debt as at December 31, 2008 through both:
- Debt kept at fixed rate;
 - Hedging in place as part of Unibail-Rodamco's macro-hedging policy;
 - Part of this hedging is made of caps which will allow the Group to benefit from the decrease of interest rates in 2009.

Based on Unibail-Rodamco's debt situation as at December 31, 2008, if interest rates (Euribor, Stibor or Libor) were to rise by an average of 1%³¹ (100 basis points) during 2009, the resulting increase in financial expenses would have an estimated negative impact of –€14.7 Mn on recurring net profit. A further rise of 1% would have an additional adverse impact of –€3.3 Mn. Conversely, a 1% (100 basis points) drop in interest rates would reduce financial expenses by an estimated €13.5 Mn and would enhance 2009 recurring net profit by an equivalent amount.

³¹ The eventual impact on exchange rates due to this theoretical increase of 1% in interest rates is not taken into account; theoretical impact of rise in interest rates are calculated above a Euribor 3 months and a Stibor 3 months of 2.892%.

2. Managing and measuring currency risk exposure

The Group has activities and investments in countries outside the euro-zone, primarily in Sweden. When converted into euros, the income and value of the Group net investment may be influenced by fluctuations in exchange rates against the euro. Wherever possible, the Group aims to match foreign currency income with expenses in the same currency, reducing the exchange effects on earnings volatility and net valuation of the investment. Translation risks are hedged by either matching cash investments in a specific currency with debt in the same currency, or using derivatives (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.

Main foreign currency positions (in €Mn)

Currency	Assets	Liabilities	Net exposure	Hedging Instruments	Exposure net of hedges
SEK	1,577.5	374.0	1,203.5	682.5	521.0
DKK	326.8	102.0	224.8	127.2	97.6
HUF	0.2	-	0.2	-	0.2
USD	211.8	64.1	147.7	34.8	112.9
CZK	0.2	158.7	-158.5	-153.3	-5.3
PLN	0.3	-1.1	1.4	-	1.4
Total	2,116.7	697.6	1,419.1	691.3	727.8

The main exposure kept is in Swedish Krona. A decrease of 10% in the SEK exchange rate vs EUR would have a €47 Mn impact on shareholders' equity (vs. €48 Mn as at December 31, 2007). The sensitivity of 2009 recurring result³² to a 10% change in the exchange rate Swedish Krona/Euro is limited to €3.9 Mn (vs. €3.2 Mn as at December 31, 2007 for the 2008 recurring result).

³² The sensitivity is measured by applying a change in exchange rate to the net revenues in SEK (net rents - financial expenses - taxes), based on an exchange rate of 10.4445 Eur/Sek.

IV. FINANCIAL STRUCTURE

As at December 31, 2008, the portfolio valuation (including transfer taxes) of the Unibail-Rodamco group amounted to €24,572 Mn.

1. Debt ratio

As at December 31, 2008, the “net financial debt/portfolio valuation” ratio (LTV) calculated for Unibail-Rodamco was set at 30% in line with the levels recorded at December 31, 2007 (28%). The slight increase of the ratio mainly results from the decrease in value of the portfolio.

Beyond this, the strength of Unibail-Rodamco's balance sheet derives from the active capital recycling policy and the group's selective acquisition policy. In 2008, Unibail-Rodamco sold for €1.5 Bn of asset while acquiring €1.2 Bn of asset, leading to a net cash inflow of €0.3 Bn.

2. Interest coverage ratio

The recurring net operating profit interest coverage ratio (ICR) for Unibail-Rodamco came to 3.8x for 2008. It is in line with the high levels achieved in recent years (4.0x in 2007, pro-forma ratio). This level was realised as a result of: (i) the low level of the Group's average debt, (ii) the tightly controlled cost of debt and (iii) stable income.

Financial ratios	Dec. 31 2007	Dec. 31 2008
Net financial debt/market value of portfolio	28%	30%
Recurring net operating profit interest coverage ratio ³³	4.0x	3.8x

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

As at December 31, 2008, 90% of the Group's credit lines allow indebtedness amounting to 60% of asset value or above (either at corporate level or at subsidiary level).

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

³³ Calculation based on the “total recurring operating results + total general expenses and other income less depreciation and amortization/recurring net financial expenses, including capitalized interest”. Pro forma figures including full year 2007 Unibail and Rodamco.

Human Resources

The year 2008 was the full year of the total consolidation of the two former groups, the prior distinction between the two organisations disappearing in favour of the belonging to a newly combined European Group. As employees’ commitment and dedication are key factors of the success of its activities, the Group continues to pay strong attention to its staff, its training and career development. Human resources policies and drivers are detailed in pages 23 to 25 of this annual report.

I. EMPLOYMENT

In 2008, the average headcount for the Group was 1,673 employees. This figure broke down as follows:

per country:

Countries	Average headcount	%
Austria	85	5.1%
Denmark	21	1.3%
Spain	128	7.6%
France ⁽¹⁾	1,070	63.9%
The Netherlands	130	7.8%
Poland	35	2.1%
Czech Republic	41	2.4%
Russia	11	0.7%
Sweden	152	9.1%
Total	1,673	100.0%

(1) This figure includes 100% of Viparis employees and no longer includes Expositum employees, now consolidated by the equity method

per activity:

Group activities	2008 average headcount
Offices	24
Shopping Centres	710
Convention-Exhibitions ⁽¹⁾	474
Development ⁽²⁾	50
Headquarters & Shared services	415
Total Group activities	1,673

(1) This figure includes 100% of Viparis employees and no longer includes Expositum employees, now consolidated by the equity method.
(2) Office and Shopping centre development.

Furthermore, the Group employed throughout 2008 a full-time equivalent of 87 interim workers.

1. Employee movements in 2008

New recruits		Departures	
Permanent contracts	278	Resignations	183
Temporary contracts	85	Dismissals	81
Apprenticeship ⁽¹⁾	7	Retirements	15
Total	370	Departures during probatory periods	21
		Expiry of temporary contracts	47
		Deaths	1
		Total	348

(1) Excluding 66 interns.

2. Organisation of work time

Unibail-Rodamco entities have introduced various initiatives to organise statutory working time. These measures take into account the specific operating requirements of each site and business line within the Group. The most common arrangements adopted are as follows:

- A fixed annual number of working days for executives;
- A shorter working week and extra leave days in other cases;
- An annual number of working hours and yearly adjustment for certain employee categories (mainly VIPARIS).

In addition, employees work parttime or fewer fixed days per year, corresponding to a range between 40% and 90% of a full-time activity rate.

Sickness absence totalled about 11,500 working days (2.8 % of total working days) and maternity/paternity leave represented 6,100 working days (1.5 %). Lost days for injuries and occupational diseases represented 1,600 days (0.4%).

3. Remuneration policy

Women/Men average gross salary (annual fixed salary + individual bonus)/12 (Group)

In euros	Women		Men	
	% per category	Average gross salary monthly	% per category	Average gross salary monthly
Development / Investment	26%	3,999	74%	6,698
Director	15%	11,591	85%	15,514
Leasing/ Communication/ Marketing	67%	3,762	33%	5,225
Legal	75%	5,092	25%	4,779
Operating	33%	3,527	67%	3,485
Personal assistants	94%	2,589	6%	2,466
SCM	28%	3,500	72%	3,868
Support fonction	62%	3,505	38%	4,372
Total	48%	3,519	52%	5,019

On a like-for-like headcount basis, total salaries increased by an average of 4.8% for 2009.

In October 2008, 860,450 options were granted to 18% of total employees and MB members, at no discount to the share price at the time of allocation, with a price of €130.27 per share, for a total economic value (IFRS) of €7,314 Mn. These options were all subject to conditions based on Unibail-Rodamco’s share price performance compared with that of the EPRA Euro zone index, which is a benchmark for the sector’s performance.

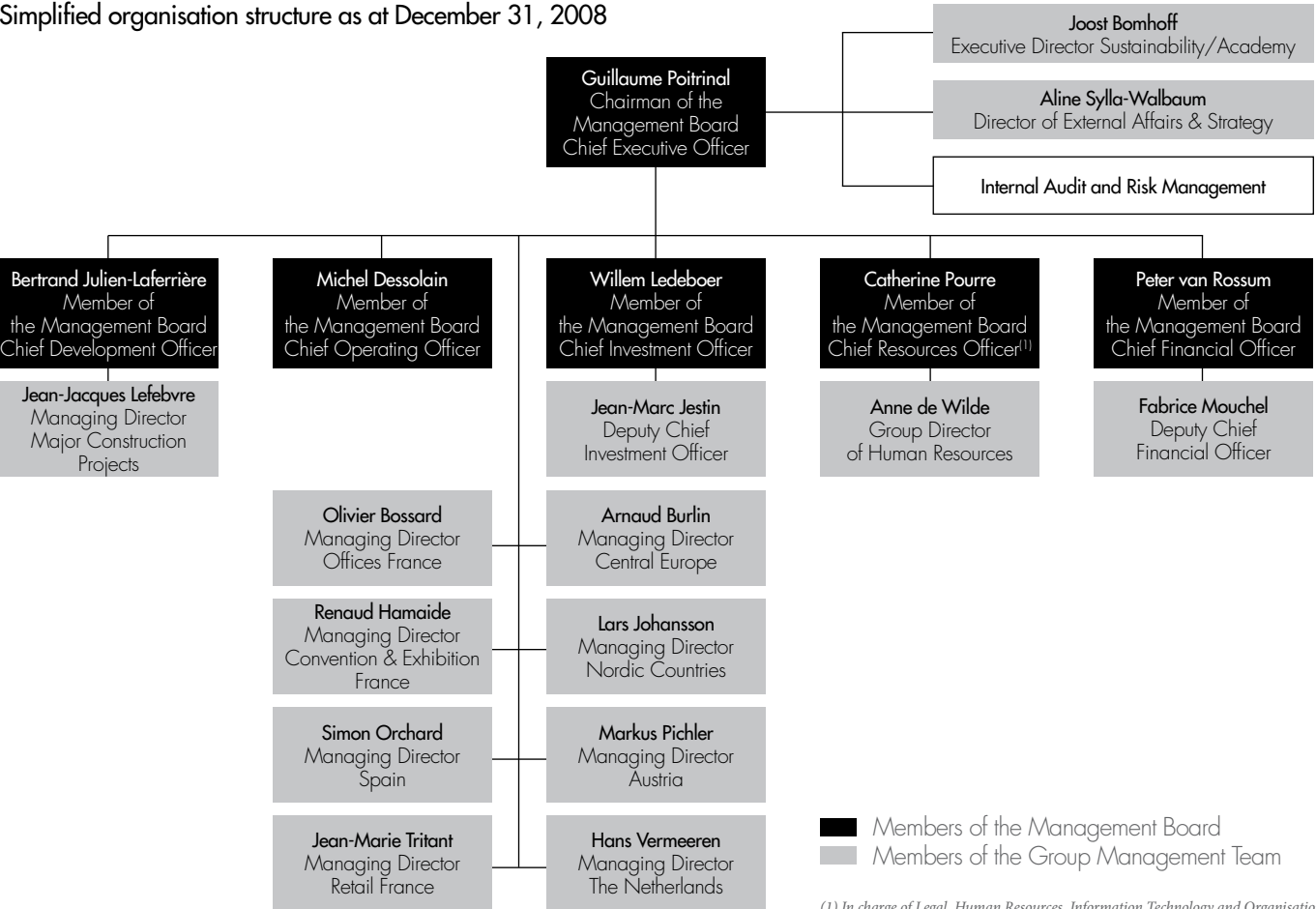
In 2008, the Group supported the voluntary savings contributions of its staff by making a total employer contribution of €0.8Mn. On December 31, 2008, more than 87% of eligible employees are shareholders of the Group, through the Group’s savings plan.

II. EMPLOYEE RELATIONS

Keen to enhance employee relations, Unibail-Rodamco has put in place employee representative bodies in compliance with the local labour laws of the various European countries where the Group operates.

Moreover, the Group plans to propose to transform into a European Company in 2009. This transformation entails the constitution at group level of an Employees’ Representative Body which comprises representatives of each European country within the Group.

Simplified organisation structure as at December 31, 2008



(1) In charge of Legal, Human Resources, Information Technology and Organisation

Outlook

The Group has closely reviewed its position in the current market conditions. The base line for the 2009 results has largely been set through leasing activities and indexation in 2008, and management is closely monitoring footfall and tenant sales developments, tenant's health and payment discipline. The quality of the portfolio and the geographical spread of activities across continental Europe are seen as strong assets in the current climate. Cost of debt should also continue to be contained. Consequently the Group's target in growth of recurring EPS for 2009 is set at 7% or higher.

Despite the uncertainty of market developments, the Group sees prospects for continued recurring EPS growth beyond 2009. The pace of growth however, is partly driven by external factors such as inflation, GDP growth, interest rate developments and consumer confidence which are hard to predict. Giving a quantified medium term outlook in this environment would be difficult to justify.

The distribution policy remains unchanged with 85 to 95% of recurring result being distributed to shareholders.

Consolidated Financial Statements
as at December 31, 2008

I. CONSOLIDATED INCOME STATEMENT: EPRA FORMAT	87
II. CONSOLIDATED INCOME STATEMENT BY DIVISION	88
III. CONSOLIDATED BALANCE SHEET	90
IV. CONSOLIDATED CASH FLOW STATEMENT	91
V. CHANGES IN CONSOLIDATED EQUITY	92
VI. CHANGES IN SHARE CAPITAL	93
VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	93

Statutory Auditors' Report
on the 2008 consolidated financial statements

I. UNIBAIL-RODAMCO GROUP CONSOLIDATED INCOME STATEMENT - PRESENTED UNDER EPRA⁽¹⁾ FORMAT

(in €Mn)	Notes	2008	2007 Restated ⁽²⁾	2007 Published
Gross rental income	20	1,422.7	879.5	879.5
Ground rents paid	21	-21.3	-11.4	-11.4
Net service charge expenses	22	-10.3	-9.1	-9.1
Property operating expenses	23	-175.5	-93.6	-93.6
Net rental income		1,215.5	765.4	765.4
Corporate expenses		-99.3	-60.3	-60.3
Development expenses		-5.7	-4.4	-4.4
Depreciation		-2.4	-3.0	-3.0
Administrative expenses	24	-107.4	-67.7	-67.7
Revenues from other activities		172.7	184.8	184.8
Other expenses		-131.0	-153.3	-153.3
Net other income	25	41.7	31.5	31.5
Proceeds from disposal of investment property		1,474.3	192.6	192.6
Carrying value of investment property sold		-1,427.2	-171.9	-171.9
Profit on disposal of investment property	26	47.1	20.7	20.7
Valuation gains		474.9	1,679.2	1,679.2
Valuation losses		-2,248.1	-12.1	-12.1
Valuation movements	27	-1,773.2	1,667.1	1,667.1
Impairment of Goodwill	28	-20.7	-1,349.6	-1,335.0
Net Operating Profit Before Financing Cost		-596.9	1,067.4	1,082.0
Dividend income from non-consolidated companies		-	0.3	0.3
<i>Financial income</i>		134.0	68.3	68.3
<i>Financial expenses</i>		-409.2	-225.0	-225.0
Net financing costs	29	-275.2	-156.8	-156.8
Bonds redeemable for shares	29	-11.5	-6.0	-6.0
Fair value adjustments of derivatives and debt	30	-294.8	53.9	53.9
Debt discounting	31	-1.9	-3.7	-3.7
Profit on disposal of associates	32	7.2	201.0	201.0
Share of the profit of associates	33	0.8	8.4	8.4
Income on financial assets	33	10.4	14.9	14.9
Profit Before Tax		-1,161.9	1,179.4	1,194.0
Income tax expenses	34	38.1	-53.4	-53.4
Net Profit for the Period		-1,123.8	1,126.0	1,140.6
Minority interests	35	-7.8	181.2	181.2
Net Profit (group share)		-1,116.0	944.8	959.4
Recurring result		776.8	538.9	538.9
Non recurring result		-1,892.8	405.8	420.4
Recurring earning per share (€)		8.52	7.86	7.86
Average number of shares (undiluted)		81,815,557	63,899,201	63,899,201
Net profit (group share)		-1,116.0	944.8	959.4
Net profit (group share) per share (€)		-13.64	14.79	15.01
Average number of diluted shares		91,544,086	69,274,513	69,274,513
Diluted net profit per share Group Share (€)		-12.19	13.64	13.85

(1) Presentation complying with European Public Real Estate Association best practices policy recommendations.
(2) Further to the completion of the Purchase Price Allocation of the business combination of Unibail and Rodamco, the 2007 goodwill impairment has been adjusted (see section 3 "Highlights and comparability of the last two years - In 2008" §5).

II. CONSOLIDATED INCOME STATEMENT BY DIVISION

(in €Mn)			2008			2007 Restated ⁽¹⁾		
			Recurring activities	Valuation movements and disposals	Result	Recurring activities	Valuation movements and disposals	Result
RETAIL	France	Gross rental income	456.4	-	456.4	328.5	-	328.5
		Operating expenses & net service charges	-36.8	-	-36.8	-22.3	-	-22.3
		Net rental income	419.6	-	419.6	306.2	-	306.2
		Contribution of affiliates	4.7	-3.4	1.3	4.1	6.2	10.4
		Gains on sales of properties	-	-	-	-	-1.7	-1.7
		Valuation movements	-	-620.5	-620.5	-	876.2	876.2
		Result Retail France	424.3	-623.9	-199.6	310.3	880.7	1,191.1
	The Netherlands	Gross rental income	175.9	-	175.9	106.9	-	106.9
		Operating expenses & net service charges	-17.2	-	-17.2	-13.9	-	-13.9
		Net rental income	158.7	-	158.7	93.0	-	93.0
		Contribution of affiliates	-	-	-	-	-	-
		Gains on sales of properties	-	8.7	8.7	-	0.4	0.4
		Valuation movements	-	-53.5	-53.5	-	73.1	73.1
		Result Retail Netherlands - Belgium	158.7	-44.8	113.9	93.0	73.5	166.5
	Nordic Countries	Gross rental income	119.4	-	119.4	55.9	-	55.9
		Operating expenses & net service charges	-28.0	-	-28.0	-11.9	-	-11.9
		Net rental income	91.4	-	91.4	44.0	-	44.0
		Contribution of affiliates	-	-	-	-	-	-
		Gains on sales of properties	-	-	-	-	-	-
		Valuation movements	-	-145.4	-145.4	-	82.9	82.9
		Result Retail Nordic	91.4	-145.4	-54.0	44.0	82.9	126.9
	Spain	Gross rental income	114.4	-	114.4	48.9	-	48.9
		Operating expenses & net service charges	-9.4	-	-9.4	-6.1	-	-6.1
		Net rental income	105.0	-	105.0	42.8	-	42.8
		Contribution of affiliates	-	-	-	-	-	-
		Gains on sales of properties	-	-	-	-	-1.0	-1.0
	Central Europe	Valuation movements	-	-251.9	-251.9	-	50.1	50.1
		Result Retail Spain	105.0	-251.9	-146.9	42.8	49.1	91.9
		Gross rental income	119.5	-	119.5	46.0	-	46.0
		Operating expenses & net service charges	-6.1	-	-6.1	-3.5	-	-3.5
		Net rental income	113.4	-	113.4	42.5	-	42.5
		Contribution of affiliates	-	-	-	-	-	-
		Gains on sales of properties	-	0.5	0.5	-	-1.0	-1.0
		Valuation movements	-	-22.8	-22.8	-	66.8	66.8
		Impairment of Goodwill	-	-16.4	-16.4	-	-	-
		Result Retail Central Europe	113.4	-38.7	74.7	42.5	65.8	108.3
	Total Result Retail		892.7	-1,104.7	-211.9	532.6	1,152.0	1,684.7

(in €Mn)			2008			2007 Restated ⁽¹⁾		
			Recurring activities	Valuation movements and disposals	Result	Recurring activities	Valuation movements and disposals	Result
OFFICES & INDUSTRIAL	France	Gross rental income	175.2	-	175.2	159.6	-	159.6
		Operating expenses & net service charges	-2.0	-	-2.0	-6.7	-	-6.7
		Net rental income	173.2	-	173.2	152.9	-	152.9
		Contribution of affiliates	-	-	-	12.7	-	12.7
		Gains on sales of properties and affiliates	-	28.5	28.5	-	222.1	222.1
		Valuation movements	-	-536.8	-536.8	-	506.7	506.7
		Result Offices France	173.2	-508.3	-335.0	165.6	728.8	894.4
	Other countries	Gross rental income	63.9	-	63.9	32.0	-	32.0
		Operating expenses & net service charges	-8.8	-	-8.8	-5.5	-	-5.5
		Net rental income	55.1	-	55.1	26.5	-	26.5
		Contribution of affiliates	-	-	-	-	-	-
		Gains on sales of properties	-	9.3	9.3	-	2.7	2.7
		Valuation movements	-	-87.3	-87.3	-	19.6	19.6
		Result Offices other countries	55.1	-78.0	-22.8	26.5	22.3	48.8
		Total Result Offices & Industrial		228.4	-586.2	-357.9	192.1	751.1
CONVENTION EXHIBITION	France	Gross rental income	185.1	-	185.1	95.1	-	95.1
		Operating expenses & net service charges	-98.7	-	-98.7	-43.5	-	-43.5
		Net rental income	86.4	-	86.4	51.6	-	51.6
		On site property services	41.0	-	41.0	12.7	-	12.7
		Hotels net rental income	12.7	-	12.7	11.9	-	11.9
		Exhibitions organizing	10.4	-0.5	9.9	9.9	-	9.9
		Valuation movements, depreciation, capital gains	-11.4	-47.7	-59.1	-7.4	-8.2	-15.6
		Total Result Convention Exhibition		139.1	-48.2	90.9	78.7	-8.2
	Other property services net operating profit		8.3	-	8.3	5.1	-	5.1
	Other income		3.8	-	3.8	5.8	-	5.8
	General expenses		-101.7	-	-101.7	-63.3	-	-63.3
	Development costs		-5.7	-	-5.7	-4.4	-	-4.4
	Financing result		-275.2	-308.2	-583.5	-156.8	44.2	-112.6
	Impairment of Goodwill		-	-4.3	-4.3	-	-1,349.6	-1,349.6
Pre-Tax Profit			889.6	-2,051.5	-1,161.9	589.8	589.5	1,179.4
	Corporate income tax		-21.2	59.4	38.1	-1.5	-51.9	-53.4
Net Profit			868.4	-1,992.2	-1,123.8	588.3	537.6	1,126.0
	Minority interest		91.6	-99.4	-7.8	49.4	131.8	181.2
Net Profit Group Share			776.8	-1,892.8	-1,116.0	538.9	405.8	944.8
Average number of shares and ORA (million)			91.1			68.6		
Net Recurring Result Per Share (€)			8.52			7.86		

(1) Further to the completion of the Purchase Price Allocation of the business combination of Unibail and Rodamco, the 2007 goodwill impairment has been adjusted (see section 3 "Highlights and comparability of the last two years - In 2008" §5).

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

III. CONSOLIDATED BALANCE SHEET

(in €Mn)	Notes	2008	2007 Restated ⁽¹⁾	2007 Published
Non Current Assets		23,847.4	23,859.9	23,835.5
Investment properties	1	21,702.6	21,520.8	21,506.8
Properties under construction	2	737.3	797.8	797.8
Other tangible assets	2	199.8	301.5	301.5
Goodwill	3	322.8	429.1	418.7
Intangible assets	4	186.2	302.4	302.4
Loans	5	241.9	198.3	198.3
Deferred tax assets	14	52.4	45.0	45.0
Derivatives at fair value	13	81.6	175.9	175.9
Shares of companies consolidated under equity method	6	322.8	89.1	89.1
Current Assets		1,076.8	1,568.4	1,710.3
Properties under promise or mandate of sale	2	215.3	784.0	823.0
Inventories	7	-	31.4	31.4
Trade receivables from activity	8	323.8	274.7	274.7
Property portfolio		256.2	244.0	244.0
Other activities		67.6	30.7	30.7
Other trade receivables	9	379.0	361.9	464.8
Tax receivables		190.4	171.1	171.1
Receivables on sale of property		-	2.6	2.6
Other receivables		120.0	94.0	196.9
Prepaid expenses		68.6	94.2	94.2
Cash and equivalent	10	158.7	116.4	116.4
Financial assets		27.6	4.6	4.6
Cash		131.1	111.8	111.8
Total Assets		24,924.2	25,428.3	25,545.8
Shareholders' equity (group share)		12,885.1	14,589.1	14,603.7
Share capital		407.3	408.8	408.8
Additional paid-in capital		6,786.4	6,827.4	6,827.4
Bonds redeemable for shares		1,566.5	1,566.5	1,566.5
Consolidated reserves		5,516.7	4,086.1	4,086.1
Hedging reserve		2.9	5.1	5.1
Other reserves		-54.7	-17.7	-17.7
Retained earnings		62.0	1,046.4	1,046.4
Consolidated result		-1,116.0	944.8	959.4
Interim dividends		-286.0	-278.3	-278.3
Minority Interests		1,264.6	1,031.2	1,031.2
Total Shareholders' Equity		14,149.7	15,620.3	15,634.9
Non Current Liabilities		8,850.6	7,109.4	7,109.4
Commitment to purchase minority interests	11	44.9	133.9	133.9
Long-term bonds and borrowings	12	7,510.0	5,783.7	5,783.7
Derivatives at fair value	13	174.6	32.0	32.0
Deferred tax liabilities	14	908.4	961.1	961.1
Long-term provisions	15	38.4	29.0	29.0
Employee benefits	15	9.4	9.2	9.2
Guarantee deposits		153.3	138.0	138.0
Tax liabilities		1.8	4.6	4.6
Amounts due on investments	16	9.8	17.9	17.9
Current Liabilities		1,923.9	2,698.6	2,801.5
Amounts owed to shareholders	17	157.7	153.9	153.9
Amounts due to suppliers and other current debt	18	645.8	623.8	726.7
Amounts due to suppliers		138.6	120.8	120.8
Amounts due on investments		210.1	196.9	196.9
Sundry creditors		144.7	148.2	251.1
Other liabilities		152.4	157.9	157.9
Current borrowings and amounts due to credit institutions	12	985.4	1,742.7	1,742.7
Tax & social security liabilities	19	121.8	147.9	147.9
Contingencies and other current liabilities	15	13.2	30.3	30.3
Total Liabilities and Equity		24,924.2	25,428.3	25,545.8

(1) Further to the completion of the Purchase Price Allocation of the business combination of Unibail and Rodamco, the 2007 goodwill impairment has been adjusted (see section 3 "Highlights and comparability of the last two years - In 2008" §5). Also, service charge billings have been reclassified.

IV. CONSOLIDATED CASH FLOW STATEMENT

(in €Mn)	Notes	2008	2007 Restated ⁽¹⁾	2007 Published
Operating activities				
Net profit		-1,123.8	1,126.0	1,140.6
Depreciation & provisions		49.3	1,350.8	1,336.2
Changes in value of property assets		1,773.2	-1,667.1	-1,667.1
Changes in value of financial instruments		294.8	-54.0	-54.0
Discounting income/charges		1.9	3.7	3.7
Charges and income relating to stock options and similar items		6.1	5.5	5.5
Other income and expenses		0.3	0.2	0.2
Net capital gains/losses on sales of properties ⁽¹⁾		-53.5	-223.9	-223.9
Income from companies consolidated under the equity method		-0.8	-8.4	-8.4
Income on financial assets		-10.4	-14.9	-14.9
Dividend income from non-consolidated companies		-	-0.2	-0.2
Net financing costs		286.8	162.8	162.8
Income tax charge		-38.1	53.4	53.4
Cash flow before net financing costs and tax		1,185.8	733.9	733.9
Income on financial assets		10.4	14.0	14.0
Dividend income and result from non-consolidated companies		-	0.2	0.2
Income tax paid		-34.6	-12.1	-12.1
Change in working capital requirement		-124.4	-129.2	-129.2
Total cash flow from operating activities		1,037.2	606.8	606.8
Investment activities				
Property activities		-735.9	-750.1	-750.1
Acquisition of consolidated subsidiaries	36	-689.1	-308.3	-308.3
Amounts paid for works and acquisition of property assets		-1,846.9	-906.2	-906.2
Exit tax payment ⁽²⁾		-54.8	-30.0	-30.0
Property financing ⁽³⁾		-30.5	-167.7	-167.7
Disposal of consolidated subsidiaries	36	541.3	468.6	468.6
Disposal of investment property		1,344.1	193.5	193.5
Finance leasing and short-term lending activities		3.7	2.9	2.9
Repayment of finance leasing		3.7	2.9	2.9
Financial activities		1.4	1.1	1.1
Disposal of financial assets		1.4	1.1	1.1
Total cash flow from investment activities		-730.8	-746.1	-746.1
Financing activities				
Capital increase		15.6	19.2	19.2
Expenses issue of shareholders' equity		-	-42.9	-42.9
Dividends paid to parent company shareholders		-643.4	-429.3	-429.3
Dividends paid to minority shareholders of consolidated companies		-4.2	-3.8	-3.8
Purchase of treasury shares		-57.4	-25.7	-25.7
New borrowings and financial liabilities		6,327.5	3,460.4	3,460.4
Repayment of borrowings and financial liabilities		-5,641.5	-2,582.4	-2,582.4
Financial income		132.5	70.0	70.0
Financial expenses		-407.5	-231.7	-231.7
Other financing activities		-	-4.0	-4.0
Total cash flow from financing activities		-278.4	229.8	229.8
Change in cash and cash equivalents during the year		28.0	90.6	90.6
Cash at beginning of year		96.9	3.1	3.1
Effect of exchange rate fluctuations on cash held		-1.2	3.2	3.2
Cash at year-end ⁽⁴⁾	37	123.7	96.9	96.9

(*) Further to the completion of the Purchase Price Allocation of the business combination of Unibail and Rodamco, the 2007 goodwill impairment has been adjusted (see section 3 "Highlights and comparability of the last two years - In 2008" §5).

(1) This item includes capital gains/losses on property sales (excluding charges spread over the duration of the lease), disposal of short-term investment property, disposals of finance leasing and disposals of operating assets.

(2) Exit tax includes €26.0 Mn of exit tax in France and €27.9 Mn of an entry charge for the FBI regime in The Netherlands.

(3) Property financing corresponds in 2007 to the prepayment done for the acquisition of the company owning the shopping centre Złote Tarasy in Warsaw, Poland and in 2008 to the prepayment made to acquire an office building close to this shopping centre.

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

V. STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

(in €Mn)										
	Capital	Additional paid-in-capital	Bonds Redeemable for Shares	Consolidated reserves ⁽¹⁾	Consolidated net profit	Cash flow hedging reserves	Currency translation reserve ⁽⁵⁾	Total Shareholders' equity	Minority interests	Total equity
Balance as at December 31, 2006	230.7	64.5	-	3,616.7	2,139.8	1.4	-	6,053.1	781.1	6,834.2
Foreign currency translation	-	-	-	-	-	-	-9.7	-9.7	-0.3	-10.0
Gain/loss on net investment hedge	-	-	-	-	-	-	-8.0	-8.0	-	-8.0
Cash flow hedge:										
Gains/losses taken into equity	-	-	-	-	-	-1.0	-	-1.0	-	-1.0
Depreciation of hedging reserves	-	-	-	-	-	-4.4	-	-4.4	-	-4.4
Net income/expenses recognised directly in equity	-	-	-	-	-	-5.4	-17.7	-23.1	-0.3	-23.4
Net profit for the year	-	-	-	-	959.4	-	-	959.4	181.3	1,140.7
Total recognised income and expense for the period	-	-	-	-	959.4	-5.4	-17.7	936.3	181.0	1,117.3
Earnings appropriation	-	-	-	2,139.8	-2,139.8	-	-	-	-	-
Dividends related to 2006	-	-	-	-209.4	-	-	-	-209.4	-21.5	-230.9
Interim dividends related to 2007	-	-	-	-278.3	-	-	-	-278.3	-	-278.3
Stock options and Company Savings Plan	1.4	17.8	-	-	-	-	-	19.2	-	19.2
Capital increase after the Public Exchange Offer for Rodamco	177.3	6,759.6	-	-117.3	-	-	-	6,819.6	-	6,819.6
Issue of bonds redeemable for shares after the Public Exchange Offer for Rodamco	0.2	8.9	1,566.5	-	-	-	-	1,575.6	-	1,575.6
Distribution related to the Bonds Redeemable for Shares	-	-	-	-35.5	-	-	-	-35.5	-	-35.5
Share based payments	-	-	-	5.9	-	-	-	5.9	-	5.9
Cancellation of treasury shares	-0.8	-23.4	-	-1.5	-	-	-	-25.7	-	-25.7
Changes in scope of consolidation	-	-	-	-269.4	-	9.1	-	-260.3	113.6	-146.7
Reclassification of minority interests	-	-	-	3.2	-	-	-	3.2	-23.0	-19.8
Balance as at December 31, 2007	408.8	6,827.4	1,566.5	4,854.2	959.4	5.1	-17.7	14,603.7	1,031.2	15,634.9
Opening adjustment ⁽²⁾					-14.6			-14.6	-	-14.6
Balance as at December 31, 2007 - restated	408.8	6,827.4	1,566.5	4,854.2	944.8	5.1	-17.7	14,589.1	1,031.2	15,620.3
Foreign currency translation	-	-	-	-	-	-	-33.3	-33.3	-	-33.3
Gain/loss on net investment hedge	-	-	-	-	-	-	-3.7	-3.7	-	-3.7
Cash flow hedge:										
Gains/losses taken into equity	-	-	-	-	-	-	-	-	-	-
Depreciation of hedging reserves	-	-	-	-	-	-2.2	-	-2.2	-	-2.2
Net income/expenses recognised directly in equity	-	-	-	-	-	-2.2	-37.0	-39.2	-	-39.2
Net profit for the year	-	-	-	-	-1,116.0	-	-	-1,116.0	-7.8	-1,123.8
Total recognised income and expense for the period	-	-	-	-	-1,116.0	-2.2	-37.0	-1,155.2	-7.8	-1,163.0
Earnings appropriation	-	-	-	944.8	-944.8	-	-	-	-	-
Dividends related to 2007	-	-	-	-295.4	-	-	-	-295.4	-26.0	-321.4
Interim dividends related to 2008	-	-	-	-286.0	-	-	-	-286.0	-	-286.0
Stock options and Company Savings Plan	1.2	13.8	-	-	-	-	-	15.0	-	15.0
Distribution related to the Bonds Redeemable for Shares	-	-	-	-38.7	-	-	-	-38.7	-	-38.7
Revaluation ⁽³⁾	-	-	-	54.6	-	-	-	54.6	-	54.6
Share based payments	-	-	-	5.3	-	-	-	5.3	-	5.3
Cancellation of treasury shares	-2.7	-54.8	-	1.1	-	-	-	-56.4	-	-56.4
Changes in scope of consolidation ⁽⁴⁾	-	-	-	53.3	-	-	-	53.3	-278.7	332.0
Reclassification of minority interests	-	-	-	-0.5	-	-	-	-0.5	-11.5	-12.0
Balance as at December 31, 2008	407.3	6,786.4	1,566.5	5,292.7	-1,116.0	2.9	-54.7	12,885.1	1,264.6	14,149.7

(1) Includes consolidated reserves, retained earnings and interim dividend.
(2) Relates to the completion of the Purchase Price Allocation of the business combination of Unibail and Rodamco (see section 3 "Highlights and comparability of the last two years - In 2008" §5).
(3) Revaluation of the "3-5 Malesherbes" office building in France following its transfer from the category "Tangible assets" to "Investment property" (see section 5 "Notes and comments" note 1 "Change in investment properties").
(4) Relates to the transfer of 50% of Unibail-Rodamco's ownership of its convention-exhibitions activities (see section 3 "Highlights and comparability of the last two years - In 2008" §1).
(5) 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.

VI. CHANGES IN SHARE CAPITAL

	Total number of shares
As at January 1, 2007	46,123,217
Capital increase after the Public Offer of Exchange for Rodamco	35,460,833
- first offer	27,917,226
- second offer	7,543,607
Capital increase reserved for employees under Company Savings Plan	28,668
Exercise of stock options	276,569
Bonds redeemable for shares	46,530
Cancellation of treasury shares	-173,843
As at December 31, 2007	81,761,974
Capital increase reserved for employees under Company Savings Plan	26,117
Exercise of stock options	209,814
Bonds redeemable for shares	156
Cancellation of treasury shares	-553,408
As at December 31, 2008	81,444,653

VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Accounting principles and consolidation methods

In accordance with EC regulation no. 1606/2002 of July 19, 2002, on the application of international accounting standards, Unibail-Rodamco has prepared its consolidated financial statements for the financial year ending December 31, 2008, 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_en.htm#adopted-commission.

The accounting principles and methods used are consistent with those applied for the preparation of the annual consolidated financial statements as at December 31, 2007, except for the application of the following new obligatory interpretations:
IFRIC 11 - IFRS 2: Group and Treasury Share Transactions
IFRIC 14 - IAS 19: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction
IAS 39 A & IFRS 7 A: Reclassifications of financial assets & Financial Instruments: Disclosures
These interpretations do not have a significant impact on the Group's accounts.

These accounting principles do not differ from the IFRS as published by the IASB, in that the obligatory application to accounting periods opened as of January 1, 2008 of the following interpretations, which have not yet been adopted by the European Union, would not have had a material impact on the Group's accounts :
IFRIC 12: Service Concession Arrangements
IFRIC 9 & IAS 39 A: Reassessment of Embedded Derivatives
IFRS7 A: Investments in debt instruments

The Group has not used in advance IFRS and interpretations, or improvements thereof, for which the obligatory date of application will only relate to accounting periods opened after January 1, 2008 :
IFRS 8: Operating Segments
IAS 1 A: Presentation of Financial Statements (revised)
IAS 23 A: Borrowing Costs
IFRS 2 A: Share-based payments - Vesting Conditions and Cancellations
IFRIC 13: Customer Loyalty Programmes

The Group has not applied the following interpretations, which have not yet been adopted by the European Union at December 31, 2008:
IFRS 3 R: Business Combinations
IAS 27 A: Consolidated and Separate Financial Statements
IAS 39 A: Financial instruments: recognition and measurement - Eligible hedged items
IAS 32 A & IAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation
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

The Group is currently analysing the potential impact 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, that will change in a prospective way the accounting terms of business combinations.

Improvement of IFRS:

IASB published on May 22, 2008 "Improvement of IFRS", the final version of the first annual IFRS improvement project. Unless a specific measure plans another date, amendments will come into force for the financial years opening after January 1, 2009, earlier application also being authorised. This project has not yet been approved by the European Union. The measurement of the potential impacts on the consolidated accounts of Unibail-Rodamco is ongoing.

However, the amendments of two of the main standards concerning the group and modified by this project, are not consistent with the current terms of standards approved by the European Union. This relates to IAS 23 "Borrowing costs – Components of borrowing costs" and IAS 40 "Investment property – Property under construction or development for future use as investment property".

Certain amounts recorded in the consolidated financial statements reflect estimates and assumptions made by management, particularly with regards to the fair value of investment property and financial instruments as well as the valuation of goodwill and intangible assets. The most significant estimates are set out in the notes to the financial statements: for the valuation of investment property in § 1.5 "Asset valuation methods" and note 1 "Change in investment properties", for the goodwill and intangible assets, respectively in § 1.3 "Business combinations" and § 1.5 "Asset valuation methods" and, for fair value of financial instruments, in note 13 "Hedging instruments". Actual future results or outcomes may differ from these estimates. The property portfolio and intangible assets used by retail, office and exhibition organisation's segments are valued by independent appraisals.

The consolidated financial statements concern the financial years ending December 31, 2008 and December 31, 2007.

1.1. Options selected under IFRS 1

When adopting IFRS for the first time, IFRS 1 grants certain exemptions with regards to the application of other IFRS. These exemptions are optionally applied.

The exemptions applied relate mainly to business combinations, where the application of IFRS 3 'Business combinations' retrospectively to business combinations which occurred prior to the transition to IFRS is optional. Unibail-Rodamco has chosen to use this exemption.

Prior business combinations have generated goodwill which has been allocated to the fixed assets of the companies acquired. The goodwill amounts for Espace Expansion (1995) and Viparis Porte de Versailles (2000) were originally recorded and amortised over a period of 20 and 26 years respectively. However, in accordance with IFRS 1, goodwill on assets relating to provision of services governed by contractual agreement are recognised as an intangible asset and amortised over the remaining life of the agreement. Accordingly, goodwill for Viparis Porte de Versailles has been reclassified as an intangible asset on the opening balance sheet dated January 1, 2004 (with recognition of a deferred tax liability) and amortised over the remaining life of the operating contract.

For its stock-option plans, the Group has chosen to apply IFRS 2 for stock-options granted after November 7, 2002.

Finally, Unibail-Rodamco has chosen not to apply other options provided by IFRS 1.

1.2. Scope and methods of consolidation

The scope of consolidation includes all companies controlled by Unibail-Rodamco 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 Unibail-Rodamco 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 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 Unibail-Rodamco with all relevant subsidiaries over which Unibail-Rodamco exercises control. Subsidiaries closing their accounts more than three months before or after that of Unibail-Rodamco prepare pro forma interim statements to December 31, determined on a 12-month basis. All inter-group balances, profits and transactions are eliminated.

1.3. Business combinations

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 balance sheet. 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.

The business combination with Rodamco is described in more detail in section 3 - "Highlights and comparability of the last two years - In 2007" §1.

The goodwill for Espace Expansion has not been reclassified. In accordance with options available under IFRS 1, it is no longer amortised as of January 1, 2004 but is subject to an annual impairment review.

Under current accounting standards, acquisition of additional shares from minority shareholders are regarded as equity transactions and therefore no additional goodwill is recognised.

Consequently, when minority shareholders have an agreement to sell, minority 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 minority interests is recognised as equity. Any subsequent change in debt is also accounted for as equity. Income from minorities and dividends are booked in equity.

1.4. 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 Czech Republic, Hungary and Slovak Republic
- US dollar for Poland and Ukraine.

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

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 recognised 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 recognised 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 recognised directly in equity, whereas those relating to the ineffective portion are recognised 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;
- 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.

1.5. Asset valuation methods

Investment property (IAS 40)

Investment property is defined as property held for the purpose of receiving a rental income or capital appreciation or both.

Nearly all properties in Unibail-Rodamco's portfolio (94.9% in value terms) are recorded as investment properties. Properties undergoing refurbishment, to be re-let once works are complete, are also categorised as investment property.

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

The market value adopted by Unibail-Rodamco 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⁽¹⁾. The discount rate varies by country and by the tax situation of the property.

For the shopping centre and office portfolio, the valuation principles adopted are based on the discounted cash flow and yield methodologies. The independent appraiser determines the fair market value based on the results of these two methods. Furthermore, the resulting valuations are cross-checked against the initial yield and the fair values per square metre established through actual market conditions.

Instability in financial markets in 2008 has led to a significantly reduced level of representative ("benchmark") transactions. Most transactions that are occurring involve vendors in financial distress and purchasers looking for "bargains" with increased pricing volatility as a result. Appraisers have reacted to this situation of increased uncertainty by carefully interpreting the limited evidence available, including abortive transactions, and by putting more emphasis on both DCF parameters and other outcomes.

For the convention-exhibition portfolio, the valuation methodology adopted is mainly based on a discounted cash flow model applied to total net income projected over the life of the concession or leasehold, if it exists (notably the Porte de Versailles concession) or otherwise over a 10-year period, with an estimation of the asset's value at the end of the given time period, based either on the residual contractual value for concessions or on capitalised cash flows over the last year. The valuations carried out by the appraiser took into account total net income, which comprised net rents and ancillary services, as well as net income from car parks. The cost of maintenance works, major repairs, refurbishments, redevelopments and extensions, as well as concession or leasehold fees, are included in projected cash flow figures.

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 capitalisable in year Y].

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

Properties for which a sale process has been initiated are identified separately in the balance sheet.

⁽¹⁾ Transfer taxes are valued on the assumption that the property is sold directly, even though the cost of these taxes can, in certain cases, be reduced by selling the property's holding company.

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, the 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.

The property occupied by the Group, located at 7, Place Adenauer, Paris 16th, is classified in tangible asset.

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

Buildings under construction are valued at cost.

Once the construction of a property is complete, it is recorded as an investment property (IAS 40) at market value. The corresponding change in value is recorded on the income statement under valuation movements.

The buildings under construction mainly include the shopping centres under development Lyon Confluence, Docks de Rouen and Docks Vauban in France, Badajoz and Benidorm in Spain and Donauzentrum Extension in Austria, and offices under development such as Tour Oxygène in France.

Properties under construction are subject to impairment tests, determined in comparison with the estimated fair value of the project. When the fair value is lower than net book value, an impairment provision is booked.

Borrowing costs generated by construction projects

Under IFRS (IAS 23), borrowing costs incurred by construction projects may be recognised as an expense or capitalised as part of the cost of the relevant asset.

Unibail-Rodamco considers borrowing costs incurred by construction projects to be part of the cost of the construction project or major renovations and has opted to capitalise these charges incurred during the construction period.

They are measured by applying the Group's average refinancing rate to the average value of the work completed during each quarter.

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

An intangible asset is recognised 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 recognised at cost less any amortisation charges and impairment losses.

Intangible assets with a finite life are amortised 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.

Intangible assets with an indefinite useful life are not amortised but their life span is reviewed each year. These assets are subject to impairment tests annually or whenever there is an indication of impairment, which consists of comparing the book value with the recoverable amount of the intangible. The recoverable amount of an asset or a cash-generating unit is the maximum between its fair value less disposal costs and its utility value. It is assessed on the basis of the present value of expected future cash flows from the continued use of the asset and its terminal value. Impairment tests are carried out by grouping assets together into cash-generating units. In the case of reduction in value, a corresponding impairment charge is recognised in the income statement.

1.6. Leasing

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

The Group's remaining finance leasing activity concerns a residual outstanding amount of €3.9 Mn as at December 31, 2008. The Group is the lessee of a number of co-ownership lots. These agreements are classified as finance leases.

Assets leased as operating leases are recorded on the balance sheet 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. This applies to rent-free periods, step rents and key money.

Eviction costs

Compensation payments to evicted tenants may be capitalised, 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 recognised as operating leases, rental payments are recognised as expenses in the income statement. Rental payments made at the beginning of the contract are classified as prepaid expenses over the life of the contract.

Buildings constructed on land under a lease agreement are recognised in accordance with the accounting principles described in §1.5.

1.7. Financial instruments (IAS 32/IAS 39/IFRS 7)

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

a) 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 balance sheet as "Loans and receivables". After initial recording, they are measured at amortised 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. These financial assets are recorded on the balance sheet under "Available-for-sale securities" and measured at their fair value at the accounting date. 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 "Unrealised 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 amortised cost using the effective interest rate. In certain cases, IAS 39 permits financial liabilities to be designated as at fair value upon initial recording.

b) 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 balance sheet. Fair value variations of financial derivatives, apart from those designated as cash flow hedges or as net investment hedges, are recognised in the income statement for the period. Unibail-Rodamco 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.

Derivatives designated as cash flow hedges under the French accounting standards applied in 2004 were recorded on the opening balance sheet as at January 1, 2005, at their fair value at this date. The difference of -€1 Mn was booked to equity as a hedging reserve and depreciated over the remaining lifetime of these financial instruments. In the income statement split by division, these depreciation charges and value changes had no impact on recurring income and were recorded under "Valuation Movements".

Regarding the currency derivatives, they aim at hedging the investments made in countries outside of the Euro-Zone. 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 recognised directly in equity (currency translation reserve). The ineffective portion is recognised 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 recognised 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 recognised as part of "financing result" as these instruments are designated as hedging instruments.

1.8. Discounting of deferred payments

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

- The exit tax liability payable over a four-year period (to qualify for the SIIC tax regime) has been discounted.
- 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.

1.9. Taxes

The Group companies are taxable in application of 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 which are eligible for SIIC tax status have opted for this regime. Recurring income and capital gains are exempted from French tax but the companies are required to distribute 85% of their recurring income, 50% of capital gains and 100% of dividends received from SIIC subsidiaries.

Due to the diversity of its business activities, Unibail-Rodamco undergoes a specific tax treatment:

- its SIIC-eligible business is exempt from tax on recurring income and capital gains on disposals;
- activities relating to finance leasing contracts signed before January 1, 1991, are tax exempt;
- all other operations are taxable.

Dutch FBI regime

Rodamco Europe NV is qualified as FBI and thus property companies in The Netherlands benefit from a 0% tax rate. As FBI companies they are required to distribute all the taxable result, except capital gains which can be added to a reinvestment reserve.

In order to keep this status for Dutch companies, Unibail-Rodamco has to be qualified as FBI as well. Since there are a number of conditions to be met in terms of allowed activities, a two years grace period has been negotiated with the Dutch Tax Authorities which ends December 31, 2009.

On completion of the acquisition of Rodamco Europe NV, Unibail-Rodamco agreed to pay an entry charge equal to 40% of the income dividend distributed by Rodamco Europe N.V. to Unibail-Rodamco for the financial year 2007. This amount has been restated in the Purchase Price Accounting.

Income tax and deferred tax

Corporate income tax

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

In France, the companies which pay income tax are mainly the Viparis entities. The other companies which are not eligible for SIIC tax status are grouped under a tax consolidation sub-group (Doria), which has opted for the tax consolidation scheme.

Deferred tax

Deferred taxes are recognised 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 recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

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
- the recognition of intangible assets identified on Viparis entities, particularly Viparis Porte de Versailles.

1.10. Share-based payments

Under IFRS 2, all transactions relating to share-based payments must be recognised in the income statement. This is the case for Unibail-Rodamco's Stock-Option Plan, Company Savings Plan and Bonus Share Plan.

Stock-options granted to employees are stated at their fair value on the date of allocation. This value remains unchanged, even if the options are never exercised. It is booked as an expense, with a corresponding increase in equity which is spread over the vesting period (i.e. the period during which employees must work for the company before they can exercise the options granted to them).

IFRS 2 applies to all equity instruments granted after November 7, 2002. For Unibail-Rodamco, it applies to stock-options granted from 2003 through 2008. The stock-options have been valued using a binomial model for those with no performance criteria and using a Monte Carlo model for those subject to performance criteria.

Bonus shares were allocated in 2006 and 2007. They are valued at their market price on the date of allocation less two years of estimated dividends. The value is recognised as an expense deferred over the two-year vesting period.

Shares issued under the Company Savings Plan are offered at a discount to the share price. This discount represents an employee benefit and is recorded in the income statement for the period, with a corresponding increase in equity.

The additional expenses incurred by the stock-option plans, company savings plan and bonus share awards are classified under personnel expenses.

1.11. Employee benefits

Under IAS 19, a company must recognise 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 balance sheet 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 organisations. Defined contributions paid into these various compulsory retirement schemes are recognised 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.

1.12. Business segment reporting

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

Business segments

At the first level of segment reporting, the Group presents its result by division: Retail, Offices & Industrial, Convention-Exhibition and Property services. The Convention-Exhibition division comprises management of exhibition venues (Viparis), leasing and lease management of the M ridien Montparnasse and Cnit Hilton hotels, and the organisation of exhibitions (Comexposium), consolidated under the equity method since 2008.

Geographical segments

Geographical segments are determined on the basis of the Group's definition of a home region. A home region is defined as a region with more than  1 billion in property investment and a local organisation dedicated to all three business lines: asset selection and management including pipeline or the "owner fonction", retail management, and the finance function. The following are considered home regions based on specific operational and strategic factors :

- France,
- The Netherlands (Belgium, disposed of in June 2008, was managed from The Netherlands),
- Spain,
- Nordic Countries managed from Sweden, including Denmark, Finland and Sweden,
- Central Europe managed from Austria, including Austria, the Czech Republic, Germany, Hungary, Poland, the Slovak Republic and Ukraine, this latter disposed of in July 2008.

1.13. Earnings per share

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

To calculate diluted earnings per share, the average number of shares in circulation is adjusted to take into account the conversion of all potentially dilutive ordinary shares, in particular stock-options and bonus shares during the vesting period, as well as the bonds redeemable for shares. The dilutive impact is determined using the treasury stock method, which assumes that proceeds from the exercise of warrants or options are used to repurchase company shares at their market value. The market value corresponds to the average monthly share price weighted by trading volumes.

The theoretical number of shares that may be purchased at the market value is deducted from the total number of shares resulting from the exercise of rights. This number is then added to the average number of shares in circulation and hence constitutes the denominator.

1.14. 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 balance sheet as "current" when they are due or payable within twelve months of the balance sheet date.

2. Scope of consolidation

List of consolidated companies	Country	% interest Dec 31, 2007	% interest Dec 31, 2008	% control Dec 31, 2008	Method ⁽¹⁾
SA Unibail-Rodamco	France	100.00	100.00	100.00	FC
Shopping Centres					
“ANDRAKA” Beteiligungsverwaltungs GmbH	Austria	-	98.52	98.52	FC
DZ Donauzentrum Besitz- u. Vermietungs GmbH	Austria	88.67	88.67	88.67	FC
SCS Infrastruktur GmbH	Austria	-	98.52	98.52	FC
SCS Liegenschaftsverwertungs GmbH	Austria	-	98.52	98.52	FC
SCS Motor City Süd Errichtungsges.m.b.H.	Austria	-	98.52	98.52	FC
SCS Werbegesellschaft mbH	Austria	-	98.52	98.52	FC
Shopping Center Planungs- und Entwicklungsgesellschaft mbH	Austria	-	98.52	98.52	FC
Shopping Center Planungs- und Entwicklungsgesellschaft m.b.H. & Co. Werbeberatung KG	Austria	-	98.52	98.52	FC
Shopping City Süd Erweiterungsbau Gesellschaft mbH & Co Anlagenvermietung KG	Austria	-	98.52	98.52	FC
Südpark Betriebs und Verwaltungs GmbH	Austria	49.26	49.26	49.26	PC
Boneff N.V.	Belgium	98.52	Sold	Sold	-
Diamantvalk B.V.	Belgium	98.52	Sold	Sold	-
Edelvalk B.V.	Belgium	98.52	Sold	Sold	-
Fagotvalk B.V.	Belgium	98.52	Sold	Sold	-
Glaszwaan B.V.	Belgium	98.52	Sold	Sold	-
Imrohem N.V.	Belgium	98.52	Sold	Sold	-
Centrum Cerny Most AS	Czech Republic	98.52	98.52	98.52	FC
Centrum Praha Jih-Chodov s.r.o.	Czech Republic	98.52	98.52	98.52	FC
Moravska Obchodni A.S.	Czech Republic	64.04	64.04	64.04	FC
Pankrac Shopping Center k.s.	Czech Republic	73.89	73.89	73.89	PC
Rodamco Pankrac a.s.	Czech Republic	98.52	98.52	98.52	FC
Kiinteistö Oy Vantaanportin Liikekeskus	Finland	21.08	21.08	21.08	PC
Kiinteistö Oy Vantaanportin Liikketilat	Finland	59.11	59.11	59.11	PC
Rodareal Oy	Finland	98.52	98.52	98.52	FC
SA Cipcom	France	-	50.00	50.00	FC
SA SFLA	France	100.00	100.00	100.00	FC
SA Société d'Exploitation des Parkings Forum des Halles	France	65.00	65.00	65.00	FC
SARL Immolimo	France	100.00	100.00	100.00	FC
SAS Le Carrousel du Louvre	France	100.00	100.00	100.00	FC
SAS Les Grandes Bruyères	France	10.00	10.00	10.00	EM
SAS Nice Étoile	France	100.00	100.00	100.00	FC
SAS Parimall Bobigny 2	France	98.51	98.52	98.52	FC
SAS Parimall Parly 2	France	98.51	98.52	98.52	FC
SAS Parimall Ulis 2	France	98.52	98.52	98.52	FC
SAS Parimall Vélizy 2	France	98.52	98.52	98.52	FC
SAS Parimmo 58 Marceau	France	98.51	98.52	98.52	FC
SAS Parly 2 Avenir	France	77.19	77.24	77.24	FC
SAS SALG	France	98.52	98.52	98.52	FC
SAS Société de Lancement de Magasins à l'Usine	France	100.00	100.00	100.00	FC
SAS La Toison d'Or	France	100.00	100.00	100.00	FC
SAS Unicommerces	France	100.00	100.00	100.00	FC
SAS Uniwater	France	-	100.00	100.00	FC
SAS Villeneuve 2	France	98.42	98.52	98.52	FC
SC Foncière Marceau Saint Sever	France	98.42	98.52	98.52	FC
SC Lyon Kleber	France	98.51	98.52	98.52	FC
SCI Aéroville	France	100.00	100.00	100.00	FC
SCI Berri Washington	France	98.42	98.52	98.52	FC
SCI Bobigninvest	France	98.52	98.52	98.52	FC
SCI Bordeaux Bonnac	France	100.00	100.00	100.00	FC
SCI C.C. Lyon Part Dieu	France	98.51	98.52	98.52	FC
SCI C.C. Rouen St Sever	France	98.51	98.52	98.52	FC
SCI Channel City	France	100.00	100.00	100.00	FC
SCI Colline Défense	France	53.30	53.30	53.30	FC
SCI Coquelles et Coquelles	France	100.00	100.00	100.00	FC
SCI du CC de Bordeaux Préfecture	France	61.00	61.00	61.00	FC
SCI du CC des Pontôts	France	100.00	100.00	100.00	FC
SCI du Forum des Halles de Paris	France	65.00	65.00	65.00	FC
SCI du Petit Parly 2	France	98.52	98.52	98.52	FC
SCI Eiffel Levallois Commerces	France	100.00	100.00	100.00	FC
SCI Élysées Châlons	France	98.42	98.52	98.52	FC
SCI Élysées Parly 2	France	98.42	98.52	98.52	FC
SCI Élysées Vauban	France	98.52	98.52	98.52	FC
SCI Élysées Vélizy 2	France	97.53	98.52	98.52	FC
SCI Espace Commerce Europe	France	50.00	50.00	50.00	PC
SCI Evry Expansion	France	100.00	100.00	100.00	FC
SCI Extension Villeneuve 2	France	98.52	98.52	98.52	FC
SCI Grand Magasin Sud LPD	France	98.51	98.52	98.52	FC
SCI Grigny Gare	France	100.00	100.00	100.00	FC
SCI Labex	France	100.00	100.00	100.00	FC
SCI Lyon les Brotteaux	France	98.51	98.52	98.52	FC
SCI Marceau Bussy Sud	France	98.51	98.52	98.52	FC
SCI Marceau Côté Seine	France	98.42	98.52	98.52	FC
SCI Marceau Parly 2	France	98.42	98.52	98.52	FC
SCI Marceau Plaisir	France	98.51	98.52	98.52	FC

List of consolidated companies	Country	% interest Dec 31, 2007	% interest Dec 31, 2008	% control Dec 31, 2008	Method ⁽¹⁾
SCI Marceau Plantation	France	98.51	Dissolved	Dissolved	-
SCI Montparnasse	France	100.00	100.00	100.00	FC
SCI Parlunic 2	France	97.53	98.52	98.52	FC
SCI Pégase	France	53.30	53.30	53.30	FC
SCI Rosny Beauséjour	France	50.00	50.00	50.00	PC
SCI Rosvil	France	60.00	60.00	60.00	FC
SCI Rouen Bretagne	France	98.51	98.52	98.52	FC
SCI Rouen Verrerie	France	98.51	98.52	98.52	FC
SCI SCC de la Défense	France	53.30	53.30	53.30	FC
SCI Sicor	France	73.00	73.00	73.00	FC
SCI Sirmione	France	100.00	100.00	100.00	FC
SCI Spring Almacie	France	100.00	100.00	100.00	FC
SCI Spring Valentine	France	100.00	100.00	100.00	FC
SCI Spring Vélizy	France	100.00	100.00	100.00	FC
SCI Takiya	France	100.00	100.00	100.00	FC
SCI Triangle des Gares	France	40.00	40.00	40.00	EM
SCI Val de Commerces	France	50.02	50.02	50.02	FC
SCI Vendôme Boisseuil	France	100.00	100.00	100.00	FC
SCI Vendôme Boissy 2	France	100.00	100.00	100.00	FC
SCI Vendôme Saint-Genis	France	100.00	100.00	100.00	FC
SCI Vendôme Villeneuve 2	France	97.53	98.52	98.52	FC
SCI VRG1	France	100.00	100.00	100.00	FC
SCI VRG3	France	100.00	100.00	100.00	FC
SCI VRG4	France	100.00	100.00	100.00	FC
SCI Winter	France	-	50.02	50.02	FC
SEP CC Évry 2	France	7.50	7.50	7.50	PC
SEP Extension Évry 2	France	7.50	7.50	7.50	PC
SEP Première Extension Évry 2	France	7.50	7.50	7.50	PC
SEP Rosny 2	France	26.00	26.00	26.00	PC
SEP Valorisation CC LPD	France	61.63	61.63	61.63	PC
SEP Valorisation CC Parly 2	France	47.14	47.14	47.14	PC
SEP Valorisation CC Rouen Saint Sever	France	75.42	75.42	75.42	PC
SEP Valorisation CC Ulis 2	France	-	38.65	38.65	PC
SEP Valorisation CC Villeneuve 2	France	51.79	51.79	51.79	PC
SNC Almacie	France	53.75	100.00	100.00	FC
SNC Bures Palaiseau	France	100.00	100.00	100.00	FC
SNC Cegep et Cie	France	98.52	98.52	98.52	FC
SNC Centre Commercial Francilia	France	100.00	100.00	100.00	FC
SNC CC Labège	France	100.00	100.00	100.00	FC
SNC Les Docks de Rouen	France	100.00	100.00	100.00	FC
SNC Eiffel Levallois	France	100.00	100.00	100.00	FC
SNC Extension de Rosny	France	100.00	100.00	100.00	FC
SNC Foncière Richelieu Commerces	France	100.00	100.00	100.00	FC
SNC Maltese	France	100.00	100.00	100.00	FC
SNC Les Passages de l'Étoile	France	100.00	100.00	100.00	FC
SNC Randoli	France	100.00	100.00	100.00	FC
SNC Saint-Genis Laval	France	100.00	100.00	100.00	FC
SNC Vélizy Petit Clamart	France	100.00	100.00	100.00	FC
SNC Vuc	France	51.00	100.00	100.00	FC
Immobilien KG Dr. Mühlhauser & Co Einkaufs-Zenter	Germany	49.26	49.26	49.26	PC
KG Schliebe & Co Geschäftszentrum Frankfurter Allee	Germany	65.68	65.68	65.68	PC
EKZ 6	Hungary	32.51	32.51	32.51	PC
Euro-Mall Kft.	Hungary	98.52	98.52	98.52	FC
Vezer Center Kft.	Hungary	98.52	98.52	98.52	FC
Rodamco CH1 Sp. z.o.o.	Poland	49.26	49.26	49.26	FC
Aupark A.S.	Slovak Republic	49.26	49.26	49.26	PC
Arrendamientos Vaguada C.B.	Spain	61.08	61.55	61.55	PC
Essential Whites S.L.	Spain	-	52.00	52.00	FC
Promociones Inmobiliarias Gardiner S.L.	Spain	-	52.00	52.00	FC
Proyectos Inmobiliarios New Visions S.L.	Spain	98.52	98.52	98.52	FC
Proyectos Inmobiliarios Time Blue S.L.	Spain	-	50.35	50.35	FC
Unibail-Rodamco Benidorm S.L.	Spain	98.52	86.98	86.98	PC
Unibail-Rodamco Garbera S.L.	Spain	98.52	98.52	98.52	FC
Unibail-Rodamco Inversiones S.L.	Spain	98.52	98.52	98.52	FC
Unibail-Rodamco Levante S.L.	Spain	98.52	98.52	98.52	FC
Unibail-Rodamco Ocio S.L.	Spain	98.52	98.52	98.52	FC
Unibail-Rodamco Parques Comerciales S.L.	Spain	98.52	98.52	98.52	FC
Unibail-Rodamco Proyecto Badajoz S.L.	Spain	98.52	98.52	98.52	FC
Unibail-Rodamco Steam S.L.	Spain	-	50.35	50.35	FC
Unibail-Rodamco Vallsur S.L.	Spain	98.52	98.52	98.52	FC
Eurostop KB	Sweden	98.52	98.52	98.52	FC
Rodamco Arninge Centrum KB	Sweden	98.52	98.52	98.52	FC
Rodamco Centerpool AB	Sweden	98.52	98.52	98.52	FC
Rodamco Eneby AB	Sweden	98.52	98.52	98.52	FC
Rodamco Fisketorvet AB	Sweden	98.52	98.52	98.52	FC
Rodamco Forum Nacka KB	Sweden	98.52	98.52	98.52	FC
Rodamco Garage AB	Sweden	98.52	98.52	98.52	FC

List of consolidated companies	Country	% interest Dec 31, 2007	% interest Dec 31, 2008	% control Dec 31, 2008	Method ⁽¹⁾
Rodamco Helsingborg KB	Sweden	98.52	98.52	98.52	FC
Rodamco Nova Lund KB	Sweden	98.52	98.52	98.52	FC
Rodamco Nova Lund 2 AB	Sweden	98.52	98.52	98.52	FC
Rodamco Nova Lund 3 AB	Sweden	98.52	98.52	98.52	FC
Rodamco Parkering AB	Sweden	98.52	98.52	98.52	FC
Rodamco Solna Centrum AB	Sweden	98.52	98.52	98.52	FC
Rodamco Täby Centrum KB	Sweden	98.52	98.52	98.52	FC
Rodamco Tyresö Centrum AB	Sweden	98.52	98.52	98.52	FC
Rodamco Väsby Centrum AB	Sweden	98.52	98.52	98.52	FC
Amvestwinkelsamenwerking C.V.	The Netherlands	88.67	Dissolved	Dissolved	-
Copperwing B.V.	The Netherlands	98.52	Dissolved	Dissolved	-
Oranjevast/Amvest C.V.	The Netherlands	9.85	9.85	9.85	EM
Rodamco Nederland Winkels B.V.	The Netherlands	98.52	98.52	98.52	FC
RRN Monumenten B.V.	The Netherlands	98.52	98.52	98.52	FC
Turbozwaan B.V.	The Netherlands	98.52	98.52	98.52	FC
Offices					
SARL 17 -19 - 21 Rue du Faubourg Saint-Honoré	France	98.51	Dissolved	Dissolved	-
SAS Alba	France	100.00	100.00	100.00	FC
SAS Corto	France	100.00	Dissolved	Dissolved	-
SAS Immobilière Château Garnier	France	100.00	100.00	100.00	FC
SAS Immobilière Louvre	France	100.00	100.00	100.00	FC
SAS Iseult	France	100.00	100.00	100.00	FC
SAS Liberty	France	100.00	100.00	100.00	FC
SAS Parimmo 18 bis Hoche	France	98.51	98.52	98.52	FC
SAS Parimmo 20 Hoche	France	98.51	98.52	98.52	FC
SAS SFAM	France	100.00	100.00	100.00	FC
SAS SIG 34	France	100.00	Dissolved	Dissolved	-
SAS Unibail Investissement II	France	100.00	100.00	100.00	FC
SAS Vêga	France	100.00	Dissolved	Dissolved	-
SCI 3-5 Malesherbes	France	100.00	100.00	100.00	FC
SCI 39-41 Cambon	France	100.00	100.00	100.00	FC
SCI 7 Adenauer	France	100.00	100.00	100.00	FC
SCI Arali	France	100.00	100.00	100.00	FC
SCI Ariane Défense	France	100.00	100.00	100.00	FC
SCI Bureaux Tour Crédit Lyonnais	France	98.51	98.52	98.52	FC
SCI Cnit Développement	France	100.00	100.00	100.00	FC
SCI Eiffel Levallois Bureaux	France	100.00	100.00	100.00	FC
SCI Gaité Bureaux	France	100.00	100.00	100.00	FC
SCI Galilée Défense	France	100.00	100.00	100.00	FC
SCI Marceau Part Dieu	France	98.42	98.52	98.52	FC
SCI Ostraca	France	-	100.00	100.00	FC
SCI Village 3 Défense	France	100.00	100.00	100.00	FC
SCI Village 4 Défense	France	100.00	100.00	100.00	FC
SCI Village 5 Défense	France	100.00	100.00	100.00	FC
SCI Village 6 Défense	France	100.00	100.00	100.00	FC
SCI Village 7 Défense	France	100.00	100.00	100.00	FC
SCI Village 8 Défense	France	100.00	100.00	100.00	FC
SCI VRG 2	France	100.00	100.00	100.00	FC
SCI Wilson 70	France	100.00	100.00	100.00	FC
SNC Capital 8	France	100.00	100.00	100.00	FC
SNC Le Fouillon	France	100.00	100.00	100.00	FC
SNC Gaité Parkings	France	100.00	100.00	100.00	FC
Akvest Kantoren C.V.	The Netherlands	88.67	88.67	88.67	FC
Coolsingel 120 Vastgoed B.V.	The Netherlands	98.52	Dissolved	Dissolved	-
REE C.V.	The Netherlands	78.82	Sold	Sold	-
Rodamco Nederland Kantoren B.V.	The Netherlands	98.52	Dissolved	Dissolved	-
Convention-Exhibition					
SA Uni-Expos	France	100.00	100.00	100.00	FC
SA Viparis - Le Palais des Congrès	France	-	50.00	50.00	FC
SA Viparis - Porte de Versailles	France	100.00	50.00	50.00	FC
SAS Espace Champerret	France	100.00	Dissolved	Dissolved	-
SAS Paris Expo Services	France	100.00	50.00	50.00	FC
SAS Société d'Exploitation du Palais des Sports	France	50.00	50.00	50.00	PC
SAS Valorexpo	France	-	100.00	100.00	FC
SAS Viparis	France	100.00	50.00	50.00	FC
SAS Viparis - Le Bourget	France	-	50.00	50.00	FC
SAS Viparis - Nord Villepinte	France	-	50.00	50.00	FC
SAS Viparis - Palais des Congrès de Versailles	France	-	45.00	45.00	FC
SCI Pandore	France	100.00	50.00	50.00	FC
SCI Prop Expo	France	-	50.00	50.00	FC
SA Comexposium	France	100.00	50.00	50.00	EM

List of consolidated companies	Country	% interest Dec 31, 2007	% interest Dec 31, 2008	% control Dec 31, 2008	Method ⁽¹⁾
Expo Canada France	Canada	29.45	Part of Comexposium Group (EM)		
Expo Commerciale Canada	Canada	50.00			
Pac Ex Ltd Partnership	Canada	80.00			
Réseau Expositum Canada Inc	Canada	100.00			
Aiboxiya	China	50.07			
Expo Gestion	France	100.00			
Gem Art	France	35.00			
Gem Passion	France	35.00			
Gestion TB	France	50.00			
Promo Expo Conseil Salons	France	100.00			
SA Expositima	France	65.00			
SA Expositum	France	100.00			
SA SE Intermat	France	65.00			
SA SIAL	France	58.90			
SARL Interexpo	France	50.00			
SAS Européenne de Salons	France	100.00			
SAS Groupe Expositum Holding	France	100.00			
SAS Salon Sitting	France	100.00			
SEP Industrie Lyon	France	60.00			
SEP VAE Expo	France	50.00			
Property Services					
DX-Donauplex Betriebsgeschellschaft m.b.h	Austria	88.67	88.67	88.67	FC
DZ Donauzentrum - Betriebsführungs m.b.h	Austria	88.67	88.67	88.67	FC
SCS Immobilienverwaltungs GmbH	Austria	-	98.52	98.52	FC
Shopping Center Vösendorf Verwaltungsgesellschaft m.b.H.	Austria	-	98.52	98.52	FC
Rodamco België B.V.	Belgium	98.52	Sold	Sold	-
Rodamco Ceska Republica s.r.o.	Czech Republic	98.52	98.52	98.52	FC
SARL Sovalec	France	99.26	99.26	99.26	FC
SARL SPSP	France	100.00	100.00	100.00	FC
SAS CNIT Restauration	France	100.00	100.00	100.00	FC
SAS Espace Expansion	France	99.99	99.99	99.99	FC
SAS Rodamco France Management	France	98.52	98.52	98.52	FC
SAS Rodamco Gestion	France	97.74	98.52	98.52	FC
SAS S2B	France	100.00	100.00	100.00	FC
SAS Société d'Exploitation Hôtelière du CNIT	France	100.00	100.00	100.00	FC
SAS U2M	France	100.00	100.00	100.00	FC
SAS Unibail Management	France	100.00	100.00	100.00	FC
Rodamco Europe Sp z.o.o.	Poland	98.52	98.52	98.52	FC
Rodamco Metropolis Management LCC	Russia	-	98.52	98.52	FC
Unibail-Rodamco Spain S.A.	Spain	98.52	98.52	98.52	FC
Rodamco Management AB	Sweden	98.52	98.52	98.52	FC
Rodamco Projekt AB	Sweden	98.52	98.52	98.52	FC
Rodamco Sverige AB	Sweden	98.52	98.52	98.52	FC
Rodamco Nederland B.V.	The Netherlands	98.52	98.52	98.52	FC
Holdings and Other					
Rodamco Central Europe GmbH	Austria	98.52	98.52	98.52	FC
Südpark Holding GmbH	Austria	98.52	98.52	98.52	FC
Unibail-Rodamco Beteiligungsverwaltung GmbH	Austria	-	98.52	98.52	FC
Unibail-Rodamco Liegenschaftserwerbs GmbH	Austria	-	98.52	98.52	FC
SA Rodamco France	France	98.52	98.52	98.52	FC
SA Société de Taynhinh	France	97.68	97.68	97.68	FC
SA Union Internationale Immobilière	France	98.51	98.52	98.52	FC
SA Vertou Dev.	France	98.51	Dissolved	Dissolved	-
SARL Espace Expansion Immobilière	France	100.00	100.00	100.00	FC
SAS Almacie Holding	France	100.00	Dissolved	Dissolved	-
SAS Borée	France	100.00	Dissolved	Dissolved	-
SAS Cegep	France	98.52	98.52	98.52	FC
SAS Doria	France	100.00	100.00	100.00	FC
SAS Frankvink Investissements	France	98.52	98.52	98.52	FC
SAS Hoche Poincaré	France	97.53	98.52	98.52	FC
SAS Unibail Participations	France	100.00	100.00	100.00	FC
SAS Unibail-Rodamco Développement	France	100.00	100.00	100.00	FC
SAS Vuc Holding	France	100.00	Dissolved	Dissolved	-
SNC Financière 5 Malesherbes	France	100.00	100.00	100.00	FC
Rodamco Deutschland GmbH	Germany	98.52	98.52	98.52	FC
Rodamco Deutschland GmbH & Co. Süd	Germany	98.52	98.52	98.52	FC
Rodamco Germany Management GmbH	Germany	98.52	98.52	98.52	FC
Zeilgalerie Gbr	Germany	98.52	98.52	98.52	FC
Promociones Unibail-Rodamco Generales S.L.	Spain	98.52	98.52	98.52	FC
Eurostop AB	Sweden	98.52	98.52	98.52	FC
Eurostop Holding AB	Sweden	98.52	98.52	98.52	FC
Piren AB	Sweden	98.52	98.52	98.52	FC
Rodamco AB	Sweden	98.52	98.52	98.52	FC
Rodamco Expand AB	Sweden	98.52	98.52	98.52	FC
Rodamco Hallunda Centrum HB	Sweden	98.52	98.52	98.52	FC
Rodamco Holding AB	Sweden	98.52	98.52	98.52	FC

List of consolidated companies	Country	% interest Dec 31, 2007	% interest Dec 31, 2008	% control Dec 31, 2008	Method ⁽¹⁾
Rodamco Invest AB	Sweden	98.52	98.52	98.52	FC
Rodamco Nacka AB	Sweden	98.52	98.52	98.52	FC
Rodamco Northern Europe AB	Sweden	98.52	98.52	98.52	FC
Rodamco Täby AB	Sweden	98.52	98.52	98.52	FC
Rodamco Tumlaren AB	Sweden	98.52	98.52	98.52	FC
Belindam B.V.	The Netherlands	98.52	98.52	98.52	FC
Cijferzwaan B.V.	The Netherlands	98.52	98.52	98.52	FC
Deenvink B.V.	The Netherlands	98.52	98.52	98.52	FC
Dotterzwaan B.V.	The Netherlands	98.52	98.52	98.52	FC
Feldkirchen B.V.	The Netherlands	98.52	98.52	98.52	FC
Gooioord B.V.	The Netherlands	78.82		Sold	-
New Tower Real Estate B.V.	The Netherlands	-	50.35	50.35	FC
Old Tower Real Estate B.V.	The Netherlands	-	52.00	52.00	FC
Rodamco Austria B.V.	The Netherlands	98.52	98.52	98.52	FC
Rodamco Central Europe B.V.	The Netherlands	98.52	98.52	98.52	FC
Rodamco Czech B.V.	The Netherlands	98.52	98.52	98.52	FC
Rodamco Deutschland B.V.	The Netherlands	98.52	98.52	98.52	FC
Rodamco Eastern Europe Holding B.V.	The Netherlands	98.52	98.52	98.52	FC
Rodamco España B.V.	The Netherlands	98.52	98.52	98.52	FC
Rodamco Europe N.V.	The Netherlands	98.52	98.52	98.52	FC
Rodamco Europe Beheer B.V.	The Netherlands	98.52	98.52	98.52	FC
Rodamco Europe Finance B.V.	The Netherlands	98.52	98.52	98.52	FC
Rodamco Europe Finance II B.V.	The Netherlands	98.52	98.52	98.52	FC
Rodamco Europe Properties B.V.	The Netherlands	98.52	98.52	98.52	FC
Rodamco Hungary B.V.	The Netherlands	98.52	98.52	98.52	FC
Rodamco Project I B.V.	The Netherlands	98.52	98.52	98.52	FC
Rodamco Retail Deutschland B.V.	The Netherlands	98.52	98.52	98.52	FC
Rodamco Russia B.V.	The Netherlands	98.52	98.52	98.52	FC
Rodamco Turkey B.V.	The Netherlands	98.52	98.52	98.52	FC
Romanoff Eastern Europe Property B.V.	The Netherlands	78.82	78.82	78.82	FC
RoProperty Holding B.V.	The Netherlands	35.37	35.37	35.37	EM
Unibail-Rodamco Management B.V.	The Netherlands	100.00	100.00	100.00	FC
Unibail-Rodamco Netherlands Development B.V.	The Netherlands	-	98.52	98.52	FC
Vuurvink B.V.	The Netherlands	98.52	98.52	98.52	FC

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

3. Highlights and comparability of the last two years

3.1. In 2007

Public Exchange Offer for Rodamco Europe N.V. shares

On May 21, 2007, Unibail Holding S.A. and Rodamco Europe N.V. jointly announced that Unibail made a friendly Public Exchange Offer for all the outstanding shares in the capital of Rodamco, with a nominal value of eight euros per share. Rodamco was engaged in property investment and management of quality shopping centres in its historical Dutch and Belgian markets as well as in the Nordic countries, France, Spain and Central Europe. 94% of the property portfolio of Rodamco Europe consisted of shopping centres.

The exchange ratio of the Public Exchange Offer was 0.5223 Unibail share, with a nominal value of five euros, for each Rodamco share.

Furthermore, the Rodamco shareholders were entitled to opt for 0.5223 Unibail bonds redeemable for Unibail shares (see below “Accounting for ORA”) for each Rodamco share with a maximum of 20% of the remuneration of all the Rodamco shares tendered.

At the end of the offer period, the Public Exchange Offer was declared unconditional on June 21, 2007. 71,378,392 Rodamco shares were tendered, which represented 79.63% of participation in the Company. Unibail issued 27,917,226 Unibail shares and 9,363,708 Unibail ORA in exchange for the Rodamco shares, which resulted in a Unibail Holding capital increase of €139,586,130.

A subsequent offer period began on June 22, 2007 and ended on July 10, 2007 : 14,443,054 additional Rodamco shares were tendered and Unibail issued 7,543,607 Unibail shares representing a capital increase of €37,718,035.

On July 11, 2007, Unibail owned 95.74% of Rodamco Europe N.V. shares.

Following these operations, the name of the Group parent company was changed from Unibail Holding S.A. to Unibail-Rodamco S.A.

As at December 31, 2007, Unibail-Rodamco owned 98.52% of the issued share capital of Rodamco Europe (as well as at December 31, 2008).

As at December 14, 2007, the squeeze out proceedings under Dutch law of the remaining shares in Rodamco Europe were initiated. Unibail-Rodamco has proposed a squeeze out price of €81.03 per Rodamco share. Proceedings before the Enterprise Chamber of the Court of Appeal in Amsterdam are ongoing.

Accounting for Business Combinations

In accordance with IFRS 3 - Business Combinations, the cost of the business combination was equal to the sum of the market value of the shares and the ORA Unibail-Rodamco issued in exchange for the Rodamco shares and other costs directly attributable to the acquisition.

Although in essence the transaction bore all the elements of a pure merger (pooling of interest), in accordance with accounting principles (IFRS 3 - Business Combinations) the combination was considered as a purchase of Rodamco by Unibail. The cost of the business combination was computed based on the Unibail share price (€195.80 as at June 21, 2007). This market value differed from the issue price used in the statutory financial statements of Unibail Holding which amounted to €196.60 and which was the quoted market price at the closing of the Public Exchange Offer on June 20, 2007. Taking into account the acquisition costs which amounted to €4.1 Mn, the total cost of the business combination amounted to €7,322.6 Mn. The fees attributable to the issue of the shares and the ORA amounted to respectively €34.7 Mn and €9.4 Mn and were directly accounted for in the Group shareholders’ equity except for €1.2 Mn reducing the amount of ORA reclassified in “Long term bonds” (see following § “Accounting for ORA”).

At the time of the combination, Unibail and Rodamco shares were trading at a premium to net asset value, similar to the entire property sector, therefore generating a gap of more than €1.6 Bn between the value of Unibail shares issued and Rodamco’s shareholders’ funds.

As at December 31, 2007 the purchase price allocation was processed based on Rodamco’s financial statements as at June 30, 2007: assets, liabilities and contingent liabilities of Rodamco were estimated at their fair value. As investment properties, according to the norm IAS40, were already booked at their market value in Rodamco’s balance sheet, few adjustments were needed:

- Properties under construction booked at historical cost in Rodamco’s balance sheet were appraised resulting in €69 Mn additional value in assets and €6.9 Mn in deferred tax liabilities.
- €67 Mn of additional value was recognised on assets for sale in the Netherlands.
- €50 Mn of additional value came from fair market value of fixed rate debt.
- €31 Mn of goodwill booked in Rodamco’s balance sheet was impaired since it represented deferred tax recognised on assets at their acquisition date.

After assigning €244 Mn in value to the possibility of optimizing income taxes and transfer taxes when disposing of assets, the residual goodwill amounted to €1,335 Mn.

When valuing Unibail-Rodamco assets, the appraisers took into account the economic environment of the new Unibail-Rodamco group and its strategy and plans, on the basis of the five-year plan which was communicated to them. The synergies announced in the prospectus related to the operation dated May 18, 2007 were taken into account in the cash flows considered for the purpose of the fair value of the assets by year end. However, these items have not been specifically identified by the appraisors and cannot be individually followed up in the future. These appraisal values are already booked in the balance sheet and this remaining goodwill therefore has no economic justification. The transaction was designed to be neutral for the shareholders of the two groups for both the revalued net asset value and operating result per share. The residual goodwill was in fact the mechanical impact of the application of accounting rules which consider the transaction

as an acquisition and require computing the acquisition price with the share price at the transaction date i.e. a +23% premium on the net asset value of the two companies, in line, at the acquisition date, with the property sector conditions.

As a consequence, this goodwill could not remain on the balance sheet and was impaired against the 2007 non-recurring result⁽¹⁾.

This impairment had no impact on the Recurring Net Profit nor on the Net Asset Value, which are the two basic key performance indicators for property companies, and will not affect Unibail-Rodamco’s dividend payment capacity.

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

Rodamco Consolidated Balance Sheet at the date of acquisition (in €Mn)	Amounts recognised at June 30, 2007 ^(*)	Carrying amounts before combination
Non current assets	11,516.0	11,411.0
Tangible assets	337.0	268.0
Investment properties ^(*)	11,151.0	11,084.0
Other non current assets	28.0	59.0
Current assets	205.0	205.0
Trade receivables from activity	34.0	34.0
Other trade receivables	127.0	127.0
Cash and equivalent	44.0	44.0
Total Assets	11,721.0	11,616.0
Total equity	7,227.9	7,097.0
Non current liabilities	3,845.2	3,887.0
Long-term bonds and borrowings	3,023.7	3,074.0
Deferred tax liabilities	686.9	680.0
Other liabilities	134.6	133.0
Current liabilities	647.9	632.0
Amounts due to suppliers and other current debt	196.2	192.0
Current borrowings and amounts due to credit institutions	401.0	401.0
Tax & social security liabilities	47.7	36.0
Contingencies and other current liabilities	3.0	3.0
Total Liabilities and Equity	11,721.0	11,616.0

(*) The value of the investment properties was adjusted for an amount of -€25 Mn during the first semester 2008. The amount recognised at the date of acquisition is therefore €11,126 Mn (see §5 “Completion of the purchase price allocation of the Unibail-Rodamco business combination”).

(1) As defined in EPRA best-practices recommendations.

The delivery of additional shares at the end of the subsequent offer period ending on July 10, 2007 as well as the acquisition of additional shares on the market represented a further acquisition of Rodamco Europe N.V.'s minority interests. The difference between the acquisition price of these additional shares and the corresponding value of minority interests was deducted from the consolidated shareholders' equity for an amount of €259.1 Mn.

In 2007, Rodamco only impacted the results of the second half-year. It contributed for €617.0 Mn to the Net Profit (group share) of the Group as at December 2007, split into €179.2 Mn for recurring activities, €445.9 Mn for valuation movements and disposals and -€8.1 Mn for other items.

For information, if the entry of Rodamco into the scope of consolidation had been January 1, 2007 the impact on the income statement is presented below.

(in €Mn)	2007 published	Impact of the entry of Rodamco as at January 1, 2007	2007 Unibail-Rodamco with a full year of Rodamco
Net rental income	765.4	299.9	1,065.3
Administrative expenses	-67.7	-41.1	-108.8
Net other income	31.5	-	31.5
Profit on disposal of investment property	20.7	11.0	31.7
Valuation movements	1,667.1	758.3	2,425.4
Amortisation of Goodwill	-1,335.0	-	-1,335.0
Net Operating Profit Before Financing Cost	1,082.0	1,028.1	2,110.1
Dividend income from non-consolidated companies	0.3	-	0.3
Net financing costs	-156.8	-66.3	-223.1
Bonds redeemable for shares	-6.0	-6.1	-12.1
Fair value adjustments of derivatives and debts	53.9	-0.1	53.8
Debt discounting	-3.7	-2.0	-5.7
Profit on disposal of associates	201.0	-	201.0
Share of the profit of associates	8.4	-	8.4
Income on financial assets	14.9	-	14.9
Profit Before Tax	1,194.0	953.6	2,147.5
Income tax expenses	-53.4	-110.5	-163.9
Net Profit for the Period	1,140.6	843.1	1,983.6
Minority interests	181.2	13.5	194.7
Net Profit (Group Share)	959.4	829.6	1,788.9

The impact of the entry of Rodamco as at January 1, 2007 corresponds to the profit of Rodamco for the first half 2007 with the following restatements:

- An adjustment of +€7 Mn was needed on the rental income and -€7 Mn on the valuation movements to be compliant with Unibail's accounting principles.
- Merger costs (€32 Mn) recorded in Rodamco's accounts as at June 30, 2007, were restated.
- Interest expenses on Bonds Redeemable for Shares as well as the amortisation of the fair value of the debt were adjusted for a total amount of -€9.1 Mn.
- Minority interests were calculated taking into account a stake of 98.52% in Rodamco during the first half-year.

Accounting for ORA

Each Unibail-Rodamco ORA was issued at its nominal value and equal to the unitary issue price of the new ordinary Unibail-Rodamco shares issued in exchange for the Rodamco shares.

The Unibail-Rodamco ORAs have a fifty year term as from their issue date and can be fully redeemed for Unibail-Rodamco shares at any time after the expiry of a non-redemption period of three months from the date of issue of the Unibail-Rodamco ORA.

The interest to be paid on each Unibail-Rodamco ORA is equal to 100% of the dividend paid for each Unibail-Rodamco share during the relevant accrual period. The minimum annual interest payable is equal to 1.5% of the nominal value of each Unibail-Rodamco ORA.

Unibail-Rodamco has the right to demand the redemption of the Unibail-Rodamco ORA on the first cash payment date falling after the expiry of a period of 12 years following the Unibail-Rodamco ORA issue date.

In accordance with IAS 32 - Financial instruments: Presentation - ORA are considered equity instruments except for the minimum cash amounts to be paid up until the first date at which Unibail-Rodamco can demand their redemption. This portion is considered as liabilities for its net present value.

The fair value of the ORA was therefore stated separately on the balance sheet at the date of acquisition, partly under shareholders' equity for a value of €1,574.4 Mn after a cost deduction of €8.2 Mn and partly as financial liabilities for a total value of €249.6 Mn after a cost deduction of €1.2 Mn.

During the second half 2007, 46,530 ORA were converted and therefore the outstanding balance of ORA recorded in equity amounted to €1,566.5 Mn as at December 31, 2007. The financial liabilities' part is accounted for as the net present value of the minimum cash amounts of 1.5% of the nominal value of the ORA accruing on a quarterly basis over 12 years at an annual discount rate of 4.8%.

Other 2007 events

- The Group disposed of its residual stake of 49% in the property Cœur Défense, France. A sale agreement was signed during the first half 2007 and the sale was concluded as at July 10, 2007, as follows:
 - disposal of the 49% stake in SCI Karanis, the ownership company, for a net disposal price of €373.2 Mn which was based on the value of the building of €2,110 Mn.
 - repayment by SCI Karanis of €86.4 Mn, which corresponds to the loan granted by Unibail Holding.

- The shopping centre Chelles 2, France was sold on January 19, 2007, according to the conditions of the sale commitment signed in 2006 and mentioned in the annual report 2006.

- Unibail-Rodamco acquired co-ownership lots in the shopping centres Maine-Montparnasse, Labège and Vélizy 2, all in France, for an amount of €24.4 Mn.

- The shopping centre "À l'Usine" near Roubaix, France, specialised in discount, was acquired on July 19, 2007.

- The property located at 27, rue de Bassano - Paris 8th, France was sold on July 18, 2007.

- The property located at 44, Rue de Lisbonne - Paris 8th, France was sold on October 2, 2007.

- Unibail-Rodamco acquired in December 2007, three co-ownerships lots in Marseille, Vélizy and Rennes, all in France, for a total amount of €275.9 Mn.

- The Convention-Exhibition division acquired several trade shows (in the sectors of tourism and property business) for an amount of €17.1 Mn. The furniture trade show (Salon du Meuble), owned by the SESMP company, was disposed of for an amount of €17.5 Mn.

- Three litigations had positive outcomes during 2007:
 - An agreement was reached with the French authorities regarding one of their tax adjustment notifications after the fiscal audit of Unibail Holding (for the 2003 to 2005 financial years). A reversal of the provision was carried out for €7.8 Mn.
 - The litigation with Accor regarding the take-over conditions of the company Cnit S.A., France by Unibail Holding in 2000 also had a favourable outcome. The provision of €12.7 Mn booked into the 2006 accounts was reversed for an amount of €12.5 Mn.
 - In Spain, a litigation concerning tax issues ended during the second half of 2007. A tax provision of €6.5Mn was released.

- A litigation occurred during an acquisition process and a provision of €9 Mn was recorded to cover this risk.

- In October, 2007 Unibail-Rodamco and ING Real Estate signed an agreement regarding Zlote Tarasy in Warsaw, Poland. Unibail-Rodamco prepaid €164 Mn for 50% in Zlote Tarasy and will receive from ING Real Estate the net return as if Unibail-Rodamco would have been the legal owner of the company that owns the shopping centre. Unibail-Rodamco expects ING Real Estate to transfer 50% of the shares in Zlote Tarasy at the earliest opportunity.

- In August, 2007 Unibail-Rodamco announced the acquisition of the extension of the Aupark shopping centre in Bratislava, Slovak Republic, for an amount of €31 Mn. After the legal transfer of the extension part as per October 1, 2007, Unibail-Rodamco now owns 50% of the enlarged shopping and entertainment centre.

3.2. In 2008

Creation of VIPARIS and COMEXPOSIUM

On January 28, 2008 the Paris Chamber of Commerce and Industry ("CCIP") and Unibail-Rodamco Group announced the final signature of the agreement to merge their activities in the Convention-Exhibitions sector in France, regarding ownership and management of the venues as well as the organisation of exhibitions. This signature marked the achievement of a merger process initiated in 2007 and authorised, after approval of the French Competition Authorities ("Conseil de la Concurrence" with Official Bulletin of December 6, 2007), by the Economy, Finance and Employment Ministry and published in the "Journal Officiel" of January 25, 2008.

Henceforth, the management of the convention-exhibitions venues takes place under the new and sole brand name "Viparis" and regroups 9 important venues in the Paris Region: the Palais des Congrès de Paris, Parc des Expositions de Paris-Nord Villepinte, Palais des Congrès de Versailles, Parc des Expositions de Paris Le Bourget, Parc des Expositions de la Porte de Versailles, CNIT, Carrousel du Louvre, Espace Champerret, and Espace Grande Arche.

The ownership of these venues (except Cnit and Carrousel du Louvre) is held at an equal share by the CCIP and Unibail-Rodamco. According to the governance policies adopted for Viparis, these venues have been fully consolidated.

From an operational point of view, the combination was effective at January 1, 2008, and thus was accounted for in the consolidated statements from this date. For this combination, the company SCI Prop Expo was created with the aim to own almost all venue properties, as the venue management companies were centralized under the company SA Viparis - Le Palais des Congrès. All of these companies are held at an equal share by the CCIP and Unibail-Rodamco, according to the governance policies they have been fully consolidated.

The entry into the scope of consolidation of the CCIP's convention-exhibition venues was made for Palais des Congrès de Paris through assets transferred, for Paris-Nord Villepinte by acquisition of assets and for the other venues and the venue management companies by entities transferred.

The main impacts of these entries on the consolidated balance sheet at their date of entry were the following:

Investment properties: €601.4 Mn
Goodwill: €42.5 Mn
Intangible assets: €204.1 Mn
Deferred tax liabilities: €87.0 Mn
Long term borrowings: €255.0 Mn
Minority interests: €154.3 Mn

Furthermore for the Venue management companies, the cost of the business combination amounts to €87.5 Mn. A goodwill of €42.6 Mn has been recognised which relates to the deferred tax liabilities recorded. These companies contribute in 2008 to the gross rental income of the group for an amount of €90.2 Mn, and to the “revenues from other activities” for €59.0 Mn. Their contribution to the recurring result amounts to €5.7 Mn and to the non-recurring result for -€70.8 Mn.

The transfer of 50% of Unibail-Rodamco’s ownership of its convention-exhibitions venues has been made through the disposal of 50% of its stake in Parc des Expositions de la Porte de Versailles and the transfer of 50% of its venue management company. These transfers generated a net profit of €54.9 Mn recorded in equity. Minority interests amounted to €116 Mn at the date of transfer.

The merger of the CCIP and Unibail-Rodamco’s convention-exhibitions activities also resulted in the combination of Comexpo and Exposium to create the Comexposium group, one of the leading organisers of exhibitions in France with more than 180 exhibitions representing 35,000 exhibitors and 4.1 million visitors per year.

This new entity is held at an equal share by CCIP and Unibail-Rodamco. According to the governance policies adopted for Comexposium, this entity is consolidated under the equity method.

The change of consolidation method for Exposium from fully consolidated to the equity method had the following main impacts on the consolidated balance sheet.

Intangible assets: -€238.8 Mn
Goodwill: -€154.1 Mn
Deferred tax liabilities: -€69.1 Mn

Net disposal profit was recorded in the income statement for an amount of €7.2 Mn.

The value of the stake in the Comexposium subgroup at the date of entry amounted to €69.1 Mn and a loan of €165.9 Mn was granted by the Group.

Acquisitions

• *Acquisition of Shopping City Süd, Vienna*

On May 21, 2008, Unibail-Rodamco 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 Mn after the assets were booked at their fair value at the date of acquisition. The remaining amount of €16.4 Mn which mainly corresponds to the purchase costs, was impaired.

The amounts recognised 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 equivalent	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 recognised in the consolidated balance sheet as at December 31, 2008 are based upon current best estimates. It is possible that further adjustments may be recognised within twelve months of the acquisition in accordance with IFRS rules.

The amount of the result included since the date of acquisition in the consolidated accounts amounts to €1 Mn for the recurring result and to -€46.6 Mn for the non recurring result.

If the entry of Shopping City Süd into the scope of consolidation had been January 1, 2008 the impact would be:
- Gross rental income: €33.5 Mn
- Recurring result: €2.8 Mn
- Non recurring result: -€46.6 Mn

• *Purchase of minority interests in VUC & Almacie*

In France, a partner exercised its option to sell to Unibail-Rodamco its stakes in Rennes-Alma (43%) and Vélizy Usines Centres (49%) for €110.9 Mn. Unibail-Rodamco now owns 100% of these two shopping centres.

• *Acquisition of Toys in Los Arcos*

During the first half 2008, Unibail-Rodamco acquired Toys in Los Arcos, Spain, representing 4,301 m² for a cost of €14.2 Mn.

• *Acquisition of an economic interest in an office building in Warsaw*

€30.5 Mn was invested in March for an economic interest in an office building in Warsaw, Poland (12,115 m² adjacent to Zlote Tarasy shopping centre). 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 centres in Spain*

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

• *Acquisition of an office property in France*

On December 1, 2008, Unibail-Rodamco acquired an additional office property located at 10 rue Vercingétorix, Paris 14th, France for a net investment of €15.9 Mn.

• *Acquisition of Aquaboulevard-Uniwater*

On December 30, 2008, Unibail-Rodamco acquired Aquaboulevard Uniwater located at Paris 15th for a net investment price of €62.5 Mn.

Disposals

• *Divestment of part of the Dutch retail portfolio of high street shops*

Unibail-Rodamco 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 Mn. This disposal had no effect on the 2008 P&L, 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 the Belgian and German assets*

Unibail-Rodamco sold its holdings in Belgium and assets in Germany for a net disposal price of €112.5 Mn. Unibail-Rodamco no longer has investments in Belgium.

• *Sale of offices in France, Netherlands and Ukraine*

Six buildings were sold in France in 2008 for a total net disposal price of €309.1 Mn, two of them (136 avenue Charles de Gaulle - Neuilly-sur-Seine and 17-21 rue du Faubourg St Honoré - Paris 8th) representing 75% of the proceeds.

Four buildings in The Netherlands (Parnassustoren-Amsterdam, Schonenvaert-Haarlem, OHK-Amsterdam and Hoogstraat-Rotterdam), logistics premises in Spain and one building in Ukraine were sold for a total net disposal price of €305.4 Mn.

Rodamco Europe delisting

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

Minority shareholders still own 1.48% of Rodamco Europe NV. Squeeze out proceedings under Dutch law, initiated on December 14, 2007 before the Enterprise Chamber of the Court of Appeal in Amsterdam, are ongoing.

Completion of the purchase price allocation of the Unibail Rodamco business combination

In accordance with IFRS rules, the purchase price allocation of the business combination of Unibail and Rodamco was completed on June 30, 2008. The final assessment of the value of assets for sale was incorporated with an offset in goodwill value. The full impairment of this goodwill led to an adjustment of 2007 net profit from €1,140.6 Mn to €1,126.0 Mn with no change in recurring result.

4. Business segment report

4.1 First level of segment reporting – business line

Unibail-Rodamco is made up of the following segments:

- Retail;
- Offices;
- Convention-Exhibitions, which comprises venue management activities, enlarged to Viparis since January 1, 2008, and exhibition organisation until December 31, 2007. Leasing of 2 hotels to a management company is also included in this division;
- Property services companies in France and in Spain.

Results by business line as at December 31, 2007

(in €Mn)	Retail	Offices	Convention-Exhibition			Property services	Inter-group	Not allocated	TOTAL Year-end 2007 restated ^(*)
			Venue management	Hotels	Trade show organising				
Gross rental income	586.2	191.6	95.1	12.6	-	-	-6.0	-	879.5
Net rental income	528.5	179.4	51.6	11.9	-	-	-6.0	-	765.4
Administrative expenses	-	-	-	-	-	-	-	-67.7	-67.7
Revenues from other activities	-	-	46.8	-	94.2	41.3	-2.9	5.5	184.8
Net other income	-	-	6.5	-	8.5	5.1	6.0	5.5	31.5
Gains on disposals	-3.3	23.9	-	-	-	-	-	-	20.7
Valuation movements	1,149.2	526.3	-17.2	8.8	-	-	-	-	1,667.1
Impairment of Goodwill	-	-	-	-	-	-	-	-1,349.6	-1,349.6
Operating income	1,674.4	729.6	40.9	20.7	8.5	5.1	-	-1,411.8	1,067.4
Contribution of companies consolidated under equity method & interest on financial assets	10.4	12.7	-	-	0.2	-	-	-	23.3
Profit on disposal of associates	-	200.8	-	-	0.2	-	-	-	201.0
Net financing costs								-156.8	-156.8
Bonds redeemable for shares								-6.0	-6.0
Value adjustment of derivatives and discounting of loans and receivables								50.2	50.2
Income & dividends from non-consolidated companies								0.4	0.4
Pre-tax profit									1,179.4
Corporate income tax								-53.4	-53.4
Net profit									1,126.0

(*) Further to the completion of the Purchase Price Allocation of the business combination of Unibail and Rodamco, the 2007 goodwill impairment has been adjusted (see section 3 "Highlights and comparability of the last two years – In 2008" §5).

Results by business line as at December 31, 2008

(in €Mn)	Retail	Offices	Convention-Exhibition			Property services	Inter-group	Not allocated	TOTAL Year-end 2008
			Venue management	Hotels	Trade show organising				
Gross rental income	985.5	239.1	185.1	12.9	-	-	-	-	1,422.7
Net rental income	888.1	228.4	86.4	12.7	-	-	-	-	1,215.5
Administrative expenses	-	-	-	-	-	-	-	-107.4	-107.4
Revenues from other activities	-	-	115.3	-	-	55.0	-1.4	3.8	172.7
Net other income	-	-	29.6	-	-	8.3	-	3.8	41.7
Gains on disposals	9.2	37.9	-	-	-	-	-	-	47.1
Valuation movements	-1,094.2	-624.1	-54.9	-	-	-	-	-	-1,773.2
Impairment of Goodwill	-16.4	-	-	-	-	-	-	-4.3	-20.7
Operating income	-213.2	-357.9	61.1	12.7	-	8.3	-	-107.9	-596.9
Contribution of companies consolidated under equity method & interest on financial assets	1.3	-	-	-	9.9	-	-	-	11.2
Profit on disposal of associates								7.2	7.2
Net financing costs								-275.2	-275.2
Bonds redeemable for shares								-11.5	-11.5
Value adjustment of derivatives and discounting of loans and receivables								-296.7	-296.7
Pre-tax profit									-1,161.9
Corporate income tax								38.1	38.1
Net profit									-1,123.8

Balance Sheet items at year-end 2007 - by business line

(in €Mn)	Retail	Offices	Convention Exhibition	Not allocated	Year-end 2007 restated ^(*)
Investment properties	16,100.0	4,506.2	914.6	-	21,520.8
Properties under promise or mandate of sale	736.0	48.0	-	-	784.0
Properties under construction	628.5	169.3	-	-	797.8
Goodwill	266.1	-	148.5	14.5	429.1
Intangible assets	-	-	301.3	1.1	302.4
Shares and investments in companies consolidated under the equity method	89.1	-	-	-	89.1
Inventories	31.4	-	-	-	31.4
	17,851.2	4,723.5	1,364.4	15.6	23,954.6
Other assets	414.5	407.4	84.9	566.8	1,473.6
Total Assets	18,265.7	5,130.9	1,449.3	582.4	25,428.3
Liabilities	1,302.4	134.8	285.1	8,085.7	9,808.0
Total Liabilities Excluding Shareholders' Equity	1,302.4	134.8	285.1	8,085.7	9,808.0

(*) Further to the completion of the Purchase Price Allocation of the business combination of Unibail and Rodamco, the 2007 goodwill impairment has been adjusted (see section 3 "Highlights and comparability of the last two years – In 2008" §5).

Investments at year-end 2007 - by business line⁽¹⁾

(in €Mn)	Retail	Offices	Convention Exhibition	Not allocated	Total Year 2007
Investments in investment property	578.5	92.7	53.3	-	724.5
Properties under promise or mandate of sale	-	0.6	-	-	0.6
Investments in tangible assets	325.0	57.5	4.4	7.0	393.9
Acquisition of exhibitions	-	-	17.3	-	17.3
Investments and capitalised expenses	903.5	150.8	75.0	7.0	1,136.3

⁽¹⁾ Since the business combination Unibail-Rodamco was made through issuing Unibail shares and bonds redeemable for shares, it is not reported here.

Balance Sheet items at year-end 2008 - by business line

(in €Mn)	Retail	Offices	Convention Exhibition	Not allocated	Total Year 2008
Investment properties	16,337.5	3,871.2	1,493.9	-	21,702.6
Properties under promise or mandate of sale	212.0	3.3	-	-	215.3
Properties under construction	587.1	147.8	2.4	-	737.3
Goodwill	284.7	-	27.9	10.2	322.8
Intangible assets	-	-	176.6	9.6	186.2
Shares and investments in companies consolidated under the equity method	87.0	-	235.8	-	322.8
Inventories	-	-	-	-	-
	17,508.3	4,022.3	1,936.6	19.8	23,487.0
Other assets	377.7	383.7	133.5	542.3	1,437.2
Total Assets	17,886.0	4,406.0	2,070.1	562.1	24,924.2
Liabilities	1,336.2	72.2	426.9	8,939.1	10,774.5
Total Liabilities excluding shareholders' equity	1,336.2	72.2	426.9	8,939.1	10,774.5

Investments at year-end 2008 - by business line

(in €Mn)	Retail	Offices	Convention Exhibition	Not allocated	Total Year 2008
Investments in investment property	1,385.1	98.2	454.3 ⁽¹⁾	-	1,937.6
Investments in tangible assets	410.6	104.9	9.6	9.5	534.6
Investments and capitalised expenses	1,795.7	203.1	463.9	9.5	2,472.2

(1) Regarding the entry of the CCIP entities, the acquisition of assets concerns mainly Paris Nord Villepinte. The other assets were done by entities transferred.
(see section 3 "Highlights and comparability of the last two years – In 2008" §1).

4.2. Second level of segment reporting – by region

Segment reporting by home region concerns only the Group’s rental activities (see section 1 “Accounting principles and consolidation methods” §1.12). Items relating to property services and venue management, most of which are carried out in France, are shown in the column entitled “Not allocated”.

Year-end 2007

(in €Mn)	Retail					Offices		Convention Exhibition ⁽¹⁾	Not allocated ⁽²⁾	Total Year end 2007 restated ^(*)
	France	Netherlands- Belgium	Nordic	Spain	Central Europe	France	Other	France		
Investment properties	8,248.3	2,708.0	1,926.3	1,774.0	1,443.0	3,748.9	757.7	914.6	-	21,520.8
Properties under promise or mandate of sale	-	736.0	-	-	-	48.0	-	-	-	784.0
Properties under construction	270.8	16.0	103.0	145.0	92.0	136.2	33.0	1.7	-	797.7
Other tangible assets	-	-	-	-	-	259.9	-	-	41.6	301.5
Intangible assets	-	-	-	-	-	-	-	301.3	1.1	302.4
Shares and investments in companies consolidated under the equity method	89.1	-	-	-	-	-	-	-	-	89.1
Inventories	31.4	-	-	-	-	-	-	-	-	31.4
Total	8,639.6	3,460.0	2,029.3	1,919.0	1,535.0	4,193.0	790.7	1,217.6	42.7	23,826.9
Investments										
Investments in investment property	471.4	5.9	14.0	11.0	76.2	89.5	3.2	53.3	-	724.5
Properties under promise or mandate of sale	-	-	-	-	-	0.6	-	-	-	0.6
Investments in tangible assets	172.0	4.0	20.0	100.0	29.0	45.5	12.0	4.4	7.0	393.9
Acquisition of exhibitions	-	-	-	-	-	-	-	17.3	-	17.3
Total investments	643.4	9.9	34.0	111.0	105.2	135.5	15.2	75.0	7.0	1,136.3
Gross rental income	328.5	106.9	55.9	48.9	46.0	159.6	32.0	101.7	-	879.5

(1) Includes site property services, hotels and exhibition organizing.
(2) Refers to structure properties, furniture and equipments items.
(*) Further to the completion of the Purchase Price Allocation of the business combination of Unibail and Rodamco, the 2007 goodwill impairment has been adjusted
(see section 3 "Highlights and comparability of the last two years – In 2008" §5).

Year-end 2008

(in €Mn)	Retail					Offices		Convention Exhibition ⁽¹⁾	Not allocated ⁽²⁾	Total Year end 2008
	France	Netherlands	Nordic	Spain	Central Europe	France	Other	France		
Investment properties	8,132.7	2,319.1	1,757.4	1,999.7	2,128.7	3,286.4	584.8	1,493.9	-	21,702.6
Properties under promise or mandate of sale	-	212.0	-	-	-	-	3.3	-	-	215.3
Properties under construction	317.6	16.5	14.8	124.4	113.8	147.7	0.1	2.4	-	737.3
Other tangible assets	-	-	-	-	-	155.9	-	-	43.9	199.8
Intangible assets	-	-	-	-	-	-	-	176.6	9.6	186.2
Shares and investments in companies consolidated under the equity method	87.0	-	-	-	-	-	-	235.8	-	322.8
Inventories	-	-	-	-	-	-	-	-	-	-
Total	8,537.3	2,547.6	1,772.2	2,124.1	2,242.5	3,590.0	588.1	1,908.7	53.5	23,364.0
Investments										
Investments in investment property	285.2	17.9	16.0	462.5	603.6	76.2	22.0	454.3	-	1,937.6
Investments in tangible assets	187.6	31.5	67.5	14.5	109.4	91.4	13.6	9.6	9.5	534.6
Total investments	472.8	49.4	83.5	477.0	713.1	167.6	35.6	463.9	9.5	2,472.2
Gross rental income	456.4	175.9	119.4	114.4	119.5	175.2	63.9	198.0	-	1,422.7

(1) Includes site property services and hotels.
(2) Refers to structure properties, furniture and equipments items.

5. Notes and comments

5.1. Notes to the consolidated balance sheet assets

Note 1 – Change in 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.

As mentioned in section 1 "Accounting principles and consolidation methods" §1.5, for the shopping centre and office portfolio, the valuation principles adopted are based on the discounted cash flow and yield methodologies. For the convention-exhibition portfolio, the valuation methodology adopted is mainly based on a discounted cash flow model applied to total net income projected over the life of the concession or leasehold, if it exists (notably the Porte de Versailles concession) or otherwise over a 10-year period, with an estimation of the asset's value at the end of the given time period, based either on the residual contractual value for concessions or on capitalised cash flows over the last year.

Shopping centre portfolio

Based on an asset value excluding estimated transfer taxes and disposal costs, the shopping centre division's net initial yield at December 31, 2008 came to 5.4% vs. 4.8% at year-end 2007. Based on the year end yield of 5.4%, a further change

of +25 basis points would result in a downward adjustment of €780 Mn (or -4.3%) 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 office division's net initial yield at December 31, 2008 increased by 100 basis points to 6.4% vs. 5.4% at year-end 2007. Based on the year end yield of 6.4%, a further change of +25 basis points would result in a downward adjustment of €164 Mn (or -3.7%) of the total portfolio value (occupied and vacant space, including transfer taxes and disposal costs).

Convention-Exhibition Portfolio

Based on these valuations, the average EBITDA yield on Viparis at December 31, 2008 (2008 recurring operating profit divided by the value of the asset, excluding transfer taxes) was 8.6%.

For further information on the parameters used for the investment property valuation, please refer to the note on the Net Asset Value and to the "Business Review and 2008 results".

As at December 31, 2008, the outstanding balances of deferred lease incentives amortised over the term of the lease and deducted from the appraisal value represented €75.2 Mn.

Year-end 2007

Investment properties (in €Mn)	Year-beginning 2007	Acquisitions	Changes in the scope of consolidation	Capitalised expenses	Disposals	Reclassification and transfer of category	Valuation movements	Currency translation difference	Year-end 2007
Retail	4,911.5	387.2	10,275.3	150.1	-8.8	-736.7	1,149.3	-42.0	16,085.9
Offices	3,268.9	-	916.9	92.7	-72.8	-223.6	526.3	-2.0	4,506.4
Convention-Exhibition centres	865.9	-	-	53.3	-	3.8	-8.4	-	914.6
Total investment properties	9,046.3	387.2	11,192.2	296.1	-81.6	-956.5	1,667.2	-44.0	21,506.9
Properties under promise or mandate of sale	96.3	-	-	0.6	-88.6	814.7	-	-	823.0
Total	9,142.6	387.2	11,192.2	296.7	-170.2	-141.8	1,667.2	-44.0	22,329.9

Year-end 2008

Investment properties (in €Mn)	Year-end 2007 (restated)	Acquisitions ⁽¹⁾	Changes in the scope of consolidation ⁽²⁾	Capitalised expenses ⁽³⁾	Disposals ⁽⁴⁾	Reclassification and transfer of category ⁽⁵⁾	Valuation movements	Currency translation difference	Year-end 2008
Retail	15,915.2	569.7	591.2	223.2	-54.2	255.0	-1,052.1	-110.5	16,337.5
Offices	4,691.1	16.8	-37.4	81.4	-491.6	235.9	-598.8	-26.2	3,871.2
Convention-Exhibition centres	914.6	430.8	96.4	23.5	-	-1.2	29.8	-	1,493.9
Total investment properties	21,520.9	1,017.3	650.2	328.1	-545.8	489.7	-1,621.1	-136.7	21,702.6
Properties under promise or mandate of sale	784.0	-	-	-	-755.9	187.3	-	-	215.4
Total	22,304.9	1,017.3	650.2	328.1	-1,301.7	677.0	-1,621.1	-136.7	21,918.0

(1) The main acquisitions were Habaneras and La Maquinista, Spain, for Retail, 10 Vercingétorix, Paris 14^e France for office and Viparis - Nord Villepinte, France for Convention-Exhibition.
(2) The main entry into the scope of consolidation related to Shopping City Süd in Vienna, Austria for Retail and Viparis for Convention-Exhibition. The exit from the scope of consolidation concern the Kiev offices selling in Ukraine.
(3) Major works related to the shopping centres Cnit (€67.4 Mn), Les Quatre Temps in La Défense (€29.3 Mn), Vélizy 2 (€20.0 Mn), Toulouse Labège (€15.5 Mn) and Forum des Halles (€12.1 Mn), all in France, Donauzentrum in Vienna, Austria (€6.8 Mn) and Albacenter in Albacete, Spain (€5.3 Mn).
(4) Mainly disposal of The Netherlands high street shops portfolio (€716 Mn), the Belgian portfolio of shopping centres, and office properties in France, in The Netherlands and in Spain (see section 3 "Highlights and comparability of the last two years - In 2008" §3).
(5) Signatures of new sale commitments for office and retail properties in The Netherlands for a total amount of €187.0 Mn and transfer from tangible assets to investment property of the shopping centres Stadshart in The Netherlands, Forum Nacka in Sweden, Praha Arkády Pancrac in the Czech Republic, Passage Mériadeck in Bordeaux and Strasbourg Étoile in France and the office buildings Clichy Arali, 3-5 Malesherbes and part of 70-Wilson located in France.

Note 2 – Change in net tangible assets

a) Properties under construction

2007 Change

(In €Mn)	Year-beginning 2007	Acquisitions and capitalised expenses	Changes in the scope of consolidation	Disposals	Other movements	Year-end 2007
Gross value	152.9	381.6	312.0	-	-48.7	797.8
Amortisation	-	-	-	-	-	-
Total Properties under construction	152.9	381.6	312.0	-	-48.7	797.8

2008 Change

(In €Mn)	Year-beginning 2008	Acquisitions and capitalised expenses ⁽¹⁾	Changes in the scope of consolidation ⁽²⁾	Disposals	Other movements	Year-end 2008
Gross value	797.8	472.5	16.4	-2.3	-523.5 ⁽³⁾	760.9
Amortisation	-	-	-	-	-23.4	-23.4
Total Properties under construction	797.8	472.5	16.4	-2.3	-546.9	737.5

(1) Changes in property under construction mainly came from capital expenses for French offices Tour Phare €23.9 Mn, Tour Oxygène €29.7 Mn and Clichy-Arali €17.7 Mn, and shopping centres of which Forum Nacka in Sweden €58.7 Mn, Pancrac in the Czech Republic €40.3 Mn, Stadshart €13.7 Mn and Almere Buitenmere €15.7 Mn in The Netherlands and in France Docks Vauban in Le Havre €48.0 Mn, Strasbourg Etoile €41.5 Mn, Docks de Rouen €40.2 Mn and Lyon Confluence €33.5 Mn.

(2) Changes in the scope of consolidation : change of the consolidation method of Benidorm shopping centre in Spain from global to proportional consolidation (-€11.5 Mn), further to the disposal of part of shares of the company bearing the project, and the entry into the scope of consolidation of Shopping City Süd Andraka and Südpark extensions in Vienna, Austria for €28 Mn.

(3) Transfers of projects to investment properties : Stadshart shopping centre in The Netherlands, Forum Nacka in Sweden, Praha Arkády Pancrac in the Czech Republic and in France, Passage Mériadeck in Bordeaux and Strasbourg Etoile shopping centres, and Clichy Arali-offices.

b) Other tangible assets

2007 Change

Net value (In €Mn)	Year-beginning 2007	Acquisitions and capitalised expenses	Changes in the scope of consolidation	Disposals	Other movements	Year-end 2007
Operating assets	77.3	-	-	-	182.5	259.8
Furniture and equipment	19.2	12.3	24.9	-7.2	-7.6	41.6
Total other tangible assets	96.5	12.3	24.9	-7.2	174.9	301.4

2008 Change

Gross value (In €Mn)	Year-beginning 2008	Acquisitions and capitalised expenses ⁽¹⁾	Changes in the scope of consolidation ⁽²⁾	Disposals ⁽³⁾	Other movements ⁽⁴⁾	Year-end 2008
Operating assets	268.8	14.6	-	-	-115.1	168.3
Furniture and equipment	61.3	18.0	12.0	-8.4	-12.1	70.9
Total other tangible assets	330.1	32.6	12.0	-8.4	-127.2	239.2

Depreciation/Impairment (In €Mn)	Year-beginning 2008	Charges	Changes in the scope of consolidation	Reversals	Other movements	Year-end 2008
Operating assets	9.0	12.9	-	-	-9.5	12.4
Furniture and equipment	19.7	9.4	-0.8	-7.2	5.9	27.1
Total other tangible assets	28.7	22.3	-0.8	-7.2	-3.6	39.5

Net value (In €Mn)	Year-beginning 2008	Acquisitions and capitalised expenses	Changes in the scope of consolidation	Disposals	Other movements	Year-end 2008
Operating assets	259.8	14.6	-	-	-118.5	155.9
Furniture and equipment	41.6	18.0	12.8	-1.2	-27.4	43.8
Total other tangible assets	301.4	32.6	12.8	-1.2	-145.9	199.7

(1) Changes in furniture and equipment mainly came from Viparis entities (€6.3 Mn) and relate to the furniture made for the moving in the new head office of the group (€5.8 Mn).

(2) Changes in the scope of consolidation came from Viparis entities and the change in the consolidation method of Group Exposium from global consolidation to the equity method.

(3) Disposal of The Netherland's headquarters for €7.2 Mn.

(4) The French office buildings 3-5 Malesherbes and part of 70-Wilson, classified in operating assets at December 31, 2007, have been transferred from tangible assets to investment properties. At the date of this transfer, 3-5 Malesherbes was revalued by €54.6 Mn (see "Statement of changes in consolidated equity").

Note 3 – Goodwill

Year-end 2007

(in €Mn)	Year-beginning 2007	Entries into the scope of consolidation	Exits from the scope of consolidation	Impairment	Other movements	Year-end 2007
Gross value	168.2	1,591.5	-5.6	-	-0.4	1,753.7
Impairment	-	-	-	-1,335.0	-	-1,335.0
Total	168.2	1,591.5	-5.6	-1,335.0	-0.4	418.7

Year-end 2008

(in €Mn)	Year-end 2007 (published)	Restatements ⁽¹⁾	Year-end 2007 (restated)	Changes in the scope of consolidation	Disposals	Currency translation	Impairment	Year-end 2008
Gross value	1,753.7	25.0	1,778.7	17.9	-11.7	-	-	1,784.9
Impairment	-1,335.0	-14.6	-1,349.6	-	-	-12.9	-99.7	-1,462.1
Total	418.7	10.4	429.1	17.9	-11.7	-12.9	-99.7	322.8

(1) see section 3 "Highlights and comparability of the last two years - In 2008" §5.

The goodwill at December, 31 2008 breaks down as follows:

- €174 Mn correspond to the value of tax optimisation on Rodamco assets at the date of the combination and to the impairments recorded contingent on tax optimisation at year-end 2008
- the remaining amount is mainly justified by the deferred taxes and the depreciation is calculated according to these balances.

The changes in scope of consolidation break down as follows:

- entry into the scope of consolidation for €172 Mn: refers to Shopping City Süd (for €129.5 Mn) and to the new Viparis entities (for €42.5 Mn)
- exit from the scope of consolidation for €154.1 Mn: relates to the Exposium entities following the consolidation under the equity method.

The disposals correspond to part of the amount of the optimization of taxes recognised in Rodamco’s Goodwill relating to the Belgian companies disposed of during the first half of the year.

Note 4 – Changes in intangible assets

Year-end 2007

Net value (in €Mn)	Year- beginning 2007	Acquisitions	Entries into the scope of consolidation	Exits from the scope of consolidation	Disposals	Reclassification and amortisation	Year-end 2007
Rights and exhibitions	305.5	4.6	12.5	-17.5	-	-3.8	301.3
Other intangible assets	2.2	0.2	-	-	-0.1	-1.1	1.1
Total	307.7	4.8	12.5	-17.5	-0.1	-4.9	302.4

Year-end 2008

Gross value (in €Mn)	Year- beginning 2008	Acquisitions	Entries into the scope of consolidation	Exits from the scope of consolidation	Disposals	Reclassification and other movements	Year-end 2008
Rights and exhibitions	323.1	-	204.1	-238.8	-	-	288.4
Other intangible assets	18.8	1.1	-	-1.3	-0.4	12.6	30.8
Total	341.9	1.1	204.1	-240.1	-0.4	12.6	319.1

Amortisation (in €Mn)	Year- beginning 2008	Charges	Entries into the scope of consolidation	Exits from the scope of consolidation	Reversals	Reclassification and other movements	Year-end 2008
Rights and exhibitions	21.7	89.6 ⁽¹⁾	-	-	-	-	111.3
Other intangible assets	17.7	3.6	-	-2.0	-0.4	2.7	21.7
Total	39.4	93.2	-	-2.0	-0.4	2.7	133.0

Net value (in €Mn)	Year- beginning 2008	Acquisitions	Entries into the scope of consolidation	Exits from the scope of consolidation	Disposals	Reclassification and amortisation	Year-end 2008
Rights and exhibitions	301.3	-	204.1	-238.8	-	-89.6	177.1
Other intangible assets	1.1	1.1	1.5	-0.3	-	5.7	9.1
Total	302.4	1.1	205.6	-239.1	-	-83.9	186.2

(1) The Viparis’ intangible assets have been the subjects of appraisals at December 31, 2008. Further to these valuations, a decrease in the value has been noted for €84.6 Mn, and consequently an impairment recognised for the same amount.

The impairment of the goodwill corresponds to:

- changes in the amount of the optimization of taxes recognised in Rodamco’s Goodwill for an amount of €55.8 Mn. This amount relates to changes in tax law in Sweden and was recorded in “tax expenses” in the income statement. A further impairment of €12.9 Mn was recorded into equity to take into account the impact of currency translations on Swedish Krona.
- impairment of goodwill justified by the decrease of the deferred taxes: €14.6 Mn on Viparis – Nord Villepinte, €6.6 Mn on Shopping City Süd and €1.9 Mn on Aupark. This amount was recorded in “tax expenses” in the income statement.
- the remaining amount of €20.7 Mn corresponds to Shopping City Süd for €16.4 Mn (see section 3 “Highlights and comparability of the last two years - In 2008” §2) and to Tayninh for €4.3 Mn.

The main changes in intangible assets relate to:

- entry of Viparis entities into the scope of consolidation,
- exit of Exposium entities following the consolidation under the equity method.

Note 5 - Loans and receivables

(in €Mn)	2007			2008		
	Gross	Provision	Net	Gross	Provision	Net
Outstanding finance leasing ⁽¹⁾	8.3	-	8.3	4.0	-	4.0
Finance leasing receivables	2.2	-1.3	0.9	3.3	-1.3	2.0
Advances to companies consolidated under the proportional method	21.3	-	21.3	34.0	-	34.0
Non-consolidated interests	2.3	-0.2	2.1	3.7	-0.2	3.5
Deposits paid	1.6	-	1.6	2.2	-	2.2
Prepayments ⁽²⁾	164.0	-	164.0	195.6	-0.1	195.5
Other financial assets ⁽³⁾	10.3	-10.3	-	10.9	-10.2	0.7
Total	210.0	-11.7	198.3	253.7	-11.8	241.9

(1) No new finance leasing contracts have been entered into since 1991. As a result, outstanding financing is decreasing as contracts terminate (at maturity or due to early exercise of purchase options or cancellations).
(2) Refers to the prepayment done to ING in 2007 for the acquisition of the company owning the shopping centre Złote Tarasy located in Warsaw, Poland. As at December 31, 2008, the shares have not yet been delivered (see section 3 “Highlights and comparability of the last two years - In 2007” §2). An additional prepayment of €30.5 Mn was made in 2008 to acquire an office building close to this shopping centre.
(3) Concerns mainly loans to property developers granted by Omnifinance (dissolved). The full amount was provisioned at year-end 2003.

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

(in €Mn)	Year-end 2007	Year-end 2008
Share in SCI Triangle des Gares consolidated under the equity method	69.2	67.8
Loan granted to SCI Triangle des Gares	19.7	19.3
Sub-total SCI Triangle des Gares investment	88.9	87.1
Share in Comexposium group consolidated under the equity method	-	69.9
Loan granted to Comexposium group	-	165.9
Sub-total Comexposium group investment	-	235.8
Other companies consolidated under the equity method	0.2	-
Total shares and investments in companies consolidated under the equity method	89.1	322.8

The value of the stake in SCI Triangle des Gares, consolidated under the equity method, reflects the market value of the shopping centre owned in Lille, France.

The Comexposium group results from the combination of Exposium and Comexpo. Comexpo entered into the scope of consolidation at the beginning of the year (see section 3 “Highlights and comparability of the last two years - In 2008” §1) and is consolidated under the equity method.

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

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

SCI Triangle des Gares

(in €Mn)	Dec 31, 2007	Dec 31, 2008
Investment property	195.7	188.5
Current assets	32.2	35.2
Total assets	227.9	223.7
Restated shareholders' equity	172.7	169.6
External borrowings and debts to partners	49.8	48.2
Other non-current liabilities	3.8	3.9
Current liabilities	1.6	1.9
Total liabilities	227.9	223.7

Comexposium group⁽¹⁾

(in €Mn)	Dec 31, 2007	Dec 31, 2008
Intangible assets	238.8	364.3
Goodwill	154.1	211.1
Current assets	96.9	193.7
Total assets	489.8	769.1
Restated shareholders' equity	6.1	165.0
Deferred tax liabilities	69.0	105.0
External borrowings and debts to partners	335.3	339.0
Other non-current liabilities	6.2	5.5
Current liabilities	73.3	154.4
Total liabilities	489.8	769.1

(1) 2008 figures include the entry of Comexpo into the scope of consolidation.

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

SCI Triangle des Gares

(in €Mn)	Dec 31, 2007	Dec 31, 2008
Rental revenues	13.3	13.9
Change in fair value of properties	15.6	-8.5
Net income	23.6	0.5

Comexposium group⁽¹⁾

(in €Mn)	Dec 31, 2007	Dec 31, 2008
Revenues from other activities	94.2	225.4
Net operating profit before financing cost	7.1	27.6
Net income	-9.4	4.7

(1) 2008 figures include the entry of Comexpo into the scope of consolidation.

Note 7 - Inventories

This item corresponded at December 31, 2007 to the value of parking spaces at the Strasbourg-Etoile, France shopping centre subject to a forward sale agreement with the developer. These parking spaces have been sold during the first half 2008.

Note 8 – Trade receivables from activity

All of these receivables are due within one year.

Related receivables (in €Mn)	2007	2008
Trade receivables	180.0	204.4
Doubtful accounts	22.3	35.0
Rent-free periods and step rents ⁽¹⁾	92.8	113.9
Gross value	295.1	353.3
Provisions for doubtful accounts	-20.5	-29.5
Net	274.6	323.8

(1) This change is mainly due to the impact of the new lettings of Capital 8 (+€13 Mn) and Ariane (+€5.2 Mn).

Breakdown of trade receivables by business line (in €Mn)	2007	2008
Retail	128.7	129.6
Offices	78.8	106.4
Convention-Exhibition	45.9	59.7
Property services	7.0	7.9
Other	14.2	20.2
Total	274.6	323.8

Changes in provisions for doubtful accounts (in €Mn)	2007	2008
As of January 1	-9.1	-20.5
Currency translation adjustments	-	0.1
Change in scope of consolidation	-11.8	0.6
Reclassifications	-	0.2
Additions	-6.0	-12.7
Use and reversal	6.4	2.8
As of December 31	-20.5	-29.5

Note 9 – Other receivables

All of these receivables are due within one year.

Tax receivables (in €Mn)	2007	2008
Value-Added Tax	150.0	185.8
Corporate income tax	21.1	4.6
Total	171.1	190.4

As at December 31, 2007, receivables on sales of property corresponded to the discounted deferred payment on the sale by Groupe Expositum Holding of SESMP, owner of the “furniture trade show” (Salon du Meuble). In 2008, GEH has been consolidated under the equity method.

Other receivables (in €Mn)	2007	2008
Receivables from suppliers	27.4	25.4
Service charges due ⁽¹⁾	-	-
Other debtors ⁽²⁾	63.0	92.0
Receivables from partners	3.9	3.0
Gross value	94.3	120.3
Provisions	-0.3	-0.2
Net	94.0	120.0

Prepaid expenses (in €Mn)	2007	2008
Leaseholds: payments made at the beginning of the contract ⁽³⁾	20.9	17.5
Prepaid expenses ⁽²⁾	73.3	51.1
Total	94.2	68.6

(1) Service charges due are offset with service charges billed (2007 has been restated).
(2) Changes in other debtors is explained by accrued income on caps and swaps (+€18 Mn) and the reclassification from prepaid expenses of the prepayment done for the acquisition of Metropolis in Moscow, Russia (+€15 Mn).
(3) Straight-line depreciation over the life of the contract. The balance of these prepaid expenses is deducted from the appraisal value of investment properties to determine their fair value in the balance sheet.

Note 10 – Cash and cash equivalent

(in €Mn)	2007	2008
Available-for-sale investments ⁽¹⁾	3.8	27.6
Cash	111.8	127.2
Current account to balance out cash flow	0.8	3.9
Total	116.4	158.7

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

5.2. Notes to the consolidated balance sheet liabilities

Note 11 – Commitments to purchase minority interests

The decrease in this item was due to the exercise of their sales option by the minority partners of the French shopping centres Rennes Alma and Vélizy Usine Center, on April 30, 2008. The Unibail-Rodamco Group acquired their minority interests of 43% and 49% respectively and owns 100% of the two shopping centres.

At December 31, 2008 the Unibail-Rodamco Group has given commitments to purchase the minority interests in the shopping centres Donauzentrum in Vienna, Austria and Val Commerce in Étrembières, France.

Note 12 – Current and non-current financial liabilities

> Breakdown of debt

Unibail-Rodamco’s gross financial debt as at December 31, 2008 broke down as follows:

- €2,755 Mn in bond issues, of which €755 Mn in Euro Medium Term Notes (EMTN) of Unibail’s programme and €1,500 Mn in EMTN of Rodamco’s programme, the remainder, €500 Mn, in Rodamco bonds;
- €535 Mn short term issues in commercial paper (billets de trésorerie);
- €4,288 Mn in bank loans, including €3,392 Mn in corporate loans, €861 Mn in mortgage loans and €35 Mn in bank overdrafts;
- €691.9 Mn in current accounts with minority partners, including €324.3 Mn relating to Viparis and €201.8 Mn linked to the disposal of 49% of the companies owning Habaneras et Maquinista.

The component of the ORA booked into debt refers to the net present value of the minimum cash amounts to be paid until the first call option held by Unibail-Rodamco (see section 3 “Highlights and comparability of the last two years – In 2007” §1).

Borrowings and other financial liabilities (in €Mn)	Dec 31, 2007	Dec 31, 2008
Bonds and EMTNs	3,420.8	2,735.0
Principal debt	3,426.2	2,755.0
Accrued interest	56.1	22.6
Charges and premiums on issues of borrowings	-11.5	-9.6
Mark-to-market of debt ⁽¹⁾	-47.3	-37.1
Mark-to-market of debt (Fair Value Hedge)	-2.7	4.1
Bank borrowings	2,642.2	4,307.4
Principal debt	2,607.4	4,252.8
Accrued interest	16.0	21.4
Charges and premiums on issues of borrowings	-2.5	-8.4
Bank overdrafts	14.8	33.0
Accrued interest on bank overdrafts	-	5.5
Current accounts to balance out cash flow	4.7	2.1
Mark-to-market of debt ⁽¹⁾	1.8	1.1
Bonds redeemable for shares (including €0.9 Mn of deducted charges)	240.6	224.6
Other financial liabilities	1,222.8	1,228.4
Interbank market instruments and negotiable instruments	1,088.0	535.0
Accrued interest on interbank market instruments and negotiable instruments	1.5	1.6
Current accounts with minority partners	133.3	691.9
Total	7,526.4	8,495.4

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

No loans were subject to prepayment clauses linked to the Company's ratings, barring exceptional circumstances such as change in control.
During the year 2008, the financing needs of Unibail-Rodamco have been met by:

- €2,285 Mn of medium to long term loans raised or rolled over through:
 - (i) A 5.5-year club deal loan of €600 Mn signed in April 2008. It has been drawn in totality in June 2008.
 - (ii) €1,255 Mn of bilateral loans, partially drawn, with a maturity ranging between 2.5 years and 5 years.
 - (iii) €430 Mn of bilateral lines renewed or extended.

- A further €105 Mn EMTN private placement with a 5-year maturity was raised in 2008.
- A total amount of €734 Mn in short term loans from money brokers was raised or rolled over. Of this amount, €50 Mn was outstanding as at December 31, 2008.
- €4,175 Mn in commercial paper was issued with a maturity of up to one year: €3,089 Mn in commercial paper Billets de Trésorerie⁽¹⁾ and €1,086 Mn in Euro Commercial Paper. €535 Mn Billets de Trésorerie were outstanding as at December 31, 2008.

(1) Excluding Billets de Trésorerie issued in favour of subsidiaries.

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

Outstanding duration to maturity (in €Mn)	Current Less than 1 year	Non-current		Total Dec 31, 2008
		1 year to 5 years	More than 5 years	
Bonds and EMTNs	152.8	2,082.1	500.0	2,735.0
Principal debt	150.0	2,105.0	500.0	2,755.0
Accrued interest	22.6	-	-	22.6
Charges and premiums on issues of borrowings	-9.6	-	-	-9.6
Mark-to-market of debt	-10.1	-27.0	-	-37.1
Mark-to-market of debt (Fair value hedge)	-	4.1	-	4.1
Bank borrowings	280.0	3,301.0	726.4	4,307.4
Principal debt	226.6	3,299.7	726.4	4,252.8
Accrued interest	21.4	-	-	21.4
Charges and premiums on issues of borrowings	-8.4	-	-	-8.4
Bank overdrafts	33.0	-	-	33.0
Accrued interest on bank overdrafts	5.5	-	-	5.5
Current accounts to balance out cash flow	2.1	-	-	2.1
Mark-to-market of debt	-0.2	1.3	-	1.1
Bonds redeemable for shares (including €0.9 Mn of deducted charges)	16.0	75.1	133.5	224.6
Other financial liabilities	536.6	691.9	-	1,228.4
Interbank market instruments and negotiable instruments	535.0	-	-	535.0
Accrued interest on interbank market instruments and negotiable instruments	1.6	-	-	1.6
Current accounts with minority partners	-	691.9	-	691.9
Total	985.4	6,150.1	1,359.9	8,495.4

The average maturity of the Group's debt as at December 31, 2008, taking into account the confirmed unused credit lines, stood at 4.4 years (4.1 years as of December 31, 2007).

Unibail-Rodamco's immediate debt repayment needs are limited. The amount of bonds or bank loans maturing in 2009 is €339 Mn and €530 Mn for 2010 (excluding short-term loans from money brokers).

> Average cost of Debt

Unibail-Rodamco's average refinancing rate came to 4.2% over 2008. It remained stable in comparison with 2007 (4.1% over 2007, integrating Rodamco on a full-year basis). This average cost of debt results from the level of margins on existing borrowings and the interest rate risk hedging programme implemented in 2003 and significantly built up in 2005, 2006 and the beginning of 2008.

> Characteristics of bonds

Issue date	Rate	Amount at Dec 31, 2008 (€Mn)	Maturity
July 2003	Fixed rate 3.750 %	500.0	July 2010
October 2004	Fixed rate 4.375 %	500.0	October 2014
October 2004	Fixed rate 4 %	500.0	October 2011
March 2005	Euribor 3 + 0.20 %	150.0	March 2009
December 2005	Fixed rate 3.750 %	500.0	December 2012
April 2006	Fixed rate 4.125 %	500.0	April 2011
July 2008	Constant Maturity Swap 10 years Euro +0.74%	105.0	July 2013
Total		2,755.0	

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

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

The bonds issued by Rodamco under the EMTN program and maturing in 2011, 2012, and 2014 (€1,500 Mn as at December 31, 2008), include a restriction of the amount of indebtedness at subsidiary level, which cannot exceed in aggregate 30% of Total Group Assets. At December 31, 2008, this threshold is observed.

The market value of Unibail-Rodamco’s fixed-rate debt is presented in the table below. The remainder of the Group’s outstanding debt is variable-rate debt, with a carrying value on the balance sheet equal to the sum of the nominal amount and coupon payments.

(in €Mn)	December 31, 2007		December 31, 2008	
	Carrying value	Market value	Carrying value	Market value
Long-term debt				
Fixed-rate borrowings, interbank instruments and negotiable market instruments	3,642.8	3,589.0	3,244.7	3,099.3

Note 14 – Deferred tax

Year-end 2007

(in €Mn)	Year-beginning 2007	Increase	Decrease	Reclas-sifications	Changes in scope of consoli-dation	Year-end 2007
Deferred tax liabilities	201.6	53.2	-6.3	0.9	714.9	964.3
Deferred tax liabilities on investment properties	106.6	53.2	-5.0	0.9	716.8	872.5
Deferred tax on intangible assets	95.0	-	-1.3	-	-1.9	91.8
Other deferred tax liabilities	-4.8	-0.3	-1.8	26.1	-22.4	-3.2
- Doria tax consolidation group	-1.6	2.7	-	-2.2	-	-1.1
- Tax loss carry-forward	-	-4.0	1.0	27.0	-28.0	-4.0
- Others	-3.2	1.0	-2.8	1.3	5.6	1.9
Total deferred tax liabilities	196.8	52.9	-8.1	27.0	692.5	961.1
Deferred tax assets						
Tax-loss carry-forward	-	-1.0	1.0	-27.0	-18.0	-45.0
Total deferred tax assets	-	-1.0	1.0	-27.0	-18.0	-45.0

Note 13 – Hedging instruments

Derivative instruments owned by the Group are stated at their fair values and are recorded in the balance sheet, as at December 31, 2008, for €81.6 Mn as assets and €174.6 Mn as liabilities.

Derivatives were valued by discounted estimated future cash flows based on the interest rate curve at year-end 2008. The valuation has been cross-checked against valuations by banks.

The mark-to-market of derivatives generated a net loss of €285.4 Mn during the year 2008.

Regarding fair value hedge derivatives, a gain of €38.4 Mn was recorded in other financial interest and a loss for the same amount was recognised on the same line for the hedged item.

Concerning net investment hedge a gain of €8.2 Mn was accounted for in equity.

Year-end 2008

(in €Mn)	Year-beginning 2008	Increase	Decrease	Reclas-sifications	Currency translation	Changes in scope of consoli-dation	Year-end 2008
Deferred tax liabilities	964.3	21.8	-177.7	-	-19.5	120.7	909.6
Deferred tax liabilities on investment properties	872.5	21.8	-146.8	-	-19.5	120.7	848.7
Deferred tax on intangible assets	91.8	-	-30.9	-	-	-	60.9
Other deferred tax liabilities	-3.2	1.8	-	-	-	0.2	-1.2
- Doria tax consolidation group	-1.1	-	-	1.1	-	-	-
- Tax loss carry-forward	-4.0	0.3	-	-	-	-	-3.7
- Others	1.9	1.5	-	-1.1	-	0.2	2.5
Total deferred tax liabilities	961.1	23.6	-177.7	-	-19.5	120.9	908.4
Deferred tax assets							
Tax-loss carry-forward	-45.0	-6.3	2.9	-	2.2	-6.2	-52.4
Total deferred tax assets	-45.0	-6.3	2.9	-	2.2	-6.2	-52.4

Deferred tax liabilities on properties refer to those countries where there is no tax efficient status comparable to that of The Netherlands (FBI) and France (SIIC), that have a tax exemption on recurring 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. The decrease of deferred tax liabilities on intangible assets is explained by the impairment recorded on the intangible asset of Viparis – Nord Villepinte (see note 4 “Changes in intangible assets”).

Changes in scope of consolidation result from:
- an increase due to the entry into the scope of consolidation of the CCIP’s convention-exhibition venues for an amount of €87.0 Mn,
- an increase due to the entry into the scope of consolidation of Shopping City Süd : an amount of €113.2 Mn in deferred tax liabilities and €9.3 Mn in deferred tax assets,

- a decrease further to the change of consolidation method for Exposium from fully consolidated to equity method for an amount of €69.1 Mn (see section 3 “Highlights and comparability of the last two years - In 2008” §1),
- a decrease due to the disposal of the Belgium entities : an amount of €10.0 Mn in deferred tax liabilities and €3.0 Mn in deferred tax assets.

Unrecognized deferred tax assets

(in €Mn)	2007	2008
Temporary differences investment properties	11.0	-
Tax loss carry-forwards not recognized	98.3	95.8
Total unrecognized assets	109.3	95.8

The temporary differences and tax losses are mainly related to real estate operations in Germany (€59.9 Mn) and France (€26.9 Mn). Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available which can be offset against these assets.

Note 15 - Provisions

Year-end 2007

(in €Mn)	Year-beginning 2007	Allocations	Reversals used	Reversals not used	Discount	Changes in scope of consolidation	Other movements	Year-end 2007
Long-term provisions	30.5	13.1	-5.6	-18.3	1.2	15.2	-7.1	29.0
Provisions for charges	0.8	1.3	-1.2	-	-	-	-	0.9
Provisions for litigation	23.5	1.1	-	-17.0	1.2	9.3	-7.9	10.2
Other provisions	6.2	10.7	-4.4	-1.3	-	5.9	0.8	17.9
Provisions for pension liabilities	3.4	1.2	-	-0.4	-	5.0	-	9.2
Short-term provisions	20.9	16.7	-2.2	-15.2	-	2.0	8.2	30.4
Provisions for litigation	16.0	10.9	-0.6	-13.1	-	2.0	9.2	24.4
Other provisions	4.9	5.8	-1.6	-2.1	-	-	-1.0	6.0
Total	54.8	31.0	-7.8	-33.9	1.2	22.2	1.1	68.6

Year-end 2008

(in €Mn)	Year-beginning 2008	Allocations	Reversals used	Reversals not used	Discount	Changes in scope of consolidation ⁽²⁾	Other movements ⁽³⁾	Year-end 2008
Long-term provisions	29.0	15.9	-5.6	-3.9	-	2.2	0.7	38.4
Provisions for charges	0.9	-	-0.1	-	-	-	-	0.8
Provisions for litigation	10.2	13.7 ⁽¹⁾	-0.1	-1.1	-	0.2	8.3 ^(a)	31.1
Other provisions	17.9	2.3	-5.4	-2.8	-	2.0	-7.5 ^(b)	6.5
Provisions for pension liabilities	9.2	2.6	-0.5	-2.1	-	0.1	-0.1	9.4
Short-term provisions	30.4	2.7	-9.8	-0.9	0.3	-3.8	-5.7	13.2
Provisions for litigation	24.4	1.6	-9.1 ⁽¹⁾	-0.9	0.3	-3.8	-8.7	3.9
Other provisions	6.0	1.1	-0.7	-	-	-	3.0	9.3
Total	68.6	21.3	-15.8	-6.8	0.3	-1.5	-5.1	61.0

(1) €9.5 Mn of provision was recorded to cover potential tax litigations. The tax risk litigation involving Unibail-Rodamco in France ended during the first half of 2008. €8.9 Mn was paid and the provision reversed accordingly.
(2) The changes in the scope of consolidation refer mainly to the change in consolidation method for Exposium from fully consolidated to equity method.
(3) (a) Reclassification of a provision for litigation from short term to long term. (b) Reclassification of a provision from long term to short term (-€1 Mn). Moreover an amount of €5.5 Mn, 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.

Note 16 - Amounts due on investments

As at December 31, 2008, the non-current balance comprised earn-outs concerning Donauzentrum in Vienna, Austria for €7.5 Mn and Aquaboulevard-Uniwater in Paris, France for €2.4 Mn. The earn-out of €18.0 Mn concerning Aupark in Bratislava, the Slovak Republic, is classified in current liabilities as it should be due in 2009.

Note 17 – Amounts owed to shareholders

As at December 31, 2007, this item comprised the second 2007 interim dividend payment (€1.70 per share), paid on January 15, 2008 for shares as well as for the Bonds Redeemable for Shares in accordance with the decision made by the Management Board on December 6, 2007.

As at December 31, 2008, this item comprised the second 2008 interim dividend payment (€1.75 per share), paid on January 15, 2009 for shares as well as for the Bonds Redeemable for Shares in accordance with the decision made by the Management Board on December 4, 2008.

Note 18 – Amounts due to suppliers and other current debts

Trade payables by division (in €Mn)	2007	2008
Retail	59.5	43.3
Offices	3.6	3.3
Convention-Exhibition ⁽¹⁾	42.1	60.2
Property services	3.7	4.8
Others	11.9	26.9
Total	120.8	138.6

Sundry creditors (in €Mn)	2007	2008
Due to customers ⁽²⁾	68.4	12.7
Due to partners	1.4	0.7
Other creditors	78.4	131.3
Total	148.2	144.7

Other liabilities (in €Mn)	2007	2008
Prepaid income	157.9	152.4
Total	157.9	152.4

(1) Change linked to the entry of Viparis in the scope of consolidation.
(2) Service charges due are offset with service charges billed.
In 2007, this amount included a prepayment of €35.7 Mn received for parking spaces at Strasbourg Étoile, France shopping centre subject to a forward sale agreement with the developer (see note 7 "Inventories").

Note 19 – Tax and social security liabilities

(in €Mn)	2007	2008
Tax liabilities	4.6	1.8
Total Non-Current	4.6	1.8
Social security liabilities	28.4	37.2
Value-added tax	49.3	61.0
Income tax due ⁽¹⁾	69.0	19.0
Other tax liabilities	1.2	4.6
Total Current	147.9	121.7

(1) The decrease is due to:
- the payment of the entry charge for the FBI Regime in The Netherlands. In 2007, €30 Mn was restated in the Purchase Price Accounting (see section 1 "Accounting principles and consolidation methods" §1.9);
- the payment of the exit tax (€26 Mn), mainly due by Rodamco France.

5.3. Notes to the consolidated income statements (EPRA format)

Comparability of 2008 and 2007 income statements

The information relating to 2008 is not directly comparable to 2007, as the business combination of Unibail with Rodamco became effective end-June 2007.

Note 20 - Rental revenues

Rental income consists of rents and similar income (e.g. occupancy compensation, key money, parking revenues) invoiced for office properties and shopping centres during the financial year. The effects of rentfree periods, step rents and key monies are spread over the fixed term of the leases (see section 1 "Accounting principles and consolidation methods" §1.6). Rental income from the Convention-Exhibition division includes turnover generated by the rental of exhibition space and the provision of unavoidable associated support services to this space. Charges invoiced to tenants are not included in rental income but deducted from net service charge expenses.

Note 21 - Ground rents

Ground rents correspond to lease payments (or depreciation of initial payments) for properties built on land subject to a leasehold or operated under an operating contract (concession). This item mainly applies to shopping centres, in particular Forum des Halles and Carrousel du Louvre in France, as well as Viparis-Porte de Versailles and Viparis-Le Bourget, which have been granted an operating contract (concession) to operate the "Parc des Expositions" exhibition centre at Porte de Versailles and at Le Bourget.

Note 22 - Net service charge expenses

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

Note 23 - Property operating expenses

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

Note 24 - Administrative expenses

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

Note 25 - Net other income

Revenues from other activities cover:

- fees for property services received by companies in the Convention-Exhibition division;
- fees for property management and maintenance services provided to offices and shopping centres. These fees are invoiced by property service companies for their property management activities on behalf of owners outside the Unibail-Rodamco Group;
- fees for project development and consulting services. The internal margins generated on these construction and renovation operations, the costs of which are capitalised in the Group’s individual company accounts, are eliminated;
- revenues from other property services, mainly invoiced by U2M in France;
- revenues from residual financing leases, which comprise lease payments net of related amortisation costs.

Other expenses

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

Note 26 - Profit on disposal of investment property

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 balance sheet for the previous financial year, plus works costs and capitalised expenses for the year, and adjusted for reversals of rent-free periods and step rents. See section 3 “Highlights and comparability of the last two years - In 2008” §3 for details of the main asset disposals.

Note 27 - Valuation movements

This item reflects changes in the market valuation of investment properties (see section 1 “Accounting principles and consolidation methods” §1.5).

(in €Mn)	2007	2008
Retail	1,149.1	-1,094.2
Offices	526.3	-624.1
Convention-Exhibition	-8.2	-54.9
Total	1,667.2	-1,773.2

Note 28 - Impairment of Goodwill

Impairments have been recognised in 2008 for Shopping City Süd for €16.4 Mn and for Tayninh for €4.3 Mn (see note 3 “Goodwill”).

Note 29 - Net financing costs

(in €Mn)	2007	2008
Security transactions	1.1	0.7
Other financial interest	8.0	22.5 ⁽¹⁾
Interest income on caps and swaps	58.5	110.8
Currency gains	0.7	-
Total financial income	68.3	134.0
Security transactions	-8.2	-21.7
Interest on bonds	-136.4	-126.5
Interest and expenses on loans	-56.9	-201.4
Interest on partners’ advances	-7.6	-19.7
Other financial interest	-1.6	-5.2
Interest expenses on caps and swaps	-33.5	-73.3
Currency losses	-	-0.4
Sub-total financial expenses	-244.2	-448.1
Capitalised financial expenses	19.1	38.9
Total financial expenses	-225.1	-409.2
Bonds redeemable for shares	-6.0	-11.5
Net financial expenses	-162.8	-286.7

⁽¹⁾ Other financial interest include financial interest on the prepayment for the acquisition of the company owning the shopping centre Złote Tarasy in Warsaw, Poland, as well as the prepayment for the acquisition of an office building adjacent to this shopping centre (see note 5 “Loans and receivables”).

Note 30 - Fair value adjustments and proceeds from the sales of derivatives

In 2007, changes in fair value of derivatives (caps and swaps) generated a gain of €60 Mn and a loss of €1.3 Mn. The amortisation of the fair value of the debt recognised at the entry of Rodamco amounted to €4.7 Mn. In 2008, changes in fair value of derivatives (caps and swaps) generated a loss of €287.6 Mn and a gain of €2.2 Mn. The amortisation of the fair value of the debt recognised at the entry of Rodamco amounted to €9.4 Mn.

Note 31 - Discounted payables and receivables

This item records the discounting of long term provisions and liabilities.

Note 32 - Profit on disposal of associates

This item mainly results from the entry of Expositum into the Comexpositum Group (see section 3 “Highlights and comparability of the last two years - In 2008” §1).

Note 33 - Share of the profit of associates and income on financial assets

This item breaks down as follows:

(in €Mn)	Recurring activities	Valuation movements and disposals	Result
Income from stake in SCI Triangle des Gares consolidated under equity method	3.6	-3.4	0.2
Income from stake in Comexpositum group consolidated under equity method	1.1	-0.5	0.6
Total share of income from companies consolidated under the equity method	4.7	-3.9	0.8
Interest on the loan granted to SCI Triangle des Gares	1.1	-	1.1
Interest on the loan granted to Comexpositum group	9.3	-	9.3
Total interest on receivables	10.4	-	10.4

Note 34 - Corporate income tax

(in €Mn)	2007	2008
Deferred tax on:		
- Change in fair value of investment property and impairment of intangible assets	-72.0	151.8
- Impairment of Goodwill justified by taxes	-	-84.6
- Non recurring income	20.0	-7.9
- Recurring income	-10.0	-20.6
Allocation / reversal of provision concerning tax issues	8.6	-0.6
Total tax	-53.4	38.1
Total tax due	-12.4	-34.7

Reconciliation of effective tax rate	%	2008
Profit before tax and amortisation of goodwill ⁽¹⁾		-1,135.8
Income tax using the average tax rate	-33.1%	376.5
Tax exempt profits (incl. effect of FBI and SIIC)	23.6%	-268.4
Tax exempt costs	-0.2%	1.8
Effect of tax provisions	0.8%	-9.5
Effect of non-recognized tax losses	0.2%	-2.5
Effect of change in tax rates	-3.1%	35.4
Effect of currency translation in tax	0.9%	-10.4
Other	0.0%	-0.2
Impairment of Goodwill justified by taxes	7.4%	-84.6
	-3.3% ⁽²⁾	38.1

⁽¹⁾ Part of the goodwill’s impairment justified by the disposal of Belgium assets (€6 Mn) is recorded on the line “Profit on disposal on investment property” in the income statement.
⁽²⁾ The very low tax rate of -3.3% is mainly due to tax exempt profits in The Netherlands and France following the FBI and SIIC regimes, respectively.

Note 35 - Minority interests

As at December 31, 2008, this item mainly comprised minority interests in net profits of i) Convention-exhibition activities (€54.6 Mn), ii) several shopping centres in France (€52.8 Mn, mainly Les Quatre Temps for €37.7 Mn, Almacie for €9.5 Mn and Forum des Halles for €22.8 Mn), iii) Rodamco Europe’s Group (€9.5 Mn).

5.4- Notes to the consolidated cash flow statements

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.

In 2007, €92.3 Mn were paid in January 2007 and April 2007 as interim dividend regarding the 2006 financial year. As at July 16, 2007, in accordance with the General Meeting of April 27, 2007, a total dividend of €182.0 Mn was distributed composed of €166.9 Mn paid for the ORA and the shares in circulation as at June 30, 2007 and the remainder of €15.1 Mn referred to the shares issued on July 13, 2007 after the closing of the subsequent period of the Public Exchange Offer. In October 2007, €155.0 Mn were paid for the shares and the ORA as interim dividend regarding the 2007 financial year.

In 2008, €310.3 Mn was paid in January and April as interim dividends on shares and on bonds redeemable for shares (ORA) regarding the 2007 financial year. As at July 15, 2008, in accordance with the General Meeting of April 29, 2008, a total dividend of €173.5 Mn was paid for the shares and the ORA issued as at June 30, 2008. In October 2008, €159.7 Mn were paid for the shares and the ORA as interim dividend regarding the 2008 financial year.

Note 36 – Breakdown of acquisitions and disposals of consolidated subsidiaries

(in €Mn)	2007	2008
Acquisition price of shares	-326.7	-869.7
Cash and current accounts acquired	18.4	180.6
Acquisitions net of cash acquired ⁽¹⁾	-308.3	-689.1
Net price of shares sold	382.8	275.4
Cash and current accounts sold	85.7	265.9
Sales net of cash sold ⁽²⁾	468.5	541.3

(1) For 2008, this item refers mainly to the acquisition of Shopping City Süd in Vienna, Austria and to the acquisition of the minority interests of Almacie and Vélizy Usine Center shopping centres in France (see section 3 "Highlights and comparability of the last two years - In 2008" §2).

(2) For 2008, this item refers mainly to the disposal of 50% of Viparis Porte de Versailles in France through the Viparis combination with the Paris Chamber of Commerce and Industry, the disposal of the Belgium retail portfolio and Kiev, Ukraine offices and the disposal of part of shares of the companies owning the Habaneras and La Maquinista shopping centres (see section 3 "Highlights and comparability of the last two years - In 2008" §1, §2 and §3).

Note 37 - Reconciliation of cash at year-end on the cash-flow statement and cash on the balance sheet

(in €Mn)	2007	2008
Available-for-sale investments	4.6	27.6
Cash	111.8	131.1
Current account to balance out cash flow	-4.7	-2.1
Bank overdrafts	-14.8	-32.9
Cash at Year-End	96.9	123.7

6. 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 2007

(in €Mn)	Categories in accordance with IAS 39	Carrying Amount 2007.12	Amounts recognised in balance sheet according to IAS 39			Fair value
			Amortised cost	Fair value recognised in equity	Fair value recognised in profit & loss	
Assets						
Loans	L&R	198.3	198.3	-	-	198.3
Derivatives at fair value	FAHfT	175.9	-	7.4	168.5	175.9
Trade receivables from activity ⁽¹⁾	L&R	181.9	181.9	-	-	181.9
Other receivables ⁽²⁾	L&R	96.5	96.5	-	-	96.5
Cash and equivalent	AfS	116.4	-	4.6	111.8	116.4
		769.0	476.7	12.0	280.3	769.0
Liabilities						
Bonds, borrowings and amounts due to credit institutions	FLAC	7,526.4	7,529.1	-	-2.7	7,472.6
Derivatives at fair value	FLHfT	32.0	-	0.1	31.9	32.0
Guarantee deposits	FLAC	138.0	138.0	-	-	138.0
Amounts due to suppliers and other current debt ⁽³⁾	FLAC	488.9	488.9	-	-	488.9
		8,185.3	8,156.0	0.1	29.2	8,131.5

Year-end 2008

(in €Mn)	Categories in accordance with IAS 39	Carrying Amount 2008.12	Amounts recognised in balance sheet according to IAS 39			Fair value
			Amortised cost	Fair value recognised in equity	Fair value recognised in profit & loss	
Assets						
Loans	L&R	241.9	241.9	-	-	241.9
Derivatives at fair value	FAHfT	81.6	-	6.7	74.9	81.6
Trade receivables from activity ⁽¹⁾	L&R	209.9	209.9	-	-	209.9
Other receivables ⁽²⁾	L&R	120.0	120.0	-	-	120.0
Cash and equivalent	AfS	158.7	-	27.6	131.1	158.7
		812.1	571.8	34.3	205.9	812.1
Liabilities						
Bonds, borrowings and amounts due to credit institutions	FLAC	8,495.4	8,526.0	-	-30.6	8,350.0
Derivatives at fair value	FLHfT	174.6	-	-	174.6	174.6
Guarantee deposits	FLAC	153.3	153.3	-	-	153.3
Amounts due to suppliers and other current debt ⁽³⁾	FLAC	493.4	493.4	-	-	493.4
		9,316.7	9,172.7	-	144.0	9,171.3

(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 and other receivables”, as well as “Trade and other payables”, mainly have short-term maturity; their carrying amounts at the reporting date approximate the fair value.

Net gain/loss by category

Year-end 2007

(in €Mn)	From interest	From trading	From subsequent measurement			Net gain/loss
			at fair value	currency translation	impairment/ reversal of impairment	
Loans & receivables	3.5	-	-	-	-	3.5
Available for sale financial assets	-	-	1.1	-	-	1.1
Financial instruments held for trading	-	25.0	-	-	-	25.0
Financial liabilities at amortised cost	-212.2	-	-	-	-	-212.2
	-208.7	25.0	1.1	-	-	-182.6
Capitalised expenses						19.1
Other						0.7
Net financial expenses						-162.8

Year-end 2008

(in €Mn)	From interest	From trading	From subsequent measurement			Net gain/loss
			at fair value	currency translation	impairment/ reversal of impairment	
Loans & receivables	3.8	-	-	-	-	3.8
Available for sale financial assets	-	-	0.7	-	-	0.7
Financial instruments held for trading	-	37.5	-	-	-	37.5
Financial liabilities at amortised cost	-367.2	-	-	-	-	-367.2
	-363.5	37.5	0.7	-	-	-325.2
Capitalised expenses						38.9
Other						-0.4
Net financial expenses						-286.7

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

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

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

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

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

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

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

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

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 currency were translated at the closing rate at the reporting date. The variable interest payments arising from the financial instruments were calculated using the last interest rate fixed before December 31, 2008. 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.

Unibail-Rodamco’s long term refinancing policy consists of diversifying the Group’s expiry schedules and financial resources. Accordingly, bond issues represented 36% of financial debt at December 31, 2008, bank borrowings 57% and commercial paper 7%.

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

As at December 31, 2008 the total amount of undrawn credit lines came to €1,598 Mn.

(in €Mn)	Carrying amount ⁽¹⁾	Less than 1 year		1 year to 5 years		More than 5 years	
	Dec 31, 2008	Interest	Redemption	Interest	Redemption	Interest	Redemption
Bonds, borrowings and amounts due to credit institutions:							
Bonds and EMTN's	-2,755.0	-107.3	-150.0	-262.7	-2,105.0	-21.9	-500.0
Bank borrowings and other financial liabilities	-5,479.6	-185.4	-761.6	-568.8	-3,991.6	-123.1	-726.4
Financial derivatives:							
Derivative financial liabilities:							
Currency derivatives in connection with cash flow hedges	-0.6	-0.1	-	-0.1	-	-	-
Interest rate derivatives without a hedging relationship	-174.1	-18.4	-	-181.2	-	-73.3	-
Derivative financial assets:							
Currency derivatives in connection with cash flow hedges	9.1	-0.5	-	-1.5	-	-	-
Currency and interest rate derivatives in connection with net investment hedges	11.2	0.5	-	-	-	-	-
Interest rate derivatives without a hedging relationship	27.1	10.6	-	15.9	-	1.4	-
Currency and interest rate derivatives in connection with fair value hedges	34.1	4.5	-	12.7	-	-	-

(1) Corresponds to the amount of principal debt (see note 12 “Current and non-current financial liabilities”).

b/ Counterparty risk

Due to its use of derivatives to minimise 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, Unibail-Rodamco relies solely on major international banks for its hedging operations.

c/ Interest rate risk management

Unibail-Rodamco is exposed to interest rate fluctuations on its variable rate loans, which fund its investment policy and secure the cash position required. Unibail-Rodamco’s strategy regarding interest rate risk is to minimise the impact that changes in rates could have on earnings and cash-flow and minimise the overall cost of financing. In order to implement this strategy, Unibail-Rodamco 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.

Interest rate hedging transactions

Unibail-Rodamco reinforced its already existing hedging portfolio in 2008, using collars, in order to benefit from the decrease in interest rates and medium-term swaps to hedge the Group on longer periods.
In particular, it entered into:
- €650 Mn of 3-year collars beginning in 2009 and 2010.
- Forward swaps, contracted on different amounts and maturities to hedge the 2009 – 2014 part of the curve.

Measuring interest rate risk

(in €Mn)	Outstanding total at Dec 31, 2008	
	Fixed rate	Variable rate
Financial liabilities	3,309.9	4,267.9
Financial assets	-	-158.7
Net financial liabilities before hedging programme	3,309.9	4,109.2
Hedging	-558.7	558.7
Net financial liabilities after micro-hedging⁽¹⁾	2,751.2	4,667.9
Swap rate hedging ⁽²⁾		-3,531.3
Net debt not covered by swaps		1,136.6
Cap and floor hedging		-900.0
Hedging balance		236.6

(1) Partners’ current accounts are not included in variable-rate debt.
(2) Forward hedging instruments are not accounted for in this table.

As at December 31, 2008, net financial debt stood at €7,419 Mn, excluding partners’ current accounts and after taking cash surpluses into account (€159 Mn). Variable-rate debt and fixed-rate debt immediately converted into variable-rate debt accounted for 63% of net financial debt. This outstanding debt is hedged at 97% against an increase in variable rates.
Based on Unibail-Rodamco’s existing debt situation as at December 31, 2008 and hedging instruments in place within the entire Group, an average interest rate rise (Euribor, Libor, Stibor) of 1% (100 basis points) during 2009 would have an estimated negative impact of €14.7 Mn on the Group’s net recurring result. Similarly, any further rise in interest rates of 1% would have an additional negative impact of €3.3 Mn. Conversely, a 1% (100 basis points) drop in interest rates would reduce financial expenses by an estimated €13.5 Mn and would enhance 2009 net recurring result 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 Euro-zone, mainly in Sweden. Therefore, the Group is exposed to exchange rate risk on rental income as well as on net investments. Currency risk is covered by matching investments in a specific currency with debt in the same currency, or by using derivatives. Currency risk during the construction period of a building or shopping centre is covered as quickly as possible after the signing of the actual construction contract. Other monetary assets and liabilities held by the Group in currencies other than the Euro are managed by ensuring net exposure is kept to an acceptable level.

Main assets and liabilities in foreign currencies (in €Mn)

Currency	Assets	Liabilities	Net Exposure	Hedging instruments	Exposure net of hedges
SEK	1,577.5	374.0	1,203.5	682.5	521.0
DKK	326.8	102.0	224.8	127.2	97.6
HUF	0.2	-	0.2	-	0.2
USD	211.8	64.1	147.7	34.8	112.9
CZK	0.2	158.7	-158.5	-153.3	-5.2
PLN	0.3	-1.1	1.4	-	1.4
Total	2,116.8	697.7	1,419.1	691.2	727.9

The main exposure concerns Swedish krona (SEK). If the exchange rate between the Swedish krona and the Euro should undergo a change of 10%, the impact on recurring income would be limited to €3.9 Mn. A 10% change in the EUR/SEK exchange rate would have a €47 Mn impact on shareholders’equity.

7. Capital risk management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may issue new debt or buy-back existing outstanding debt, adjust the amount of dividends paid to shareholders (subject to the Group’s fiscal status under the FBl and SIIC regimes in The Netherlands and France respectively), return capital to shareholders, issue new shares or buy-back outstanding shares or sell assets to reduce debt.

Unibail-Rodamco redeemable bonds (“ORA”) issued in exchange of Rodamco’s shares are only reimbursable in Unibail-Rodamco shares with no possible reimbursement in cash. The coupon corresponds to the dividend paid on Unibail-Rodamco shares. In view of its nature, it is, therefore, not considered as debt but as equity.

The Group has disclosed the “debt ratio” as this is the measure the Group uses to monitor capital. This ratio is calculated as the net financial debt expressed as a percentage of the portfolio valuation (including transfer taxes). As at December 31, 2008, net financial debt stood at €7,419 Mn excluding partners’ current accounts and after taking cash surpluses into account (€159 Mn). The portfolio valuation (including transfer taxes) of the Unibail-Rodamco group amounted at the same date to €24,572 Mn. As at December 31, 2008, the calculated ratio stood at 30% in line with the levels recorded at December 31, 2007 (28%). The slight increase of the ratio mainly results from the decrease in value of the portfolio.

8. Financial commitments and guarantees

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

Commitments given

Commitments given (in €Mn)	Dec 31, 2007	Dec 31, 2008
Mortgages and first lien lenders	509.4	860.5
Commitments related to construction works ⁽¹⁾	192.0	179.6
Properties under construction ⁽²⁾ :		
- Residual commitments related to works contracts	149.8 ⁽⁵⁾	408.2
- Residual commitments related to forward purchase agreements	584.0 ⁽⁵⁾	594.9
Residual commitments related to other works contracts	33.0 ⁽⁵⁾	49.9
Liability warranties (capped) ⁽³⁾	9.0	5.8
Purchase undertakings and earn out ⁽⁴⁾	196.8 ⁽⁵⁾	100.0
Other guarantees given	81.0	20.7
Total	1,755.0	2,219.8

(1) Concerns the commitment to carry out maintenance and refurbishment works under the contract of the exhibition site Porte de Versailles in Paris, France.
(2) Concerns commitments linked to the building of new or extension of existing shopping centres and offices, particularly Metropolis in Moscow, Russia, Eiffel offices and retail in Levallois-Perret, France, Lyon Confluence in Lyon, France, Mall of Scandanavia in Stockholm, Sweden, and Donauzentrum Extension in Vienna, Austria.
(3) Liability warranties granted under the usual terms for the disposal of companies, capped at €5.8 Mn as of December 31, 2008, with the exception of certain specifically identified representations and warranties.
(4) Concerns mainly the Aupark shopping and entertainment centre in Bratislava, Slovak Republic. Further to the Group’s acquisition in 2006 of a 50% stake in this centre, the vendor has an option to sell an additional 40% to the Group from 2006 onwards. From 2009 onwards he also has an option to sell the remaining 10% to the Group.
(5) Compared to the Consolidated Financial Accounts at December 31, 2007 as published, these figures have been restated to apply Unibail-Rodamco accounting methods to the commitments made by the former Rodamco regions. Pipeline residual commitments related to works contracts become €149.8 Mn, instead of €117.9 Mn as published, Pipeline residual commitments related to forward purchase agreements become €584.0 Mn, instead of €1,522.8 Mn as published, Residual commitments related to other works contracts become €33.0 Mn, instead of €0.0 Mn as published, and Purchase undertakings and earn out become €196.8 Mn, instead of €115.8 Mn as published.

Other unquantifiable commitments given

- As part of the acquisition in 2006 of 50.02% of Val Commerces, a shopping centre at Étrembières, France, Unibail-Rodamco S.A. granted a call option to the minority partner to sell to him one share of SCI Val Commerces, if the minority partner’s put option on his 49.98% share were to be null and void, cancelled or terminated⁽¹⁾. If this call option were to be exercised, each partner would then own 50.00% of Val Commerces.
- Unibail-Rodamco S.A. gave an earn-out commitment in the event that an extension permit is obtained for the Chelles 2, France shopping centre before 2012. The maximum amount of this payment is €91.47 per square metre of contractual Gross Leasable Area, indexed according to the Construction Cost Index.
- Unibail-Rodamco S.A. undertook to retain its interests in the two French subsidiaries that own the Docks de Rouen and Carré Sénart 2 projects until these centres are opened to the public.
- The Group’s subsidiary Viparis has an undertaking to acquire a majority shareholding in SEMIPACI, which manages the convention-exhibition venue of Issy-les-Moulineaux, France, contingent upon certain conditions.

- As part of the acquisition of 10% of the shares of Grandes Bruyères, Romorantin, France, a project to build a multi-brand store, Unibail-Rodamco S.A. signed an undertaking to acquire the remaining 90%, contingent upon certain conditions.
- As part of the agreements between the CCIP and Unibail-Rodamco to create Viparis and Comexposium, Unibail-Rodamco has committed to retain its interests in shared subsidiaries until 2013. The CCIP has a right of first choice and a right of joint sale.
- As part of the agreement between the CCIP and Unibail-Rodamco to create Viparis, it was agreed that the Group’s subsidiary SCI Prop Expo will sign a long term lease for a new exhibition hall at Viparis - Nord Villepinte, France. This lease will be concluded upon completion of the construction of the new hall, currently planned for 2010, and will have a term of 97 years.
- The Group’s subsidiary SCI Aéroville has committed to sign a building lease with the Aéroports de Paris, France, contingent upon certain conditions.

- The Group has committed until 2028 to purchase from management and employees of the Comexposium Group, which is consolidated under the Equity Method, preferred shares which they may hold in Comexposium S.A. as a result of the Comexposium Group’s stock option plan. The CCIP is also a party to this commitment.

(1) The Group’s commitment relating to the minority partner’s put option is included in the liabilities of the consolidated balance sheet.

Commitments received

Commitments received (in €Mn)	Dec 31, 2007	Dec 31, 2008
Refinancing agreements obtained but not used ⁽¹⁾	1,884.0	1,598.0
Guarantees received relating to Hoguet Regulation	56.8	79.8
Guarantees received from tenants	161.3	258.7
Other commitments received ⁽²⁾	367.6	403.9
Total	2,469.7	2,340.4

(1) These agreements are usually accompanied by a requirement to meet specific target ratios based on revalued shareholders' equity 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 are not expected to be attained during the current year.

(2) Mainly liability warranties for acquisitions of companies and bank guarantees provided to vendors on forward purchase agreements.

Other unquantifiable commitments received

- Further to the vendor's options to sell a further 40% plus 10% in the Aupark shopping and entertainment centre in Bratislava, Slovak Republic, as described above in the "Commitments given", the Group has an option to buy an additional 40% from 2013 onwards, thereby extending its stake to 90%.
- Viparis holds a sub-concession for the exhibition venue of Parc des Expositions de Paris Le Bourget, France, which runs through to 2014 and can then be renewed by mutual agreement through to 2023. If the sub-conceder should not agree to this renewal period beyond 2014, he would have to pay a contractual indemnity to Viparis. This indemnity would be calculated based upon a combination of the turnover and the net assets of the venue. The current best estimate is that this indemnity would amount to €16.8 Mn in 2014. This indemnity reduces the amount of the amortization of the intangible asset.
- As part of the agreements between the CCIP and Unibail-Rodamco to create Viparis and Comexposium, the CCIP has committed to retain its interests in shared subsidiaries until 2013. Unibail-Rodamco has a right of first choice and a right of joint sale. Finally, the CCIP accords to the SCI Prop Expo, a 50% subsidiary of the Group, a right of preferential purchase on its property rights in the areas of the Palais des Congrès de Paris and the Parc d'Expositions de Paris-Nord Villepinte in France.

Commitments relating to operating leases

General overview of the main provisions of lease agreements

In France, commercial lease agreements are covered by articles L.145-1 to L.145-60 of the French Commercial Code. The minimum term of the lease is nine years and the tenant has the exclusive right to terminate the agreement at the end of each optional three-year break period subject to giving six months' notice by extrajudicial agreement. However, lease contracts can provide for waiving of this three-year break provision. Rents are usually received quarterly in advance and are annually indexed to the INSEE construction cost index (ICC) or retail rental index (ILC). 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. All 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 centres, 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 2008, variable rents accounted for just 2.3% of total rents.

In other countries, the period varies greatly by region, most often varying from 3 to 10 years. In general, agreed rental levels are indexed with inflation during the tenure of the lease agreement.

Minimum guaranteed rents under leases

As at December 31, 2008, minimum future rents due under leases until the next possible termination date break down as follows:

Minimum future rents per year (in €Mn)			
Year	Retail	Offices	Total
2009	753.1	229.8	982.9
2010	586.8	196.0	782.8
2011	401.9	158.3	560.2
2012	286.1	138.2	424.3
2013	216.4	124.8	341.2
2014	152.9	108.8	261.7
2015	120.7	94.6	215.3
2016	86.5	57.6	144.1
2017	71.2	32.8	104.0
2018	59.1	22.5	81.6
2019	30.5	12.9	43.4
Beyond	50.0	16.3	66.3
Total	2,815.2	1,192.6	4,007.8

In the Convention portfolio, minimum future rents due within one year amounted to €67.3 Mn and those due in more than one year to €4.6 Mn.

9. Employee remuneration and benefits

9.1. Personnel costs

Personnel costs (in €Mn)	2007	2008
Head office personnel costs ⁽¹⁾	64.8	91.8
Personnel costs for property services activities ⁽¹⁾	19.2	26.0
Personnel costs for exhibition organisation activities ⁽²⁾	24.1	-
Personnel costs for convention-exhibition centre management activities ⁽³⁾	14.7	26.3
Employee benefits ⁽⁴⁾	5.6	6.1
Total	128.4	150.2

(1) In 2007, Rodamco Europe entered into the scope of consolidation at the end of June.

(2) Change in consolidation method for Exposium from fully consolidated to equity method.

(3) Entry of CCIP entities of Viparis into the scope of consolidation.

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

Employee profit sharing

Employees belonging to the UES (Unité Économique et Sociale - Social and Economic Group) comprising Unibail Management, Espace Expansion, S2B and U2M, employees of Unibail-Rodamco SA, as well as employees belonging to the UES Rodamco comprising Rodamco France Management and Rodamco Gestion, benefit from an employee profit-sharing plan and a profit-sharing agreement introduced in 2002 and amended in 2008. The profit-sharing agreement is based on the annual growth of the net recurring result, weighted for the activity in France and adjusted for indexation. Employees belonging to the UES Viparis benefit from an employee profit-sharing plan and a profit-sharing agreement renewed in 2008 based on growth in net operating income.

The following amounts were allocated to these schemes:

(in €Mn)	2007	2008
Regulated employee profit-sharing plan	0.9	1.2
Employee profit-sharing agreement	1.7	1.8

9.2. Number of employees

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

Regions	2007	2008
Central Europe	131	172
France	993	1,070 ⁽¹⁾
The Netherlands	143	130
Nordic	159	173
Spain	131	128
Total	1,557	1,673

(1) Of which Viparis: 473

9.3 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 €Mn)	2007	2008
Benefit obligations	31.0	32.9
Fair value of plan assets	-25.0	-26.5
Funded status of the plans	6.0	6.5

(in €Mn)	2007	2008
Net liabilities at the beginning of the year	7.0	6.0
Employer contributions	-2.0	-2.7
Expenses recognised in the profit and loss account	1.0	3.2
Actuarial gains/losses	-	1.8
Current service costs	1.0	1.1
Interest costs	1.0	1.6
Expected return on plan assets	-1.0	-1.3
Net liabilities at year-end	6.0	6.5

Principal actuarial assumptions used in:

	2007	2008
Discount rate	5.3%	5.0%
Expected return on plan assets	4.1%/5.1%	4.5%
Future salary increase	4.50%/3.75%	4.50%/3.75%
Future inflation	2.0%	2.0%
Future pension increase	2.0%/3.0%	2.0%/3.0%

Company Savings Plan

Subscription to the Company Savings Plan is offered to employees who have been with some subsidiaries of the Group for more than three months. The subscription period is opened once per year after the share capital increase reserved to employees has been authorised by the Management Board, which also sets the subscription price. The subscription price is equal to the average of the opening share prices on the Eurolist of Euronext Paris over the 20 trading days preceding the decision of the Management Board, less a 20% discount. A minimum and maximum voluntary payment is set and the amount subscribed must be fully paid by the employee. The Group also makes a top up contribution applied exclusively to contributions made by employees to the Group E Fund (fund full vested in Unibail-Rodamco shares). The total cost of subscriptions to the Company Savings Plan (employer contribution and difference between the subscription price and the share price on the date of the capital increase) amounted to €0.8 Mn in 2008 compared with €1.3 Mn in 2007.

Stock-option plans

There are currently four stock-option plans granted to directors and employees of the Group. The main characteristics are as follows:

- Plan authorised in 2000, relating to options allocated in 2000, 2001 and 2002, of which 78,214 options had not been exercised as at December 31, 2008. These stock-options have a life span of eight years and may be exercised as follows: 30% at the end of the second year after the date of allocation, 30% at the end of the third year and the remainder or all options at the end of the fourth year, it being stipulated that beneficiaries may not sell the shares before the end of the fourth year.
- Plan authorised in 2003, relating to options allocated in 2003, 2004 and 2005. These stock-options have a life span of seven years and may be exercised at any time in one or more instalments after the fourth anniversary of the date of allocation by the Board of Directors. Two stock-option schemes have been adopted: one scheme is unconditional and the other is subject to performance criteria. The latter scheme is intended mainly for the company's responsible officers and members of the Executive Committee. The right to exercise stock-options is subject to Unibail-Rodamco stock performance being higher in percentage terms than

- that of the benchmark EPRA index over the given period. As at December 31, 2008, unexercised options totalled 662,902 under the unconditional plan and 219,704 under the performance-related plan.
- Plan authorised in 2006, which only comprises stock-options subject to performance criteria. These stock-options have a lifespan of seven years and may be exercised at any time after the fourth anniversary of the date of allocation. The performance criteria are identical to those of the 2003 plan. As at December 31, 2008, a total of 333,250 options allocated had not been exercised.
 - Plan authorised in 2007, which only comprises stock-options subject to performance criteria. These stock-options have a lifespan of seven years and may be exercised at any time after the fourth anniversary of the date of allocation. The performance criteria are identical to those of the 2003 plan. As at December 31, 2008, a total of 561,200 options allocated had not been exercised.
 - Plan authorized in 2008, which only comprises stock-options subject to performance criteria. These stock-options have a lifespan of seven years and may be exercised at any time after the fourth anniversary of the date of allocation. The performance criteria are identical to those of the 2003 plan. As at December 31, 2008, a total of 817,950 options allocated had not been exercised.

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

Plan		Exercise period	Adjusted subscription price (€) ⁽¹⁾	Number of options granted	Adjustments in number of options ⁽¹⁾	Number of options cancelled	Number of options exercised	Potential additional number of shares	Unconditional scheme	Performance-related scheme
2000 plan	2000	from 21/11/2002 to 20/11/2008	40.81	502,500	29,924	66,156	466,268	-	-	-
	2001	from 09/10/2003 to 08/10/2009	41.99	317,000	53,685	31,500	321,403	17,782	17,782	-
	2002	from 09/10/2004 to 08/10/2010	46.62	394,000	89,319	4,074	418,813	60,432	60,432	-
2003 plan	2003	from 15/10/2007 to 14/10/2010	53.88	434,500	118,466	-	366,087	186,879	170,485	16,394
	2004	from 13/10/2008 to 12/10/2011	76.91	308,000	83,038	16,865	23,446	350,727	241,917	108,810
	2005	from 13/10/2009 to 12/10/2012	108.59	404,500	-	59,500	-	345,000	250,500	94,500
2006 plan	2006	from 11/10/2010 to 10/10/2013	161.50	365,500	-	32,250	-	333,250	-	333,250
2007 plan	2007	from 11/10/2011 to 11/10/2014	180.36	653,700	-	92,500	-	561,200	-	561,200
2008 plan	2008	from 23/10/2012 to 23/10/2015	130.27	860,450	-	42,500	-	817,950	-	817,950
Total				4,240,150	374,432	345,345	1,596,017	2,673,220	741,116	1,932,104

(1) Adjustments reflect stock-split, dividends paid from retained earnings division and other similar adjustments pursuant to regulations.

The table below shows the number and weighted average exercise prices of stock-options:

	2008		2007	
	Number	Weighted average price (€)	Number	Weighted average price (€)
Outstanding at beginning of period	2,200,584	120.82	1,872,385	90.49
Allocated over the period	860,450	130.27	653,700	180.36
Cancelled over the period	-178,000	150.63	-48,932	143.01
Exercised over the period	-209,814	54.62	-276,569	52.48
Average share price on date of exercise		147.99		164.13
Outstanding at end of period	2,673,220	127.06	2,200,584	120.82
O/w exercisable at end of period	615,820 ⁽¹⁾	65.94	451,461	51.59

(1) For 125,204 options, the right to exercise is subject to meeting the following performance condition: the overall market performance of Unibail-Rodamco must be higher in percentage terms than the performance of the EPRA reference index over the reference period.

Stock-options allocated after November 7, 2002, i.e. those allocated in 2003 and subsequent years, are accounted for in accordance with IFRS 2. The expense recorded on the income statement in relation to stock-options came to €4.5 Mn in 2008 and €4.4 Mn in 2007.

The performance-related stock-options allocated in 2008 were valued at €8.50 using a Monte Carlo model. This valuation is based on an exercise price of €130.27, a share price at the date of allocation of €113.88, a vesting period of four years, an estimated lifespan of 4.7 years, a market volatility of 22.4%, a dividend of €7, plus year-growth of 8% in 2009 and 10% the following years, a risk-free interest rate of 3.5% and a volatility of EPRA index of 17.6% with a correlation EPRA/ Unibail-Rodamco of 86.2%.

The performance-related stock-options allocated in 2007 were valued at €14.70 using a Monte Carlo model. This valuation is based on an exercise price of €180.36, a share price at the date of allocation of €184.60, a vesting period of four years, an estimated lifespan of 4.7 years, a market volatility of 21%, a dividend of €7, plus year-growth of 10%, a risk-free interest rate of 4.29% and a volatility of EPRA index of 12.5% with a correlation EPRA / Unibail-Rodamco of 98.2%.

The performance-related stock-options allocated in 2006 were valued at €11.70 using a Monte Carlo model. This valuation is based on an exercise price of €161.50, a share price at the date of allocation of €167.40, a vesting period of four years, an estimated lifespan of 4.7 years, a market volatility of 19.6%, a dividend of 3.85% of the value of the share, a risk-free interest rate of 3.72% and a volatility of EPRA index of 12.3% with a correlation EPRA / Unibail-Rodamco of 98.2%.

Stock-options allocated in 2005 were valued at €13.90 using a binomial model for the unconditional scheme and €6.90 using a Monte Carlo model for performance-related options.

Stock-options allocated in 2004 were valued at €12.90 using a binomial model for the unconditional scheme and €7.10 using a Monte Carlo model for performance-related options.

Stock-options allocated in 2003 were valued at €9.30 for the unconditional scheme and €6.80 for the performance related scheme using a Monte Carlo model.

10. Related party disclosures

The consolidated financial statements include all of the companies in the Group's scope of consolidation (see section 2 "Scope of consolidation"). The parent company is Unibail-Rodamco S.A. To the Group's knowledge, there are no shareholders' pacts nor persons or groups of persons exercising or who could exercise control over the Group.

- Unibail-Rodamco's transactions with related companies

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

(in €Mn)	2007	2008
Comexposium Group		
Loan	-	165.9
Commercial paper (Billets de trésorerie)	-	-70.0
Recognised interest	-	9.3
Rents and fees invoiced ⁽¹⁾	-	49.3
SCI Triangle des Gares		
Loan	19.7	19.3
Recognised interest	0.9	1.1
Fees invoiced ⁽²⁾	0.8	1.0

(1) Correspond to rents and fees invoiced by Viparis entities to Comexposium.
(2) Correspond to asset management and property management fees invoiced by the Group.

All of these transactions are based on market prices.

- Transactions with other related parties

- Remuneration of Board of Directors/Management Board:

(in €) Paid in:	2007 ⁽¹⁾	2008
Fixed income	2,147,296	2,700,000
Short term incentive	690,000	2,310,933
Other benefits ⁽²⁾	259,109	518, 031
Total	3,096,405	5,528,964

(1) These figures include the remuneration of the Board of Directors until June 26, 2007 and the remuneration of the Management Board from this date to December 31, 2007. Thus, in 2007 the remuneration of new members coming from Rodamco was included for only half of the year.
(2) Mainly pension and company car.

In 2008, members of the Management Board were allocated a total of 210,000 stock options, all of which are subject to performance criteria. Towers Perrin, an independent firm, valued each option at €8.50.

Regarding the 2008 results, the Management Board members will receive in 2009 a total variable remuneration of 1,398,000 € (see more details in § 4.1 a) in the legal information)

• Remuneration of Supervisory Board: total attendance fees of €868,300.

- Loans or guarantees granted to directors: None.

- Transactions involving directors: None.

- Deloitte Marque & Gendrot
Commencement date of first term of office: AGM of April 28, 2005
Person responsible: Joël Assayah designated in April 2005.
Expiry of term of office for both Auditors at the AGM held for the purpose of closing the 2010 accounts.

11. Relationship with statutory auditors

Statutory auditors are:

- Ernst & Young Audit
Commencement date of first term of office: AGM of May 13, 1975
Person responsible: Bernard Heller designated in April 2005

Fees of statutory auditors and other professionals in their networks for the 2007 and 2008 fiscal years, for the parent company and fully-consolidated subsidiaries:

(in €Mn)	Ernst & Young				Deloitte Marque & Gendrot				Others			
	Amount		%		Amount		%		Amount		%	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
Audit												
Statutory audit, certification, review of company and consolidated financial statements												
Issuer ⁽¹⁾	0.4	0.4	25%	18%	0.3	0.3	88%	18%	-	-	-	-
Fully consolidated subsidiaries	0.9	1.7	59%	78%	-	1.0	-	68%	2.2 ⁽²⁾	-	76%	100%
Other engagements and services directly related to the statutory audit engagement												
Issuer ⁽¹⁾	0.2	0.1	11%	4%	0,1	0.1	12%	14%	-	-	-	-
Fully consolidated subsidiaries	0.1	-	5%	-	-	-	-	-	-	-	-	-
Subtotal	1.5	2.2	100%	100%	0.4	1.4	100%	100%	2.2	-	76%	100%
Other services rendered by the network to fully consolidated subsidiaries												
Legal, tax, employee-related												
Others (provide details if > 10% of audit fee)	-	-	-	-	-	-	-	-	0.7	-	24%	-
Subtotal	-	-	-	-	-	-	-	-	0.7	-	24%	-
Total	1.5	2.2	100%	100%	0.4	1.4	100%	100%	2.9	-	100%	100%

(1) The issuer is the parent company.
(2) Including €2.1 Mn fees paid to PricewaterhouseCoopers, Statutory Auditors of Rodamco Europe, for the full year 2007.

Concerning the subsidiaries consolidated by the proportional or equity methods, the fees of statutory auditors and other professionals in their networks for the 2008 fiscal year for the

statutory audit, certification and review of company financial statements amount to €0.2 Mn, of which €0.1 Mn for Ernst & Young and €0.1 Mn for Others.

Statutory Auditors’ Report
on the consolidated financial statements

Year ended December 31, 2008

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholder’s General Meeting, we hereby report to you, for the year ended December 31, 2008, on:

- the audit of the accompanying consolidated financial statements of Unibail-Rodamco;
- the justification of our assessments;
- the specific verification required by French law.

Financial statements for 31 December 2008 are being made to take into account the severe decline in real estate transactions and the difficulty in forecasting the economic prospects.

It is in this context and in accordance with the requirements of article L. 823-9 of the French commercial code (Code de Commerce), we conducted our own assessments which we bring to your attention :

- As disclosed in note 1.5 to the Financial statements, the real estate portfolio is the subject of valuation procedures carried out by independant real estate appraisers. This note describes the particular context of these valuations as of December 31, 2008. We ensured that the fair value of investment properties as disclosed in the consolidated balance sheet in note 5.1 to the Financial statements was determined in accordance with the valuations carried out by these independent appraisers. Moreover, we have ensured that, for properties and assets under construction stated at cost (IAS 16), depreciations, if any, have been booked on the basis of the appraisals.
- As disclosed in notes 1.5 and 5.1 to the Financial statements, the Unibail-Rodamco group conducts an annual impairment test for its intangible assets based on external appraisals or a discounted cash-flows approach. For the discounted cash-flows approach and on the basis of available information to date, we have assessed the reasonableness of the data and the assumptions established by your Company to carry out this test, and have checked the accuracy of the calculations. We have ensured that the necessary depreciations have been booked.

These consolidated financial statements have been approved by the Management Board. Our role is to express an opinion on these financial statements based on our audit.

I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with the professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes verifying, by audit sampling and other selective testing procedures, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used, the significant estimates made by the management, and the overall financial statements presentation. We believe that the evidence we have gathered in order to form our opinion is adequate and relevant.

In our opinion, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and results of the consolidated group in accordance with the principles applicable under IFRS, as adopted by the European Union.

II. JUSTIFICATION OF ASSESSMENTS

The ongoing financial crisis, which is being further intensified by an economic downturn, is seriously impacting many companies in particular in respect of their business opérations and financing. Accounting estimates accompanying the preparation of the

These assessments were made as part of our audit of the consolidated financial statements taken as a whole and, therefore, served in forming our audit opinion expressed in the first part of this report.

We have also verified the information given in the group management report as required by French law. We have no matters to report regarding its fair presentation and consistency with the consolidated financial statements.

III. SPECIFIC VERIFICATION

Neuilly-Sur-Seine and Paris-La Défense, March 16, 2009
The Statutory Auditors French Original signed by

DELOITTE MARQUE & GENDROT
represented by Joël Assayah

ERNST & YOUNG AUDIT
represented by Bernard Heller

Legal Information

I. GENERAL INFORMATION	145
II. GENERAL INFORMATION ABOUT THE SHARE CAPITAL	148
III. SHARE CAPITAL AND VOTING RIGHTS	156
IV. MANAGEMENT BOARD AND SUPERVISORY BOARD	159
V. OTHER INFROMATION	177
VI. RISK FACTORS	178

Legal Information

I. GENERAL INFORMATION

Company name
Unibail-Rodamco⁽¹⁾

Registered office and place of business
7, place du Chancelier Adenauer – 75016 Paris⁽²⁾ (France)
Tel: +33 (0)1 53 43 74 37

Legal form⁽³⁾
Unibail-Rodamco is a public limited-liability company (société anonyme) with a two-tier governance system (Management Board and Supervisory Board), governed by French legislation applicable to commercial companies and, in particular, by the French Commercial Code (*Code de Commerce*).

Specific applicable legislation
The Company and its eligible subsidiaries opted, in 2003, for the tax regime applicable to Listed Property Investment Companies (SIIC) introduced by the 2003 French Finance Act (Article 208 C of the French Tax Code (*Code général des impôts*)) and implemented by decree no.2003-645 dated July 11, 2003. Under the SIIC regime, Unibail-Rodamco is exempt from tax on recurring rental income and on capital gains derived from selling properties. The conditions for eligibility for the SIIC tax regime were changed by the 2006 Corrected Finance Law. In particular, it is no longer possible for a shareholder (or group of shareholders acting in concert) to hold more than 60% of the capital and voting rights of a SIIC company. In accordance with the 2009 French Finance Act, from January 1, 2010, failure to respect the new conditions of the SIIC tax regime would result in the loss of the tax exemption. At the filing date of this Registration Document, it is specified that no shareholder or group of sharehoders of Unibail-Rodamco reaches the threshold of 60%.

The conversion into a European Company (*Societas Europaea*), if it is approved by the AGM, will not have any effect on the Company's SIIC status.

Attention is drawn to the following points:

- Prior to July 1, 1991, the Company was approved as a Sicomi (commercial and industrial property finance leasing company). Finance leasing agreements signed by Unibail prior to January 1, 1991, continued to be governed by Sicomi regulations.
- Until November 28, 2002, the Company was also governed by the French Monetary and Financial Code (*Code Monétaire et Financier*) by virtue of its status as a "finance company"⁽⁴⁾.

⁽¹⁾ After the completion of the conversion into a European Company, subject to approval by the AGM, the Company's name will be "Unibail-Rodamco SE".
⁽²⁾ On May 9, 2008, the Company transferred its registered office from 5, boulevard Malesherbes, 75008 Paris to 7, place du Chancelier Adenauer, 75016 Paris.

Term of the Company
99 years from July 23, 1968, to expire on July 22, 2067, except in cases of early winding-up or extension decided by an extraordinary meeting of the shareholders.

Corporate purpose
In accordance with Article 2 of the Articles of Association, the corporate purpose of the Company in France and abroad, is:

- investment through the acquisition, development, construction, ownership of land, buildings, property assets and rights, and the fitting out of property complexes, with a view to renting them out;
- the management, rental, leasing, divestment or exchange of the above assets, either directly, or through taking investments or interest ownerships, or by creating partnerships, companies or consortia;
- more generally, any financial, securities or property transactions directly or indirectly connected with the foregoing purpose or likely to facilitate their achievement;
- the acquisition, ownership or divestment of assets in any French or foreign legal entities with an activity directly or indirectly linked to the corporate purpose of the Company or which would favour its development.

After the completion of the conversion into a European Company, if it is approved by the AGM, the Company will pursue the same corporate purpose.

Trade and Companies Register
682 024 096 RCS Paris – SIRET 682 024 096 00054 – APE code: 6420Z
Place where documents and information relating to the Company may be consulted
At the registered office: 7, place du Chancelier Adenauer – 75016 Paris
Tel: +33 (0)1 53 43 74 37
www.Unibail-Rodamco.com

Financial year
The financial year runs from January 1 to December 31.

⁽³⁾ After the completion of the conversion into a European Company, subject to approval by the AGM, Unibail-Rodamco will be a European Company governed by the provisions of Council Regulation 2001/2157/EC of October 8, 2001, on the Statute of a European Company and the current laws and regulations of France, as well as by its new amended Articles of Association (see page 147).
⁽⁴⁾ After running down its outstanding loans to zero, the Company requested that the French banking regulator (CECEI) withdraw Unibail-Rodamco's "finance company" status. As a result, on November 28, 2000, the CECEI made a decision to withdraw Unibail-Rodamco's "finance company" status from November 28, 2002.

Distribution of profits

Distribution pursuant to the Articles of Association

The net profit for the year, less any prior year losses and amounts transferred to reserves in accordance with the law plus any retained earnings, constitutes the year's distributable profits. Apart from the year's distributable profits, the shareholders may also resolve to distribute sums from other reserves to which they are entitled, expressly indicating which reserve accounts are to be used. However, dividends shall be deducted in priority from the year's distributable profits. The sum of the year's distributable profits plus any reserves which the shareholders resolve to distribute constitutes the amount available for distribution. After approving the financial statements and duly noting the existence of an amount available for distribution, the shareholders determine the sum to be distributed in the form of a dividend.

Some shareholders ("Shareholders Concerned"⁽⁵⁾) who, on account of their own situation or that of their associates, render the Company liable to the payment (the "Deduction") referred to in Article 208 C II ter of the French General Taxation Code (a "Deduction Shareholder") will owe the Company the amount of deduction due as a result of the distribution of dividends, reserves, premiums or "income deemed to have been distributed" within the meaning of the French General Taxation Code, at the time of payment of the distribution. All details of the rules of deduction in accordance with Articles 208 C and following of the French General Taxation Code are mentioned in Article 21 of the Articles of Association.

The disclosure requirements for this category of shareholders were reinforced by the last General Meeting of Shareholders held on April 29, 2008, and are described below in the paragraph relating to disclosure of ownership thresholds.

Under the regulations applicable to Sicomi companies, at least 85% of net income, calculated as for corporate income tax purposes, resulting from finance leasing contracts and benefiting from a tax exemption pursuant to Article 208-3 quater of the French Tax Code, shall be distributed, provided this sum does not exceed the net income for the fiscal year.

Dividend obligations and other consequences of adopting SIIC status⁽⁶⁾

In addition to the rules stated in the Articles of Association, and pursuant to the adoption of SIIC tax status, recurring income from activities eligible for SIIC status and capital gains on property sales covered by the regime are exempt from tax, provided that the dividend rule is respected, i.e. (i) at least 85% of the recurring income of Year N should be paid out in Year N+1 and (ii) 50% of the capital gains realised in Year N and of 100% of the dividends received from the affiliates opting for the SIIC tax regime should be distributed no later than in Year N+2.

Administrative and management bodies

The Company is managed by a two-tier governance system (Management Board and Supervisory Board).

The Unibail-Rodamco Management Board is composed of six members⁽⁷⁾, appointed by the Supervisory Board. At the Supervisory Board Meeting on June 26, 2007, Mr. Guillaume Poitral was appointed Chairman of the Management Board and Chief Executive Officer.

The Management Board exercises its functions under the supervision of the Supervisory Board, which is composed of 12 members appointed by the Ordinary Shareholders' Meeting. At the Supervisory Board Meeting on June 26, 2007, Mr. Robert van Oordt was appointed Chairman of the Supervisory Board.

General Meetings of Shareholders

General Meetings of Shareholders are convened and deliberate in accordance with the law. All shareholders who have held this status for at least the three days prior to the General Meeting can participate in such General Meeting in person or through a representative.

A single voting right is attached to each share. There are no preference shares. For detailed information, please refer to Articles 18 and 19 of the Articles of Association.

Registration obligation/Disclosure of ownership thresholds pursuant to the Articles of Association

Obligation to register shares

In accordance with Article 9 of the Articles of Association, any "Shareholder Concerned"⁽⁵⁾ must, within a maximum period of five stock exchange days, register all the shares that it owns and arrange for the entities that it controls within the meaning of Article L.233-3 of the French Commercial Code to register all the shares that they own. The "Shareholder Concerned" must, within five stock exchange days of the threshold referred to in Article 208 C II ter of the French General Taxation Code being exceeded, send the Company a copy of the application for registration, by registered letter with proof of receipt requested.

In the event of failure to apply for registration of the shares that it owns in the manner set out above, any "Shareholder Concerned" that retains its securities in the form of bearer shares in breach of this Article will be stripped of the right to participate in General Meetings of the company and more generally of the right to exercise the voting rights attached to the shares that should have been registered pursuant to the provisions of this Article.

Shareholding thresholds to be declared

In accordance with Article 9 bis of the Articles of Association:

- Any shareholder that comes to hold a number of shares representing two percent or more of the total number of outstanding shares, or any further multiple thereof, must, no later than ten business days after occurrence, advise the Company in writing of the total number held by registered letter to the Company's registered office.
- As Article 208 C II ter of the French Tax Code ("SIIC4") provides that the Company is subject to a 20% tax charge on distribution to any shareholder (excluding natural persons) that hold 10% or more of the share capital and is not subject to the distribution tax provided, i.e. at least equal to 2/3 of the tax borne in France under the common-law regime, the declaration obligations with respect to the thresholds under the Articles of Association having been reinforced by decision of the AGM held on April 29, 2008. Accordingly, any "Shareholder Concerned" that comes to hold 10% or more of the rights to dividends of the Company must, under its own responsibility, indicate in its declaration of meeting or exceeding the said threshold whether or not it is a "Deduction Shareholder". In the event that such a shareholder declares that it is not a "Deduction Shareholder", it must provide evidence of this in the manner provided by Article 21 of the Articles of Association. Any "Shareholder Concerned", having given notice of the aforementioned threshold being met or exceeded, must give the Company early notice, in any event at the latest ten (10) stock exchange days before the payment of distributions, of any change in its fiscal status which would result in it acquiring or losing the capacity of a "Deduction Shareholder".

Any shares that have not been disclosed in accordance with these requirements shall be disqualified for voting purposes at all General Meetings held for a period of two years after the date on which the requisite disclosure is finally made, if the failure to disclose has been duly noted and if requested by one or more shareholders separately or together holding at least two percent of the Company's share capital in accordance with the terms of the law, unless the voting rights have already been stripped.

Similarly, the voting rights attached to any shares that have not been disclosed in accordance with these requirements may not be exercised by the holder either in person or by proxy.

Conversion of Unibail-Rodamco into a European Company (Societas Europaea)⁽⁸⁾

The result of the merger of Rodamco Europe NV and Unibail Holding SA, the Unibail-Rodamco Group has acquired a European dimension and wishes to avail itself of a legal instrument in order to reinforce the Group's European identity. The adoption of SE status will allow the Unibail-Rodamco Group to display this European "label" as a sign of its European status and influence.

Consequently, with the prior approval of the Supervisory Board, the Management Board will propose that the General Meeting to be held on April 28, 2009 (upon first convocation), decide to change the legal form of Unibail-Rodamco by converting the Company into a European Company or Societas Europaea (SE).

The SE has the advantage of being a corporate form grounded on a homogenous mechanism within the European Union whose legal status is recognised in all of the Member States. The adoption of such a status would constitute a strong symbol of the Group's European dimension, reinforcing its image as a leading Company and its reputation worldwide.

Following the definitive completion of the conversion into a European Company, subject to the approval of the General Meeting of Shareholders:

- The Company's name will be "Unibail-Rodamco SE".
- The Registered Office will continue to be located in France at 7, place du Chancelier Adenauer, 75016 Paris.
- The Company will be governed by the provisions of Council Regulation 2001/2157/EC of October 8, 2001 on the Statute for a European Company and the current laws and regulations of France, as well as by its new amended Articles of Association.
- The Company will continue to be subject to the SIIC regime.
- The Company will pursue its same activities in the form of a SE.
- The Company will retain the same governance structures that apply in its current form of a *société anonyme*.

The conversion of Unibail-Rodamco into an SE will not result in the windingup of the Company or in the creation of a new legal entity.

The conversion of the Company into an SE will have no impact in itself on the Company's participation in the CAC 40 index, the Euronext 100, or the AEX index of the Amsterdam Stock Exchange. The financial liabilities of each shareholder of the Company is limited to the amount of his subscription prior to the conversion. The proportion of the voting rights held by each shareholder in the Company will not be affected by the conversion into an SE.

The detailed plan for the conversion of Unibail-Rodamco into an SE has been filed with the Trade and Companies Register of the Commercial Court of Paris (where Unibail-Rodamco is registered) and was published in a notice in a legal gazette (*Affiches Parisiennes*) as well as in an official bulletin (*BALO n° 33*) on March 18, 2009.

Subject to approval of the AGM, the completion of the conversion will be effective from the date of registration of the Company in the form of an SE with the Trade and Companies Register of Paris.

⁽⁵⁾ See "Distribution of profits" and "Registration obligation" sections. A "Shareholder Concerned" is any shareholder other than a natural person who, directly or through entities acting as intermediaries that it controls within the meaning of Article L. 233-3 of the French Commercial Code, comes to own a percentage of the rights to dividends of the Company at least equal to that referred to in Article 208 C II ter of the French General Taxation Code

⁽⁶⁾ For detailed information on the terms and conditions of the SIIC regime, please refer to page 99 of this report.

⁽⁷⁾ The AGM convened on April 28, 2009 will be called to approve the amendment of the article 10 of the Articles of Association on the maximum number of the Management Board to seven.

⁽⁸⁾ Subject to the approval of the AGM convened on April 28, 2009.

II. GENERAL INFORMATION ABOUT THE SHARE CAPITAL

Conditions imposed by the Articles of Association in respect of changes to the share capital and to the respective rights attached to the various categories of share
None.

Authorised share capital - Form of shares

The share capital at December 31, 2008, amounted to €407,223,265 divided into 81,444,653 fully paid-up shares with a nominal value of €5 each.
At the shareholder's discretion, the shares are either registered or bearer shares⁽⁹⁾.

Table summarising authorisations to increase the share capital (as at December 31, 2008):

Pursuant to the Article L. 225.100 of the french Commercial Code, the following table takes account only the use of authorisations during the financial year 2008.

Type of authorisation	Amount authorised ⁽¹⁾	Date of General meeting	Expiry date of authorisation	Beneficiaries	Issue terms and conditions**	Amount of authorisation used:number of shares issued/ subscribed for or permanently allocated ⁽²⁾	Outstanding amount of authorisation: potential options/shares in acquisition period ⁽²⁾
Increases in the share capital reserved for Directors and employees, Stock Option Plan (Plan no.2)	2.5% of the fully diluted share capital	May 12, 2000	May 11, 2005	Group managers and employees	Powers delegated to Management Board to set terms and conditions. No discount.	1,206,484	78,214
Increases in the share capital reserved for Directors and employees, Stock Option Plan (Plan no.3 and Plan no.3 Performance)	3% of the fully diluted share capital	June 17, 2003	August 16, 2006	Group managers and employees	Powers delegated to Management Board to set terms and conditions. No discount.	389,533	882,606 which Plan no.3: 662,902 which Plan no.3 Performance: 219,704
Increase in the share capital reserved for managers and employees, Stock Option Plan (Plan no.4 Performance)	3% of the fully diluted share capital	April 27, 2006	June 26, 2009	Group managers and employees	Powers delegated to Management Board to set terms and conditions. No discount.	0	333,250 options subject to performance condition. (Plan no.4 Performance) The unused part of this authorisation has been revoked by the authorisation granted by the AGM of May 21, 2007
Increase in the share capital reserved for managers and employees, Stock Option Plan (Plan no.5 Performance)*	3% of the fully diluted share capital	May 21, 2007*	July 20, 2010	Group managers and employees	Powers delegated to Management Board to set terms and conditions. No discount.	0	1,379,150 options subject to performance conditions

⁽⁹⁾ Except as regards special provisions concerning the Articles of Association mechanism with respect to Article 208 C – II – ter of the French Tax Code.

Type of authorisation	Amount authorised ⁽¹⁾	Date of General meeting	Expiry date of authorisation	Beneficiaries	Issue terms and conditions**	Amount of authorisation used:number of shares issued/ subscribed for or permanently allocated ⁽²⁾	Outstanding amount of authorisation: potential options/shares in acquisition period ⁽²⁾
Increases in the share capital reserved for employees, Company Savings Plan	1% of the fully diluted share capital	April 28, 2005	April 27, 2010	Subscribers to Company Savings Plan	Powers delegated to Management Board to set terms and conditions. 20% discount to average share price during last 20 trading days.	115.865	No longer used
	€1,000,000 nominal value of ordinary shares	May 21, 2007*	July 20, 2009	Subscribers to Company Savings Plan	Powers delegated to Management Board to set terms and conditions. 20% discount to average share price during last 20 trading days.	0	Not used/ Revoked by the authorisation given by the AGM of April 29, 2008
	€2,000,000 nominal value of ordinary shares	April 29, 2008	June 28, 2010	Subscribers to Company Savings Plan and employees of the subsidiaries which are outside of France	Powers delegated to Management Board to set terms and conditions. 20% discount to average share price during last 20 trading days.	26.117	373,883
Increases in the share capital by capitalisation of premiums, reserves, profits	€200,000,000 nominal value of ordinary shares	May 21, 2007*	July 20, 2009	Shareholders	Powers delegated to Management Board to set terms and conditions: bonus shares or increase in nominal value.	0	Not used
Increase in the share capital by the issue of ordinary shares to be subscribed in cash, or of any negotiable securities with PSR⁽³⁾	€75,000,000 nominal value of ordinary shares, possibly adjusted to preserve the rights of holders of negotiable securities giving access to shares + €1,000,000,000 nominal amount of securities representing claims	May 21, 2007*	July 20, 2009	Shareholders	Power delegated to the Management Board to set terms and conditions.	0	Not used

Type of authorisation	Amount authorised ⁽¹⁾	Date of General meeting	Expiry date of authorisation	Beneficiaries	Issue terms and conditions**	Amount of authorisation used:number of shares issued/ subscribed for or permanently allocated ⁽²⁾	Outstanding amount of authorisation: potential options/shares in acquisition period ⁽²⁾
Increase in the share capital by the issue of ordinary shares to be subscribed in cash, or of any other securities without PSR⁽³⁾	€47,000,000 nominal value of ordinary shares, possibly adjusted to preserve the rights of holders of negotiable securities giving access to shares + €1,000,000,000 nominal amount of securities representing claims	May 21, 2007*	July 20, 2009	Certain shareholders and/or third parties	Powers delegated to the Management Board to set terms and conditions: removal of the preferential subscription right with the possibility of a priority right. If the subscription exceeds 10% of the share capital, priority subscription period for the shareholders is mandatory.	0	Not used
Increase of the number of shares or securities to be issued in the case of an increase in the share capital with or without PSR⁽³⁾	Maximum of 15% of the initial issue	May 21, 2007*	July 20, 2009	Beneficiaries of the transaction	Powers delegated to Management Board to increase the number of shares or securities at the same terms and conditions as set for the initial issue.	0	Not used
Increase in the share capital without PSR⁽³⁾ by the issue of ordinary shares to be subscribed in cash, or of any negotiable securities as consideration for capital contributions in the form of securities	Capital contributions in form of securities : 10% of the authorised share capital on the date of the transaction	May 21, 2007*	July 20, 2009	Beneficiaries of the transaction	Powers delegated to Management Board to set terms and conditions: removal of the preferential subscription right.	0	Not used
Increase in the share capital with PSR waived⁽³⁾, in the context of the combination with Rodamco Europe NV, to issue ordinary shares and/ or securities giving immediate or future access to the share capital	€240,000,000 nominal value of ordinary shares + €2,300,000,000 nominal amount of securities representing claims (Oras)	May 21, 2007*	July 20, 2009	Beneficiaries of the transaction	Powers delegated to Management Board to pay for securities transferred in the context of the PEO on Rodamco Europe NV.	35,460,833 shares at the end of the PEO 9,363,708 ORAs	No longer used
Allocation of performance shares	1% of the authorised share capital on the date of the CGM of April 28, 2005	April 28, 2005	June 27, 2008	Group managers and employees	Powers delegated to Management Board to set terms and conditions.	7,841 ⁽⁴⁾	2,666 shares ⁽⁴⁾ in acquisition period No longer used

(1) For more details, refer to the exact text of the resolutions.

(2) After adjustments.

(3) Preferential subscription rights.

(4) The conditions of allocation, retention and, if applicable, performance are set by the Management Board for each allocation.

(*) Pursuant to French law, the CGM held on May 21, 2007 had to fix a total maximum amount for all the authorisations to increase share capital as follows: €400 million nominal amount of share capital and €3.3 billion nominal amount of debt securities.

(**) Pursuant to a decision by the General Meeting of Shareholders held on May 21, 2007, all the delegations of power granted to the Board of Directors of Unibail Holding have been transferred to the Management Board of Unibail-Rodamco.

Table summarising new authorisations to increase the share capital subject to the approval of the Annual General Meeting of Shareholders of April 28, 2009:

Type of authorisation ⁽¹⁾	Amount ⁽²⁾	Date of General Meeting	Expiry date of authorisation	Beneficiaries	Issue terms and conditions	Effect on the previous authorisation
Increase in the share capital by the issue of ordinary shares to be subscribed in cash, or of any negotiable securities with PSR⁽³⁾. Resolution #12	€75,000,000 nominal value of ordinary shares and/or securities giving access to the share capital + €1,000,000,000 nominal amount of securities representing claims	April 28, 2009	June 27, 2011	Shareholders	Power delegated to the Management Board to set terms and conditions.	The approval of this authorisation would revoke the unused part of that of May 21, 2007
Increase in the share capital by the issue of ordinary shares to be subscribed in cash, or of any other securities without PSR⁽³⁾. Resolution #13	€47,000,000 nominal value of ordinary shares and/or securities giving access to the share capital + €1,000,000,000 nominal amount of securities representing claims	April 28, 2009	June 27, 2011	Certain shareholders and/or third parties	Power delegated to the Management Board to set terms and conditions: removal of the preferential subscription right with the possibility of a priority right. If the subscription exceeds 10% of the share capital, priority subscription period for the shareholders is mandatory.	The approval of this authorisation would revoke the unused part of that of May 21, 2007
Increase of the number of shares or securities to be issued in the case of an increase in the share capital with or without PSR⁽²⁾. Resolution #14	Maximum of 15% of the initial issue and in the limit of the maximum threshold as set for the initial issue of shares or securities	April 28, 2009	June 27, 2011	Beneficiaries of the transaction	Power delegated to Management Board to increase the number of shares or securities at the same terms and conditions as set for the initial issue.	The approval of this authorisation would revoke the unused part of that of May 21, 2007
Increase in the share capital without PSR⁽³⁾ by the issue of ordinary shares to be subscribed in cash, or of any negotiable securities as consideration for capital contributions in the form of securities. Resolution #15	Capital contributions in form of securities: 10% of the authorised share capital on the date of the transaction	April 28, 2009	June 27, 2011	Beneficiaries of the transaction	Power delegated to Management Board to set terms and conditions: removal of the preferential subscription right.	The approval of this authorisation would revoke the unused part of that of May 21, 2007
Increases in the share capital by capitalisation of premiums, reserves, profits. Resolution #16	€100,000,000 nominal value of ordinary shares	April 28, 2009	June 27, 2011	Shareholders	Powers delegated to Management Board to set terms and conditions: bonus shares or increase in nominal value.	The approval of this authorisation would revoke of the unused part of that of May 21, 2007

Type of authorisation ⁽¹⁾	Amount ⁽²⁾	Date of General Meeting	Expiry date of authorisation	Beneficiaries	Issue terms and conditions	Effect on the previous authorisation
Increases in the share capital reserved for participants of employees savings plan. Resolution #17	Maximum nominal amount of €2,000,000 carried out pursuant to the both delegated powers	April 28, 2009	June 27, 2011	Subscribers to Company Savings Plan	Powers delegated to Management Board to set terms and conditions. 20% discount to average share price during last 20 trading days.	The approval of this authorisation would revoke the delegated powers of April 29, 2008
Increases in the share capital reserved for employees and executive managers of the subsidiaries of the Company with registered offices outside France. Resolution #18		April 28, 2009	October 27, 2010	Employees or executive managers of the subsidiaries of the Company with registered offices outside France	Powers delegated to Management Board to set terms and conditions. 20% discount to average share price during last 20 trading days.	The approval of this authorisation would revoke the delegated powers of April 29, 2008
Increase in the share capital reserved for Group salaried staff and company officers, Stock Option Plan. Resolution #19	3% of the fully diluted share capital, but the total number of options open pursuant to this authority plus the amount of options opens and not yet exercised, plus the performance shares granted, under previous authorities cannot give rise to a number of shares exceeding 5% of the authorised share capital on a fully-diluted basis	April 28, 2009	June 27, 2012	Group salaried staff and company officers	Powers delegated to Management Board only within the 120-day period following the date of the publication of the annual accounts of the Company to set terms and conditions. No discount. Prior approval from the Supervisory Board for grants to the Management Board.	The approval of this authorisation would revoke the unused part of that of May 21, 2007

(1) For more details, refer to the exact text of the resolutions.
(2) Pursuant to French law, the CGM on April 28, 2009, will be invited to fix a total maximum amount (included in Resolution #12) for all authorisations to increase share capital as follows which would be up to €150 million nominal amount of share capital and €1 billion nominal amount of debt securities (if they give access to the share capital).
(3) Preferential subscription rights.

Other securities giving access to the share capital

Options to subscribe for and/or purchase shares
Stock options allocated to Group managers and employees in the context of the plans summarised below have been granted by taking into account exemplary behaviour, the increase in responsibility or the playing of key roles within the Group. There is no automatic allocation, neither in terms of their amount nor their frequency. Under Group rules, no discount is applied.

From 2003 to 2005, the right to exercise the stock options granted was partly subject to performance criteria (Plan n°3 Performance). Since 2006, the plans have been entirely and systematically subject to a performance condition.

• Plan n°2
In accordance with the authorisation given by the Combined General Meeting held on May 12, 2000, the Board of Directors granted the Group’s managers and employees options to acquire newly-issued and/or existing shares up to a limit of 2.5% of the fully-diluted share capital. The options have a duration of 8 years and may be exercised as follows: 30% at the end of the 2nd year following the date of allocation, 30% at the end of the 3rd year, and the balance or the entirety of the options at the end of the 4th year, on the understanding that the shares cannot be sold by the beneficiaries before the end of the 4th year.

1,213,500 options have been granted under Plan n°2 comprising 2000 (validity period), 2001 and 2002 tranches, totalling 1,386,428 after adjustments made following the division of the nominal value by 3 in 2001 and the application of the adjustment coefficient of 1.2726 following the exceptional distribution of January 7, 2005 for all subscription options yet to be exercised. As at March 2, 2009, under Plan n°2, 1,206,484 new shares had been issued, and the potential number of new shares amounted to 78,214 after cancellations due to staff departures.

• Plan n°3 and Plan n°3 Performance
In accordance with the authorisation granted by the Combined General Meeting held on June 17, 2003, the Board of Directors granted the Group’s managers and employees options to acquire newly-issued shares up to a limit of 3% of the fully-diluted share capital. The options have a duration of 7 years, and may be exercised at any time, on one or more occasions, as from the fourth anniversary of the date of their allocation. Upon the recommendation of the Nominations and Remuneration Committee, the Board of Directors, on October 15, 2003, approved the terms of two plans, one relating to a “traditional”unconditional stock option plan (Plan n°3) and one relating to a stock option plan subject to performance condition (Plan n°3 Performance).
Plan n°3 Performance is intended mainly for Unibail corporate responsible officers and members of Unibail-Rodamco’s Executive Committee, although these persons also remain eligible for Plan n°3. The right to exercise options depends on Unibail-Rodamco 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 Board of Directors decides to grant options and the last trading day before the recipient exercises the options, which will be at the end of the fourth year, at the earliest, and at the end of plan’s term, i.e. the end of the seventh year, at the latest).

Attention is drawn to the following points:
(i) Unibail-Rodamco overall stock market performance is defined as the movement in Unibail-Rodamco’s share price during the reference period, with all gross interim and final dividends reinvested on the date of their payment;
(ii) the performance of the EPRA (European Public Real Estate Association) index is defined as the movement in the EPRA Euro Zone Total Return index during the reference period. This index comprises the leading property stocks in the Euro Zone.
This is a ‘total return’ index, which includes dividends paid. The gross dividend figures included in the calculation of Unibail-Rodamco overall stock market performance are those published by Bloomberg, which serve as the basis for the EPRA Euro Zone Total Return index.

1,147,000 options have been granted under the Plans n°3 and n°3 Performance, totalling 1,348,504 after the application of the adjustment coefficient of 1.2726 following the exceptional distribution of January 7, 2005 for the subscription options under the 2003 and 2004 tranches. As at March 2, 2009, 260,629 options were exercised under Plan n°3, and the potential number of shares amounted to 652,306 after the cancellation of options due to staff departures. Under Plan n°3 Performance, 215,856 were exercised, bringing the potential number of shares to 143,348.

• Plan n°4 Performance
In accordance with the authorisation granted by the Combined General Meeting held on April 27, 2006, the Board of Directors can grant the Group’s managers and employees options to acquire newly-issued shares up to a limit of 3% of the fully-diluted share capital. The options have duration of 7 years, and may be exercised at any time, on one or more occasions, as from the fourth anniversary of the date of their allocation by the Board of Directors. Upon the recommendation of the Nominations and Remuneration Committee, the Board of Directors on October 11, 2006, exclusively approved a stock option plan subject to performance condition (Plan n°4 Performance).
The right to exercise the options depends on Unibail-Rodamco overall stock market performance, on the same terms as apply to Plan n°3 Performance set out above. As at March 2, 2009, the potential number of new shares dependent on performance condition (Plan n°4 Performance) was 332,500, after the cancellation of options due to staff departures.

• Plan n°5 Performance
In accordance with the authorisation granted by the Combined General Meeting held on May 21, 2007, the Management Board can grant the Group’s managers and employees options to acquire newly-issued shares up to a limit of 3% of the fully-diluted share capital. The options have duration of 7 years, and may be exercised at any time, on one or more occasions, as from the fourth anniversary of the date of their allocation by the Management Board. This authorisation cancels for the future the authorisation granted by the General Meeting on April 27, 2006. In agreement with the Supervisory Board and the Governance, Nominations and Remuneration Committee, the Management Board, on October 11, 2007, approved a stock option plan subject to performance condition (Plan n°5 Performance). Furthermore, in the context of the merger between Unibail-Holding and Rodamco Europe NV, the Management Board decided to extend the scope of the stock options plan to all the Unibail-Rodamco Group subsidiaries in Europe.

The right to exercise the options is subject to a performance condition depending on Unibail-Rodamco overall stock market performance, on the same terms as apply to Plan n°3 Performance and Plan n°4 Performance set out above. In agreement with the Governance, Nominations and Remuneration Committee and the Supervisory Board, the Management Board decided a second allocation (October 23, 2008) and a third allocation (March 13, 2009). Consequently, the potential number of new shares dependent on performance condition (Plan n°5 Performance) was 2,087,850, after the cancellation of options due to staff departures.

Stock option information as at March 13, 2009
(Table n°8 AMF/Afep-Medef recommendations)

History of the Share Subscription or Purchase Options' Allocations Information about the Share Subscription or Purchase Options' Allocations									
Date of the plan	Plan no.2	Plan no.2	Plan no.3	Plan no.3	Plan no.3	Plan no.4	Plan no.5	Plan no.5	Plan no.5
	Tranche 2001	Tranche 2002	Tranche 2003 + Performance ⁽¹⁾	Tranche 2004 + Performance ⁽¹⁾	Tranche 2005 + Performance ⁽¹⁾	Tranche 2006 Performance	Tranche 2007 Performance	Tranche 2008 Performance	Tranche 2009 Performance
Date of Board	09/10/2001 ⁽²⁾	09/10/2002 ⁽²⁾	15/10/2003 ⁽²⁾	13/10/2004 ⁽²⁾	14/12/05	11/10/06	11/10/07	23/10/08	13/03/09
Total number of shares that may be acquired through exercising options, of which:	370,685	483,319	552,966	391,038	404,500	365,500	653,700	860 450	735,450
By responsible officers	36,599	61,959	139,987	55,996	93,000	80,000	200,000	210,000	175,000
G. Poitrinal ⁽⁴⁾	19,963	42,870	50,904	38,178	60,000	40,000	40,000	60,000	50,000
J. Bomhoff ⁽³⁾	-	-	-	-	-	-	35,000	n.a.	n.a.
M. Dessolain ⁽⁴⁾	16,636	19,089	25,452	17,818	18,000	20,000	20,000	30,000	25,000
B. J.Laferriere ⁽⁵⁾							15,000	30,000	25,000
W. Ledeboer ⁽⁴⁾	-	-	-	-	-	-	35,000	30,000	25,000
C. Pourre ⁽⁴⁾	-	-	63,631	-	15,000	20,000	20,000	30,000	25,000
P. van Rossum ⁽⁴⁾							35,000	30,000	25,000
End of lock-up period	9/10/03	9/10/04	15/10/07	13/10/08	14/12/09	11/10/10	11/10/11	23/10/12	13/03/13
Expiry date	8/10/09	8/10/10	14/10/10	12/10/11	13/12/12	10/10/13	10/10/14	22/10/15	12/03/16
Strike price (€) No discount	41,99	46,62	53,88	76,91	108,59	161,5	180,36	130,27	99,42
Exercise terms (if the plan has more than one tranche)	See page 152 of this report	See page 152 of this report	See page 153 of this report	See page 153 of this report	See page 153 of this report	See page 153 of this report	See page 153 of this report	See page 153 of this report	See page 153 of this report
Number of options subscribed as at March 2, 2009	321,403	418,813	368,871	107,614	0	0	0	0	0
Number of options cancelled	31,500	4,074	0	16,865	59,500	33,000	101,750	60,000	0
Outstanding options	17,782	60,432	184,095	266,559	345,000	332,500	551,950	800,450	735,450

(1) The valuation of these options took into account the performance conditions applicable to some of these options.
In 2004, the valuation by the independent firm Towers Perrin amounted to a total of €3,262,000 for the total stock options granted in 2004.
In 2005, the valuation by the independent firm Towers Perrin amounted to a total of €4,961,000 for the total stock options granted in 2005.
In 2006, the valuation by the independent firm Towers Perrin amounted to a total of €4,276,000 for the total stock options granted in 2006.
In 2007, the valuation by the independent firm Towers Perrin amounted to a total of €8,802,000 for the total stock options granted in 2007.
In 2008, the valuation by the independent firm Towers Perrin amounted to a total of €5,874,077 for the total stock options granted in 2008.
In 2009, the valuation by the independent firm Towers Perrin amounted to a total of €3,246,172 for the total stock options granted in 2009.
(2) After taking into account the adjustment applied on January 7, 2005.
(3) Member of Unibail-Rodamco Management Board between June 2007 and September 2008
(4) Member of Unibail-Rodamco Management Board since June 2007
(5) Member of Unibail-Rodamco Management Board since September 2008

Bonus shares ("Performance Share")
In accordance with the authorisation granted by the Combined General Meeting held on April 28, 2005, the Board of Directors was authorised to allocate Performance Shares during a 38-month period (till June 27, 2008). Following the Board's adoption of the Performance Shares plan on April 27, 2006, 11,157 Performance Shares were allocated. As at March 2, 2009 accordingly to the end of the 2 years period ("final allocation period"), all the Performance Shares have been allotted to the managers and employees during the financial year 2008 and at the beginning of the financial year 2009 after cancellation of 650 Performance Shares due to staff departures. These allotted Performance Shares cannot be sold before the end of a 2 years period ("retention period").
This authorisation will no longer be used.

Warrants to purchase existing shares and/or subscribe for new shares
Currently, there are no warrants in existence entitling the holder to purchase existing shares and/or subscribe for new shares.

Convertible bonds
Currently, Unibail-Rodamco has no outstanding convertible bonds.

ORAs (Bond redeemable in shares)
Following the Public Exchange Offer initiated by the Company with respect to Rodamco Europe NV, 9,363,708 ORAs were issued in remuneration of part of the shares contributed by Rodamco Europe NV's shareholders to the Offer. As at March 2, 2009, 46,763 ORAs were redeemed into shares. The remaining number of ORAs is 9,316,945 as of March 2, 2009.

Share buy-back programme
The Combined General Meeting held on April 29, 2008 (cancelling the authorisation granted on May 21, 2007) authorised the Management Board, pursuant to Article L225-209 and seq. of the French Commercial Code, for a period of eighteen months, to buy-back the Company shares up to the legal limit of 10 % of the total number of outstanding shares adjusted for any change in the share capital during the authorisation period, notably to allow the Company:

- (i) to cancelling all or part of the securities thus purchased, under the conditions provided by paragraph 2 of Article L. 225-209 of the French Commercial Code, subject to obtaining authorisation from the General Meeting to reduce the share capital;
- (ii) to holding shares that can be allotted to its officers and employees and to those of affiliated companies in the context of stock option schemes, free allotments of existing shares or company or inter-company employee stock purchase plans;
- (iii) to holding shares that enable it to allot shares upon the exercise of rights attached to negotiable securities giving access to the capital by way of redemption, conversion, exchange, presentation of a warrant, or in any other manner;

(iv) to holding shares that can be retained and subsequently used by way of exchange or payment in the context of external growth operations (including the acquisition or increase of interests) without exceeding the limit laid down by Article L. 225-209 of the French Commercial Code in the context of mergers, spin-offs or contributions in kind;

(v) to stimulating the market in and liquidity of the shares through an investment intermediary in the context of the liquidity contract;

(vi) to implementing any new market practice which might be approved by the Autorité des Marchés Financiers (French financial markets authority) and, more generally, to carry out any transaction permitted under the regulations in force.

The maximum purchase price is set as €275 excluding fees and the minimum sale price at €150 excluding fees, based on a nominal value of €5. The total amount devoted to this share buy back programme cannot exceed 2 billions euros.

The Management Board will propose that the shareholders, during the General Meeting to be held on April 28, 2009 (upon first convocation), renew such authorisation for a period of eighteen months, up to the legal limit of 10% of the total number of outstanding shares adjusted for any change in the share capital during the authorisation period with a maximum purchase price set as €200/share (excluding fees) and notably shall allow the Company:

- (i) to cancelling all or part of the securities thus purchased, under the conditions provided by paragraph 2 of Article L. 225-209 of the French Commercial Code, subject to obtaining authorisation from the General Meeting to reduce the share capital;
- (ii) to holding shares that can be allotted to its executive officers and employees and to those of affiliated companies under the terms and conditions provided by law, in particular in the context of stock option schemes, free allotments of existing shares or company or inter-company employee stock purchase plans;
- (iii) to holding shares that enable it to allot shares upon the exercise of rights attached to negotiable securities giving access to the capital by way of redemption, conversion, exchange, presentation of a warrant, or in any other manner;
- (iv) to holding shares that can be retained and subsequently used by way of exchange or payment in the context of external growth operations (including the acquisition or increase of interests) without exceeding the limit laid down by Article L. 225-209 of the French Commercial Code in the context of mergers, spin-offs or contributions in kind;
- (v) to stimulating the market in and liquidity of the shares through an investment intermediary in the context of the liquidity contract;
- (vi) to implementing any new market practice which might be approved by the Autorité des Marchés Financiers (French financial markets authority) and, more generally, to carry out any transaction permitted under the regulations in force. This new authorisation, subject to the Annual General Meeting approval, would cancel the authorisation granted on April 29,2008.

Review of share buy-back programme running from April 29, 2008, to March 2, 2009.

At March 2, 2009, the company did not held any of its own shares.
Under this share buy-back programme authorised by the General Meeting held on April 29, 2008, the Company (i) acquired 552,758 shares according to market conditions and cancelled their, (ii) has cancelled 650 treasury shares purchased on the stock exchange market on November 11, 2007, which were previously allotted to Performance Shares due to staff departures.

Situation as of March 2, 2009 (since April 29,2008)	
% of the treasury shares held directly or indirectly on the date of the publication of the programme:	0%
Number of the cancelled shares during the last 24 months:	727,251
Number of shares held in portfolio as of February 28, 2009:	0
Accountant value of the portfolio:	€0
Market value of the portfolio:	€0

Information on transactions between the General Meeting held on April 28, 2008 and March 2, 2009

		Gross totals		Open positions on prospectus filing date		
		Buy	Sales/ Transfers	Buy		Sell
Number of shares	552,758	553,408 (cancelled)	Purchased call options	Forward buy	Sales call options	Forward sale
		7,116 (allocated as Performance shares)	-	-	-	-
Average maximum maturity			-	-	-	-
Average transaction price (€/share)	€103.916	€104.381	-	-	-	-
Total amount	€57,440,150.82	€58,508,270.93	-	-	-	-

The Company has not entered into any market-making or liquidity agreements.
The Company has not used any derivative products as part of its share buyback programme.

Pledged Company shares

On March 2, 2009, 120,158 shares were pledged in a registered custodian account (nominatif administré). No standard registered shares (*nominatif pur*) were pledged.

Escheat shares

Within the framework of the procedure set forth in Article L.228-6 of the French Commercial Code, the Company shares unclaimed by shareholders within a period of two years following the publication of a notice in the newspaper La Tribune on July 8, 2005, were sold. The people involved may obtain their counter value from Caceis, with which the Company has its account.

Other securities giving entitlement to the share capital

None

Dividends/Distribution

The amount of dividends paid over the last five years is shown on page 8 of this report. Dividends are paid out from profits, retained earnings and, if necessary, available reserves.
As yet, the Compagny has not used the authorisation provided for in Article 21 of the Articles of Association to distribute the dividend in the form of new shares.

The General Meeting held on April 29, 2008, fixed the dividend at €7 per share. Based on the Company's quarterly distribution policy, the Management Board had previously decided to pay 3 interim dividends in respect of the 2007 financial year, of €1.70 per share, amounting to €138.9 Mn on October 15, 2007, €139.0 Mn on January 15 and €139.1 Mn on April, 15, 2008. The final dividend (€1.90 per share) amounting to €155.6 Mn has been paid on July 15, 2008. The overall dividend in respect of the 2007 financial year amounted to €572.6 Mn

Furthermore, the Management Board decided to pay two interim dividends in respect of the 2008 financial year, of €1.75 per share amounting to €143.4 Mn on October 15, 2008 and €142.5 Mn on January 15, 2009. A third interim dividend, of €1.75 per share, will be paid on April 15, 2009. Based on the recurring result of €8.52/share, it will be proposed to the General Meeting approving the accounts for the financial year ending December 31,2008 to declare a total distribution over 2008 of €7.50/share, part of it (€2 per share) being paid out of distribuable reserve and share premium. The final distribution will come to €2.25/share and will be paid on July 15, 2009.

Dividends that remain unclaimed for a period of five years from the date they are made available for payment are paid to the French Treasury, in accordance with Articles L. 27 and R. 46 of the French State Property Code (*Code du Domaine de l'État*).

Increases/decreases in Unibail-Rodamco’s share capital over the past five years

Date	Movements in the share capital	Number of shares issued	Total number of shares	Total share capital	Premium resulting from transaction
04/02/2004	Exercise of options (1996-1998)	31,682	45,028,517	€225,142,585	€704,611.72
12/05/2004	Exercise of options (1996-2000)	289,645	45,318,162	€226,590,810	€8,714,911.80
13/05/2004	Cancellation of shares	-570,000	44,748,162	€223,740,810	€38,594,700.00
13/07/2004	Company Savings Plan	41,514	44,789,676	€223,948,380	€2,458,043.94
28/07/2004	Exercise of options (1996-2001)	1,426	44,791,102	€223, 955,510	€37,815.64
23/09/2004	Cancellation of shares	-5,692	44,785,410	€223,927,050	€406,978.00
13/10/2004	Exercise of options (1996-2001)	33,474	44,818,884	€224,094,420	€773,011.19
15/12/2004	Exercise of options (1996-2002)	541,437	45,360,321	€226,801,605	€23,323,152.62
28/04/2005	Exercise of options (1997-2002)	74,497	45,434,818	€227,174,090	€1,714, 923.01
01/06/2005	Exercise of options (1998-2002)	30,596	45,465,414	€227,327,070	€643,617.40
12/07/2005	Company Savings Plan	55,983	45,521,397	€227,606,985	€3,937,305.73
21/07/2005	Exercise of options (1998-2002)	9,946	45,531,343	€227,656,715	€342,906.69
12/10/2005	Exercise of options (1998-2002)	11,649	45,542,992	€227,714,960	€411,075.69
14/12/2005	Exercise of options (1998-2002)	75,572	45,618,564	€228,092,820	€2,799,903.64
01/02/2006	Exercise of options (1998-2002)	122,490	45,741,054	€228,705,270	€4,757,584.35
27/04/2006	Exercise of options (1998-2002)	113,547	45,854,601	€229,273,005	€4,112,799.29
28/06/2006	Company Savings Plan	31,214	45,885,815	€229,429,075	€3,289,331.32
24/07/2006	Exercise of options (1999-2002)	18,664	45,904,479	€229,522,395	€704,983.80
11/10/2006	Exercise of options (1999-2002)	8,934	45,913,413	€229,567,065	€341,859.29
14/12/2006	Exercise of options (1999-2002)	163,707	46,077,120	€230,385,600	€6,802,258.34
31/01/2007	Exercise of options (1999-2002)	48,373	46,125,493	€230,627,465	€1,937,644.71
27/04/2007	Exercise of options (1999-2002)	20,523	46,146,016	€230,730,080	€832,864.63
25/06/2007	Rodamco Europe NV PEO: 1st issue	27,917,226	74,063,242	€370,316,210	€5,321,646,032.83
27/06/2007	Company Savings Plan	28,668	74,091,910	€370,459,550	€4,567,672.44
11/07/2007	Rodamco Europe NV PEO: 2nd issue	7,543,607	81,635,517	€408,177,585	€1,437,979,771.51
13/07/2007	Exercise of options (1999-2002)	16,089	81,651,606	€408,258,030	€653,419.18
03/10/2007	Exercise of options (2000-2002)	6,420	81,658,026	€408,290,130	€267,200.40
03/10/2007	Reimbursement of ORA	22,563	81,680,589	€408,402,945	€4,323,070.80
05/12/2007	Exercise of options (2000-2003)	152,283	81,832,872	€409,164,360	€7,414,167.78
05/12/2007	Reimbursement of ORA	13,013	81,845,885	€409,229,425	€2,493,290.80
21/12/2007	Cancellation of shares	-173,843	81,672,042	€408,360,210	€23,370,471.03
16/01/2008	Exercise of options (2000-2003)	89,497	81,761,539	€408,807,695	€4,335,840.07
16/01/2008	Reimbursement of ORA	10,954	81,772,493	€408,862,465	€2,098,786.40
10/04/2008	Exercise of options (2000-2003)	67,698	81,840,191	€409,200,955	€3,296,788.54
10/06/2008	Exercise of options (2000-2003)	44,005	81,884,196	€409,420,980	€2,024,676.70
26/06/2008	Company Savings Plan	26,117	81,910,313	€409,551,565	€3,378,072.86
17/07/2008	Exercise of options (2000-2003)	35,160	81,945,473	€409,727,365	€1,620,031.81
17/07/2008	Reimbursement of ORA	156	81,945,629	€409,728,145	€29,889.60
13/10/2008	Exercise of options (2000-2003)	22,554	81,968,183	€409,840,915	€993,532.26
23/11/2008	Exercise of options (2001-2004)	15,851	81,984,034	€409,920,170	€991,716.00
18/12/2008	Cancellation of shares	-553,408	81,430,626	€407,153,130	€54,762,509.87
05/01/2009	Exercise of options (2001-2004)	14,027	81,444,653	€407,223,265	€1,008,681.57
02/03/2009	Reimbursement of ORA	77	81,444,730	€407,223,650	€14,753.20
02/03/2009	Exercise of options (2001-2004)	86,952	81,531,682	€407,658,410	€6,188,602.80

Note: Increases in the share capital associated with the exercise of options and ORA are taken into account on the date of the first meeting of the Board of Directors (until June 2007) or Management Board following such exercise.

III. SHARE CAPITAL AND VOTING RIGHTS

Ownership of capital and voting rights

The Group's share capital as at March 2, 2009, comprised 81,531,682 fully paid-up shares with a nominal value of €5 each. A voting right is attached to each share. Over 99% of the share capital is free floating.

The Company's shareholding structure has changed as follows over the last three years:

Owner	Year-end 2006			Year-end 2007			Year-end 2008			Statement on March 2, 2009		
	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights
Free float	45,846,113	99.40%	99.40%	81,402,337	99.56%	99.57%	81,090,117	99.56%	99.57%	81,175,542	99.56%	99.56%
Treasury shares	0	0%	0%	11,157	0.01%	0.00%	2,666	0.01%	0.00%	0	0.00%	0.00%
Company's responsible officers	56,345	0.12%	0.12%	127,997	0.16%	0.16%	126,982	0.15%	0.15%	128,848	0.16%	0.16%
Group Company Savings Plan	220,759	0.48%	0.48%	220,483	0.27%	0.27%	224,888	0.28%	0.28%	227,292	0.28%	0.28%

In accordance with Article 13 of the Articles of Association, the members of the Supervisory Board must each own at least one share. The shares owned by the members of the Supervisory Board and the members of the Management Board must be registered shares, pursuant to Article L.225-109 of the French Commercial Code.

Ownership threshold disclosures notified between February 1, 2008⁽⁹⁾, and March 2, 2009.

To the best knowledge of the Company, based on the ownership threshold disclosures notified by the shareholders to the Company and/or the A.M.F., the latest information is set forth in the chart below:

Owner	Number of shares	% of share capital as of 28/02/2009	Number of voting rights	% of voting rights as of 2/03/2009
Cohen & Steers Inc. (number of shares based on a letter of December 16, 2008 sent to the Company by registered mail)	2,414,225	2.96%	2,414,225	2.96%
UBS Investment Bank (number of shares based on a letter of October 10, 2008 sent to the Company)	1,525,158	1.87%	1,525,158	1.87%

As of March 2, 2009, there are 9,316,945 redeemable bonds in Unibail-Rodamco shares.

To the best knowledge of the Company, there is neither a shareholders' agreement, nor any person or group of persons exercising or capable of exercising control over the Company.

Unibail-Rodamco Supervisory Board and Management Board members and all other staff must comply with the Unibail-Rodamco Group compliance programme with respect to the transactions of the Company's securities carried out in a personal capacity. In particular they must refrain all transactions on Unibail-Rodamco shares (or financial instrument associated with such securities) within the 30-day period preceding the publication of the annual or half-year results. The Company's Supervisory Board and Management Board members and certain of its employees, who by reason of their functions have access to insider information, are also classified as permanent insiders within the meaning of Article 622-2 of the A.M.F.'s general rules and regulations.

⁽⁹⁾ Threshold disclosures notified prior to January 31, 2008, can be viewed on the A.M.F. website.

IV MANAGEMENT BOARD AND SUPERVISORY BOARD

1. Composition of the Management Board

<p>Mr. Guillaume Poirinal Chairman of the Management Board Chief Executive Officer of Unibail-Rodamco Group</p> <p>Born on December 22, 1967</p> <p>First Mandate: June 26, 2007 Mandate expires: June 26, 2011</p>	<p>Other Current Functions and Mandates</p> <ul style="list-style-type: none">• Director of the French Fédération des Sociétés Immobilières et Foncières (FSIF) and the European Public Real Estate Association (EPRA)• Chairman of the Supervisory Board of Rodamco Europe NV• Director of U&R Management BV• Vice Chairman of the Supervisory Board of Salon International de l'Alimentation (SIAL) SA• Representative of Unibail-Rodamco on the Boards of Directors of Unibail-Rodamco Finance• Representative of Unibail-Rodamco on the Boards of Directors of l'Association pour la Formation Supérieure aux Métiers de l'Immobilier and of Société Paris – Ile-de-France Capitale Économique• Director of VIPARIS-Porte de Versailles, of Comexposium SA and of VIPARIS – Palais des Congrès Paris• Permanent representative of Unibail-Rodamco Participations SAS on the Supervisory Board of SEML Nouvelle du Parc du Futuroscope. Representative of Société Civile du Forum des Halles at the Board of Directors of SEMPARISEINE• Director of Pavillon de l'Arsenal• Member of the Ethics Committee of the MEDEF <p>Previous Mandates during the last 5 years</p> <ul style="list-style-type: none">• Chairman and CEO of Unibail SA• Chairman of Board of Directors of Société d'Exploitation du Parc des Expositions de la Ville de Paris (now VIPARIS-Porte de Versailles)• Chairman of Groupe Expositium Holding SAS and Doria SAS• Representative of Unibail-Rodamco, which was the Chairman of the Comexposium SA (ex. Waiméa (SAS))• Representative of Société d'Exploitation du Parc des Expositions de la Ville de Paris (now VIPARIS-Porte de Versailles)• Permanent representative of Doria (SAS) which was the manager of Financières 5 Malesherbes <p>CV</p> <ul style="list-style-type: none">• Graduate from HEC Business School• Started his career at Morgan Stanley in London and Paris with the M&A and Corporate Finance departments• Joined Unibail in 1995
<p>Mrs. Catherine Pourre Member of the Management Board</p> <p>Born on February 2, 1957</p> <p>First Mandate: June 26, 2007 Mandate expires: June 26, 2011</p>	<p>Current Functions and Mandates</p> <ul style="list-style-type: none">• Chief Resources Officer of Unibail-Rodamco Group• Chairman and CEO of Société de Tayninh• Chairman and CEO of Unibail-Rodamco Finance• Chairman of Doria SAS• Management Board member of Rodamco Europe NV• Director of U&R Management BV• Supervisory Board Member of Uni-Expos• Chairman of Unibail Management SAS• Managing Director of Espace Expansion Immobilière• Director of Comexposium SA, Unibail-Rodamco Participations and VIPARIS - Palais des Congrès Paris• Permanent representative of Doria on the Board of Directors of VIPARIS-Porte de Versailles <p>Previous Mandates during the last 5 years</p> <ul style="list-style-type: none">• Executive Vice-President of Unibail SA in charge of Finance, Human Resources, IT, Legal and Property Engineering Departments, Member of the Executive Committee• Deputy CEO Groupe Expositium Holding• Permanent representative of Groupe Expositium Holding on the Supervisory Board of the SIAL and on the Management Board of Expositium SA• Permanent representative of Doria SAS on the Boards of directors of Expositima and Intermat• Member of the Supervisory Board of SMP SE• Deputy CEO of Société de Tayninh and Doria SAS• Director of Expositium, of Européenne de Salons, of Expogestion, Société d'Exploitation du Parc des Expositions de la Ville de Paris (now VIPARIS-Porte de Versailles) <p>CV</p> <ul style="list-style-type: none">• Graduate from ESSEC Business School• Degree in CPA (Certified Public Accountant) and Masters degree in Law (Université Catholique de Paris)• Started her career at PricewaterhouseCoopers, was a Partner from 1989 to 1999• Executive Director of Cap Gemini Ernst & Young France in 1999 until she joined Unibail in 2002

<div><div><div><div><div><div></div></div></div><div><div><div></div></div><div><div></div></div></div><div><div><div></div></div><div><div></div></div></div><div><div><div></div></div><div><div></div></div></div></div></div><div><div>Mr. Michel Dessolain</div><div>Member of the Management Board</div></div></div>	<div><div><div><div><div><div></div></div></div><div><div><div></div></div><div><div></div></div></div><div><div><div></div></div><div><div></div></div></div><div><div><div></div></div><div><div></div></div></div></div></div><div><div>Current Functions and Mandates</div><div><div><ul style="list-style-type: none">Chief Operating Officer of Unibail-Rodamco GroupDirector of Rodamco Espana BV, Rodamco Inversiones SLU, Rodamco Parques Commerciales SLU, Rodamco Ocio SLU, Rodamco Levante SLU, Rodamco Vallsur SLU, Rodamco Garbera SL, Rodamco Proyecto Badajoz SLU, Rodamco Benidorm SLU, Promociones Generales Rodamco SLU, Proyectos Inmobiliarios New Visions SLU, Rodamco Europe Espana SAU, Unibail-Rodamco Steam SLU, Proyectos Inmobiliarios Time Blue SL, Essential Whites SLU, Proyectos Inmobiliarios Time Blue SL, Promociones Inmobiliarias Gardiner SLU</div></div></div><div><div>Previous Mandates during the last 5 years</div><div><div><ul style="list-style-type: none">General Manager of the Shopping Centre Division of Unibail Group, Member of the Executive CommitteeCEO of Société Foncière du 4-6 rue Louis ArmandExecutive Vice President of Unibail Management SASChairman of Uni-Commerces SAS, of Espace Expansion SAS, Toison d’Or SASManaging Director of Espace Coquelles, Immo-Limo and S.A.G.E</div></div></div><div><div>CV</div><div><div><ul style="list-style-type: none">Masters Degree in Law and Graduate of Ecole Spéciale des Travaux PublicsStarted his career with La Caisse des Dépôts et Consignations, then held international development positions for the retail company Habitat. He joined Unibail in 1997 as Espace Expansion Deputy Managing Director</div></div></div></div>
<div><div><div><div><div><div></div></div></div><div><div><div></div></div><div><div></div></div></div><div><div><div></div></div><div><div></div></div></div><div><div><div></div></div><div><div></div></div></div></div></div><div><div>Mr. Bertrand Julien-Laferrière</div><div>Member of the Management Board</div></div></div>	<div><div><div><div><div><div></div></div></div><div><div><div></div></div><div><div></div></div></div><div><div><div></div></div><div><div></div></div></div><div><div><div></div></div><div><div></div></div></div></div></div><div><div>Current Functions and Mandates</div><div><div><ul style="list-style-type: none">Chief Development Officer of Unibail-Rodamco GroupChairman of Unibail-Rodamco DéveloppementExecutive Vice-President of Unibail Management SAS</div></div></div><div><div>Previous Mandates during the last 5 years</div><div><div><ul style="list-style-type: none">Chairman and CEO of CGW Gestion d’ActifsCEO and Director of Bail Investissement Foncière SADirector of AFILOGPermanent representative of Bail Investissement Foncière on the board of Primabail SAPermanent representative of Foncière des Régions on the boards of Altarea SA and Altapar SASDirector of private company BJL Investissement SARLMember of the Board of Directors of Maison des CentraliensChairman of the Board of Directors of Secag Caraibes (France) and Club Med Gym (France) until 2004Chairman of Grand Hotel Parisien (France) and Loin (France) until 2004Vice-Chairman of the Board of Directors of Gregolimano Etable (Greece) until 2004Permanent representative of Club Méditerranée SA on the board of Carthago (Tunisia) until 2004</div></div></div><div><div>CV</div><div><div><ul style="list-style-type: none">Engineering degree from Ecole Centrale Paris, a Master of Science from UC Berkeley and a MBA from InseadHe held senior positions at Club Méditerranée, Accor Hotels and Ricardo Bofill Architects</div></div></div></div>

<div><div><div><div><div><div></div></div></div><div><div><div></div></div><div><div></div></div></div><div><div><div></div></div><div><div></div></div></div><div><div><div></div></div><div><div></div></div></div></div></div><div><div>Mr. Willem Ledeboer</div><div>Member of the Management Board</div></div></div>	<div><div><div><div><div><div></div></div></div><div><div><div></div></div><div><div></div></div></div><div><div><div></div></div><div><div></div></div></div><div><div><div></div></div><div><div></div></div></div></div></div><div><div>Current Functions and Mandates</div><div><div><ul style="list-style-type: none">Chief Investment Officer of Unibail-Rodamco GroupMember of the Board of Directors of Rodamco France and Union Internationale ImmobilièreDirector of Rodamco Espana BV, Rodamco Europe Beheer BV, Stichting Rodamco BV, Rodamco Nederland BV, RRN Monumenten BV, Rodamco Nederland Winkels BV, Rodamco Central Europe BV, Rodamco Austria BV, Rodamco Czech BV, Rodamco Eastern Europe Holding BV, Rodamco Russia BV, Rodamco Hungary BV, Rodamco Deutschland BV, Rodamco Project I BV, Turbozwaan BV, Dotterzwaan BV, Cijferzwaan BV, U&R Management BVDirector of Unibail-Rodamco Inversiones SLU, Unibail-Rodamco Parques Commerciales SLU, Unibail-Rodamco Ocio SLU, Unibail-Rodamco Levante SLU, Unibail-Rodamco Vallsur SLU, Unibail-Rodamco Garbera SL, Unibail-Rodamco Proyecto Badajoz SLU, Promociones Unibail-Rodamco Generales SL, Proyectos Inmobiliarios New Visions SL, Unibail-Rodamco Steam SLU, Proyectos Inmobiliarios Time Blue SL, Essential Whites SLU, Promociones Inmobiliarias Gardiner SLUChairman of Eurostop AB, Piren AB, Rodamco Centerpool AB, Rodamco Expand AB, Rodamco Holding AB, Rodamco Management AB, Rodamco Nova Lund 2 AB, Rodamco Parkering AB, Rodamco Solna Centrum AB, Rodamco Tumlaren AB, Rodamco Väsby Centrum AB, Eurostop Holding AB, Rodamco AB, Rodamco Eneby AB, Rodamco Garage AB, Rodamco Invest AB, Rodamco Nacka AB, Rodamco Nova Lund 3 AB, Rodamco Projekt AB, Rodamco Täby AB, Rodamco Tyresö Centrum AB, Rodamco Northern Europe AB, Rodamco Fisketorvet AB, Rodamco Sverige ABChairman of Uni-Commerces SAS (which is Chairman/Managing Director of 88 subsidiaries of Unibail-Rodamco SA) and Immobilière Lidice SAS (which is Chairman/Managing Director of 36 subsidiaries of Unibail-Rodamco SA)Director of Unibail-Rodamco Beteiligungsverwaltung GmbH, Shopping Center Plannungs-und Entwicklungs-gesellschaft mbH, Shopping Center Vösendorf Verwaltungs gesellschaft mbH, SCS Immobilien verwaltung GmbH, SCS Infrastruktur GmbH, SCS Motor City Süd Errichtungs gesellschaft mbH, SCS Liegenschaft sverwertung GmbH, Andraka Beteiligungs verwaltungs GmbH, Shopping City Süd Erweiterungsba u Gesellschaft mbH & Co Anlagenvermietung KG, SCS Werbegesellschaft mbH, Shopping Center Plannungs-und Entwicklungs-gesellschaft mbH & Co. Werbeberatung KG, Südpark Holding GmbH, Rodamco Central Europe GmbH, Donau-zentrum Besitz-und Vermietungs AG, Donauzentrum Betriebsführungs mbH, DX-Donauplex Betriebsgesellschaft mbH, Rodamco Deutschland GmbHDirector of N.V. Oostelijk Zwembad (foreign non-listed company)Supervisory Board member of Rodamco CH1 Spzoo</div></div></div><div><div>Previous Mandates during the last 5 years</div><div><div><ul style="list-style-type: none">CIO Asset Selection and Management Board member of Rodamco Europe N.V.Director of Cooperwing BVBoard Member of RoProperty Holding BVChairman and CEO of Vertou Développement</div></div></div><div><div>CV</div><div><div><ul style="list-style-type: none">Masters degree in law (Erasmus University)Bachelors degree in Business Administration (University of Delft)Started his career as a solicitor with international law firm Nauta, specialising in bankruptcy law, joined Rodamco in 1986 as General CounselFrom 1989 to 1994, Executive Director for Rodamco in Australia. In 1994, became responsible for Rodamco’s South East Asia portfolio development</div></div></div></div>
<div><div><div><div><div><div></div></div></div><div><div><div></div></div><div><div></div></div></div><div><div><div></div></div><div><div></div></div></div><div><div><div></div></div><div><div></div></div></div></div></div><div><div>Mr. Peter van Rossum</div><div>Member of the Management Board</div></div></div>	<div><div><div><div><div><div></div></div></div><div><div><div></div></div><div><div></div></div></div><div><div><div></div></div><div><div></div></div></div><div><div><div></div></div><div><div></div></div></div></div></div><div><div>Current Functions and Mandates</div><div><div><ul style="list-style-type: none">Chief Financial Officer of Unibail-Rodamco GroupManagement Board Member of Rodamco Europe NVDirector of Rodamco Europe Beheer BV and Rodamco Europe Finance BV, Rodamco Europe Finance II BV, Rodamco Central Europe BV, Rodamco Austria BV, Rodamco Czech BV, Rodamco Eastern Europe Holding BV, Rodamco Russia BV, Rodamco Hungary BV, Rodamco Deutschland BV, Rodamco Project I BV, Dotterzwaan BV, Cijferzwaan BV, U&R Management BV</div></div></div><div><div>Previous Mandates during the last 5 years</div><div><div><ul style="list-style-type: none">CFO and Management Board member of Rodamco Europe N.V.Board member of Rodamco Espana BV and Rodamco Nederland BVNon-executive member on the Board of Woodside Petroleum in Australia, from 2004 to 2006</div></div></div><div><div>CV</div><div><div><ul style="list-style-type: none">Masters Degree in Business Economics at the Free University of AmsterdamChartered Accountant’s degree at the Free University of AmsterdamBuilt extensive experience over 24 years in financial positions with Shell in Europe, Middle East, United States and Asia, was Regional Finance Director for Shell’s Exploration and Production business in Asia/Pacific.Was CFO at NAM, the Dutch upstream joint venture between Shell and ExxonJoined Rodamco Europe NV in 2006 as CFO</div></div></div></div>

Mr. Joost Bomhoff Member of the Management Board from June 26, 2007 until August 31, 2008 Born on November 18, 1948	Current Functions and Mandates <ul style="list-style-type: none">Executive Director in charge of Sustainability, Chairman of the U-R AcademyBoard Member of Rodamco Deutschland GmbH, Rodamco Europe Beheer BV and Stichting Rodamco BVChairman and CEO of Union Internationale ImmobilièreChairman of the Board of Directors of Rodamco France Previous Mandates during the last 5 years <ul style="list-style-type: none">Chief Development Officer of Unibail-Rodamco SACOO Retail Management and Management Board member of Rodamco Europe N.V.Director of Unibail-Rodamco Spain SAU, Rodamco Espana BV, Rodamco Northern Europe AB, Rodamco Netherland BV, Aupark AS, Rodamco Inversiones SLU, Rodamco Parques Comerciales SLU, Rodamco Ocio SLU, Rodamco Levante SLU, Rodamco Vallsur SLU, Rodamco Garbera SLU, Rodamco Proyecto Badajoz SLU, Rodamco Benidorm SLU, Promociones Unibail-Rodamco Generales SLU, Proyectos Inmobiliarios New Visions SLUManaging Director of 17/19/21 Fbg St Honoré CV <ul style="list-style-type: none">Started his career with a consultancy firm followed by development companiesJoined Rodamco Europe NV in 1982In 1990, appointed Executive Director of Rodamco Europe NV, responsible for building the shopping centre portfolios in France and Spain
--	---

2. Composition of the Supervisory Board

Mr. Robert van Oordt Chairman of the Supervisory Board Independent member Born on March 26, 1936 First Mandate: June 25, 2007 SB term expires: 2009 AGM Holds 50 U-R shares Chairman of the Governance, Nomination & Remuneration Committee	Current Functions and Mandates <ul style="list-style-type: none">Member Board of Directors of Schering-Plough Corporation (USA; Chairman Business Practices Oversight Committee; member of Nominating & Governance Committee; member of Audit Committee and member of Executive Committee; listed foreign company) - Lead Director during 2008Member Board of Directors of Fortis Bank S.A. / N.V. (Be) (Chairman Audit Committee; foreign company)Member Supervisory Board of Draka Holding N.V. (NL; Chairman Audit & Governance Committee; member of Remuneration Committee; listed foreign company) Previous Mandates during the last 5 years <ul style="list-style-type: none">Member Board of Directors of Nokia Corporation (FL; Chairman Audit Committee)Member Board of Directors of S.A. Umicore N.V. (Be; Chairman Audit Committee)Chairman Supervisory Board Rodamco Europe N.V. (NL; Chairman Nominating & Governance Committee; Initial appointment in 2001, until June 2007) CV <ul style="list-style-type: none">Masters Degree in Business Economics from Amsterdam University
Mr. François Jaclot Vice Chairman of the Supervisory Board Independent member Born on May 1, 1949 First Mandate: June 25, 2007 SB term expires: 2010 AGM Holds 35 U-R shares Chairman of the Audit Committee	Other Current Functions and Mandates <ul style="list-style-type: none">Director and CEO of Addax and Oryx Group (AOG; foreign company)Chairman of the Board of Directors of SEREN, FACEO & Financière du Bois du RoiMember of the Board of Directors of CEVA and Axmin (listed, foreign company)Managing Director of FJ Consulting (Belgian SPRL 100% held) Previous Mandates during the last 5 years <ul style="list-style-type: none">Member Board of Directors of Unibail SA from 2003 until June 2007CFO then Senior Advisor of Inbev (ex Interbrew) CV <ul style="list-style-type: none">Graduate of ENA and the Institut d'études Politiques, Masters Degree in mathematics and graduate of the École Nationale de Statistiques et d'Administration Économique (ENSAE)Inspecteur des Finances

Mr. Frans Cremers Independent member Born on February 7, 1952 First Mandate: June 25, 2007 SB term expires: 2010 AGM Holds 1 U-R share Member of the Supervisory Board Member of the Audit Committee	Other Current Functions and Mandates <ul style="list-style-type: none">Member Supervisory Boards of NS N.V. (foreign company), Royal Vopak NV (listed, foreign company), Vopak N.V. (foreign company), Fugro N.V. (Vice Chairman) (listed, foreign company), Luchthaven Schiphol N.V. (foreign company) and Parcom Capital B.V. (foreign company)Member of the Capital Market Committee of AFMMember of the Committee investigating Fortis N.V. on behalf of the Enterprise Chamber of the Dutch High Court in Amsterdam Previous Mandates during the last 5 years <ul style="list-style-type: none">Supervisory Board member Rodamco Europe N.V. from the end of 2004 until June 2007CFO and member of the Executive Board of VNU N.V. until the end of 2004 CV <ul style="list-style-type: none">Masters Degree in Business Economics and a PhD in Business Finance; both from the Erasmus University (Rotterdam – NL)He was active in Royal/Dutch Shell for 21 years in financial and commercial positions all over the world, lastly as Finance Director of Shell Expro UK
Mr. Jacques Dermagne Born on November 28, 1937 First Mandate: June 25, 2007 SB term expires: 2010 AGM Holds 75 U-R shares Member of the Supervisory Board Member of the Governance, Nomination & Remuneration Committee	Current Functions and Mandates <ul style="list-style-type: none">Chairman of the French Economic, Social and Environmental Council and Honorary Chairman of the Worldwide Organisation of Economic CouncilsChairman of the Comité Français des Expositions & Conventions and Honorary Chairman of the Conseil National de Commerce and of the Patronat françaisMember of the Supervisory Board of Devanlay (Lacoste), Cetelem (BNP Paribas Personal Finance) Previous Mandates during the last 5 years <ul style="list-style-type: none">Member Board of Directors of Unibail from 1993 until June 2007Member of the Supervisory Board of D.M.C.Member of Board of Directors of Rallye CV <ul style="list-style-type: none">Masters Degree in Private Law
Mr. Robert ter Haar Independent member Born on February 13, 1950 First Mandate: June 25, 2007 SB term expires: 2011 AGM Holds 50 U-R shares Member of the Supervisory Board Member of the Audit Committee	Other Current Functions and Mandates <ul style="list-style-type: none">Supervisory Board member of Royal FrieslandCampina N.V. (foreign company), Maxeda B.V. (foreign company), Parcom Capital B.V. (Chairman; foreign company), Univar Inc. (foreign company), B.V. Sperwer Holding (foreign company) and VVAA Groep B.V. (Chairman; foreign company) Previous Mandates during the last 5 years <ul style="list-style-type: none">Supervisory Board member Rodamco Europe N.V., from the end of 2004 until June 2007CEO of Hagemeyer N.V until March 2004Chairman of the Executive Board of De Boer Unigro N.V.Board member Household & Personal Care division Sara Lee/Douwe Egberts and General Manager at Molnlycke NederlandChairman of the Supervisory Board of BGN B.V. CV <ul style="list-style-type: none">Masters Degree in Commercial and Corporate Law
Mrs. Mary Harris Independent Member Born on April 27, 1966 First Mandate: April 29, 2008 SB term expires : 2009 AGM Holds 100 U-R shares Member of the Supervisory Board Member of the Governance, Nomination & Remuneration Committee as of March 9, 2009	Other Current Functions and Mandates <ul style="list-style-type: none">Member of the Supervisory Board and Audit Committee of TNT N.V. (listed, foreign company) and non-executive director of Sainsburys plc (listed, foreign company) and a member of its Audit, Nomination & Corporate Responsibility CommitteeAdvisory Board member of Irdeto N.V. (foreign company) Previous Mandates during the last 5 years <ul style="list-style-type: none">Consultant and Partner at McKinsey & Co in London, Amsterdam, China and South East Asia CV <ul style="list-style-type: none">Masters Degree in Economics, Politics and Philosophy from Oxford University and a Masters Degree in Business Administration from Harvard Business SchoolShe held positions at Pepsi Beverages, Goldman Sachs and at private equity/venture capital firms

<div>Mr. Jean-Louis Laurens</div> <div>Independent member</div> <div>Born on August 31, 1954</div> <div>First Mandate: June 25, 2007 SB term expires: 2009 AGM</div> <div>Holds 161 U-R shares</div> <div>Member of the Supervisory Board</div> <div>Member of the Audit Committee as of March 9, 2009</div>	<div>Current Functions and Mandates</div> <div><ul style="list-style-type: none">Member of the Executive Board of Robeco Groep NL (foreign company), Robeco Direct NL (foreign company) and Robeco Investment Management US (foreign company)Chairman of ROBECO GestionsChairman of the Executive Board of Banque ROBECOMember of the Advisory Board of EDHEC Risk & Asset Management Research Centre - Nice</div> <div>Previous Mandates during the last 5 years</div> <div><ul style="list-style-type: none">Member Board of Directors of Unibail SA in 2007Chairman and CEO of AXA Investment Managers Paris and Deputy CEO of AXA Investment ManagersMember Board of Directors of AXA France Assurance</div> <div>CV</div> <div><ul style="list-style-type: none">Graduate of the École des Hautes Études CommercialesHe has a Doctorate in Economics and a Masters Degree in Law</div>
<div>Mr. Yves Lyon-Caen</div> <div>Independent member</div> <div>Born on June 29, 1950</div> <div>First Mandate: June 25, 2007 SB term expires: 2011 AGM</div> <div>Holds 200 U-R shares</div> <div>Member of the Supervisory Board</div> <div>Member of the Audit Committee from June 26, 2007 until March 9, 2009</div>	<div>Other Current Functions and Mandates</div> <div><ul style="list-style-type: none">Chairman of the Supervisory Board Bénéteau S.A.Chairman of the Supervisory Board of Sucres & Denrées</div> <div>Previous Mandates during the last 5 years</div> <div><ul style="list-style-type: none">Member Board of Directors of Unibail SA from 2005 until June 2007Member Board of Directors of Nexans SA (from 2005 to 2007)</div> <div>CV</div> <div><ul style="list-style-type: none">Law graduate of the Institut d’Études Politiques and former student of the École Nationale d’Administration</div>
<div>Mr. Henri Moulard</div> <div>Independent member</div> <div>Born on May 2, 1938</div> <div>First Mandate: June 25, 2007 SB term expires: 2011 AGM</div> <div>Holds 3 U-R shares</div> <div>Member of the Supervisory Board</div> <div>Member of the Governance, Nomination & Remuneration Committee</div>	<div>Current Functions and Mandates</div> <div><ul style="list-style-type: none">Chairman of HM & Associés SAS and Truffle Capital SASNon-voting member and Chairman of the Audit Committees of Crédit Agricole SA (listed), LCL Crédit Lyonnais, Calyon (ex-Indosuez) and Crédit Agricole Asset Management (CAAM)Non-voting Director, Chairman of the Remuneration Committee and member of the Audit Committee of GFI Informatique (listed)Director of Altamed S.A. (foreign company), Involys SA (foreign company), Burelle SA (listed), Elf Aquitaine and La Française des Placements Investissements SAS (Chairman of the Nomination Committee and member of the Governance Committee)Chairman of the Supervisory Board of Dixence SAS, Vice Chairman of the Executive Committee of GERPRO SASChairman of the Supervisory Board and member of Audit Committee of Financière Centuria SAS</div> <div>Previous Mandates during the last 5 years</div> <div><ul style="list-style-type: none">Member Board of Directors of Unibail SA from 1998 until June 2007Chairman of the Board of Directors of Attijariwafa Bank EuropeMember Board of Directors of Foncia (member of the Audit Committee), Attijariwafa Bank (Morocco) and Attijari Bank (Tunis)</div> <div>CV</div> <div><ul style="list-style-type: none">Graduate of the Institut d’Etudes Politiques de Lyon, graduate in Private Law and holds a Post Graduate Professional Degree (DES) in Public Law</div>
<div>Mr. Bart Okkens</div> <div>Independent member</div> <div>Born on July 23, 1941</div> <div>First Mandate: June 25, 2007 SB term expires: 2011 AGM</div> <div>Holds 800 U-R shares</div> <div>Member of the Supervisory Board</div> <div>Member of the Governance, Nomination & Remuneration Committee</div>	<div>Other Current Functions and Mandates</div> <div><ul style="list-style-type: none">Supervisory Board member of Stichting de Nationale Sporttotalisator (SNS; foreign company), Huisman Special Lifting Equipment Holding B.V. (foreign company)Chairman of the Supervisory Board of Esselink Groep BV (foreign company), Bornet Group Rotterdam BV (foreign company), Van Hoorn Holding BV (foreign company), Bergschenhoek Groep BV (foreign company) and the Boijmans van Beuningen Museum (foreign company)Board member of Stichting RESERVE 1983 (foreign company), Stichting Continuïteit ICT (foreign company), Stichting Administratiekantoor J. Van Dyk (foreign company) and Stichting Administratiekantoor Golf Team Holland (foreign company)</div> <div>Previous Mandates during the last 5 years</div> <div><ul style="list-style-type: none">Vice Chairman Supervisory Board Rodamco Europe N.V. from April 2001 until June 2007Supervisory Board member of Rijn-Schelde-Verolme Machinefabrieken en Scheepswerven N.V.(i.l.)Board member of Stichting Toezicht Certificaten Friesland Coberco Dairy FoodsChairman of Stichting Oranje Fonds and Stichting Rotterdam Topsport</div> <div>CV</div> <div><ul style="list-style-type: none">He was an independent legal advisor, former civil law notary in Rotterdam and Managing Partner at De Brauw Blackstone Westbroek N.V. He held a number of senior professional positions, including Vice Chairman of the Royal Association of Civil Law Notaries and member of the Supervision of Notaries Chamber in Rotterdam</div>

<div>Mr. Alec Pelmore</div> <div>Independent Member</div> <div>Born on October 14, 1953</div> <div>First Mandate: April 29, 2008 SB term expires: 2009 AGM</div> <div>Holds 500 U-R shares</div> <div>Member of the Supervisory Board</div> <div>Member of the Audit Committee as of March 9, 2009</div>	<div>Other Current Functions and Mandates</div> <div><ul style="list-style-type: none">He currently advises a number of UK companies on strategic and property issues</div> <div>Previous Mandates during the last 5 years</div> <div><ul style="list-style-type: none">Nil</div> <div>CV</div> <div><ul style="list-style-type: none">Degree in Mathematics from Cambridge UniversityHe held positions as an equity investment analyst specialising in real estate companies mainly at Dresdner Kleinwort Benson and Merrill Lynch. With partner Robert Fowlds, his team was voted No.1 for real estate in Europe for 12 out of 13 years from 1995 to 2007</div>
<div>Mr. Jos Westerburgen</div> <div>Independent member</div> <div>Born on June 29, 1942</div> <div>First Mandate: June 25, 2007 SB term expires: 2010 AGM</div> <div>Holds 664 U-R shares</div> <div>Member of the Supervisory Board</div> <div>Member of the Governance, Nomination & Remuneration Committee as of March 9, 2009</div>	<div>Other Current Functions and Mandates</div> <div><ul style="list-style-type: none">Supervisory Board member of ASML Holding N.V. (listed, foreign company) (Chairman of the Remuneration Committee and of the Selection and Nomination Committee)Vice Chairman of the Board of the Association AEGON</div> <div>Previous Mandates during the last 5 years</div> <div><ul style="list-style-type: none">Supervisory Board Member Rodamco Europe N.V., from the end of 2004 until June 2007. Member of the Supervisory Board of Gamma Holding N.V. (until 2003) and Unilever Nederland B.V. (until 2005)</div> <div>CV</div> <div><ul style="list-style-type: none">Holds a Masters Degree in Tax Law from Leiden UniversityBegan his career with the Dutch Ministry of Finance, reaching Director levelHe went on to join Unilever. Now retired, he was a former Company Secretary and Head of Tax at Unilever N.V. and Unilever plc</div>

3. Corporate Governance

Unibail-Rodamco has a two-tier governance structure with a Management Board and a Supervisory Board. There is a clear distinction between the different operational roles, responsibilities and related tasks assumed by the Management Board and the Supervisory Board (which gives advice and provides oversight over the proper functioning of the Company).

The full detail of the Company's corporate governance is in the Report of the Chairman of the Supervisory Board.

3.1. Supervisory Board and its Committees

The Supervisory Board currently consists of twelve members. The Supervisory Board Chairman is Mr Robert van Oordt; the Vice-Chairman is Mr François Jaclot. The composition of the Supervisory Board reflects a strong commitment to the independence and expertise of its members.

The Supervisory Board’s role, responsibilities and related tasks are spelled out in part IV of the Company’s Articles of Association⁽¹⁾ and more specifically in a separate Supervisory Board Charter.

Unibail-Rodamco’s Supervisory Board has formed two sub-committees focusing on specific aspects of its overall responsibility: the Audit Committee and the Governance, Nomination and Remuneration Committee (GN&RC). Each committee performs its duties under a specific Charter ⁽²⁾, which describes the Committee’s role, responsibilities, organisation, and functioning. The Committees make recommendations and advise the Supervisory Board on the aspects of the Company's operations for which they are charged. The Supervisory Board is ultimately responsible for all the decisions and actions taken upon the Committees’ recommendation.

Audit Committee

This committee, which is chaired by Mr. François Jaclot, was made up of four members in 2008 (the Chairman plus Messrs Cremers, ter Haar and Lyon-Caen)⁽³⁾. The Committee members have significant financial and accounting expertise.

All members of the Audit Committee are independent.

The Audit Committee specifically focuses on the Company's financial performance-related accounts, financing, auditing and associated risks. It examines and supervises the Company's publication of financial information. It also ensures the relevance and efficiency of the Group’s accounting and financial standards, tax and funding policies and internal audit, risk-management and control procedures.

The Audit Committee deals with a number of recurring issues, such as interim and annual financial statements, internal control and risk management relating to liabilities and net asset value. In addition, the Committee may carry out specific examinations on its own initiative or at the request of the Supervisory Board. In addition to the regular contact that the Committee has with the Management Board and its Statutory Auditors, it is free to interview experts in particular fields (e.g. accounting, finance and audit managers) without members of the Management Board being present. The Committee has access to valuations carried out by independent appraisers.

⁽¹⁾ Available on the Company’s website and at its registered office.
⁽²⁾ Ibid.
⁽³⁾ Messrs Laurens and Pelmore were appointed to the Audit Committee in March 2009. Mr Lyon-Caen was a member until March 9, 2009.

Governance, Nomination and Remuneration Committee

The GN&RC, which is chaired by Mr. Robert van Oordt, was made up of four members in 2008 (the Chairman plus Messrs Dermagne, Moulard and Okkens)⁽⁴⁾. All the GN&RC members are independent pursuant to Afep-Medef Code, except for Mr. Dermagne since his terms as a member of Boards of Unibail SA and of Unibail-Rodamco SA combined exceeds 12 years⁽⁵⁾.

The Committee examines and advises the Supervisory Board on: (a) the profile and selection criteria for the members of the Management Board and the Supervisory Board; (b) the Company's human resources policies and related remuneration policies; (c) the annual remuneration arrangements (salary, short-term incentive, long-term incentive and other benefits) of the CEO and the other members of the Management Board; (d) the scope, composition and functioning of the Management Board and the Supervisory Board; (e) the independence of the Supervisory Board members; (f) the (re)appointment of members of the Management Board and/or the Supervisory Board; (g) the Group's corporate governance practices and rules.

3.2. Management Board

The Management Board, the Company's collective decision-making body overseen by the Supervisory Board, is chaired by Mr. Guillaume Poitrinal, the Company's CEO. It consists of six members appointed by the Supervisory Board for a four-year term.

Management Board members are collectively in charge of and responsible for the management of the Company on a day-to-day basis. Fully empowered to act on behalf of the Company by the shareholders and by the Supervisory Board, the Management Board's duties include formulating and carrying out the Company's strategy, effectively structuring and staffing the organisation and achieving and properly reporting on the forecasted financial results.

The Management Board operates under its own Charter, and has assigned internal responsibilities for particular operational aspects of management to its individual members, based on clearly determined authority limits. The Management Board actively supervises the Company's internal audit program. The internal audit department reports to the CEO and, on a functional basis, to the Chairman of the Audit Committee.

The Supervisory Board conducts a yearly assessment of the functioning of the Management Board (carried out in February 2009 for 2008).

3.3. Adhesion to the French Afep-Medef Corporate Governance Code

Under article L. 225-68 of the French Commercial Code, Unibail-Rodamco adheres to and enforces the French Afep-Medef corporate governance code, as published in consolidated form by Afep-Medef in December 2008 and adopts this code as its reference for corporate governance matters. The Group complies with all the Code's principles. This is discussed in further detail in the Report of Chairman of the Supervisory Board.

3.4. The Unibail-Rodamco Group's Compliance Program and Code Of Ethics

To ensure the highest standards of governance the Group established a comprehensive Compliance Program in 2008, including (among others) a Code of Ethics and insider trading rules. The Compliance Program applies to all the Group's employees and executive officers throughout the regions in which the Group operates.

The Code of Ethics⁽⁶⁾ outlines the fundamental principles and values governing the Company and provides employees with rules and guidelines as to the behaviour they should adopt in their working environment, in particular:

- respect for human dignity, employees work and non-discrimination,
- respect for law and regulations,
- loyalty, integrity, and avoidance of conflict of interests,
- ethical ways of doing business and anti-corruption measures,
- confidential information,
- operations on Unibail-Rodamco securities, including insider trading rules,
- use of Unibail-Rodamco's assets and services,
- respect for delegations of authorities.

The Group Compliance Officer, appointed in 2008, monitors compliance with the Compliance Program. The Group Compliance Officer has a direct reporting line to the CEO and a functional reporting line to the Chairman of the Governance, Nomination and Remuneration Committee.

The insider trading rules contain procedures that must be followed regarding transactions in Company shares (or related financial instruments) or the shares or related financial instruments of its listed subsidiaries. There are also rules prohibiting trading in shares during closed periods (30-day periods prior to the publication of the half-year and annual accounts).

⁽⁴⁾ Mrs Harris and Mr Westerburgen were appointed to the GN&RC in March 2009.

⁽⁵⁾ This is the sole criterion of the Code which M. Dermagne does not comply.

⁽⁶⁾ Available on the Group's website.

Group employees must disclose details of their official positions (e.g. directorships) and must abstain from holding a position, performing duties or holding a financial interest in any of Unibail-Rodamco's competitors, clients, suppliers or business partners. Employees must alert the Company to any conflict of interests (including potential conflicts of interest), due to a direct or indirect personal interest.

As a signatory to the UN Global Compact, Unibail-Rodamco has undertaken to promote the application of the fundamental values with respect to human rights, labour, the environment and anti-corruption.

4. Remuneration of Management Board and Supervisory Board members

4.1. Remuneration policy for members of the Management Board

The Governance, Nomination and Remuneration Committee (GN&RC), a review committee of the Supervisory Board which is described in the Report of the Chairman of the Supervisory Board on the preparation and organisation of the Board's work, held four meetings in 2008. This committee is specifically instructed by the Supervisory Board to examine the conditions according to which the remuneration of the Executive Officers is established and to report to the Supervisory Board on this matter. The GN&RC is also responsible for preparing, in respect of each Executive Officer appointed by the Board, remuneration proposals that include a fixed part and a short term incentive (STI) based on performance achieved during the previous year as well as a long term incentive (LTI) in the form of grants of stock options that are a 100% performance conditioned. These proposals are reviewed in a totally independent manner by the Supervisory Board, which deliberates and votes on each of them.

In 2007, the GN&RC of the Company established the Management Board remuneration policy with the assistance of Towers Perrin as independent external advisors. This policy encompasses all components of the remuneration of Executive Officers and establishes a balance between these components based on a comparative study of the practices of CAC 40 companies and major European real estate companies and best corporate governance practices in remuneration matters. Performance criteria were clearly established or reinforced with regard to the determination of the variable part of the remuneration (STI) and the right to exercise granted stock options (LTI). The policy also sets maximum amounts for STI and LTI parts of the remuneration in relation to their fixed income, to ensure the reasonableness of the total compensation package. The Supervisory Board approved this policy which has been applied without modification since then and is detailed below for each member of the Management Board.

On October 10, 2008, the Supervisory Board considered the recommendations of the Afep-Medef on the remuneration of executive officers of French listed companies and agreed to apply these recommendations without exception from December 31, 2008⁽⁷⁾. The content of these recommendations was confirmed and completed by the recommendations of the AMF which were published shortly thereafter. The application of these recommendations will be monitored and evaluated on an ongoing basis by the GN&RC and the Supervisory Board in close cooperation with the Management Board. The Company is fully compliant with these recommendations, with full effect from December 31, 2008.

The GN&RC made its remuneration proposals to the Supervisory Board following publication of the accounts for financial year 2008 and upon completion of an analysis of the performance of the Company and the performance of each of the members of the Management Board.

⁽⁷⁾ Announced in a press release which was issued on November 17, 2008, and is available on the Company's website.

a) Details of the remuneration (before income tax and social security charges) of the members of the Management Board

Remuneration, stock-options and shares allocated to Management Board members (Table n°1 AMF/Afep-Medef recommendations (before income tax and social security charges)) in respect of the referred years

	G. Poitral Chief Executive Officer (since June 26, 2007)		J. Bomhoff Chief Development Officer (from June 26, 2007 to Sept. 1, 2008)		M. Dessolain Chief Operating Officer (since June 26, 2007)		B. Julien-Laferrière Chief Development Officer (since September 1, 2008)		W. Ledeboer Chief Investment Officer (since June 26, 2007)		C. Pourre Chief Ressources Officer (since June 26, 2007)		P. van Rossum Chief Financial Officer (since June 26, 2007)	
	Year 2007	Year 2008	Year 2007	Year 2008	Year 2007	Year 2008	Year 2007	Year 2008	Year 2007	Year 2008	Year 2007	Year 2008	Year 2007	Year 2008
Fixed income	€553,059	€700,000	€368,453	€400,000	€377,367	€400,000		€390,800	€368,453	€400,000	€322,915	€400,000	€369,342	€400,000
Short term incentive*	€923,333	€344,595	€254,200	€100,000	€335,000	€210,000		€223,000	€234,200	€140 000	€330,000	€190,000	€234,200	€190,000
Pension	€35,604	€77,384	€93,724	€89,198	€23,621	€50,679		€16,957	€78,830	€68,512	€24,050	€51,366	€64,711	€68,131
Other benefits	€14,541	€16,578	€20,356	€14,788	€7,957	€12,929		€8,515	€19,999	€15,148	€7,873	€12,845	€14,964	€15,001
Attendance fees	€28,125	€0	€0	€0	€0	€0	-	€0	€0	€0	€0	€0	€0	€0
Remuneration due in respect of the Financial year	€1,554,662	€1,138,557	€736,733	€603,986	€743,945	€673,608		€639,272	€701,482	€623,660	€684,838	€654,211	€683,217	€673,132
Evolution 2008 vs 2007 in %		-26.8%		-18.0%		-9.5%		n.a..		-11.1%		-4.5%		-1.5%
Stock-options IFRS valuation allocated during the financial year (detailed in table n°4)	€588,000	€510,000	€514,500	€255,000	€294,000	€255,000		€255,000	€514,500	€255,000	€294,000	€255,000	€514,500	€255,000
Evolution 2008 vs 2007 in %		-13.3%		-50.4%		-13.3%		n.a..		-50.4%		-13.3%		-50.4%
Performance shares IFRS valuation attributed during the financial year	€380,000										€99,900			
TOTAL	€2,522,662	€1,648,557	€1,251,233	€858,986	€1,037,945	€928,608		€894,272	€1,215,982	€878,660	€1,078,738	€909,211	€1,197,717	€928,132
Evolution 2008 vs 2007 in %		-34.7%		-31.3%		-10.5%		n.a..		-27.7%		-15.7%		-22.5%

* Includes bonus due in respect of year X, paid in year X+1.

Remuneration of the Chairman of the Management Board and Chief Executive Officer

The amount of the gross fixed annual income of the Chairman of the Management Board was set by the Supervisory Board at €700,000 on June 26, 2007. This amount is shown before income tax and social security charges. This amount remained unchanged in 2008 and the Supervisory Board, at its meeting of March 9, 2009, decided not to change it for the financial year 2009. When comparing 2008 fixed annual income with 2007, it should be reminded that the Chairman of the Management Board’s mandate only started at mid-year 2007.

According to the Management Board remuneration policy approved by the Supervisory Board on June 26, 2007, the short-term incentive (STI) of the Chairman of the Management Board due in respect of financial year 2008 is determined by the degree to which quantitative targets were achieved in financial year 2008 and is calculated according to a formula that takes into consideration the following key performance indicators:

- The recurring net profit and recurring EPS growth in excess of inflation,
- The creation of value during the period, measured by the growth in excess of inflation of the net asset value per share, plus dividends distributed over the same period.

The amount of STI for the Chairman of the Management Board is capped at 150% of his fixed income.

The application of the formula in respect of the financial year 2008 set the STI of the Chairman of the Management Board at €344,595. This is a decrease of 62.7% compared to the STI due in respect of financial year 2007, essentially as a result of the reduction in net asset value per share over the year (one of Unibail-Rodamco’s two main key performance indicators) and despite the strong increase in recurring net results over the same period.

The Chairman of the Management Board benefits from the Company’s defined contribution pension scheme for a contribution of €77,384 in 2008. He does not benefit from any defined benefit pension scheme (retraite chapeau Art 39). He also benefits from a company car, a health and life mutual insurance and unemployment contribution (GSC-type). He can subscribe to the Company Savings Plan.

The Chairman of the Management Board does not benefit from the profit-sharing scheme (intéressement et participation). He does not benefit from any contractual severance package or from any contractual indemnification clause in relation to non-competition provisions. Moreover, in accordance with AFEP-MEDEF recommendations, the Chairman of the Management Board has not had an employment contract (*contrat de travail*) within the Group since December 31, 2008.

Overall, including long term incentive of 2007 and 2008 and performance shares (actions de performance) allocated in February 2007, the total compensation of Mr. G. Poitral in 2008 has decreased by 34.7%. There was no attribution of performance shares (actions de performance) in 2008.

Remuneration of the other members of the Management Board

The amount of the gross fixed annual income of the other members of the Management Board was set by the Supervisory Board at €400,000 on June 26, 2007. This amount remained unchanged in 2008 and the Supervisory Board, in its meeting of March 9, 2009, decided not to change it for the financial year 2009.

According to the Management Board remuneration policy approved by the Supervisory Board on June 26, 2007, the short-term incentive (STI) of the other members of the Management Board due in respect of financial year 2008 is determined by the degree to which the Management Board and each of its individual members have achieved two sets of objectives:

- Quantitative targets capped at 50% of fixed income; calculated according to a formula that takes into consideration two key performance indicators:
 - The recurring net profit and recurring EPS growth in excess of inflation,
 - The creation of value during the period, measured by the growth in excess of inflation of the net asset value per share, plus dividends distributed over the same period.
- Qualitative targets capped at 50% of fixed income, which are defined by the GN&RC (based on proposals received from the CEO), discussed with each Management Board member, approved by the GN&RC/Supervisory Board, and accepted by each Management Board member at the beginning of each calendar year.

In application of this policy, the STI of the other Executive Officers who were members of the Management Board on December 31, 2008, in respect of financial year 2008 was set by the Supervisory Board at the levels indicated in the above table, on the basis of proposals received from the GN&RC and the Chairman of the Management Board. These figures have decreased by 18% to 42% compared to the STI paid to Management Board members in respect of the financial year 2007.

The other members of the Management Board have the benefit of a company car, the Company’s health and life mutual insurance as well as an unemployment contribution (GSC-type for French members), as well as the benefit of the Company’s supplementary pension plan (for details, see p. 170-171). They can subscribe to the Company Savings Plan.

The other members of the Management Board do not benefit from the profit-sharing scheme (intéressement et participation). They do not benefit from any contractual severance package or from any contractual indemnification clause in relation to non-competition provisions.

Pursuant to the AMF recommendations of December 22, 2008, and based on the Afep-Medef recommendations of November 2008 concerning the compensation of Management Board members of listed companies, the tables on pages 170-171 present:

- gross remuneration received in respect of the financial years 2007 and 2008, i.e. including short term incentive due in respect of financial year N and paid in Year N+1 after the publication of the results of financial year N,
- gross remuneration paid during 2007 and 2008 respectively, i.e. including in Year N the short term incentive that was paid in Year N but that was due in respect of the previous year.

Levels of remuneration in 2007 relate to positions previously held as employed executives at Unibail Holding for Mr. Dessolain and Mrs. Pourre, and as members of the Management Board of Rodamco Europe NV until June 2007 for Messrs. Bomhoff, Ledeboer and van Rossum. Mr. B. Julien-Laferrière was appointed member of the Management Board on September 1, 2008, replacing Mr. Bomhoff as Chief Development Officer.

Details of the remuneration (before income tax and social security charges) of each of the Management Board member
(Table n°2 of AMF/Afep-Medef recommendations)

	Financial year 2007		Financial year 2008	
Mr Guillaume Poitrinal Chairman of the Management Board and Chief Executive Officer (since June 26, 2007)	Amount due for 2007	Amount settled in 2007	Amount due for 2008	Amount settled in 2008
Fixed income	€553,059	€553,059	€700,000	€700,000
Short term incentive	€923,333	€380,000	€344,595	€923,333
Pension	€35,604	€35,604	€77,384	€77,384
Other benefits	€14,541	€14,541	€16,578	€16,578
Attendance fees	€28,125	€49,922	n.a.	n.a.
Total direct cash remuneration	€1,554,662	€1,033,126	€1,138,557	€1,717,295
LTI - stock-options allocated IFRS valuation	€588,000	€588,000	€510,000	€510,000
Performance shares IFRS valuation	€380,000	€380,000	€0	€0
TOTAL	€2,522,662	€2,001,126	€1,648,557	€2,227,295

	Financial year 2007		Financial year 2008	
Mr Michel Dessolain Chief Operating Officer (since June 26, 2007)	Amount due for 2007	Amount settled in 2007	Amount due for 2008	Amount settled in 2008
Fixed income	€377,367	€377,367	€400,000	€400,000
Short term incentive	€335,000	€110,000	€210,000	€335,000
pension	€23,621	€23,621	€50,679	€50,679
Other benefits	€7,957	€7,957	€12,929	€12,929
Attendance fees	n.a.	n.a.	n.a.	n.a.
Total direct cash remuneration	€743,945	€518,945	€673,608	€798,608
LTI - stock-options allocated IFRS valuation	€294,000	€294,000	€255,000	€255,000
Performance shares IFRS valuation	€0	€0	€0	€0
TOTAL	€1,037,945	€812,945	€928,608	€1,053,608

	Financial year 2007		Financial year 2008	
Mr Bertrand Julien-Laferrrière Chief Development Officer (since September 1, 2008)	Amount due for 2007	Amount settled in 2007	Amount due for 2008	Amount settled in 2008
Fixed income	n.a.	n.a.	€390,800	€390,800
Short term incentive	n.a.	n.a.	€223,000	€30,000
Pension	n.a.	n.a.	€16,957	€16,957
Other benefits	n.a.	n.a.	€8,515	€8,515
Attendance fees	n.a.	n.a.	n.a.	n.a.
Total direct cash remuneration	n.a.	n.a.	€639,272	€446,272
LTI - stock-options allocated IFRS valuation	n.a.	n.a.	€255,000	€255,000
Performance shares IFRS valuation	n.a.	n.a.	€0	€0
TOTAL	n.a.	n.a.	€894,272	€701,272

	Financial year 2007		Financial year 2008	
Mr Willem Ledeboer Chief Investment Officer (since June 26, 2007)	Amount due for 2007	Amount settled in 2007	Amount due for 2008	Amount settled in 2008
Fixed income	€368,453	€368,453	€400,000	€400,000
Short term incentive	€234,200	€140,161	€140,000	€234,200
Pension	€78,830	€78,830	€68,512	€68,512
Other benefits	€19,999	€19,999	€15,148	€15,148
Attendance fees	n.a.	n.a.	n.a.	n.a.
Total direct cash remuneration	€701,482	€607,443	€623,660	€717,860
LTI - stock-options allocated IFRS valuation	€514,500	€514,500	€255,000	€255,000
Performance shares IFRS valuation	€0	€0	€0	€0
TOTAL	€1,215,982	€1,121,943	€878,660	€972,860

	Financial year 2007		Financial year 2008	
Mme Catherine Pourre Chief Ressources Officer (since June 26, 2007)	Amount due for 2007	Amount settled in 2007	Amount due for 2008	Amount settled in 2008
Fixed income	€322,915	€322,915	€400,000	€400,000
Short term incentive	€330,000	€200,000	€190,000	€330,000
Pension	€24,050	€24,050	€51,366	€51,366
Other benefits	€7,873	€7,873	€12,845	€12,845
Attendance fees	n.a.	n.a.	n.a.	n.a.
Total direct cash remuneration	€684,838	€554,838	€654,211	€794,211
LTI - stock-options allocated IFRS valuation	€294,000	€294,000	€255,000	€255,000
Performance shares IFRS valuation	€99,900	€99,900	€0	€0
TOTAL	€1,078,738	€948,738	€909,211	€1,049,211

	Financial year 2007		Financial year 2008	
Mr Peter van Rossum Chief Financial Officer (since June 26, 2007)	Amount due for 2007	Amount settled in 2007	Amount due for 2008	Amount settled in 2008
Fixed income	€369,342	€369,342	€400,000	€400,000
Short term incentive	€234,200	€108,000	€190,000	€234,200
Pension	€64,711	€64,711	€68,131	€68,131
Other benefits	€14,964	€14,964	€15,001	€15,001
Attendance fees	n.a.	n.a.	n.a.	n.a.
Total direct cash remuneration	€683,217	€557,017	€673,132	€717,332
LTI - stock-options allocated IFRS valuation	€514,500	€514,500	€255,000	€255,000
Performance shares IFRS valuation	€0	€0	€0	€0
TOTAL	€1,197,717	€1,071,517	€928,132	€972,332

	Financial year 2007		Financial year 2008	
Mr Joost Bomhoff Chief Development Officer (from June 26, 2007 to September 1, 2008)	Amount due for 2007	Amount settled in 2007	Amount due for 2008	Amount settled in 2008
Fixed income	€368,453	€368,453	€400,000	€400,000
Short term incentive	€254,200	€140,161	€100,000	€254,200
Pension	€93,724	€93,724	€89,198	€89,198
Other benefits	€20,356	€20,356	€14,788	€14,788
Attendance fees	n.a.	n.a.	n.a.	n.a.
Total direct cash remuneration	€736,733	€622,694	€603,986	€758,186
LTI - stock-options allocated IFRS valuation	€514,500	€514,500	€255,000	€255,000
Performance shares IFRS valuation	€0	€0	€0	€0
TOTAL	€1,251,233	€1,137,194	€858,986	€1,013,186

Amounts presented for full years 2007 and 2008

b) Details of long term incentive in the form of stock options granted to or exercised by the members of the Management Board

Details of stock-options granted to the members of the Management Board during the financial year 2008 (Art. L.225-184 of the French Commercial Code)

The total number of options allocated in October 23, 2008, is 860,450 stock options, representing 0.92% of the share capital. This allocation was for the benefit of 276 staff and executive officers, representing 18% of the total staff of the Group. For information, employees of the Group in France also benefit from a profitsharing scheme and from the Company Savings Plan, which gives access to shares in the Company at a discount of 20% to the share price as well as a top up contribution from the Company (cf page 139 of the present annual report).

All stock options granted in 2008 (Plan n°5 Performance) are without any discount and are subject to a 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 options were granted and the last trading day before the recipient exercises the options, which will be at the end on the fourth year at the earliest and the end of plan's term, i.e. the end of the seventh year, at the latest). The following points should be noted:

(i) Unibail-Rodamco's overall stock market performance is defined as the variation in Unibail-Rodamco's share price during the reference period, with all gross interim and final dividends reinvested on the date of their payment.

(ii) the performance of the EPRA (European Public Real Estate Association) index is defined as the variation in the EPRA Euro Zone Total Return index during the reference period. This index comprises the leading property stocks in the euro zone. This is a "total return" index which includes dividends paid. The gross dividend figures included in the calculation of Unibail-Rodamco's overall stock market performance are those published by Bloomberg, which serve as the basis for the EPRA Euro Zone Total Return index.

(iii) The economic value (as accounted under IFRS in the Group consolidated accounts) of the total amount of stock options to be granted to Management Board members ranges between 0% and 150% of their fixed income based on a qualitative discretionary evaluation by the GN&RC and the Supervisory Board (based on proposals received from the CEO for other members of the Management Board).

(iv) For stock-options granted in 2007¹ 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 (three years for the CEO). The shares may result from any Unibail-Rodamco stock-options plan from which Management Board members have benefited.

Upon recommendation of the GN&RC, the Supervisory Board decided on October 10, 2008, to grant the top 6 executives of the Group a total of less than 25% of the overall number of stock options to be granted and the CEO a maximum of 8% of the overall number of stock-options to be granted. Management Board members are formally prohibited from using hedging instruments to cover options and shares that are owned as a result of exercising stock-options.

The allocation of stock-options to Management Board members are detailed in the following table in the format recommended by the AMF and the Afep-Medef The 2008 grant to Management Board members has decreased in value in comparison to 2007.

Share subscription or purchase options granted during the financial years 2007 and 2008
(Table n°4 of AMF/Afep-Medef recommendations)

Plan Number	Plan n° 5 performance		Plan n° 5 performance		
Date of grant	October 10, 2007		October 23, 2008		
Exercise period	Oct. 10, 2011 to Oct. 10, 2014		Oct. 23, 2012 to Oct. 23, 2015		
Exercise Price per stock-option	180.36		130.27		
IFRS valuation per stock-option*	€14.7		€8.5		
Type of stock-options	Share subscription or purchase options subject to performance conditions and with no discount		Share subscription or purchase options subject to performance conditions and with no discount		
Names of Management Board member	Number of stock-options granted	IFRS valuation of stock-options granted	Number of stock-options granted	IFRS valuation of stock-options granted	Variation 2008 vs 2007
Mr. G. Poittrinal Chief Executive Officer (since June 26, 2007)	40,000	€588,000	60,000	€510,000	-13.3%
Mr. M. Dessolain Chief Operating Officer (since June 26, 2007)	20,000	€294,000	30,000	€255,000	-13.3%
Mr. B. Julien-Laferrière Chief Development Officer (since September 1, 2008)	(1)	(1)	30,000	€255,000	n.a..
Mr. W. Ledeboer Chief Investment Officer (since June 26, 2007)	35,000	€514,500	30,000	€255,000	-50.4%
Mrs. C. Pourre Chief Ressources Officer (since June 26, 2007)	20,000	€294,000	30,000	€255,000	-13.3%
Mr. P. van Rossum Chief Financial Officer (since June 26, 2007)	35,000	€514,500	30,000	€255,000	-50.4%
Mr. J. Bomhoff Chief Development Officer (from June 26, 2007 to September 1, 2008)	35,000	€514,500	(2)	(2)	n.a..

* Valuation carried out by the independant external advisors Towers Perrin for the purpose of accounting under IFRS in the consolidated financial statements, using a Monte Carlo model.
(1) Mr. B. Julien-Laferrière was granted 15,000 stock-options on october 10, 2007 for an IFRS valuation of €220,500.
(2) Mr. J. Bomhoff was granted 30,000 stock-options on october 23, 2008 for an IFRS valuation of €255,000.

Details of stock-options granted to the members of the Management Board during the financial year 2009 (Art. L.225-184 of the French Commercial Code)

In accordance with Afep-Medef recommendations, the Supervisory Board of Unibail-Rodamco, acting upon the recommendations of the GN&RC, decided in its meeting of December 2008 that, from 2009, the annual allocation of stock-options should be advanced from October to March, shortly after the publication of the financial results for the previous year. As a result, on March 13, 2009, a total of 735,450 stock-options, representing 0.78% of the fully diluted share capital, were allocated. All stock-options granted in 2009 (Plan n°5 Performance – see page 172 for full details) have the same characteristics as the stock-options allocated in 2008: there was no discount on the share price and they were subject to the same performance condition (see above). Allocations to Management Board members are subject to the same conditions as in 2008, i.e. to paragraphs (i) to (iv) above, as is shown in the following table.

⁽¹⁾ Supervisory Board decision pursuant to section L. 225-185 of the French Commercial Code.

Share subscription or purchase options granted during the financial year 2009
(Table 4 of AMF/Afep-Medef recommendations)

Plan Number	Plan n° 5 performance	
Date of grant	March 13, 2009	
Exercise period	March 13, 2013 to March 12, 2016	
Exercise Price per stock-option	€99.42	
IFRS valuation per stock-option*	€6.5	
Type of stock-options	Share subscription or purchase options subject to performance conditions and with no discount	
Names of MB member	Number of stock-options granted	IFRS valuation of stock-options granted
Mr. G. Poitrinal Chief Executive Officer (since June 26, 2007)	50,000	€325,000
Mr. M. Dessolain Chief Operating Officer (since June 26, 2007)	25,000	€162,500
Mr. B. Julien-Laferrière Chief Development Officer (since September 1, 2008)	25,000	€162,500
Mr. W. Ledeboer Chief Investment Officer (since June 26, 2007)	25,000	€162,500
Mrs. C. Pourre Chief Ressources Officer (since June 26, 2007)	25,000	€162,500
Mr. P. van Rossum Chief Financial Officer (since June 26, 2007)	25,000	€162,500

* Valuation carried out by the independant external advisors Towers Perrin for the purpose of accounting under IFRS in the consolidated financial statements, using a Monte Carlo model.

Details of stock-options exercised by the members of the Management Board during the financial year 2008
(Art. L.225-184 of the French Commercial Code)

(Table n° 5 of AMF/Afep-Medef recommendations)

Stock-options exercised by the Management Board Member	Plan number and date	Number of stock-options exercised for the financial year	Exercise price
Catherine Pourre	Plan Performance n° 3 - Tranche n°1 - 15/10/2003	9,679	€53.88/ stock- options

c) Details of performance shares allocated or which become available to each member of the Management Board during the financial year 2008
(Art. L.225-194-4 of the French Commercial Code)

(Table n° 6 of AMF/Afep-Medef recommendations)

Performance Shares allocated during the financial year to each Board Members	Plan number and date	Numbers of shares allocated by financial year	Shares valuation according to the reserved method for consolidated financial statements	Acquisition date	Availability date	Performance criteria
No Allocation						

(Table n°7 of AMF/Afep-Medef recommendations)

Performance shares available for the members of the Management Board	Plan number and date	Numbers of shares became available during the financial year	Acquisition criteria
None			

* Performance shares become available after a four year period (i.e. a 2-year final acquisition period plus a 2-year retention period) as from the date of allocation.

d) Number of Unibail-Rodamco shares/stock options/ performance shares held on March 13, 2009, by members of the Management Board
(Art. 17 of Annex 1 of Regulation EC 809/2004)

Names of the Management Board members	Unibail-Rodamco shares owned	Stock options non exercised	Performance shares locked up in retention period
Mr. G. Poitrinal	99,465	288,178	4,796
Mr. M. Dessolain	7,858	176,748	500
Mr B. Julien-Laferrière	65	70,000	-
Mr. K.W. Ledeboer	1,792	90,000	-
Mrs. C. Pourre	8,160	161,391	1,261
Mr. P. van Rossum	250 ⁽¹⁾	90,000	-

(1) Mr. P. van Rossum acquired on march 17, 2009 250 shares.

e) Information required by the AMF on the situation of members of the Management Board
(Table 10 of the AMF recommendations)

The employment contracts and supplementary pension plans that are in place for the members of the 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, the Executive Officers have an employment contract in accordance with Dutch practice, notably for the purpose of their activities in the Netherlands. They also benefit from the Dutch supplementary pension plan.

Members of the Management Board	Employment contract		Additional pension scheme		Contractual severance package		Severance related to non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Mr. G. Poitrinal Chief Executive Officer Beginning of mandate: June 26, 2007 End of mandate: June 26, 2011		x	x			x		x
Mr. M. Dessolain Chief Operating Officer Beginning of mandate: June 26, 2007 End of mandate: June 26, 2011	x		x			x		x
Mr. B. Julien-Laferrière Chief Development Officer Beginning of mandate: September 1, 2008 End of mandate: June 26, 2011	x		x			x		x
Mr. K.W. Ledeboer Chief Investment Officer Beginning of mandate: June 26, 2007 End of mandate: June 26, 2011	x		x			x		x
Mrs. C. Pourre Chief Resources Officer Beginning of mandate: June 26, 2007 End of mandate: June 26, 2011	x		x			x		x
Mr. P. Van Rossum Chief Financial Officer Beginning of mandate: June 26, 2007 End of mandate: June 26, 2011	x		x			x		x
Mr. J. Bomhoff Chief Development Officer Beginning of mandate: June 26, 2007 End of mandate: September 1, 2008	x		x			x		x

It is to be noted that pursuant to Afep-Medef recommendations on corporate governance and the remuneration of Executive Officers, Mr. G. Poitrinal, the Chairman of the Management Board and CEO, has not benefited from an employment contract since December 31, 2008. He benefits from the Company's supplementary pension plan (defined contribution part exclusively). The level of pension contribution for 2008 is included in "Pension" lines of tables 1 and 2 above. He does not benefit from any defined benefit pension scheme (retraite chapeau Art 39)

In respect of the supplementary pension plan, all Management Board members benefit from the defined contributions plan within the framework of the Company's supplementary pension plan.

As is standard in the Netherlands and in common with all Dutch employees, Messrs Ledeboer and van Rossum are also eligible for defined benefit plans.

For Mr. K. Willem Ledeboer, the defined benefit pension at retirement will be equal to 1.5% of last pensionable salary multiplied by credited service (i.e. number of years of employment with the Company). The pensionable salary is the base salary limited to €226,890 minus offset (€15,536 in 2008). As a reminder, Mr. K. Willem Ledeboer joined the Company in 1986.

For Mr. Peter van Rossum, the defined benefit pension at retirement will be equal to 1.8421% of last pensionable salary for each year of service with the Company. In 2008, the pensionable salary is the base salary limited to €51,215 minus an offset of €14,723. As a reminder, Mr. Peter van Rossum joined the Company in 2006.

Mr. Joost Bomhoff stepped down from the Management Board on September 1, 2008.

All pension contributions for 2008 are included in "Pension" lines of tables 1 and 2 above.

All costs related to pension are shown on page 139 of the present annual report.

4.2. Remuneration of members of the Supervisory Board

a) Remuneration of the Chairman of the Supervisory Board from January 1, 2009

In view of the Chairman of the Supervisory Board’s duties, the Supervisory Board meeting of March, 2009 set the total gross remuneration of the Chairman of the Supervisory Board, who is also the Chairman of the Governance, Nomination and Remuneration Committee, at €130,000 on an annual basis for 2009, effective from January 1, 2009. This remuneration is fixed and is mutually exclusive of any other remuneration, attendance fees, incentives or similar.

b) Fees paid to the members of the Supervisory Board

The total annual amount of the fees allocated to the Supervisory Board members (fixed by the General Meeting on May 21, 2007) is €875 000. The fees to be paid to each individual Supervisory Board member were fixed by the Supervisory Board during its June 26, 2007 meeting.

- Supervisory Board fees for 2008:
The yearly Supervisory Board fee remained at €52,000 per member (fixed portion of 75% and variable portion of 25%, allocated according to attendance regularity). The fixed portion was paid quarterly and the variable portion at year-end. The Chairman and Vice Chairman of the Supervisory Board were paid a supplementary fee of €45,000 and €15,000 respectively. An additional fee of €1,350 was paid to Supervisory Board members attending a meeting of the Supervisory Board and/or several related Supervisory Board-committee meetings held outside their country of residence.
- Supervisory Board committee fees for 2008:
The yearly committee fees remained at €20,000 for each of the Chairmen of the Audit Committee and the Governance, Nomination and Remuneration Committee and at €10,000 for the other Committee members. An additional fee of €1,350 was paid to members attending a Supervisory Board committee meeting and/or several related Supervisory Board meetings held outside their country of residence.

Annual fees paid in the fiscal years 2007 and 2008 ⁽¹⁾			
NAMES	Fees year 2007		Fees year 2008
	Members of the Unibail Board of Directors until June 26, 2007	Members of the Unibail-Rodamco Supervisory Board starting on June 26, 2007*	Members of the Unibail-Rodamco Supervisory Board
Mr. Frans Cremers	n.a.	€36,400.00 ⁽²⁾	€67,125.00 ⁽²⁾
Mr. Jacques Dermagne	€17,812.50	€29,375.00	€63,350.00
Mr. François Jaclot	€54,062.50	€46,200.00	€88 350.00 ⁽²⁾
Mr. Robert ter Haar	n.a.	€36,400.00 ⁽²⁾	€70,100.00 ⁽²⁾
Mrs. Mary Harris ⁽³⁾	n.a.	n.a.	€73,100.00 ⁽²⁾⁽⁴⁾
Mr. Yves Lyon Caen	€19,062.50	€29,375.00	€60,100.00
Mr. Jean-Louis Laurens	€9,843.75	€24,100.00	€53,350.00
Mr. Henri Moulard	€21,562.50	€29,375.00	€61,725.00
Mr. Bart Okkens	n.a.	€36,400.00 ⁽²⁾	€68,750.00 ⁽²⁾
Mr. Alec Pelmore ⁽³⁾	n.a.	n.a.	€75,800.00 ⁽²⁾⁽⁵⁾
Mr. Jos Westerburgen	n.a.	€30,050.00 ⁽²⁾	€58,750.00 ⁽²⁾
Other members of Unibail Board of Directors	€124,859.50	n.a.	n.a.
Total Board/SB member	€544,878.25		€740,500.00
Chairman of the Supervisory Board Mr. Robert van Oordt	n.a.	€65,250.00 ⁽²⁾	€127,800.00 ⁽²⁾
TOTAL	€610,128.25		€868,300.00

* date at which U-R was formed
(1) Including the out of country fees, if any.
(2) Before deduction by Unibail-Rodamco of a 25% withholding tax
(3) Appointed by the AGM on April 29, 2008
(4) Including an extra SB fee of € 30,050 for special SB project
(5) Including an extra SB fee of € 31,400 for special SB project

5. Prospectus regulations-Negative declaration

The Management Board and Supervisory Board members are not subject to the situations and restrictions referred to in article 14 of Annex 1 of the Regulation (EC 809/2004).

V. OTHER INFORMATION

1.Details of top ten stock-options grants and top ten exercises (excluding Executive Officers) during the Financial year 2008 (Art. L.225-184 of the French Commercial Code)
(Table n°9 of the AMF/Afep-Medef recommendations)

	Top ten grants of stock-options during the 2008 year	Top ten stock-options exercises during the 2008 year ⁽¹⁾
Number of granted stock-options/ and subscribed or purchased options	148.000	118.243
Weighted average price	€130.27	€54.94
Plan n°2 Tranche 2002 ⁽²⁾	-	23.121
Plan n°3 Tranche 2003 ⁽²⁾	-	82.395
Plan n°3 Tranche 2004 ⁽²⁾	-	12.727
Plan n°5 Tranche 2008 ⁽²⁾	148.000	-

(1) The number of executives may exceed ten in the event that they own the same number of stock-options, or may be less than ten in the even that fewer than ten executives hold stock-options under one of the plans. Each year the stock-options holders list may vary.
(2) For all the information about the different plans, see pages 152 to 154.

2. Information on share transactions and Permanent Insiders

In accordance with the more stringent disclosure requirements of the A.M.F. General Regulations, persons with management responsibilities within the Company have been informed of the disclosure rules (also applicable to ‘individuals with a close personal relationship’ with such persons) with which they must comply in relation to any dealings with the Company’s shares, both as regards the A.M.F. and the Company itself.
In the same context, and in accordance with the provisions of Article L.621-18-4 of the French Monetary and Financial Code, the Company has provided the A.M.F. a list of persons qualified as permanent insiders.

3. Fees of Appraisors

The Group has the assets of each of its three business sectors valued twice a year by external appraisors.

The fees paid are fixed by agreement and amounted to €2.6 Mn for the year 2008. For each appraisor’s firm, the invoiced fees represent less than 10% of their turnover.

4. Insurance

Unibail-Rodamco is covered by a Group insurance programme that is underwritten by reputable leading insurance companies. This programme is monitored by the Group Insurance Department in liaison with local teams and insurance brokers.

Under this programme, the Group’s property assets are insured for their full reconstruction value, which is regularly assessed by external property insurance valuers. Only the convention-exhibition venues at Villepinte and Le Bourget are covered with a limit of indemnity. All property assets are insured for business interruptions and loss of rents, and the Group has also taken out general liability insurance that covers financial damages incurred by third parties. With regard to terrorism, Unibail-Rodamco’s assets remain fully covered up to their insured amounts or within limits of indemnity.

Construction projects and renovation works on properties are covered by Contractor’s All Risks. Defects affecting the works are covered by Decennial insurance or by Contractors liabilities for works out of France.

The 2008 premium for these policies amounted to €7.8Mn, including premiums which were invoiced to tenants or to other co-owners as a part of their service charges on assets for which the Group acts as the administrator. By negotiating the renewal terms of its insurance policies at year-end 2008 and enhancing its risk prevention policy, Unibail-Rodamco managed to reduce its 2009 premium budget while improving some of its coverage, notably for the Villepinte and Le Bourget convention-exhibition venues, which will be insured for their full reconstruction value.

There were no significant losses during 2008.

VI. RISK FACTORS

Unibail-Rodamco's internal control policies and arrangements, which are based on reference documents, charters, standards, procedures and best practices, aim to create and maintain an organisation that helps to prevent or mitigate and manage controllable risk factors, notably operational, financial, tax and legal risks to which Unibail-Rodamco and its subsidiaries are or could be exposed, even if these risks can never be totally eliminated.

The relevant monitoring procedures and management components implemented by Unibail-Rodamco group are mainly described in the internal control system section of the Supervisory Board Chairman's Report (see pages 188-189).

Investors' 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 at the filing date of this Registration Document to be likely to have a material adverse effect on the Unibail-Rodamco Group, its operations, its financial situation and/or its results.

Risks inherent in Unibail-Rodamco's business activities

Risks arising from trends in the property market

The Unibail-Rodamco Group is present in various sectors of the commercial property sector, specifically shopping centres, offices, convention-exhibitions and associated services. Apart from risk factors specific to each asset, the Group'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. The Group'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 the Group, the value of its assets, its results, its distribution policy, its development plans and/or its investment/divestment activities.

Some of the Company'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

Unibail-Rodamco conducts development activities in the office, shopping centre and convention-exhibition property segments, the principal risks of which are linked to: 1) securing the requisite legal administrative authorisations (building permits, commercial licences, opening and/or operational licences, etc.); 2) controlling construction costs (staying on time and on budget); and 3) achieving a good letting rate for properties (letting of all surfaces at sufficient rent levels).

Tenant insolvency risks

Unibail-Rodamco's ability to collect rents depends on the solvency of its tenants. Tenants' creditworthiness is taken into consideration by Unibail-Rodamco before it enters into a specific lease. 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 Unibail-Rodamco's operating performance and/or its results.

Legal, regulatory, tax, environmental and insurance-related risks

Legal and regulatory risks

Unibail-Rodamco 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, labour regulations, and corporate and tax laws, notably the provisions of the SIIC⁽¹⁾ regime and the FBI⁽²⁾ regime for Rodamco Europe N.V.. Changes in the regulatory framework and/or the loss of benefits associated with a status or an authorisation could require Unibail-Rodamco 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, the Group 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, at the filing date, Unibail-Rodamco is not involved in or party to litigation which could have a material adverse effect on the results or financial situation of the Unibail-Rodamco Group.

Tax risks linked to SIIC status

Unibail-Rodamco is subject to the French SIIC tax regime, which enables it to benefit from a corporate income tax exemption provided that it meets certain conditions. If Unibail-Rodamco did not respect these conditions, it would be liable to standard corporate income tax, which would have a negative impact on its business activities and its results. Furthermore, if one or more shareholders, acting together, reached the 60% ownership threshold for voting rights, the Company would lose its SIIC status. It should be noted that Unibail-Rodamco has an almost 100% free float at the filing date of this Registration Document.

Unibail-Rodamco would be faced with an additional 20% tax charge based on any distribution paid out, free of tax, to a tax-exempt shareholder (excluding natural persons) that owns 10% or more of Unibail-Rodamco's share capital, unless Unibail-Rodamco was able to off-set this tax charge to the shareholder in question. Finally, Unibail-Rodamco remains exposed to changes in the tax rules that are currently in force.

Risks concerning the Dutch FBI status

Rodamco Europe N.V., the main subsidiary of Unibail-Rodamco, is an FBI (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, one of which relates to the composition of its shareholding base. The current situation, whereby Unibail-Rodamco, which is not an FBI itself, holds nearly all of the Rodamco Europe N.V. shares, is not in line with FBI shareholder requirements. Nevertheless, the Dutch Ministry of Finance has confirmed that Rodamco Europe N.V. will be allowed to maintain its FBI status for a grace period ending on December 31, 2009. In order to obtain FBI status within this period, Unibail-Rodamco must fulfil all FBI requirements by December 31, 2009, at the latest. Consequently, Unibail-Rodamco may need to reorganise or restructure some of its activities, and this may have an adverse effect on its business, operational results or financial conditions. Should Unibail-Rodamco prove unable to obtain FBI status, Rodamco Europe N.V. would become subject to corporate income tax from January 1, 2010.

Environmental risks

As a property owner, Unibail-Rodamco 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 Group's activities and could potentially affect Unibail-Rodamco's results.

Moreover, each Unibail-Rodamco'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.

Unibail-Rodamco was listed in the Dow Jones Sustainability World Index 2008. If Unibail-Rodamco does not retain its listing in this selective environmental index in 2009, it could affect the attractiveness of Unibail-Rodamco for some shareholders.

Insurance-related risks

As Unibail-Rodamco 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.

Unibail-Rodamco may be exposed to a situation where the value (reconstruction cost) of one or more of its assets is wrongly assessed by its external property insurance valuers.

Furthermore, insurers could face economic difficulties that leave them unable to pay claims related to insurance policies that have been taken out by the Group.

Risks associated with Unibail-Rodamco's financing policy and financial activities

Market risks

Unibail-Rodamco, through its activities, is exposed to market risks which can generate losses as a result of fluctuations in interest rates and/or currency exchange rates.

Unibail-Rodamco 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 Unibail-Rodamco'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 Unibail-Rodamco's result by affecting the valuation of contracted derivatives.

Unibail-Rodamco is exposed to foreign exchange risks because it operates in countries outside the euro zone. The value of assets, rents and revenues received in these countries, when translated into euros, may be affected by fluctuations in exchange rates. Unibail-Rodamco is exposed to foreign exchange risks because it operates in countries outside the euro zone. The value of assets, rents and revenues in these countries, when translated into euros, may be affected by fluctuations in exchange rates.

Unibail-Rodamco's foreign exchange risk is managed at a corporate level by the Treasury department which monitors the foreign exchange risk on a regular basis. In addition, committees with several members of the Management Board are held several times a year to decide the appropriate hedging strategy which is then implemented by the Treasury department. Procedures do not allow for speculative positions to be put in place. Hedges processes are described in the paragraph III.2 of the Financial Resources in the Business Review section.

Liquidity risks

Unibail-Rodamco'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 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 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, Unibail-Rodamco 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.

⁽¹⁾ Listed Property Investment Companies SIIC (Sociétés d'Investissements Immobiliers Cotées).

⁽²⁾ Fiscal Investment Institution.

Risks related to Unibail-Rodamco securities

Volatility in the price of Unibail-Rodamco securities
Stock markets may experience major fluctuations which may or may not be related to the results of the companies whose shares are traded on regulated markets. The price of Unibail-Rodamco's securities (both shares and ORA, i.e. bonds redeemable in Unibail-Rodamco shares) could be volatile and could be affected by events affecting Unibail-Rodamco, its competitors or the financial markets in general.

For example, the price of Unibail-Rodamco's securities could fluctuate significantly in response to various factors and events, which could include changes in the liquidity of the market for Unibail-Rodamco shares; variations in the financial results of Unibail-Rodamco or its competitors from one accounting period to another; differences between Unibail-Rodamco's financial or operating results and those expected by investors and analysts; changes in analysts' recommendations or forecasts; changes in general market conditions or in the economic environment; market fluctuations; the promulgation of new laws or regulations or changes in the interpretation of existing laws and regulations relating to Unibail-Rodamco's business.

Risks related to Unibail-Rodamco's geographic presence

Although Unibail-Rodamco's operations are concentrated in Europe, part of the business is or may be conducted in markets where Unibail-Rodamco may be exposed to social, political and economic instability, among other risks.

In relation to the risks related to Unibail-Rodamco's geographic presence, the Group 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 Unibail-Rodamco's cash flows in euros: 1) when rents collected in local currency are translated in euros and where the Group's hedging policy is not sufficient; or 2) 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 Unibail-Rodamco's portfolio, despite the implementation of hedging policies.

Risks associated with possible conflicts of interest

Risks of conflicts of interest with companies where Unibail-Rodamco is the majority shareholder
Unibail-Rodamco is the majority shareholder in several companies which have one or more minority shareholders (see pages 102 to 106). In certain circumstances, these situations may raise potential conflicts of interest and/or generate potential claims from the minority shareholders of those subsidiaries.

Report of the Chairman of the Supervisory Board

I. SUPERVISORY BOARD	183
II. REMUNERATION OF THE MANAGEMENT BOARD MEMBERS	188
III. CORPORATE GOVERNANCE	188
IV. INTERNAL CONTROL SYSTEM	188

Statutory Auditors' Report

Report of the Chairman of the Supervisory Board

on the arrangements for planning and organising the work of the Group's Supervisory Board and on the Group's internal control procedures for the financial year ending December 31, 2008 (section L. 225-68 of the French Commercial Code).

This report was prepared in close cooperation with Unibail-Rodamco's Management Board, the Group's Director of Internal Audit and the Group's General Counsel. In addition, it was discussed with the Group's Statutory Auditors. On February 5, 2009 the Supervisory Board approved this report pursuant to section L. 225-68 of the French Commercial Code.

I. SUPERVISORY BOARD

1. Functioning of the Supervisory Board

1.1. Purpose and powers

The Supervisory Board exerts permanent oversight and control over the Management Board and the general affairs of the Company. To that end, the Supervisory Board conducts appropriate inspections and reviews and may obtain copies of all documents to fulfill its duties. The Supervisory Board functions under the Company's Articles of Association and a specific Charter¹.

Moreover, it makes suggestions and formulates recommendations to the Management Board on the following:

- company strategy and financial performance;
- business risks;
- structure and administration of internal risk management and control systems;
- financial reporting procedures and compliance with relevant laws and regulations.

In addition, the Supervisory Board makes decisions concerning the Company's corporate governance and its actual implementation. It assesses the functioning of the Management Board, the Supervisory Board (including the Supervisory Board committees) and their individual members. It handles and settles conflicts of interests and any discrepancies as to the functioning of the Management Board (if any).

⁽¹⁾Both available on the Company's website and at the Company's registered office.

1.2. Limitation on the powers of the Management Board by the Supervisory Board

Pursuant to section 11.5 of the Company's Articles of Association authorising the Supervisory Board to restrict the powers of the Management Board, the Supervisory Board's prior approval must be obtained for certain Management Board decisions and operations:

- acquisitions, investments (including capital expenditures for internal development), interest acquisitions and off-balance sheet commitments exceeding €25 Mn (consolidated figure) concerning assets or activities located outside European Union Member States or outside the scope of the approved Group strategy. The threshold is raised to €300 Mn² (consolidated figure) for assets or activities located within European Union Member States and within the scope of the Group's strategy;
- asset disposals (including transfers of real property or interest) exceeding €300 Mn² (consolidated figure);
- indebtedness or security interests in excess of €300 Mn (consolidated figure), threshold raised to €1 Bn for corporate debt refinancing purposes;
- transfers of all or part of the Company's business to third parties in excess of €500 Mn (consolidated figure);
- any significant changes in the Group's governance and/or organisation, allocation of responsibilities within the Management Board and any action affecting the Company's entitlement to tax regime applicable to Listed Property Investment Company (SIIIC) tax treatment or any other real estate tax-exempt status in a foreign country;
- any alterations of the Company's dividend policy and of proposals by the Management Board in the distribution of interim or full dividends.

The Supervisory Board is informed of pending operations in excess of €100 Mn but below €300 Mn.

⁽²⁾This threshold is raised to €500 Mn (consolidated figure) for urgent operations and decisions; subject to prior dialogue between the CEO, the Chairman and the Vice-Chairman of the Supervisory Board.

1.3. Composition

The Supervisory Board can consist of 8 (minimum) to 14 (maximum) members, who are appointed by the Company's shareholders. Supervisory Board members are normally appointed for a three-year term and may be re-elected. Under the Supervisory Board's resignation and rotation rules, the resignation and reappointment of members is staggered to prevent, to the greatest extent possible, reappointments occurring simulatenously.

Since the appointment of two new members of the Supervisory Board, Mrs Mary Harris and Mr Alec Pelmore on April 29, 2008, the Supervisory Board consists of twelve members. All are considered to be independent members³ except for Mr J. Dermagne since his tenure as a member of the Boards of Unibail S.A. and of Unibail-Rodamco S.A. combined exceeds twelve years⁴.

Members of the Supervisory Board of Unibail-Rodamco S.A.⁵

Name	Age	Main positions other than Supervisory Board membership of Unibail-Rodamco S.A.	Year first appointed	AGM SB term expires ⁶
Robert F. W. van Oordt Chairman Independent member	73	Member Board of Directors of Schering-Plough Corporation (USA) Member Board of Directors Fortis Bank S.A. / N.V. (Be) Member Supervisory Board Draka Holding N.V. (NL)	2007	2009
François Jaclot Vice-Chairman Independent member	59	Director and CEO of Addax and Oryx Group	2007	2010
Frans J.G.M. Cremers Independent member	57	Member Supervisory Boards of N.S. N.V., Royal Vopak N.V., Fugro N.V. (Vice-Chairman), Luchthaven Schiphol N.V. and Parcom Capital B.V.	2007	2010
Jacques Dermagne	71	Chairman of the French Economic, Social and Environmental Council and Honorary Chairman of the Worldwide Organisation of the Economic Councils	2007	2010
Robert ter Haar Independent member	59	Supervisory Board member of Royal FrieslandCampina N.V., Maxeda B.V. and Parcom Capital B.V. (Chairman)	2007	2011
Mary Harris Independent member	42	Member Supervisory Board and Audit Committee of TNT N.V. Non-Executive Director of Sainsburys plc	2008	2009
Alec Pelmore Independent member	55	Currently advises a number of UK companies on strategic and property issues	2008	2009
Jean-Louis Laurens Independent member	54	Executive Board Member of Robeco Groep, Robeco Direct NL and Robeco Investment Management US	2007	2009
Yves Lyon-Caen Independent member	58	Chairman of the Supervisory Board of Bénéteau S.A. and of Sucres & Denrées	2007	2011
Henri Moulard Independent member	70	Non voting member and Chairman of the Audit Committee of Crédit Agricole S.A. Member Board of Directors of Burelle S.A. and Elf Aquitaine	2007	2011
Bart R. Okkens Independent member	67	Member Supervisory Boards of Stichting de Nationale Sporttotalisator and Huisman Special Lifting Equipment Holding B.V.	2007	2011
Jos W.B. Westerburgen Independent member	66	Member Supervisory Board of ASML Holding N.V. Vice Chairman of the Board of the Association AEGON	2007	2010

At the Company's 2008 Annual General Meeting, in accordance with the Company's rotation rules, four members of the Supervisory Board were re-appointed. In keeping with the Company's policy of staggering the (re-)election of Supervisory Board members, Mrs Harris and Mr Pelmore were appointed for one year. They will be proposed for re-election for a three-year term at the Company's 2009 Annual General Meeting. Messrs van Oordt and Laurens will be proposed for re-election for another three-year term at that meeting also.

The age limit for the Company's Supervisory Board members is 75, while at least twothird of its members must be 70 or younger.

1.4. Meetings, attendance and information

According to its Charter, the Supervisory Board meets at least five times a year according to a pre-set schedule. Extraordinary meetings may be held for specific reasons at the written request of the Supervisory Board's Chairman, or of at least one-third of the members of the Supervisory Board or of any of the Management Board members.

To encourage effective attendance at Supervisory Board meetings, attendance of its members is taken into consideration for the payment of the variable portion of the Supervisory Board fee. The Statutory Auditors attend the yearly and half-year meetings of the Supervisory Board where the financial statements for those periods are reviewed.

Notices are sent at least three days before Board meetings (except in unusual circumstances). Notices include a detailed agenda and comprehensive papers which enable to prepare the Board members to discuss or, if necessary, approve the issues at hand.

Whenever necessary, Supervisory Board members are sent letters of advice and opinions issued by the Company's tax, legal, accounting- or risk managers. To ensure that Supervisory Board members are fully informed on developments in the respective industry segments and of events taking place within the Group, they regularly discuss these matters during their meetings and receive press reviews and financial reports on Unibail-Rodamco, its competitors and on industry matters. In addition, the Supervisory Board and Management Board have the opportunity to discuss strategic matters in-depth and to be informed of developments in the market during a three-day annual retreat.

1.5. Summary of Supervisory Board activities

The Supervisory Board of Unibail-Rodamco S.A. held eight meetings in 2008 (six ordinary meetings and two extraordinary meetings). Overall attendance at these meetings was 96%.

In addition to items and decisions within its statutory scope, the Supervisory Board discussed all major actions taken in 2008, both internally-related (organisation and key appointments within the Group, internal audit etc.) and externally-related (e.g. acquisitions, disposals, the Group's strategy, development projects, financial policy, etc.).

The Supervisory Board was in particular informed of, examined or approved the following matters:

- the appointment of a new Management Board member, Mr B. Julien-Laferrrière, including his remuneration;
- the appointment of two new Supervisory Board members and the reappointment of four Supervisory Board members;
- the remuneration of the Management Board members;
- the 2008 stock option plan and the total allocation of stock option grants for 2008;
- the adoption of Afep-Medef's code of corporate governance as the frame of reference for the Company and the Company's compliance with the code;

- the proposal to change the Company's legal form from a public limited-liability company (*société anonyme*) to a European company (*societas europaea*);
- the Group's Compliance Program, including a Code of Ethics;
- the amendment of the Management Board Charter;
- the assessment of the Supervisory Board's performance;
- growth and divestment projects and operations, including the acquisition of La Maquinista and Habeneras shopping centres in Spain and the conclusion of a partnership with GIC to whom Unibail-Rodamco respectively 49% and 47% of these shopping centres, Shopping City Süd in Austria, the development of the Mall of Scandinavia and the divestment of a significant part of the Dutch portfolio;
- the quarterly Management Board reports for 2008;
- the five-year Group business plan, financial resources (including the new EMTN programme) and borrowing requirements;
- Dutch FBI tax status requirements;
- the Company distribution payment policy and interim dividend payment decisions;
- the Company's 2008 share buy-back programme.

Supervisory Board members were informed of the work and recommendations of its specialised committees and those of the Statutory Auditors. The minutes of all the meetings of the Audit Committee and the Governance, Nomination & Remuneration Committee were regularly appended to those of the Board.

The conclusion of the annual self-assessment of the Supervisory Board was that the Supervisory Board's functioning is satisfactory and that "fine-tuning" post-merger has been completed rapidly. Following the previous assessment some measures were implemented:

- The Supervisory Board is regularly sent press reviews and financial reports on U-R, its competitors and on industry matters. Moreover, before each Supervisory Board meeting members receive a "Business update" consisting of a report on the key areas of the Group's operations.
- The Company hired a Supervisory Board Secretary in 2008 part of whose duties is to improve the functioning of the Supervisory Board and its committees.
- The Company appointed two additional Supervisory Board members to the Audit Committee and the Governance, Nomination & Remuneration Committee, to ensure that all Supervisory Board members can contribute to the extent that they wish and in recognition of the valuable contribution that each of the members could make to those committees.

1.6. Remuneration

The yearly Supervisory Board attendance fee remained at €52,000 per member (fixed portion of 75% and variable portion of 25%, allocated according to the rate of attendance at meetings). The fixed portion was paid quarterly and the variable portion at year-end. The Chairman and Vice-Chairman of the Supervisory Board were paid a supplementary fee of €45,000 and €15,000 respectively. An additional fee of €1,350 was paid to Supervisory Board members attending a meeting (or several related meetings) of the Supervisory Board and/or Supervisory Board committees held outside the members' country of residence.

(3)Based on Afep-Medef's corporate governance code (December 2008) criteria and the Company's criteria under the Supervisory Board Charter. The Governance, Nomination and Remuneration Committee carries out an annual review of each Supervisory Board member's profile against the independence criteria set out in the Charter and the Code.

(4)This is the sole criterion of the Code with which Mr Demargne does not comply.

(5)For full information please consult the Legal Information section.

(6)If the Company's shareholders approve the transformation of the Company from a société anonyme to a societas europaea at the 2009 Annual General Meeting, all the Supervisory Board members will be proposed for nomination as Supervisory Board members of the Company societas europaea for the remainder of their current terms.

2. Functioning of the specialised committees set up by the Supervisory Board

Two specialised committees assist the Supervisory Board: the Audit Committee and the Governance, Nomination and Remuneration Committee. These committees function under separate Charters⁷.

2.1. Audit Committee

Tasks

Its main role is to provide oversight over financial matters, internal control and risk management.

In this context and in accordance with its Charter, the Committee examines the following areas before issuing an opinion to the Supervisory Board:

- quarterly review of the financial statements and consolidated accounts, business information, asset valuation, off-balance sheet commitments and cash position;
- internal management controls, risk control and implementation of Company-relevant financial legislation;
- the Company's financial policy (accounting methods, impact of new legislation, etc.), finance and tax planning;
- evaluation and/or adoption of the Statutory Auditors' recommendations;
- the relationship between the Company and its Statutory Auditors.

Composition

The Audit Committee consists of four independent members⁸, including at least one that has expertise in financial administration and accounting for listed companies or other large companies exposed to IFRS accounting methods.

Normally, the Chairman of the Management Board (CEO), the Group's Chief Financial Officer (CFO) and the Chief Resources Officer attend the Audit Committee meetings. Other Management Board members may also attend the meetings unless decided otherwise by the Committee. The Audit Committee may decide to meet without the Management Board members' presence or to meet only with the CEO, the CFO or the Statutory Auditors. The Group's Director of Consolidation and Accounting, the Group's Controller and the Group's Director of Internal Audit & Risk Management attend the meeting at the request of the Audit Committee.

Meetings and information

The Audit Committee meets at least on a quarterly basis, or whenever one or more Supervisory Board or Management Board members request a meeting. It meets at least once a year with the Statutory Auditors without the members of the Management Board being present. The Audit Committee may solicit the advice of external advisers if it deems necessary. Members receive notices convening the meetings with an agenda and the meetings' documents three days before each meeting. To allow for adequate preparation and consideration of the half-year and full-year accounts, the Audit Committee meets at least 48 hours prior to the Supervisory Board meetings at which those accounts will be reviewed.

The Supervisory Board is informed of the proceedings and recommendations of the Audit Committee during its meeting following that of the Audit Committee.

Summary of Audit Committee activity

The Audit Committee met five times in 2008. The member attendance rate was 95%.

During 2008, the Audit Committee considered and/or issued opinions on:

- the revaluation of net assets, the Company's financial statements and consolidated accounts for the 2007 full year accounts and the 2008 half-year accounts;
- the quarterly Management Board reports for 2008;
- the Company dividend payment policy and the proposal to the AGM regarding the allocation and distribution of profits;
- the funding of the Group's five-year business plan, financial resources, borrowing requirements (including the creation of a new EMTN programme and the updating of inter-company credit lines);
- the internal audit charter, the audit plan for 2008 and the internal audit reports for the first and second six-month periods of 2008;
- the working terms and conditions of the Statutory Auditors for the closing of the 2008 annual accounts;
- Dutch FBI tax status requirements,
- examination of the Company's exposure to and management of risks.

In the second-half of 2008 the Audit Committee analysed in-depth the Company's strategy to face the deepening economic crisis, paying particular attention to the management of the Company's financial position and its mitigation of risks. The conclusion of the annual self-assessment of the Audit Committee was that the Committee's functioning is satisfactory.

(7) Available on the Company's website and at its registered office.

(8) Two additional Supervisory Board members were appointed to the Audit Committee in March 2009.

Remuneration

Yearly attendance fees for the Committee in 2008 remained at €20,000 for the Chairman and €10,000 for the other members. An additional fee of €1,350 was paid to members attending a meeting (or several related meetings) of the Supervisory Board and/or Supervisory Board committees held outside the members' country of residence.

2.2. Governance, Nomination And Remuneration Committee – GN&RC

Tasks

The GN&RC's main role is to examine all issues falling within its scope of action under the GN&RC Charter and to advise the Supervisory Board on such matters. Its tasks specifically include, as regards remuneration matters, the formulation of the Group's remuneration policy and related remuneration arrangements (fixed income, short-term incentive, long-term incentive and pensions) for Management Board members and the attendance fee policy for Supervisory Board members. In relation to nomination matters, it develops profiles and screening criteria for Supervisory Board members and initiates proposals for the renewal and appointment of Supervisory Board and Management Board members. It assesses the performance of Supervisory Board and Management Board members on a regular basis. Each year it assesses the independence of the Supervisory Board members against the criteria set out in the Supervisory Board Charter. In relation to governance matters, the GN&RC assesses the adequacy of the Company's corporate governance practices and rules concerning the Company as a whole and the Management Board, Supervisory Board and its committees in particular. It continuously evaluates the Company's compliance with these rules.

Composition

The GN&RC consists of four members⁹, three of which are considered to be independent.

In addition to its members, the CEO and the Chief Resources Officer attend the GN&RC's meetings, except for matters that relate to them. Other persons may be invited by the Committee's Chairman.

Meetings and information

The Committee meets at least three times a year and whenever one or more Supervisory Board or Management Board members request a meeting. Members receive the notices convening the meetings with an agenda and the meetings' documents three days before each meeting. The Supervisory Board is informed of the GN&RC's proceedings and recommendations at the meeting following that of the Committee.

(9) Two additional Supervisory Board members were appointed to the GN&RC in March 2009.

(10) Published in October 2008.

Summary of GN&RC activity

The Committee met four times during 2008. The member attendance rate was 100%.

In 2008, the GN&RC considered and/or issued opinions on:

- the appointment of a new Management Board member, including his remuneration;
- the re-appointment of four Supervisory Board members and the appointment of two new members;
- the appointment of a Group Compliance Officer;
- the annual review of the Supervisory Board's profile;
- long term incentive arrangements, including the 2008 allocation of stock-options to MB members;
- the short-term incentive scheme for Management Board members regarding their performance in 2007;
- the Group's International Mobility Program;
- the implementation of the Group Company Savings Plan for 2008;
- the delegation of powers and responsibilities from the CEO to each Management Board member, with authority to sub-delegate;
- U-R's governance practices compared to Afep-Medef's recommendations on executive officers' remuneration¹⁰;
- the adoption of Afep-Medef's code of corporate governance as the frame of reference for the Company;
- the Group's Compliance Program, including the Group's Code of Ethics and Insider Trading Rules;
- the amendment of the GN&RC Charter and the Management Board Charter.

The conclusion of the annual self-assessment of the GN&RC was that the Committee's functioning is satisfactory.

Remuneration

Yearly attendance fees for the Committee in 2008 remained at €20,000 for the Chairman and €10,000 for the other members. An additional fee of €1,350 was paid to members attending a meeting (or several related meetings) of the Supervisory Board and/or Supervisory Board committees held outside the members' country of residence.

II. REMUNERATION OF THE MANAGEMENT BOARD MEMBERS¹¹

Unibail-Rodamco complies with all Afep-Medef's recommendations on executive officers' remuneration published on October 6, 2008. The Management Board remuneration policy was developed by the Governance Nomination & Remuneration Committee and approved by the Supervisory Board in 2007. The remuneration as from September 1, 2008 of the newly-appointed Management Board member in 2008, Mr Julien-Laferrière, was approved by the Supervisory Board on July 23, 2008 upon recommendation of the GN&RC.

The remuneration of all the Management Board members consists of 4 components: (i) Fixed Income (FI), (ii) Short Term Incentive (STI), (iii) Long Term Incentive (LTI) comprised of stock options subject to performance conditions, and (iv) other benefits (company pension plan, company car, insurance, etc.).

The remuneration policy for Management Board members does not include any contractual severance package.

III. CORPORATE GOVERNANCE

In accordance with article L. 225-68 of the French Commercial Code, Unibail-Rodamco hereby states that it adheres to and enforces the French Afep-Medef corporate governance code, as published in consolidated form by Afep-Medef in December 2008 ("**Code**")¹² and adopts this as its reference for corporate governance matters.

Unibail-Rodamco has analysed its practices and procedures against the Code. The Group complies with all the Code's principles.

In line with the Group's commitment to the highest standards of corporate governance and its continuing activities in the Netherlands, the Group is compliant with the vast majority of the Dutch Corporate Governance Code¹³, even though the Company is not legally required to comply with this Code.

All the shareholders have the right to attend shareholders' meetings. The terms and conditions are defined in article 18 of the Articles of Association¹⁴.

All the information provided under article L. 225-100 of the French commercial code and which is likely to have an effect in the case of a takeover, such as specified in article L. 225-100-3, is included in the annual report made available for shareholders.

IV. INTERNAL CONTROL SYSTEM

The Unibail-Rodamco Group is present in the commercial property sector, more specifically in the development, management and regular refurbishment of shopping centres and offices, and the management and organisation of convention and exhibition venues and associated services. Apart from general risk factors, the Group's business is subject to common exposure and systemic risks including, in particular, the cyclical nature of the property sector. The Group's strategy and policies aim to limit the negative effects of these risks. However, sudden changes in the geopolitical, political, social, economic, financial, monetary, regulatory, health and ecological environments could have a negative impact on the Group, resulting in a decrease in asset values, an increase in certain costs, or to investment / divestment operations being delayed or even abandoned.

"Controllable" risks are identified within a risk mapping which focuses on key risks and assesses them on the basis of probability and magnitude. This risk mapping was updated twice in 2008 and was approved by the Management Board on both occasions. In addition, it was discussed by the Group Audit Committee in February and October 2008.

These "controllable" risks are managed through the Group's internal control system. This system covers all activities of the Group in all regions, except those where Unibail-Rodamco is not directly involved in the management, notably Comexposium. This system is based on a set of principles that aim to provide reasonable assurance that the following internal control objectives are met:

- **transactions are executed effectively and optimised,**
- **property assets are protected,**
- **financial information is reliable,**
- **all operations comply with prevailing legislation, regulations and in-house rules.**

The Group's internal control system is in line with the general principles of the Internal Control System reference framework drafted by the AMF working group and is based on:

- standardised procedures,
- the accountability of managers in charge of the business, finance and control,
- a committee-based decision-making process for acquisitions, disposals and refurbishment/construction projects,
- a segregation of duties between the executive and control functions.

Unibail-Rodamco is run by a Management Board, composed of 6 members, which manages all of the Group's activities. The Management Board holds regular fortnightly meetings as well as ad hoc meetings whenever required. It acts as the decision-making body for any issues that, due to their financial significance or strategic and/or cross-functional nature, require the involvement of the Group's senior management. Its main focus areas are set out in the Management Board Charter, which is available on the Group's web site.

The Group's control environment comprises:

- a **Code of Ethics** that forms part of the Group Compliance Programme. The Code of Ethics covers the Group's core values and rules of conduct, with particular emphasis on ethical behaviour, conflicts of interests, confidentiality of information, and transactions involving the Group's shares,
- an **organisation manual** that describes the Group's organisational structure, roles and responsibilities at both corporate and regional levels,
- **job descriptions and an appraisal system** based on performance targets that cover the entire Group,
- a **set of delegation of authority and responsibility rules and limits** that span all of the Group's activities,
- **procedures** of a general and specific nature that are applicable either at corporate level or in the different regions where the Group is present,
- **less formal instructions** and recommendations that nevertheless form an integral part of the internal control system.

A description of the main risks monitored by this internal control system follows.

1. Investment and Divestment Authorisation

Corporate business development or property acquisition projects are always discussed by the relevant management team. Any deal opportunity is presented to the Chief Executive Officer and the Chief Investment Officer in order to determine whether the transaction is worth pursuing and investigating. If it is, a project manager is appointed.

A legal, financial, technical and commercial review of these transactions is subsequently presented to an ad-hoc committee comprising the Chief Executive Officer, the Chief Investment Officer, the Chief Financial Officer, the Chief Development Officer (for property development and re-development), the Chief Operating Officer (for retail operations) and the relevant Regional Managing Director and regional investment teams. This committee approves the value creation strategy, the assumptions made and the offer price, subject to a more in-depth audit (data room) and to final approval in compliance with the Group's authorisation rules. Various financial models (e.g. discounted cash flows, peer comparisons) have been developed and provide the basis for this committee's assessment.

During the annual budget review with each region, a disposal schedule is drawn up for mature properties. These transactions are then prepared and analysed by the committee referred to above, which verifies the assumptions on which the disposal conditions are based.

The Unibail-Rodamco Group has centralised the documentation and management of legal matters relating to all of its property assets in France. This centralised organisation makes it easier to prepare data rooms when properties are being sold and helps improve the liquidity of these assets. As announced in 2007, this system's implementation for organising legal documentation was launched in major regions during 2008.

Unibail-Rodamco's property assets are valued twice a year by external experts. This enables the Group to assess their market value and verify and validate the internal assumptions that are used to determine the selling price or rental value of its different properties.

Most of the teams involved in reviewing and managing these transactions have experience in mergers and acquisitions that was acquired at investment banks, law firms or other institutions specialising in such areas of functional expertise. The Group calls upon external experts, such as lawyers, tax specialists, auditors and consultants, whenever necessary.

In accordance with the Group's authorisation rules, any transaction exceeding €100 million is subject to final approval from the Management Board, as is any transaction below €25 million that falls outside the Group's existing strategy and/or are in countries outside the European Union member states. Acquisitions, disposals or investments exceeding €300 million, and transactions exceeding €25 million that fall outside the Group's existing strategy and/or are in countries outside the European Union member states, must also obtain prior approval from the Supervisory Board.

2. Risks Associated with the Management of Construction and Refurbishment Projects

Unibail-Rodamco, except in exceptional cases, selects large, reputable contractors to work on its construction and refurbishment projects by issuing invitations to tender based on a set of clear specifications. The final choice of contractors is made once a comparative analysis of the written offers has been carried out. Any discrepancies in relation to the original budget must be explained and justified.

In addition, Unibail-Rodamco employs construction experts within its own organisation. They act as project managers and are responsible for ensuring that:

- the properties built by the Group's contractors comply with the design specifications,
- construction and renovation costs are kept under control and remain in line with initial budgets,
- buildings comply with the Group's Environmental Quality Charter and any regulations applicable to owners.

The progress of the works, the budget and internal rate of return of each project is reviewed on a quarterly basis at Group level by the Control Department and by the Management Board.

To manage environmental risks, the Group has created an International Environmental Performance Committee and Regional Environmental Performance Committees, which work to shape a common environmental performance policy and monitor the way it is embedded in operating practices. The Group entered into the Dow Jones Sustainability Index in 2008.

(11) For full details, please consult the Legal Information section.

(12) Available on the MEDEF website www.medef.fr.

(13) As published by the Frijns Committee in December 2008.

(14) Available on the Company's website and at its registered office.

Asset protection risks

Unibail-Rodamco is covered by a Group insurance program that is underwritten by reputable leading insurance companies. This program is monitored by the Group Insurance Department in liaison with local teams and insurance brokers.

Under this program, the Group's property assets are insured for their full reconstruction value, which is regularly assessed by external property insurance valuers. Only the convention-exhibition venues at Villepinte and Le Bourget are covered with a limit of indemnity. All property assets are insured for business interruptions and loss of rents, and the Group has also taken out general liability insurance that covers financial damages incurred by third parties. With regard to terrorism, Unibail-Rodamco's assets remain fully covered up to their insured amounts or within limits of indemnity.

Construction projects and renovation works on properties are covered by Contractor's All Risks policies. Defects affecting the works are covered by Decennial insurance or by Contractors liabilities policies for works out of France.

To complement this insurance coverage, Unibail-Rodamco regularly arranges inspections of technical facilities that could have an impact on the environment and/or personal safety, such as fire-fighting equipment, ventilation and air conditioning systems, electric installations and elevators.

To mitigate health and safety risks, the Group has issued a health and safety manual which is used for all of the properties that are managed by the Group in France. This manual was extended to ex-Rodamco assets in France during 2008. The manual provides a single and comprehensive source of information on the management of sanitary/environmental risks such as water, air, lead, asbestos and Legionnaire's disease.

In other regions, such risks are managed in compliance with local legal regulations under the responsibility of each Regional Managing Director. In 2008, a risk mapping of health and safety obligations (asbestos, Legionnaire's disease, regulatory technical control tests, etc.) was launched in the main European countries where the Group is present (Spain, Sweden, the Netherlands and Austria). This risk mapping was designed to lay the groundwork for a common policy on health and safety risk management which will be implemented for all of the Group's main assets in 2009.

3. Risks Associated with Property Leasing and Ancillary Services

The marketing of assets is handled by dedicated teams with, in the case of the Office Division, additional support from leading external brokers. Targets (e.g. prices, deadlines and prospective tenants) are defined within each region in collaboration with a team at Group level and are presented to the Management Board for approval. Leases that are particularly important in terms of value or special terms and conditions (e.g. price, term, security) must be approved in advance at Management Board level by the Chief Operating Officer (for shopping centres) or by the Chief Executive Officer (for offices).

The large number of tenants in the Group's shopping centre portfolio spreads, and thus minimises, the insolvency risk.

The Group's main tenants in its office portfolio are blue-chip companies.

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 two and six months' rent, except in a few cases as a result of past negotiations.

The amounts due under the leasing agreements are invoiced by the Group's property management companies. A centralised procedures manual describes how invoicing and the recovery of rents and service charges are organised and monitored.

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

Late payment reminders are systematically issued in respect of late payments and are monitored by local teams in each region. These teams decide on the pre-litigation or actual litigation action to be taken.

3.1. Financial risks

Sensitivity to interest rates, currency movements, liquidity and counterparty risks is monitored by the Group Treasury Department in line with the policy defined by the Group Asset & Liability Management Committee (ALM). This committee has 6 members, including 3 members of the Management Board (the Chief Executive Officer, the Chief Financial Officer and the Chief Resources Officer).

The groundwork for this committee is prepared by the Group Treasury Department, which regularly provides each member with a comprehensive report on the Group's interest rate position, liquidity projections, bank covenants position, outstanding confirmed credit lines, proposed (re)financing or hedging operations (if applicable), the details of any (re)financing operations or transactions (hedging operations, share buybacks, etc.) completed since the last ALM Committee meeting, and a report on counterparty risks. Currency exposure is also reviewed on an ad-hoc basis.

The ALM Committee met 5 times in 2008. Throughout the year, the members of this committee receive regular updates on significant changes in the financial environment, especially changes in interest rates, financing conditions, share prices or trade operations.

The Group's market trading guidelines for hedging operations and transactions involving Unibail-Rodamco shares and its transaction control guidelines are formally set out in two procedures. This ensures the segregation of duties between execution and control functions.

To reduce the risk of fraud and embezzlement, the Group has implemented a secure payments procedure and has formalised the rules for opening, changing and closing bank accounts.

Unibail-Rodamco must comply with fiscal obligations resulting from the various REIT-regimes it qualifies for. These requirements are followed on a quarterly basis by dedicated specialists within the Finance Department.

3.2. Legal risks

Legal risks are monitored by the Group Legal Department, which ensures that Unibail-Rodamco complies with the regulations that govern its operations. This department also protects the Group's legal interests in contractual agreements. As well as drawing up standard contracts, it employs lawyers who are specialists in local legal regulations and, whenever necessary, enlists the support of external lawyers and experts. The Group Legal Department reports to the Chief Resources Officer.

In all regions, the Group Legal Department has implemented systematic information procedures to ensure senior management at Group and regional levels is informed immediately of any new risks or of any events likely to alter the assessment of an existing risk.

In addition, every quarter, all local legal departments provide the Group General Counsel with formal progress reports on the Group's main outstanding disputes.

It should further be noted that there is a centralised procedure for registered mail that is received at the Group's French registered office. Every day, a copy of the first page of these letters is automatically sent to the Chief Executive Officer, the Chief Resources Officer, the General Counsel and the Group Director of Internal Audit. An equivalent procedure was implemented in all of the regions in 2008.

3.3. Information technology risks

A temporary breakdown of Unibail-Rodamco's information systems is, although potentially troublesome, not considered as a highly critical risk for the Group's business operations.

Unibail-Rodamco's IT risk management approach is based mainly on the regular and formalised backup of data and on their storage off site. Both Unibail-Rodamco and Rodamco Europe have signed computer services contracts which aim to ensure that critical operations can be resumed within a reasonable time frame in the event of a major incident.

The Group has outsourced its SAP applications platform to a specialised company under a contract which includes an incident recovery plan. SAP is used in Spain, the Netherlands and Northern Europe. Due to organisational changes, some procedures are due to be updated in 2009.

3.4. Risks associated with the production of financial and accounting data

Accounting systems can be a source of financial risks, particularly in the context of end-of-period accounting, consolidation of accounts, and accounting for off-balance sheet obligations.

Accounting processes are handled by local and corporate teams using multiple information systems. Both Unibail-Rodamco and Rodamco Europe use manuals of accounting procedures and instructions that describe the segregation of duties between the accounting execution and the control.

Unibail-Rodamco maintains an analytical accounting system for each property, event and exhibition which enables it to monitor the realisation of its budgets closely.

A common process and reporting template, the Quarterly Flash Report, was implemented early in 2008. This report consists of a set of quarterly (or half-yearly) data concerning valuations, pipeline projects and operational Key Performance Indicators (KPIs), as well as financial data such as comparisons between actuals and budget, actuals year on year, and full year forecasts (GRI, NRI, administrative expenses, etc.). Reports are checked at regional level before being submitted to the Group Control and Consolidation departments.

Regional quarterly reports are double-checked and challenged by the Group Control Department, which analyses the KPIs as well as any discrepancies between the budget and end-of-period actuals or forecasts. Group Control establishes a Group Quarterly Flash Report which consolidates all Group KPIs.

The QFR are presented to the Management Board by the country management teams of each region.

Consolidation on the scope of the Group is centralised and carried out by a dedicated team in the Group Consolidation Department. Consolidated financial statements are produced on the full scope of the Group as well as for Rodamco Europe sub-group. When consolidating the accounts, the following main checks are carried out:

- variations in controlling shares of subsidiaries and investments are tracked to ensure appropriate treatment at the cut-off date,
- accounting totals for each individual company are reconciled with the totals calculated by the consolidation system,
- adjustments to consolidated figures are analysed and explained in a report,
- variation analyses related to budgets and forecasts are checked and reconciled with Quaterly Flash Reports.

The rules for off-balance sheet commitments have been laid down in specific procedures in order to ensure that each commitment is centrally logged by the Legal Department. They are then recorded by the Accounting Department before being brought to the attention of the Management Board and the Supervisory Board.

The Group's financial and accounting information is verified by the Statutory Auditors before being presented and explained to the Management Board, Group Audit Committee and, ultimately, to the Supervisory Board.

The appraisal of the internal control system is carried out by the Group Internal Audit Department composed of 3 persons, which conducts regular assignments on all of the Group's business units in line with the annual audit plan approved by the Management Board and the Group Audit Committee.

Occasionally, the Chief Executive Officer or (the Chairman of) the Audit Committee may ask the Group Internal Audit Department to carry out one-off "flash" assignments to provide a rapid response to urgent issues and/or the treatment of new risks or problems. Final audit reports are addressed to the Management Board and to each department which has been involved in the audit. A summary of audit assignments is sent to the Group Audit Committee on a quarterly basis.

Unibail-Rodamco's Internal Audit Charter sets out the different missions of the audit function. To ensure it remains genuinely independent, the department reports directly to the Chief Executive Officer and to the Chairman of the Audit Committee.

Statutory Auditors' Report

Statutory Auditors' Report, prepared in accordance with article L. 225-235 of the French commercial code (Code de commerce), on the report prepared by the chairman of the supervisory board of Unibail-Rodamco

This is a free translation into English of a report issued in French language and is provided solely for the convenience of English-speaking readers. This report should be read in confirmation with and constructed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as statutory auditors of Unibail-Rodamco and in accordance with article L. 225-235 of the French commercial code (Code de commerce), we hereby report on the report prepared by the chairman of your company in accordance with article L. 225-68 of the French commercial code (Code de commerce) for the year ended December 31, 2008.

It is the chairman's responsibility to prepare and submit for the supervisory board's approval a report on internal control and risk management procedures implemented by the company and to provide the other information required by article L. 225-68 of the French commercial code (Code de commerce) relating to matters such as corporate governance.

Our role is to:

- report on the information contained in the chairman's report in respect of the internal control procedures relating to the preparation and processing of accounting and financial information,
- confirm that the report also includes the other information required by article L. 225-68 of the French commercial code (Code de commerce). It should be noted that our role is not to verify the fairness of this other information.

We conducted our work in accordance with professional standards applicable in France.

Information on internal control procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the chairman's report in respect of the internal control procedures relating to the preparation and processing of accounting and financial information.

These procedures consist mainly in:

- obtaining an understanding of the internal control procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the chairman's report is based and the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work are properly disclosed in the chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the company's internal control procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the chairman of the supervisory board in accordance with article L. 225-68 of the French commercial code (Code de commerce).

Other information

We confirm that the report prepared by the chairman of the supervisory board also contains the other information required by article L. 225-68 of the French commercial code (Code de commerce).

Neuilly-Sur-Seine and Paris-La Défense, March 16, 2009
The Statutory Auditors French Original signed by

DELOITTE MARQUE & GENDROT
represented by Joël Assayah

ERNST & YOUNG AUDIT
represented by Bernard Heller

Annual Disclosure Form

In accordance with the provisions of article 451-1-1 of the French Monetary and Financial Code and article 222-7 of the General Regulation of the Autorité des Marchés Financiers (AMF), this document contains or refers to information published or disclosed by the issuer to satisfy and legal and regulatory requirements. The information listed below has been published or disclosed since January 1, 2008.

Publication date Matter/filing number	Information	Place of inspection
NEWS RELEASES		
17.11.2008	Adhering to Afep-Medef’s recommendations on the remuneration of executive officers of listed companies	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
21.07.2008	Unibail-Rodamco announces the acquisition of two Spanish shopping centres	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
22.05.2008	Unibail-Rodamco completes the acquisition of 140,400 m² in Shopping City Süd in Vienna, Austria	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
16.04.2008	Completion of the divestment of part of Unibail-Rodamco’s Dutch retail portfolio	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
ANNUAL FINANCIAL STATEMENTS – SHELF-REGISTRATION DOCUMENTS – SHARE BUY-BACK PROGRAMME - REGULATORY INFORMATION		
06.02.2009	2008 annual results	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
03.02.2009	Disclosure of outstanding shares and voting rights	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
09.01.2009	Disclosure of outstanding shares and voting rights	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
06.01.2009	Unibail-Rodamco interim cash amount applicable to ORA payable on January 15, 2009	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
06.01.2009	Interim dividend will be made payable on January 15, 2009	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
03.12.2008	Disclosure of outstanding shares and voting rights	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
26.11.2008	Weekly disclosure of trading in treasury shares (from 20/11/2008 to 26/11/2008)	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
19.11.2008	Weekly disclosure of trading in treasury shares (from 13/11/2008 to 19/11/2008)	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
04.11.2008	Disclosure of outstanding shares and voting rights	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
30.10.2008	Weekly disclosure of trading in treasury shares (from 24/10/2008 to 30/10/2008)	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
10.10.2008	Unibail-Rodamco consolidated turnover for the third quarter 2008	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾

03.10.2008	Disclosure of outstanding shares and voting rights	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
29.09.2008	Unibail-Rodamco interim cash amount applicable to ORA payable on October 15, 2008	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
29.09.2008	Interim dividend will be made payable on October 15, 2008	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
05.09.2008	Disclosure of outstanding shares and voting rights	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
04.08.2008	Update to the press release dated of July 28, 2008	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
01.08.2008	Disclosure of outstanding shares and voting rights	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
28.07.2008	2008 Financial interim report publication	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
24.07.2008	2008 Half-year results	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
08.07.2008	Disclosure of outstanding shares and voting rights	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
08.07.2008	Update on ex-dividend date Unibail-Rodamco final 2007 dividend on the press release announced on July 8, 2008 at 8.30 am	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
08.07.2008	Unibail-Rodamco interim cash amount applicable to ORA payable on July 15, 2008	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
08.07.2008	Interim dividend will be made payable on July 15, 2008	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
30.05.2008	Disclosure of outstanding shares and voting rights	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
15.05.2008	Disclosure of outstanding shares and voting rights	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
14.05.2008	Quarterly financial information	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
10.04.2008	Press release about the publication of the 2007 Registration Document	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
08.04.2008	Interim dividend will be made payable on 15 April 2008	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
01.04.2008	Disclosure of outstanding shares and voting rights	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
21.03.2008	Information on how the Preliminaries documents to the General Meeting are available	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
BALO PUBLICATIONS		
01.08.2008 Bulletin no.	Consolidated accounts – Intermediary accounts	http://balo.journal-officiel.gouv.fr
01.08.2008 Bulletin no.	Consolidated turnover	http://balo.journal-officiel.gouv.fr
20.06.2008 Bulletin no.	Publication of the annual accounts	http://balo.journal-officiel.gouv.fr
14.05.2008 Bulletin no.	Consolidated turnover – quarterly turnover and financial position	http://balo.journal-officiel.gouv.fr
14.04.2008 Bulletin no.	Publication of the annual accounts	http://balo.journal-officiel.gouv.fr
21.03.2008 Bulletin no. 35	Notice of shareholders’ meeting to be held on April 29, 2008	http://balo.journal-officiel.gouv.fr

INFORMATION FILED AT THE COMMERCIAL COURT		
28.01.2009 Filing no. 7277	Delegation of authority	www.infogreffe.fr
16.12.2008 Filing no. 111946	Capital increase	www.infogreffe.fr
24.10.2008 Filing no. 96498	Nomination decree of the auditor in charge of the transformation (23/10/2008)	www.infogreffe.fr
16.12.2008 Filing no. 111944	Capital increase	www.infogreffe.fr
17.10.2008 Filing no. 93826	Change of Member(s) of the Management Board (abstract of the minutes dated as of July 23,2008)	www.infogreffe.fr
08.08.2008 Filing no. 72606	Capital increases (abstract of the minutes of the Management Board dated as of July 17, 2008), updated bylaws	www.infogreffe.fr
24.07.20008 Filing no. 67108	Capital increases, updated bylaws	www.infogreffe.fr
03.06.2008 Filing no. 49603	Election of Member of the Supervisory Board, ratification of transfer, capital increase, updated bylaws	www.infogreffe.fr

Persons responsible for this document, for the financial information and for auditing the accounts

Person responsible for the Registration Document

Guillaume Poirinal, Chairman of the Management Board of Unibail-Rodamco

Declaration by the person responsible for the Registration Document

To the best of my knowledge, after taking all necessary measures, the data contained in this registration document gives an accurate and fair view of the financial situation of the Company and the information contained within is free from any material misstatement.

I have obtained from the statutory auditors their end-of-audit letter, which states they have verified the information on the financial position of the Company and the company accounts included in this Registration Document as well reading the totality of this Registration Document

The statutory auditors have issued a report on the historical financial information included in this present Registration Document .

It is reminded that, without qualifying the opinion expressed, the statutory auditors drew the following comment for the financial year 2007: the attention is drawn to note 3 ("2007 highlights") to the financial statements relating to the accounting treatment of the business combination of Rodamco Europe N.V. and the write-off as at December 31, 2007 of its residual goodwill.

Guillaume Poirinal

Persons responsible for auditing the accounts

Principal Statutory Auditors

Ernst & Young Audit
Faubourg de l’Arche
11, allée de l’Arche
92037 Paris-La Défense Cedex
Bernard Heller
Deloitte Marque & Gendrot
185, avenue du Général de Gaulle
92200 Neuilly-sur-Seine
Joël Assayah

Commencement date of the first term of office, respectively, AGM’s of May 13, 1975 and April 28, 2005
Expiry of term of office at the AGM held for the purpose of closing the 2010 accounts

Deputy Statutory Auditors

Barbier, Frinault et autres
41, rue Ybry
92576 Neuilly-sur-Seine Cedex
Mazars & Guerard
61, rue Henri Régnault
92075 Paris-La Défense Cedex

Commencement date of the first term of office, respectively, AGM’s of April 28, 2005 and May 26, 1992
Expiry of term of office at the AGM held for the purpose of closing the 2010 accounts

Documents available to the public

The following documents are available on Unibail-Rodamco’s website at www.unibail-rodamco.com:

- the registration documents in the form of annual reports, as well as their updates, which are filed at the AMF;
- the financial press releases of the Group.

Unibail-Rodamco’s Articles of Association and parent company accounts may be consulted at the headquarters of the Company – 7, place du Chancelier-Adenauer – 75016 Paris and on the website www.unibail-rodamco.com, or obtained on demand.

Concordance table of the registration

The table below sets out the principal categories required under the European Regulation (CE) 809/2004.

Category of appendix 1 of European Regulation (CE) 809/2004		Page number of the registration document
1. Responsible persons		
	1.1. Persons responsible for the information included in the reference document	197
	1.2. Declaration of the persons responsible for the reference document	197
2. Statutory auditors of accounts		
	2.1. Name and address of the statutory auditors	197
	2.2. Resignation of the statutory auditors	n.a.
3. Selected information		
	3.1. Historic information	n.a.
	3.2. Interim information	n.a.
4. Risk factors		
5. Information on the issuer		
	5.1. History and evolution of the Company	145
	5.1.1. Corporate name and trade name	145
	5.1.2. Registration centre and number	145
	5.1.3. Date of incorporation and statutory length of life	145
	5.1.4. Head office and legal form	145
	5.1.5. Important events	106-111.
	5.2. Investments	
	5.2.1. Description of the year's main investments	64/67
	5.2.2. Description of investments in progress	64/67
	5.2.3. Description of future investments	64-65
6. Overview of activities		
	6.1. Main activities	
	6.1.1. Nature of the operations	14-43
	6.1.2. New products or new developments	14-43
	6.2. Main markets	14-43
	6.3. Exceptional events	n.a.
	6.4. Possible dependencies	n.a.
7. Organisational chart		
	7.1. Description of the Group	61
	7.2. List of significant subsidiaries	102-106
8. Property ownership		
	8.1. Significant fixed assets	46-57
	8.2. Environmental issues possibly influencing the usage of property	22

9. Analysis of the financial position and results		
	9.1. Financial position	78-81
	9.2. Operating profit	61-69
	9.2.1. Important elements	61-69
	9.2.2. Important changes	61-69
	9.2.3. Influencing factors	n.a.
10. Cash-flow and share capital		
	10.1. Share capital of the issuer	92-93
	10.2. Sources and cash-flow amounts	91
	10.3. Terms of borrowings and financial structure	78-81
	10.4. Share capital restrictions that could affect the activities of the issuer	n.a.
	10.5. Forecast of financial sources	78-81
11. Research and development patent licences		
12. Information on market trends		
	12.1. Principal trends which impacted production and revenues	61-69
	12.2. Trends which may impact future activity	n.a.
13. Forecasts or estimates of profit		
	13.1. Main assumptions underlying forecasts and estimates	84
	13.2. Report of the independant statutory auditors	n.a.
	13.3. Forecast or estimate of net profit	n.a.
	13.4. Forecast of profit included in an existing prospectus	n.a.
14. Supervisory bodies, directors, control and executive management		
	14.1. Supervisory bodies and directors	159-165/183-185
	14.2. Conflicts of interest regarding supervisory bodies and directors	n.a.
15. Remuneration and benefits		
	15.1. Remuneration paid and benefits in kind	167-176
	15.2. Provisioned amounts for pensions, retirements, or other benefits	139
16. Functioning of supervisory bodies and directors		
	16.1. Expiry of current mandates	159-165
	16.2. Service contracts linking members of supervisory bodies	n.a.
	16.3. Information on the Audit Committee and the Remunerations Committee	186-187
	16.4. Corporate governance	165-166/188-189
17. Employees		
	17.1. Number of employees	82
	17.2. Profit sharing and stock-options	82-83/152-154
	17.3. Agreements for employees to subscribe to the share capital	139
18. Main shareholders		
	18.1. Shareholders holding more than 5% of share capital	158
	18.2. Different voting rights	158
	18.3. Direct or indirect holding or control of the issuer	158
	18.4. Known agreements with the issuer which could engender a change of control	n.a.
19. Related party transactions		
		142

20. Financial information concerning the portfolio, financial position and results		
	20.1. Background financial information	6-7
	20.2. Pro-forma financial information	6-7
	20.3. Financial statements	87-142
	20.4. Verification of annual historic information	193
	20.4.1. Audit certificate of annual historical information	n.a.
	20.4.2. Other information reviewed by the statutory auditors	n.a.
	20.4.3. Sources of information not reviewed by the statutory auditors	n.a.
	20.5. Dates of previous financial information	
	20.5.1. Most recent financial year for which the financial information has been audited	197
	20.6. Interim financial information	
	20.6.1. Audited quarterly or half-yearly information	n.a.
	20.6.2. Quarterly or half-yearly information not audited	n.a.
	20.7. Dividend distribution policy	84
	20.7.1. Amount of dividends per share	7/69
	20.8. Court proceedings and disputes	n.a.
	20.9. Significant changes in financial position or business activity	n.a.
21. Supplementary Information		
	21.1. Company share capital	
	21.1.1. Subscribed capital	148
	21.1.2. Non-representative shares	n.a.
	21.1.3. Number, book value and nominal value of treasury shares	156
	21.1.4. Amount of securities giving access to share capital	148-153
	21.1.5. Information relating to the conditions applying to acquisition of shares issued but not yet paid up	n.a.
	21.1.6. Information relating to the share capital of group companies subject to options	n.a.
	21.1.7. Historical information on share capital	93/157
	21.2. Applied regulations and articles of association	
	21.2.1. Corporate purpose	145
	21.2.2. Synopsis of the articles of association	146-147
	21.2.3. Description of rights and privileges	146-147
	21.2.4. Description of actions required to modify shareholders' rights	146-147
	21.2.5. Description of conditions for convening shareholders' meetings	146-147
	21.2.6. Change-of-control provisions	n.a
	21.2.7. Rules defining the thresholds for disclosure of shareholdings	146-147
	21.2.8. Description of conditions governing changes in capital	148-152
22. Important contracts		n.a.
23. Information from third parties, expert statements and interest statements		n.a.
	23.1. Expert statements	n.a.
	23.2. Third party information	n.a.
24. Documents publicly available		145/194-196
25. Information on shareholdings		121-122

In application of article 28 of European Regulation 809/2004 on prospectus documents, the following are included for reference purposes:

- The Business review and the consolidated accounts for the 2006 financial year prepared in accordance with IFRS accounting standards, including reports pertaining to Statutory Auditors, lodged at the AMF (Autorité des Marchés Financières) on March 13, 2007.
- The Business review and the consolidated accounts for the 2007 financial year prepared in accordance with IFRS accounting standards, including reports pertaining to Statutory Auditors, lodged at the AMF (Autorité des Marchés Financières) on April 10, 2008.

This is a free translation into English of the Registration Document⁽¹⁾ issued in French and filed at the AMF⁽²⁾ on March 18, 2009 and is provided solely for the convenience of English-speaking users.

When consulting this document, and in the event of a conflict in interpretation, reference should be made to the original French version.



(1) Excluding statutory accounts of the parent company
(2) L'Autorité des Marchés Financiers (The French Stock Market Authorities)



Design, creation and production:



Photo credits:

Cover: Unibail-Rodamco image bank – Frank Barylko/P.1: Frank Barylko/P.2: Christophe Lebedinsky/P.3: Christophe Lebedinsky/P.4: Martin Bureau/P.5: Arnauld Duboys-Fresney/Christophe Lebedinsky/P.6-7: Martin Bureau/P.8-9: Jean-Paul Viguier S.A. d'Architecture/P.10-11: Martin Bureau/P.12: Martin Bureau/P.14-15: Unibail-Rodamco image bank/P.16-17: Ana Eriksson - Unibail-Rodamco image bank – Martin Bureau/P.18: Frank Barylko – Martin Bureau/P.19: Jana Eriksson/P.20-21: Brigitte Cavanagh – Depaule et Associés – PAD – Asylum – L'Autre Image – Racines/P.22-23: Christophe Lebedinsky – Image bank Unibail-Rodamco/Martin Bureau/P.24-25: Unibail-Rodamco image bank – Christophe Lebedinsky/P.26-27: Bernard Collet – Martin Bureau – Frank Barylko – Yellow Korner – Move Me – Colorii – Macaronde – Woko – La Rose Marie-Claire © Grégoire Korganow/P.28: Jana Eriksson/P.30-31: Frank Barylko/P.32-33: Unibail-Rodamco image bank – René de Wit/P.34-35: Unibail-Rodamco image bank – Hans Ekestang – Jana Eriksson/P.36-37: Unibail-Rodamco image bank – René de Wit/P.38-39: Unibail-Rodamco image bank/ P.40-41: Paul Maurer – Fabrice Rambert – Paul Maurer/P.42-43: Manuel Madelaine/P. 44: Frank Barylko/P.46-57: Unibail-Rodamco image bank/P.58: Hans Ekestang/Back cover: Manuel Madelaine.

This document was printed on 100% recyclable, biodegradable art paper made from ECF (Elemental Chlorine Free) bleached pulp at a European plant that has obtained ISO 9001 certification (for its quality management), ISO 14001 certification (for its environmental management), PEFC certification (for using paper from forests under sustainable management) and OHSAS 18001 accreditation (for safety and health).





unibail·rodamco

7, place du Chancelier Adenauer
CS 31622 - 75772 Paris Cedex 16
France

Tel: +33 (0)1 53 43 74 37

Fax: +33 (0)1 53 43 74 38

www.unibail-rodamco.com