



Consolidated interim financial statements as at June 30, 2007

- Consolidated interim income statements: EPRA⁽¹⁾ format and by division
- Earnings per share
- Consolidated interim balance sheet
- Consolidated cash flow statement
- Interim statement of changes in consolidated equity
- Changes in share capital
- Notes to the consolidated interim financial statements
 - 1. Accounting principles and consolidation methods
 - 2. Scope of consolidation
 - 3. Highlights of the first half of 2007
 - 4. Business segment report
 - 5. Notes and comments
 - 5.1 Consolidated balance sheet assets
 - 5.2 Consolidated balance sheet liabilities
 - 5.3 Consolidated income statements
 - 5.4 Consolidated cash flow statements
 - 6. Financial instruments
 - 7. Financial commitments and guarantees
 - 8. Employee remuneration and benefits
 - 9. Related party disclosures
 - 10. Transactions after the accounting date
- Statutory Auditors' Report on the consolidated financial statements (extracts) for the first half of 2007

⁽¹⁾ European Public Real Estate Association

CONSOLIDATED INTERIM INCOME STATEMENTS

 Presented under EPRA⁽¹⁾ format

(in € Mn)	H1-2007	H1-2006	YEAR-END 2006
Gross rental income	262.8	248.8	489.9
Ground rents paid	-6.3	-7.5	-12.4
Net service charge expenses	-3.1	-3.8	-7.2
Property operating expenses	-24.7	-27.8	-59.5
Net rental income (Note 19)	228.7	209.7	410.8
Proceeds from trading property disposals	-	-	-
Carrying value of trading properties sold	-	-	-
Corporate expenses	-10.2	-10.6	-24.7
Development expenses	-1.0	-2.6	-5.2
Depreciation	-0.9	-0.7	-1.4
Administrative expenses	-12.1	-13.9	-31.3
Revenues from other activities	94.2	102.9	232.3
Other expenses	-70.7	-84.7	-185.1
Net other income (Note 20)	23.5	18.3	47.2
Proceeds from disposal of investment property	104.6	324.7	527.4
Carrying value of investment property sold	-106.0	-252.4	-428.0
Profit on disposal of investment property (Note 21)	-1.4	72.3	99.4
Valuation gains	718.4	747.3	1,709.6
Valuation losses	-4.0	-13.5	-8.3
Valuation movements (Note 22)	714.4	733.7	1,701.3
NET OPERATING PROFIT BEFORE FINANCING COST	953.1	1,020.2	2,227.4
Dividend income from non-consolidated companies	0.2	-0.1	0.1
<i>Financial income</i>	24.9	18.8	45.7
<i>Financial expenses</i>	-69.5	-60.5	-129.8
Net financing costs	-44.6	-41.7	-84.1
Fair value adjustments of derivatives (Note 23)	98.3	122.7	86.8
Net gain or loss on disposal of derivatives	-	-	-1.4
Debt discounting	-1.3	-2.5	-5.0
Share of the profit of associates (Note 24)	213.3	42.1	163.5
Income on financial assets	4.5	4.4	9.1
PROFIT BEFORE TAX	1,223.5	1,145.1	2,396.4
Income tax expenses (Note 25)	2.0	-19.5	-19.4
NET PROFIT FOR THE PERIOD	1,225.5	1,125.6	2,377.0
Minority interests (Note 26)	81.6	96.4	237.2
NET PROFIT (group share)	1,143.9	1,029.2	2,139.8

(1) European Public Real Estate Association

EARNINGS PER SHARE	H1-2007	H1-2006	Year-end 2006
Average number of shares (undiluted)	46,142,271	45,819,290	45,901,800
Net profit (group share)	1,143.9	1,029.2	2,139.8
Net profit (Group share) per share (€)	24.79	22.46	46.62
Average number of diluted shares	47,136,714	46,588,995	46,583,901
Diluted net profit per share Group Share (€)	24.27	22.09	45.93

CONSOLIDATED INTERIM INCOME STATEMENTS BY DIVISION (in € Mn)

		2007 H1			2006 H1			2006		
		Recurring activities	Valuation movements and disposals	Result	Recurring activities	Valuation movements and disposals	Result	Recurring activities	Valuation movements and disposals	Result
Consolidated Income Statements by division										
Office division	Rental income	77.5	-	77.5	67.7	-	67.7	136.0	-	136.0
	Net operating expenses	- 4.0	-	- 4.0	- 4.0	-	- 4.0	- 7.1	-	- 7.1
	Ground rents	- 0.0	-	- 0.0	- 0.0	-	- 0.0	- 0.0	-	- 0.0
	= Net rents	73.5	-	73.5	63.7	-	63.7	128.9	-	128.9
	Asset management expenses	- 2.2	-	- 2.2	- 2.2	-	- 2.2	- 4.1	-	- 4.1
	Valuation movements	-	392.7	392.7	-	362.4	362.4	-	699.1	699.1
	Gains / losses on sales of properties	-	0.0	0.0	-	71.7	71.7	-	97.9	97.9
	Office division net operating income	71.3	392.8	464.0	61.5	434.2	495.7	124.9	796.9	921.8
	Contribution of companies consolidated under equity method	- 0.9	208.2	207.4	1.8	34.7	36.5	2.5	153.7	156.2
	Interest on financial assets	4.3	-	4.3	4.0	-	4.0	8.2	-	8.2
	Result of office division	74.7	601.0	675.7	67.3	468.9	536.1	135.5	950.6	1,086.1
Shopping centre division	Rental income	133.2	-	133.2	121.7	-	121.7	243.6	-	243.6
	Net operating expenses	- 4.7	-	- 4.7	- 8.8	-	- 8.8	- 20.4	-	- 20.4
	Ground rents	- 1.5	-	- 1.5	- 1.5	-	- 1.5	- 3.2	-	- 3.2
	= Net rents	127.0	-	127.0	111.5	-	111.5	220.1	-	220.1
	Asset management expenses	- 3.1	-	- 3.1	- 2.6	-	- 2.6	- 5.6	-	- 5.6
	Valuation movements	-	322.0	322.0	-	377.8	377.8	-	971.2	971.2
	Gains / losses on sales of properties	-	- 1.7	- 1.7	-	-	-	-	0.7	0.7
	Shopping centre division net operating income	123.9	320.3	444.2	108.9	377.8	486.7	214.5	971.9	1,186.4
	Contribution of companies consolidated under equity method	1.5	4.1	5.6	1.7	4.1	5.8	3.5	4.1	7.6
	Interest on financial assets	0.3	-	0.3	0.5	-	0.5	0.9	-	0.9
	Result of shopping centre division	125.7	324.4	450.1	111.0	381.9	492.9	218.9	976.0	1,194.9
Convention & exhibition division	Rental income	49.1	-	49.1	54.8	-	54.8	101.0	-	101.0
	Net operating expenses	- 19.1	-	- 19.1	- 19.0	-	- 19.0	- 39.0	-	- 39.0
	Ground rents	- 4.7	-	- 4.7	- 6.0	-	- 6.0	- 9.2	-	- 9.2
	= Net rents	25.2	-	25.2	29.8	-	29.8	52.8	-	52.8
	Property services revenues	23.1	-	23.1	26.7	-	26.7	54.2	-	54.2
	Net operating expenses	- 16.8	-	- 16.8	- 19.6	-	- 19.6	- 40.2	-	- 40.2
	= On site property services	6.3	-	6.3	7.1	-	7.1	14.0	-	14.0
	Result of Paris Expo	31.5	-	31.5	36.9	-	36.9	66.8	-	66.8
	Rental income from hotels	6.8	-	6.8	5.8	-	5.8	11.6	-	11.6
	Net operating expenses	- 0.0	-	- 0.0	0.3	-	0.3	- 0.3	-	- 0.3
	Hotel net operating income	6.8	-	6.8	6.1	-	6.1	11.4	-	11.4
	Fees from exhibition organizing	52.5	0.2	52.7	59.0	-	59.0	141.7	-	141.7
	Net operating expenses	- 49.4	-	- 49.4	- 47.2	-	- 47.2	- 106.3	-	- 106.3
	Exhibition organizing net operating income (Exposium)	3.1	0.2	3.3	11.7	-	11.7	35.4	-	35.4
	Valuation movements	-	- 0.3	- 0.3	-	- 6.5	- 6.5	-	31.0	31.0
	Gains / losses on sales of properties	-	-	-	-	0.6	0.6	-	0.8	0.8
	Tangible assets depreciation	- 1.8	-	- 1.8	- 1.8	-	- 1.8	- 4.8	-	- 4.8
	Intangible assets depreciation	- 1.7	-	- 1.7	- 1.7	-	- 1.7	- 3.5	-	- 3.5
	Convention-exhibition division net operating result	37.8	- 0.0	37.8	51.1	- 5.9	45.2	105.2	31.9	137.1
	Contribution of companies consolidated under equity method	0.3	-	0.3	- 0.1	-	- 0.1	- 0.3	-	- 0.3
	Result of the convention exhibition division	38.2	- 0.0	38.1	51.0	- 5.9	45.1	104.9	31.9	136.7
Other	Income from other property services	2.1	-	2.1	0.9	-	0.9	1.8	-	1.8
	Depreciation	- 0.5	-	- 0.5	- 0.5	-	- 0.5	- 1.0	-	- 1.0
	Other property services net operating result	1.6	-	1.6	0.4	-	0.4	0.8	-	0.8
= TOTAL OPERATING RESULT		240.1	925.4	1,165.5	229.6	844.8	1,074.5	460.0	1,958.5	2,418.5
	Corporate expenses	- 4.9	-	- 4.9	- 5.8	-	- 5.8	- 14.9	-	- 14.9
	Development expenses	- 1.0	-	- 1.0	- 2.6	-	- 2.6	- 5.2	-	- 5.2
	Miscellaneous	12.2	-	12.2	1.4	-	1.4	2.9	-	2.9
	Depreciation	- 0.9	-	- 0.9	- 0.7	-	- 0.7	- 1.4	-	- 1.4
	Total general expenses and other	5.4	-	5.4	- 7.8	-	- 7.8	- 18.6	-	- 18.6
	Net financing cost	- 44.6	-	- 44.6	- 41.7	-	- 41.7	- 84.1	- 1.4	- 85.4
	Valuation movements on derivatives	-	98.3	98.3	-	122.7	122.7	-	86.8	86.8
	Discounting of debt and receivables	-	- 1.3	- 1.3	-	- 2.5	- 2.5	-	- 5.0	- 5.0
	Financial cost	- 44.6	97.0	52.4	- 41.7	120.2	78.5	- 84.1	80.4	- 3.6
	Contribution of non consolidated companies	0.2	-	0.2	- 0.1	-	- 0.1	0.1	-	0.1
PRE-TAX PROFIT		201.2	1,022.4	1,223.6	180.0	965.0	1,145.1	357.4	2,038.9	2,396.4
Corporate income tax		6.5	- 4.5	2.0	- 8.2	- 11.4	- 19.5	- 5.3	- 14.0	- 19.3
= NET PROFIT		207.7	1,017.8	1,225.6	171.9	953.7	1,125.6	352.1	2,024.9	2,377.0
Minority interest		21.0	60.6	81.6	19.7	76.7	96.4	39.5	197.6	237.2
NET PROFIT GROUP SHARE		186.7	957.2	1,143.9	152.2	877.0	1,029.2	312.6	1,827.3	2,139.8

Average number of shares

46,142,271

45,819,290

45,901,800

Recurring EPS (€)

4.05

3.32

6.81

Variation n / n-1

22.0%

11.4%

17.2%

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

(1) The two columns “Capital gains” and “Valuation movements” have been unified into one column “Valuation movements and disposals”.

RECONCILIATION OF NET OPERATING INCOME BY DIVISION AND NET OPERATING PROFIT BEFORE FINANCING COST

(in € Mn)	June 30, 2007	June 30, 2006	Dec 31, 2006
Office Division net operating income	464.0	495.7	921.8
Shopping centre Division net operating income	444.2	486.7	1,186.4
Convention-Exhibition Division net operating result	37.8	45.2	137.1
Contribution from property services	1.6	0.4	0.8
General expenses and other	5.4	-7.8	-18.7
Net operating profit before financing cost	953.1	1,020.2	2,227.4

CONSOLIDATED INTERIM BALANCE SHEET

Unibail-Rodamco Consolidated Interim Balance Sheet (in € Mn)	Dec 31, 2006	June 30, 2007
NON CURRENT ASSETS	10,233.4	24,036.3
Tangible assets (Note 1)	249.4	645.4
Investment properties (Note 2)	9,046.3	20,876.1
Goodwill (Note 3)	168.2	1,853.1
Intangible assets (Note 4)	307.7	302.8
Loans	36.0	36.9
Deferred tax assets	-	18.0
Derivatives at fair value	99.5	213.4
Shares of companies consolidated under equity method (Note 5)	326.3	86.6
Other non current assets	-	4.0
CURRENT ASSETS	609.5	1,328.7
Properties under sale commitment or mandate of sale (Note 2)	96.3	95.5
Shares of companies consolidated under equity method under sale commitment (Note 5)	-	454.0
Inventories (Note 6)	28.1	28.1
Trade receivables from activity	156.2	227.6
Property portfolio	129.1	205.5
Other activities	27.1	22.1
Other trade receivables	296.6	460.7
Tax receivables	96.9	127.3
Receivables on sale of property (Note 7)	0.2	2.6
Other receivables (Note 8)	161.0	280.7
Pre-paid expenses	38.5	50.1
Cash and equivalent (Note 9)	32.3	62.8
Financial assets	3.3	4.1
Cash	29.0	58.7
TOTAL ASSETS	10,842.9	25,365.0
SHAREHOLDERS' EQUITY	6,053.1	13,999.0
Share capital	230.7	370.5
Additional paid-in capital	64.5	5,385.7
Bonds redeemable for shares	-	1,575.2
Consolidated reserves	3,353.5	4,461.6
Hedging reserve	1.4	0.5
Retained earnings	355.4	1,061.6
Consolidated result	2,139.8	1,143.9
Interim dividend	-92.2	-
MINORITY INTERESTS	781.1	2,287.2
TOTAL EQUITY	6,834.2	16,286.2
NON CURRENT LIABILITIES	2,672.4	6,473.0
Commitment to purchase minority interests (Note 10)	115.5	129.1
Long-term bonds (Note 11)	2,238.3	5,200.0
Derivatives at fair value	11.0	53.1
Deferred tax liabilities (Note 13)	196.8	880.0
Long-term provisions (Note 14)	30.5	50.5
Employee benefits (Note 14)	3.4	8.4
Guarantee deposits	73.7	117.2
Tax liabilities	3.2	29.7
Other non current liabilities	-	5.0
CURRENT LIABILITIES	1,336.3	2,605.8
Amounts owed to shareholders (Note 15)	46.1	166.9
Amounts due to suppliers and other current debt	505.3	797.6
Amounts due to suppliers	97.2	134.2
Amounts due on investments	119.1	204.1
Sundry creditors (Note 16)	210.1	331.4
Other liabilities (Note 17)	78.9	127.9
Current borrowings and amounts due to credit institutions (Note 11)	669.5	1,491.8
Tax & social security liabilities (Note 18)	94.5	142.2
Contingencies and other current liabilities (Note 14)	20.9	7.3
TOTAL LIABILITIES AND EQUITY	10,842.9	25,365.0

CONSOLIDATED CASH FLOW STATEMENT

(in € Mn)	June 30, 2007 Unibail- Rodamco	June 30, 2007 before combination	June 30, 2006	Dec 31, 2006
Operating activities				
Net profit	1,225.5	1,225.5	1,125.6	2,377.0
Depreciation & provisions	-22.7	-22.7	5.6	9.6
Changes in value of property assets	-714.4	-714.4	-733.7	-1,701.3
Changes in value of financial instruments	-98.3	-98.3	-122.7	-85.4
Discounting income/charges	1.3	1.3	2.5	5.0
Charges and income relating to stock options and similar items	2.8	2.8	2.1	4.2
Other income and expenses	0.2	0.2	0.2	0.3
Net capital gains/losses on sales of properties	0.7	0.7	-77.7	-108.2
Income from companies consolidated under the equity method	-213.3	-213.3	-42.1	-163.5
Income on financial assets	-4.5	-4.5	-4.4	-9.1
Dividend income from non-consolidated companies	-0.1	-0.1	-0.1	-0.1
Net financing costs	44.6	44.6	41.7	84.1
Income tax charge	5.6	5.6	19.5	24.7
Cash flow before net financing costs and tax	227.4	227.4	216.5	437.3
Income on financial assets	1.5	1.5	1.9	4.7
Dividend income and result from non-consolidated companies	0.1	0.1	0.2	0.1
Tax paid	-1.9	-1.9	-	-
Change in working capital requirement	-3.1	-3.1	-309.0 ⁽¹⁾	-66.3
Total cash flow from operating activities	224.0	224.0	-90.4	375.8
Investment activities				
Property activities	-141.7	-156.7	120.5	-72.5
Acquisition of consolidated subsidiaries (Note 27)	-8.8	-23.8	-34.2	-86.2
Amounts paid for works and acquisition of property assets	-240.5	-240.5	-171.9	-421.7
Exit tax payment	-	-	-	-97.9
Property financing	4.3	4.3	1.9	5.4
Disposal of consolidated subsidiaries (Note 27)	14.4	14.4	207.0	215.5
Disposal of non-consolidated subsidiaries	-	-	-	-
Disposal of investment property	88.9	88.9	117.7	312.4
Finance leasing and short-term lending activities	0.9	0.9	5.1	5.7
Repayment of finance leasing	0.9	0.9	5.1	5.7
Financial activities	-	-	-	-
Total cash flow from investment activities	-140.8	-155.8	125.6	-66.8
Financing activities				
Capital increase	6.2	6.2	9.3	19.4
Share issue costs	-40.7	-40.7	-	-
Dividends paid to parent company shareholders	-92.3	-92.3	-87.3	-186.1
Dividends paid to minority shareholders of consolidated companies	-3.8	-3.8	-0.6	-4.7
New borrowings and financial liabilities	983.7	983.7	2,104.2	4,469.6
Repayment of borrowings and financial liabilities	-888.8	-888.8	-1,936.5	-4,478.2
Net interest paid	-49.4	-49.4	-43.4	-113.9
Other financing activities	0.4	0.4	0.2	-1.6
Net cash flow from financing activities	-84.7	-84.7	45.9	-295.5
Change in cash and cash equivalents during the year	-1.5	-16.5	81.1	13.5
Cash at beginning of year	3.1	3.1	-10.4	-10.4
Cash at end of period (Note 28)	1.6	-13.4	70.7	3.1

⁽¹⁾ The change in working capital requirement as at June 30, 2006, included the deferred payment entitled on the sale of the company Noria for an amount of €214Mn.

INTERIM 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	Total (group share)	Minorities	Total shareholders' equity
Balance as at January 1, 2006	228,7	47,1	-	2 417,1	1 385,3	-2,1	4 076,1	592,3	4 668,4
Interim dividends related to 2005	-	-	-	-43,8	-	-	-43,8	-	-43,8
Earnings appropriation	-	-	-	1 385,3	-1 385,3	-	-	-	-
Dividend related to 2005	-	-	-	-52,8	-	-	-52,8	-19,9	-72,7
Net profit for the year	-	-	-	-	1 029,2	-	1 029,2	96,4	1 125,6
Stock options and Company Savings Plan	0,8	8,5	-	-	-	-	9,3	-	9,3
Cost of payments in shares	-	-	-	2,1	-	-	2,1	-	2,1
Derivatives: depreciation of hedging reserves	-	-	-	-	-	3,7	3,7	-	3,7
Changes in scope of consolidation	-	-	-	-	-	-	-	12,8	12,8
Reclassification of minority interests	-	-	-	1,2	-	-	1,2	-21,3	-20,1
Balance as at June 30, 2006	229,5	55,6	-	3 709,1	1 029,2	1,6	5 025,0	660,3	5 685,3
Interim dividends related to 2006	-	-	-	-92,2	-	-	-92,2	-	-92,2
Dividend related to 2005	-	-	-	-	-	-	-	-4,3	-4,3
Stock options and Company Savings Plan	1,2	8,9	-	-	-	-	10,1	-	10,1
Net profit for the year	-	-	-	-	1 110,6	-	1 110,6	140,8	1 251,4
Cost of payments in shares	-	-	-	2,1	-	-	2,1	-	2,1
Derivatives: depreciation of hedging reserves	-	-	-	-	-	-0,2	-0,2	-	-0,2
Other	-	-	-	-0,4	-	-	-0,4	-0,2	-0,6
Changes in scope of consolidation	-	-	-	-1,4	-	-	-1,4	5,1	3,7
Reclassification of minority interests	-	-	-	-0,5	-	-	-0,5	-20,6	-21,1
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
Earnings appropriation	-	-	-	2 139,8	-2 139,8	-	-	-	-
Dividends related to 2006	-	-	-	-194,3	-	-	-194,3	-21,5	-215,8
Net profit for the year	-	-	-	-	1 143,9	-	1 143,9	81,6	1 225,5
Stock options and Company Savings Plan	0,2	5,5	-	-	-	-	5,7	-	5,7
Share based payments	-	-	-	2,8	-	-	2,8	-	2,8
Derivatives: depreciation of hedging reserves	-	-	-	-	-	-0,9	-0,9	-	-0,9
Capital increase after the Public Exchange Offer for Rodamco (2)	139,6	5 315,7	-	-22,3	-	-	5 433,0	-	5 433,0
Issue of bonds redeemable for shares after the Public Exchange Offer for Rodamco (3)	-	-	1 575,2	-	-	-	1 575,2	-	1 575,2
Distribution related to the Bonds Redeemable for Shares	-	-	-	-18,7	-	-	-18,7	-	-18,7
Changes in scope of consolidation	-	-	-	-1,2	-	-	-1,2	1 461,6	1 460,4
Reclassification of minority interests	-	-	-	0,4	-	-	0,4	-15,6	-15,2
Balance as at June 30, 2007	370,5	5 385,7	1 575,2	5 523,2	1 143,9	0,5	13 999,0	2 287,2	16 286,2

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

(2) Fees attributable to the issue of the shares to €33.3 Mn (see 3.1 – Business Combination).

(3) Fees attributable to the issue of the ORA to €7.4 Mn (see 3.1 – Accounting for the ORA).

CHANGES IN SHARE CAPITAL

	Total number of shares
As at December 31, 2005	45,731,144
Capital increase reserved for employees under Company Savings Plan	31,214
Exercise of stock options	360,859
As at December 31, 2006	46,123,217
Capital increase after the Public Exchange Offer for Rodamco	27,917,226
Capital increase reserved for employees under Company Savings Plan	28,668
Exercise of stock options	22,799
As at June 30, 2007	74,091,910

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1) Accounting principles and consolidation methods

The interim consolidated financial statements have been prepared in accordance with IAS 34 “Financial interim information” and constitute condensed financial results.

The accounting principles and methods used for the preparation of the financial statements to June 30, 2007, are the same compared with those applied in the preparation of the consolidated financial statements as at December 31, 2006, established in accordance with IFRS as adopted by the European Union and detailed in the consolidated financial statements of the 2006 annual report, except for IFRS (standards) and IFRIC (interpretations) as described below.

This includes IFRS (International Financial Reporting Standards) and IAS 1 to 41 (International Accounting Standards), as well as their interpretations as adopted by the European Union as per June 30, 2007.

The following new standards, amendments to standards are mandatory for the financial year beginning on or after January 1, 2007:

- IFRS 7 - Financial Instruments: disclosures. This new standard will replace the disclosure requirements of IAS 32 - Financial Instruments: disclosure and presentation, and adds new disclosure requirements for outlining the risks arising from financial instruments and the management thereof.
- Amendment to IAS 1 - Presentation of Financial Statements. The impact of this amendment on the financial statements is adding disclosures that enable an evaluation of the Group’s objectives and policies for managing its capital.

The half year consolidated accounts were established in accordance with the IAS 34 and as these new standards do not have any impact on net income or on shareholders' equity, the requested information will be presented in the consolidated financial statements of the 2007 annual report.

The new applicable interpretations on or after January 1, 2007 are:

- IFRIC 7 - Applying the Restatement Approach under IAS 29, Financial Reporting in Hyperinflationary Economies;
- IFRIC 8 - Scope of IFRS 2;
- IFRIC 9 - Reassessment of Embedded Derivatives;
- IFRIC 10 - Interim Reporting and Impairment.

These new interpretations have no impact on net income or on shareholders' equity.

The Group decided not to apply in anticipation the following interpretation:

- IFRIC 11 - Group and Treasury Share Transactions; the interpretation would not have any significant impact on the Group accounts.

The following standards and interpretations have been published, but are not adopted by the European Union yet:

- IAS 23 - Borrowing Costs; applicable on or after January 1, 2009;
- IFRS 8 - Operating Segments; applicable on or after January 1, 2009;
- IFRIC 12 - Service Concession Arrangements; applicable on or after January 1, 2008.

The Group’s activities are not cyclical in nature. As far as the Convention-Exhibition division is concerned, it should be noted that business is stronger in even-numbered years.

2) Scope of consolidation

List of consolidated companies	% interest	% interest	% control	Method ⁽¹⁾
	Dec 31, 2006	June 30, 2007	June 30, 2007	
SA Unibail-Rodamco	100.00	100.00	100.00	FC
OFFICES				
SARL Unibail Développement	100.00	100.00	100.00	FC
SAS Alba	100.00	100.00	100.00	FC
SAS Babylone	100.00	100.00	100.00	FC
SAS Corto	100.00	100.00	100.00	FC
SAS Immobilière 27-29 Bassano	100.00	100.00	100.00	FC
SAS Immobilière Château Garnier	100.00	100.00	100.00	FC
SAS Immobilière Louvre	100.00	100.00	100.00	FC
SAS Iseult	100.00	100.00	100.00	FC
SAS Liberty	100.00	100.00	100.00	FC
SAS SFAM	100.00	100.00	100.00	FC
SAS SIG 34	100.00	100.00	100.00	FC
SAS Unibail Investissement	100.00	100.00	100.00	FC
SAS Vêga	100.00	100.00	100.00	FC
SCI 3-5 Malesherbes	100.00	100.00	100.00	FC
SCI 39-41 Cambon	100.00	100.00	100.00	FC
SCI 7 Adenauer	100.00	100.00	100.00	FC
SCI Arali	100.00	100.00	100.00	FC
SCI Ariane Défense	100.00	100.00	100.00	FC
SCI Cnit Développement	100.00	100.00	100.00	FC
SCI Eiffel Levallois Bureaux	100.00	100.00	100.00	FC
SCI Gaité Bureaux	100.00	100.00	100.00	FC
SCI Galilée Défense	100.00	100.00	100.00	FC
SCI Karanis	49.00	49.00	49.00	EM
SCI Village 3 Défense	100.00	100.00	100.00	FC
SCI Village 4 Défense	100.00	100.00	100.00	FC
SCI Village 5 Défense	100.00	100.00	100.00	FC
SCI Village 6 Défense	100.00	100.00	100.00	FC
SCI Village 7 Défense	100.00	100.00	100.00	FC
SCI Village 8 Défense	100.00	100.00	100.00	FC
SCI VRG 2	100.00	100.00	100.00	FC
SCI Wilson 70	100.00	100.00	100.00	FC
SNC Capital 8	100.00	100.00	100.00	FC
SNC Gaité Parkings	100.00	100.00	100.00	FC
SNC Le Foullon	100.00	100.00	100.00	FC
SHOPPING CENTRES				
Régine 31	-	100.00	100.00	FC
SA SFLA	100.00	100.00	100.00	FC
SA Société d'Exploitation des Parkings Forum des Halles	65.00	65.00	65.00	FC
SARL Immolimo	100.00	100.00	100.00	FC
SAS La Toison d'Or	100.00	100.00	100.00	FC
SAS Le Carrousel du Louvre	100.00	100.00	100.00	FC
SAS Les Grandes Bruyères	10.00	10.00	10.00	EM
SAS Nice Etoile	100.00	100.00	100.00	FC
SAS Unicommerces	100.00	100.00	100.00	FC
SCI 42 Lisbonne	100.00	100.00	100.00	FC
SCI Aéroville	100.00	100.00	100.00	FC
SCI Bordeaux Bonnac	100.00	100.00	100.00	FC
SCI Channel City	-	100.00	100.00	FC

SHOPPING CENTRES	% interest	% interest	% control	Method ⁽¹⁾
	Dec 31, 2006	June 30, 2007	June 30, 2007	
SCI Colline Défense	53.30	53.30	53.30	FC
SCI Coquelles et Coquelles	100.00	100.00	100.00	FC
SCI du CC Chelles 2	100.00	100.00	100.00	FC
SCI du CC de Bordeaux Préfecture	61.00	61.00	61.00	FC
SCI du CC des Pontôts	100.00	100.00	100.00	FC
SCI du Forum des Halles de Paris	65.00	65.00	65.00	FC
SCI Eiffel Levallois Commerces	100.00	100.00	100.00	FC
SCI Espace Commerce Europe	50.00	50.00	50.00	PC
SCI Evry Expansion	100.00	100.00	100.00	FC
SCI Grigny Gare	100.00	100.00	100.00	FC
SCI Labex	100.00	100.00	100.00	FC
SCI Maltese	100.00	100.00	100.00	FC
SCI Montparnasse	-	100.00	100.00	FC
SCI Pégase	53.30	53.30	53.30	FC
SCI Rosny Beauséjour	50.00	50.00	50.00	PC
SCI Rosvil	60.00	60.00	60.00	FC
SCI SCC de la Défense	53.30	53.30	53.30	FC
SCI Sicor	73.00	73.00	73.00	FC
SCI Sirmione	100.00	100.00	100.00	FC
SCI Takiya	100.00	100.00	100.00	FC
SCI Triangle des Gares	40.00	40.00	40.00	EM
SCI Val de Commerces	50.02	50.02	50.02	FC
SCI Vendôme Boisseuil	100.00	100.00	100.00	FC
SCI Vendôme Boissy 2	100.00	100.00	100.00	FC
SCI Vendôme Saint-Genis	100.00	100.00	100.00	FC
SCI VRG1	100.00	100.00	100.00	FC
SCI VRG3	100.00	100.00	100.00	FC
SCI VRG4	100.00	100.00	100.00	FC
SEP CC Evry 2	7.50	7.50	7.50	PC
SEP Extension Evry 2	7.50	7.50	7.50	PC
SEP Première Extension Evry 2	7.50	7.50	7.50	PC
SEP Rosny 2	26.00	26.00	26.00	PC
SNC Almacie	51.00	51.00	51.00	FC
SNC Bures Palaiseau	100.00	100.00	100.00	FC
SNC Centre Commercial Francilia	100.00	100.00	100.00	FC
SNC du CC Labège	100.00	100.00	100.00	FC
SNC Eiffel Levallois	100.00	100.00	100.00	FC
SNC Extension de Rosny	-	100.00	100.00	FC
SNC Foncière Richelieu Commerces	100.00	100.00	100.00	FC
SNC Les Docks de Rouen	100.00	100.00	100.00	FC
SNC Les Passages de l'Etoile	100.00	100.00	100.00	FC
SNC Randoli	100.00	100.00	100.00	FC
SNC Saint-Genis Laval	100.00	100.00	100.00	FC
SNC Vélizy Petit Clamart	100.00	100.00	100.00	FC
SNC Vuc	51.00	51.00	51.00	FC
CONVENTION-EXHIBITION				
Aiboxiya	50.07	50.07	85.00	FC
Expo Canada France	29.45	29.45	50.00	EM
Expo Commerciale Canada	50.00	50.00	50.00	EM
Expo Gestion	100.00	100.00	100.00	FC
Gem Art	-	35.00	35.00	EM

CONVENTION-EXHIBITION	% interest	% interest	% control	Method ⁽¹⁾
	Dec 31, 2006	June 30, 2007	June 30, 2007	
Gem Passion	35.00	35.00	35.00	EM
Gestion TB	50.00	50.00	50.00	PC
Pac Ex Ltd Partnership	80.00	80.00	80.00	FC
Promo Expo Conseil Salons	-	100.00	100.00	FC
Réseau Expositum Canada Inc	100.00	100.00	100.00	FC
SA Expositima	65.00	65.00	65.00	FC
SA Expositum	100.00	100.00	100.00	FC
SA Paris Expo Porte de Versailles	100.00	100.00	100.00	FC
SA SE Intermat	65.00	65.00	65.00	FC
SA SIAL	58.90	58.90	58.90	FC
SARL Interexpo	50.00	50.00	50.00	PC
SAS Espace Champerret	100.00	100.00	100.00	FC
SAS Européenne de Salons	100.00	100.00	100.00	FC
SAS Groupe Expositum Holding	100.00	100.00	100.00	FC
SAS Salon Sitting	100.00	100.00	100.00	FC
SAS SESMP	65.00	Sold	Sold	-
SAS Société d'Exploitation du Palais des Sports	50.00	50.00	50.00	PC
SCI Pandore	100.00	100.00	100.00	FC
SEP Industrie Lyon	60.00	60.00	60.00	PC
SEP VAE Expo	-	50.00	50.00	PC
PROPERTY SERVICES				
SARL Sovalec	50.00	89.82	89.82	FC
SARL SPSP	100.00	100.00	100.00	FC
SAS CNIT Restauration	100.00	100.00	100.00	FC
SAS Espace Expansion	99.99	99.99	99.99	FC
SAS Paris Expo Services	100.00	100.00	100.00	FC
SAS S2B	100.00	100.00	100.00	FC
SAS Société d'Exploitation Hôtelière du CNIT	100.00	100.00	100.00	FC
SAS U2M	100.00	100.00	100.00	FC
SAS Unibail Management	100.00	100.00	100.00	FC
SNC Paris Expo	100.00	100.00	100.00	FC
HOLDINGS AND OTHER				
SA Société de Tayninh	97.68	97.68	97.68	FC
SARL Espace Expansion Immobilière	100.00	100.00	100.00	FC
SAS Almacie Holding	100.00	100.00	100.00	FC
SAS Borée	100.00	100.00	100.00	FC
SAS Doria	100.00	100.00	100.00	FC
SAS Murray	100.00	100.00	100.00	FC
SAS Unibail Participations	100.00	100.00	100.00	FC
SAS Vuc Holding	100.00	100.00	100.00	FC
SAS Waimea	100.00	100.00	100.00	FC
SNC Financière 5 Malesherbes	100.00	100.00	100.00	FC
List of Rodamco's consolidated companies				
	Country	% interest	% control	Method ⁽¹⁾
		June 30, 2007	June 30, 2007	
Donau-Zentrum Besitz- und Vermietungs-AG	Austria	71.67	71.67	FC
DX-Donauplex Betriebsgesellschaft m.b.h	Austria	71.67	71.67	FC
DZ-Betriebsführungs m.b.h	Austria	71.67	71.67	FC
Rodamco Central Europe GmbH	Austria	79.63	79.63	FC
Südpark Holding GmbH	Austria	79.63	79.63	FC
Boneff N.V.	Belgium	79.63	79.63	FC

List of Rodamco's consolidated companies	Country	% interest	% control	Method ⁽¹⁾
		June 30, 2007	June 30, 2007	
Diamantvalk B.V.	Belgium	79.63	79.63	FC
Edelvalk B.V.	Belgium	79.63	79.63	FC
Imrohem N.V.	Belgium	79.63	79.63	FC
Centrum Cerny Most AS	Czech	79.63	79.63	FC
Centrum Praha Jih-Chodov sro	Czech	79.63	79.63	FC
Moravska Obchodni A.S.	Czech	51.76	51.76	FC
Pankrac Shopping Center k.s.	Czech	59.72	75.00	PC
Rodamco Ceska Republica s.r.o.	Czech	79.63	79.63	FC
Rodamco Pankrac a.s.	Czech	79.63	79.63	FC
Traditrade s.r.o.	Czech	79.63	79.63	FC
Fisketorvet Shopping Center Filial af Rodamco Fisketorvet AB, Sverige	Denmark	79.63	79.63	FC
Kiinteistö Oy Vantaanportin Liikekeskus	Finland	17.04	21.40	PC
Kiinteistö Oy Vantaanportin Liikketilat	Finland	47.78	60.00	PC
Rodareal OY	Finland	79.63	79.63	FC
Foncière Marceau Saint Sever	France	79.55	79.55	FC
Rodamco France Management SAS	France	79.63	79.63	FC
Rodamco France SA	France	79.63	79.63	FC
Rodamco Gestion	France	79.00	79.00	FC
SA Union Internationale Immobilière S.A.	France	79.62	79.62	FC
SA Vertou Dev.	France	79.62	79.62	FC
SARL 17 -19 - 21 Rue du Faubourg Saint Honoré	France	79.62	79.62	FC
SAS Cegep	France	79.63	79.63	FC
SAS Frankvink Investiss.	France	79.63	79.63	FC
SAS Hoche Poincaré	France	78.83	78.83	FC
SAS Parimall Bobigny 2	France	79.62	79.62	FC
SAS Parimall Parly 2	France	79.62	79.62	FC
SAS Parimall Ullis 2	France	79.63	79.63	FC
SAS Parimall Velizy 2	France	79.63	79.63	FC
SAS Parimmo 18 Bis Hoche	France	79.62	79.62	FC
SAS Parimmo 20 Hoche	France	79.62	79.62	FC
SAS Parimmo 58 Marceau	France	79.62	79.62	FC
SAS Parly 2 Avenir	France	62.39	62.39	FC
SAS SALG	France	79.63	79.63	FC
SAS Villeneuve 2	France	79.55	79.55	FC
SCI Marceau Part Dieu	France	79.55	79.55	FC
SCI Vendome Villeneuve 2	France	78.83	78.83	FC
SCI Berri Washington	France	79.55	79.55	FC
SCI Bobigninvest	France	79.63	79.63	FC
SCI Boissy La Haie Griselle	France	79.55	79.55	FC
SCI Bx Tour Credit Lyonnais	France	79.62	79.62	FC
SCI C.C. Lyon Part Dieu	France	79.62	79.62	FC
SCI C.C. Rouen St Sever	France	79.62	79.62	FC
SCI Du Petit Parly 2	France	79.63	79.63	FC
SCI Elysées Chalons	France	79.55	79.55	FC
SCI Elysées Parly 2	France	79.55	79.55	FC
SCI Elysées Vélizy 2	France	78.83	78.83	FC
SCI Ext.Villeneuve 2	France	46.74	58.70	FC
SCI Gd Magasin Sud LPD	France	79.62	79.62	FC
SCI Lyon Kleber	France	79.62	79.62	FC
SCI Lyon les Brotteaux	France	79.62	79.62	FC
SCI Marceau Bussy Sud	France	79.62	79.62	FC
SCI Marceau Côté Seine	France	79.55	79.55	FC
SCI Marceau Parly 2	France	79.55	79.55	FC
SCI Marceau Plaisir	France	79.62	79.62	FC

List of Rodamco's consolidated companies	Country	% interest	% control	Method ⁽¹⁾
		June 30, 2007	June 30, 2007	
SCI Marceau Plantation	France	79.62	79.62	FC
SCI Parlunic 2	France	78.83	78.83	FC
SCI Rouen Bretagne	France	79.62	79.62	FC
SCI Rouen Verrerie	France	79.62	79.62	FC
SNC Cegep et Cie	France	79.63	79.63	FC
Belindam B.V.	Germany	79.63	79.63	FC
Cijferzwaan B.V.	Germany	79.63	79.63	FC
Deenvink B.V.	Germany	79.63	79.63	FC
Dotterzwaan B.V	Germany	79.63	79.63	FC
Immobilien KG Dr. Mühlhauser & Co Einkaufs-Zenter	Germany	39.82	50.00	PC
KG Schliebe & Co Geschäftszentrum Frankfurter Allee	Germany	53.09	67.00	PC
PFA Betriebs-gesellschaft mbH	Germany	17.52	22.00	EM
Rodamco Deutschland GmbH	Germany	79.63	79.63	FC
Rodamco Deutschland GmbH & Co. Süd	Germany	79.63	79.63	FC
Vuurvink B.V	Germany	79.63	79.63	FC
Zeilgalerie Gbr	Germany	79.63	79.63	FC
EKZ 6	Hungary	26.28	33.00	PC
Euro-Mall Kft.	Hungary	79.63	79.63	FC
Vezer Center Kft.	Hungary	79.63	79.63	FC
Rodamco CH1 Sp. z.o.o.	Poland	39.82	50.00	FC
Rodamco Europe Sp z.o.o.	Poland	79.63	79.63	FC
Aupark A.S.	Slovak Republic	39.82	50.00	PC
Promociones Rodamco Generales, S.L.	Spain	79.63	79.63	FC
Proyectos Inmobiliarios New Visions, S.L.	Spain	79.63	79.63	FC
Rodamco Benidorm, S.L.	Spain	79.63	79.63	FC
Rodamco Europe España S.A.	Spain	79.63	79.63	FC
Rodamco Garbera	Spain	79.63	79.63	FC
Rodamco Inversiones S.L.	Spain	79.63	79.63	FC
Rodamco Levante S.L.	Spain	79.63	79.63	FC
Rodamco Ocio S.L.	Spain	79.63	79.63	FC
Rodamco P. Comerciales S.L.	Spain	79.63	79.63	FC
Rodamco Proyecto Badajoz, S.L.	Spain	79.63	79.63	FC
Rodamco Vallsur SL	Spain	79.63	79.63	FC
Eurostop AB	Sweden	79.63	79.63	FC
Eurostop Holding AB	Sweden	79.63	79.63	FC
Eurostop KB	Sweden	79.63	79.63	FC
Piren AB	Sweden	79.63	79.63	FC
Rodamco AB	Sweden	79.63	79.63	FC
Rodamco Arninge Centrum KB	Sweden	79.63	79.63	FC
Rodamco Centerpool AB	Sweden	79.63	79.63	FC
Rodamco Eneby AB	Sweden	79.63	79.63	FC
Rodamco Expand AB	Sweden	79.63	79.63	FC
Rodamco Fisketorvet AB	Sweden	79.63	79.63	FC
Rodamco Forum Nacka KB	Sweden	79.63	79.63	FC
Rodamco Garage AB	Sweden	79.63	79.63	FC
Rodamco Hallunda Centrum HB	Sweden	79.63	79.63	FC
Rodamco Helsingborg KB	Sweden	79.63	79.63	FC
Rodamco Holding AB	Sweden	79.63	79.63	FC
Rodamco Invest AB	Sweden	79.63	79.63	FC
Rodamco Management AB	Sweden	79.63	79.63	FC
Rodamco Nacka AB	Sweden	79.63	79.63	FC
Rodamco Nova Lund 2 AB	Sweden	79.63	79.63	FC
Rodamco Nova Lund 3 AB	Sweden	79.63	79.63	FC
Rodamco Nova Lund KB	Sweden	79.63	79.63	FC

List of Rodamco's consolidated companies	Country	% interest	% control	Method ⁽¹⁾
		June 30, 2007	June 30, 2007	
Rodamco Parkering AB	Sweden	79.63	79.63	FC
Rodamco Projekt AB	Sweden	79.63	79.63	FC
Rodamco Solna Centrum AB	Sweden	79.63	79.63	FC
Rodamco Sverige AB	Sweden	79.63	79.63	FC
Rodamco Täby AB	Sweden	79.63	79.63	FC
Rodamco Täby Centrum KB	Sweden	79.63	79.63	FC
Rodamco Tumlarén AB	Sweden	79.63	79.63	FC
Rodamco Tyresö Centrum AB	Sweden	79.63	79.63	FC
Rodamco Väsby Centrum AB*	Sweden	79.63	79.63	FC
Akvest CV	The Netherlands	71.67	71.67	FC
Amvestwinkelsamenwerking CV	The Netherlands	71.67	71.67	FC
Coolsingel 120 Vastgoed B.V.	The Netherlands	79.63	79.63	FC
Copperwing B.V.	The Netherlands	79.63	79.63	FC
Fagotvalk B.V.	The Netherlands	79.63	79.63	FC
Feldkirchen B.V.	The Netherlands	79.63	79.63	FC
Glaszwaan B.V.	The Netherlands	79.63	79.63	FC
Gooioord B.V.	The Netherlands	63.70	63.70	FC
Oranjevast/Amvest CV	The Netherlands	7.96	10.00	EM
REE C.V.	The Netherlands	63.70	63.70	FC
Rodamco Austria B.V.	The Netherlands	79.63	79.63	FC
Rodamco België B.V.	The Netherlands	79.63	79.63	FC
Rodamco Central Europe B.V.	The Netherlands	79.63	79.63	FC
Rodamco Czech B.V.	The Netherlands	79.63	79.63	FC
Rodamco Deutschland B.V.	The Netherlands	79.63	79.63	FC
Rodamco Eastern Europe Holding B.V.	The Netherlands	79.63	79.63	FC
Rodamco España B.V.	The Netherlands	79.63	79.63	FC
Rodamco Europe Beheer B.V.	The Netherlands	79.63	79.63	FC
Rodamco Europe Finance B.V.	The Netherlands	79.63	79.63	FC
Rodamco Europe N.V.	The Netherlands	79.63	79.63	FC
Rodamco Europe Properties B.V.	The Netherlands	79.63	79.63	FC
Rodamco Hungary B.V.	The Netherlands	79.63	79.63	FC
Rodamco Nederland B.V.	The Netherlands	79.63	79.63	FC
Rodamco Nederland Winkels B.V.	The Netherlands	79.63	79.63	FC
Rodamco Northern Europe AB	The Netherlands	79.63	79.63	FC
Rodamco Polska B.V.	The Netherlands	79.63	79.63	FC
Rodamco Project IB.V.*	The Netherlands	79.63	79.63	FC
Rodamco Retail Deutschland B.V. Cottbus	The Netherlands	79.63	79.63	FC
Rodamco Russia BV	The Netherlands	79.63	79.63	FC
Romanoff Eastern Europe Property B.V.	The Netherlands	63.70	63.70	FC
RoProperty Holding B.V.	The Netherlands	28.59	35.90	EM
RRN Monumenten B.V.	The Netherlands	79.63	79.63	FC
Turbozwaan B.V.	The Netherlands	79.63	79.63	FC
VOF Nieuwe Rijn	The Netherlands	39.82	50.00	FC

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

3) Highlights of the first half of 2007

3.1 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 an friendly Public Exchange Offer for all the outstanding shares in the capital of Rodamco with a nominal value of eight euros per share. Rodamco, whose headquarters is based in Rotterdam in the Netherlands, is 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 consists 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. It was based on the initial exchange ratio announced on April 10, 2007 of 0.5300 per Unibail share (or Unibail ORA) for each Rodamco share, which had been adjusted to integrate the financial impact of the 2006 Unibail interim dividends and of the 2006 Rodamco final dividend.

Furthermore, the Rodamco shareholders were able to opt for 0.5223 Unibail bonds redeemable for Unibail shares (see below under 'Unibail ORA') for each Rodamco share with a maximum of 20% of the remuneration of all the Rodamco shares.

At the end of the offer period, the Public Exchange Offer had been declared unconditional on June 21, 2007. 71,378,392 Rodamco shares have been tendered, which represented 79.63% of participation in the Company. Unibail had issued 27,917,226 Unibail shares and 9,363,708 Unibail ORA in exchange of 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 had been tendered and Unibail-Rodamco issued 7,543,607 Unibail-Rodamco shares representing a capital increase of €37,718,035.

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

Accounting for Business Combinations

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

Concerning the first offer period, the market value amounted to €195.80 per share and per ORA. This market value corresponded to the quoted market price of the Unibail share as at June 21, 2007, when the Public Exchange Offer was declared unconditional.

This market value differed from the issue price used in the statutory financial statements of Unibail Holding, which amounted to €196.6 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 amounts to €7,322.6 Mn.

The fees attributable to the issue of the shares and the ORA amount to respectively €33.3 Mn and €8.6 Mn and are directly accounted for in the Group shareholders' equity, except for €1.2 Mn reducing the amount of ORA, reclassified in 'Long term bonds' (see below 'Accounting for ORA').

Considering the date of the acquisition and the fact that Rodamco's investment property portfolio – which represents 96% of the consolidated total assets – is assessed at fair value according to IAS 40, the net fair value of assets, liabilities and contingent liabilities of Rodamco were provisionally estimated based on the corresponding values identified in Rodamco's consolidated financial statements as at June 30, 2007, except for the financial fixed-rate debt at fair value.

The values used on the consolidated balance sheet as at June 30, 2007 have been provisionally determined and adjustments could be recognised within twelve months of the acquisition date, especially regarding the revaluation of pipeline projects that are maintained at their Rodamco's historical cost.

The difference between the total cost of the business combination and the acquired share in net assets (as before mentioned) represents a preliminary goodwill amounting to €1,655.6 Mn. Because of the nature of the activities of Rodamco Europe N.V., this goodwill will be almost entirely allocated to the 'Shopping centre division'.

Rodamco Europe N.V. entered into the scope of consolidation as at June 30, 2007: which had no impact on the profit and loss account of Unibail-Rodamco at this date.

For information, if the entry of Rodamco into the scope of consolidation would have been January 1, 2007, the key performance indicators would have been respectively:

- rental income: €529 Mn
- valuation results: €1,472Mn
- the net shareholders' profit: €1,984 Mn

Please note that the delivery of additional shares at the end of the subsequent offer period ending on July 10, 2007 represented an additional 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, will be accounted for in the second half of 2007 and deducted from the consolidated shareholders' equity

Accounting for ORA

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

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

The cash amount to be paid for each Unibail ORA will be equal to 100% of the dividend paid for each Unibail share during the relevant accrual period. The minimum cash amount will be equal to 1.5% of the nominal value of each Unibail ORA.

Unibail has the right to demand the redemption of the Unibail ORA on the first final cash amount payment date falling after the expiry of a period of 12 years following the Unibail 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 until the first call option held by Unibail, which are considered liabilities for their net present value.

The fair value of the ORA is therefore stated separately on the balance sheet, partly under shareholders' equity for a value of €1,575.2 Mn, after a cost deduction of €7.4 Mn, and partly as financial liabilities for a total value of €249.6 Mn, after a cost deduction of €1.2 Mn. An amount of €27.6 Mn, corresponding to the minimum cash amount to be paid within one year, is stated under 'Current borrowings and amounts due to credit institutions'.

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%.

- Consolidated balance sheet – Combination's impact including Rodamco:

Unibail-Rodamco Consolidated Balance Sheet (in € Mn)	Unibail June 30, 2007 before combination	Impact of Rodamco's combination June 30, 2007	Unibail-Rodamco June 30, 2007
NON CURRENT ASSETS	10,969.7	13,066.6	24,036.3
Tangible assets	377.4	268.0	645.4
Investment properties	9,792.1	11,084.0	20,876.1
Goodwill	166.5	1,686.6	1,853.1
Intangible assets	302.8	-	302.8
Loans	35.9	1.0	36.9
Deferred tax assets	-	18.0	18.0
Derivatives at fair value	208.4	5.0	213.4
Shares of companies consolidated under equity method	86.6	-	86.6
Other non current assets	-	4.0	4.0
CURRENT ASSETS	1,123.5	205.2	1,328.7
Properties under promise or mandate of sale	95.5	-	95.5
Shares of companies consolidated under equity method under sale commitment	454.0	-	454.0
Inventories	28.1	-	28.1
Trade receivables from activity	193.6	34.0	227.6
Property portfolio	171.5	34.0	205.5
Other activities	22.1	-	22.1
Other trade receivables	333.5	127.2	460.7
Tax receivables	109.3	18.0	127.3
Receivables on sale of property	2.6	-	2.6
Other receivables	189.7	91.0	280.7
Pre-paid expenses	31.9	18.2	50.1
Cash and equivalent	18.8	44.0	62.8
Financial assets	4.1	-	4.1
Cash	14.7	44.0	58.7
TOTAL ASSETS	12,093.2	13,271.8	25,365.0
Shareholders' equity (group share)	7,065.4	6,933.6	13,999.0
Share capital	230.9	139.6	370.5
Additional paid-in capital	70.0	5 315,7	5,385.7
Bonds redeemable for shares	-	1 575,2	1,575.2
Consolidated reserves	4 502,7	-41,1	4,461.6
Hedging reserve	0,5	-	0.5
Retained earnings	1 117,4	-55,8	1,061.6
Consolidated result	1 143,9	-	1,143.9
MINORITY INTERESTS	822.6	1,464.6	2,287.2
TOTAL SHAREHOLDERS' EQUITY	7,888.0	8,398.2	16,286.2
NON CURRENT LIABILITIES	2,415.3	4,057.7	6,473.0
Commitment to purchase minority interests	129.1	-	129.1
Long-term bonds and borrowings	1,955.3	3,244.7	5,200.0
Derivatives at fair value	23.1	30.0	53.1
Deferred tax liabilities	200.0	680.0	880.0
Long-term provisions	19.5	31.0	50.5
Employee benefits	3.4	5.0	8.4
Guarantee deposits	79.2	38.0	117.2
Tax liabilities	5.7	24.0	29.7
Other liabilities	-	5.0	5.0
CURRENT LIABILITIES	1,789.9	815.9	2,605.8
Amounts owed to shareholders	92.3	74.6	166.9
Amounts due to suppliers and other current debt	555.5	242.1	797.6
Amounts due to suppliers	80.2	54.0	134.2
Amounts due on investments	167.1	37.0	204.1
Sundry creditors	235.3	96.1	331.4
Other liabilities	72.9	55.0	127.9
Current borrowings and amounts due to credit institutions	1,062.2	429.6	1,491.8
Tax & social security liabilities	74.6	67.6	142.2
Contingencies and other current liabilities	5.3	2.0	7.3
TOTAL LIABILITIES AND EQUITY	12,093.2	13,271.8	25,365.0

3.2 Other events

The Group disposed of its residual stake of 49% in the property Coeur Défense. A sale agreement was signed during the first half 2007 and the sale was concluded as at July 10, 2007, as following:

- disposal of the 49% stake in SCI Karanis, the ownership company, for a net disposal price of €373.4 Mn which is based on the value of the building of €2,110 Mn,
- redemption by SCI Karanis of €87.6 Mn, which corresponds to the loan granted by Unibail Holding.

As at June 30, 2007, shares in SCI Karanis, consolidated under the equity method, and the loan granted were capture under 'shares of companies consolidated under equity method under sale commitment' for a value corresponding to the selling agreement.

One sale commitment was signed (and sale concluded after June 30) for the office buildings located at 27 rue de Bassano - Paris 8ème.

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

Unibail acquired co-ownership lots in the shopping centres Maine-Montparnasse, Labège and Velizy 2 for an amount of €21 Mn.

A promise of acquisition was signed for 'A l'Usine', a shopping centre near Roubaix (18,000 m²) specialised in discount. The selling agreement was signed as on July 19, 2007.

The Convention-Exhibition division acquired several trade shows (in the sectors of tourism and property business) for an amount of €14.9 Mn. The furniture trade show (Salon du Meuble), owned by the SESMP company, was disposed of for an amount of €17.5 Mn.

Two litigations had positive outcomes during the first half of 2007:

- An agreement was reached with the 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 provision was carried out accordingly as at June 30, 2007 for €7.6 Mn.
- The litigation with Accor regarding the take-over conditions of the company Cnit S.A. by Unibail Holding in 2000 also had a favourable outcome. The provision of €12.7 Mn booked into the accounts in December 31, 2006 was reversed for an amount of €12.5 Mn.

4) Business segment report

First level of Business Segment Report

Unibail-Rodamco is made up of the following segments:

- Offices;
- Shopping centres;
- Convention-Exhibitions, which comprises venue management activities (Paris Expo) and exhibition organisation (Exposium). Leasing (management) of 2 hotels is also included in this division;
- Property services, which comprises Espace Expansion (property management and project development of shopping centres) and U2M (management of advertising space and multimedia in shopping centres).

Results by division as at June 30, 2007

(in € Mn)	Offices	Shopping centres	Convention-Exhibition			Property services	Intergroup	Not allocated	TOTAL
			Venue management	Hotels	Exhibition organisation				
Rental revenues	77.5	133.2	49.1	6.8	-	-	-3.9	-	262.7
Net rents	73.5	127.0	25.3	6.8	-	-	-3.9	-	228.7
Administrative expenses	-2.2	-3.1	-	-	-	-	-	-6.8	-12.1
Other income	-	-	23.1	-	52.4	8.2	-1.7	12.2	94.2
Net other income	-	-	3.2	-	2.6	1.6	3.9	12.2	23.5
Gains on disposals	-	-1.6	-	-	0.2	-	-	-	-1.4
Valuation movements	392.7	322.0	-5.6	5.3	-	-	-	-	714.4
Operating income	464.0	444.3	22.9	12.1	2.8	1.6	-	5.4	953.1
Contribution of companies consolidated under equity method & interest on financial assets	211.6	5.9	-	-	0.3	-	-	-	217.8
Net financing costs								-44.6	-44.6
Value adjustment of derivatives and discounting of loans and receivables								97.0	97.0
Income & dividends from non-consolidated companies								0.2	0.2
Pre-tax profit									1,223.5
Corporate income tax								2.0	2.0
Net profit									1,225.5

5) Notes and comments

5.1-Notes to the consolidated balance sheet assets

Note 1 – Change in net tangible assets

Net value (in € Mn)	Dec 31, 2006	Acquisitions and capitalised expenses	Entries into the scope of consolidation (1)	Disposals	Other movements (2)	June 30, 2007
Operating assets	77.3	-	7.0	-	29.6	113.9
Pipeline projects	152.9	97.5	243.0	-	-0.5	492.9
Furniture and equipment	19.2	3.8	18.0	-0.1	-2.3	38.6
TOTAL	249.4	101.3	268.0	-0.1	26.8	645.4

⁽¹⁾ Changes in the scope of consolidation concern the entries of the Rodamco Group assets. As at June 30, 2007, these projects have been maintained at their Rodamco's historical cost (see 3.1).

⁽²⁾ As the Exposium company moved into an office building owned by the Group, located at 70, avenue Wilson at La Défense, the actual part of the property occupied by the Group, €30.5 Mn, has been reclassified from investment property to tangible assets as at January 1, 2007.

Note 2 – Change in investment property

In accordance with the preferred method provided under IAS 40, investment properties are stated at their market value as determined by independent appraisers. Concerning the Unibail's portfolio (before the Public Exchange Offer), the appraisals were made by: DTZ Eurexi for the Office division, CB Richard Ellis Bourdais for the Shopping centre division and KPMG for the Convention-Exhibition division.

Rodamco's portfolio was appraised for its value on the Rodamco Europe N.V. balance sheet, based on the appraisals made by: CB Richard Ellis, Cushman & Wakefield, Healey & Baker, Jones Lang LaSalle and DTZ.

As at June 30, 2007, the balance of rent-free periods and step rents straight lined over the term of the lease and deducted from the appraisal value represented €67.6 Mn.

Investment property (in € Mn)	Dec 31, 2006	Acquisi- tions (1)	Entries into the scope of consolidation (2)	Capitalised expenses ⁽³⁾	Disposals (4)	Reclassification and transfer of category ⁽⁵⁾	Valuation movements	June 30, 2007
Offices	3,268.9	-	976.7	66.3	-	-117.4	392.7	4,587.2
Shopping centres	4,911.5	13.6	10,115.4	54.5	-	-0.8	321.9	15,416.1
Convention- Exhibition centres	865.9	-	-	7.2	-	-	-0.3	872.8
Total investment property	9,046.3	13.6	11,092.1	128.0	-	-118.2	714.3	20,876.1
Properties under promise or mandate of sale	96.3	-	-	0.5	-88.6	87.3	-	95.5
TOTAL	9,142.6	13.6	11,092.1	128.5	-88.6	-30.9	714.3	20,971.6

⁽¹⁾ The main acquisitions concern the co-ownership lots in the Vélizy 2 and Gaité Montparnasse shopping centres.

⁽²⁾ Of which €11,084 Mn for the entries of the Rodamco Group assets.

⁽³⁾ As at June 30, 2007, capitalised financial expenses amount to €2.9 Mn and letting fees and eviction costs amount to €11.0 Mn. The main works over the period relate to Tour Ariane, to Cnit, and to Les Quatre Temps shopping centre at La Défense.

⁽⁴⁾ Refers to the disposal of the Chelles 2 shopping centre.

⁽⁵⁾ Reclassification refers to the signatures of new sale commitments for 2 office properties located at 27 rue Bassano and 44 rue Lisbonne, and part of the property located at 70 avenue Wilson, occupied by Exposium, from investment property to tangible assets.

Note 3 – Goodwill

(in € Mn)	Dec 31, 2006	Entries into the scope of consolidation	Exits from the scope of consolidation	Charges	Reversals	June 30, 2007
Gross value	168.2	1,690.5	-5.6	-	-	1,853.1
Amortisation	-	-	-	-	-	-
TOTAL	168.2	1,690.5	-5.6	-	-	1,853.1

The entry into the scope of consolidation refers to Rodamco's integration and amounts to €1,686.6 Mn. It is split into goodwill accounted for €31.0 Mn, as on the Rodamco Europe N.V. balance sheet as at June 30, 2007, and into goodwill recognised as a result of the business combination for €1,655.6 Mn (see 3.1). The values used on the consolidated balance sheet as at June 30, 2007 have been provisionally determined and adjustments could be recognised within twelve months of the acquisition date, especially regarding the revaluation of pipeline projects.

The balance refers to the acquisition of the Promo Expo Conseil Salons company, owner of 'real estate exhibitions'.

The exit from the scope of consolidation relates to the disposal of the SESMP company, owner of the 'furniture trade show' (Salon du Meuble).

Note 4 – Changes in intangible assets

Net carrying value (in € Mn)	Dec 31, 2006	Acquisitions	Entries into the scope of consolidation	Exits from the scope of consolidation	Disposals	Reclassifications and other movements	June 30, 2007
Rights and exhibitions	305.6	2.4	12.5	-17.5	-	-1.6	301.4
Other intangible assets	2.1	0.1	-	-	-0.1	-0.7	1.4
TOTAL	307.7	2.5	12.5	-17.5	-0.1	-2.3	302.8

The main changes in intangible assets relate to:

- the acquisition of the Promo Expo Conseils Salons company,
- the disposal of the SESMP company,
- the acquisition by Exposium of two trade shows for €2.4 Mn,
- depreciation of the Porte de Versailles intangible asset for - €1.7 Mn.

Note 5 – Shares and investments in companies consolidated under the equity method

(in € Mn)	Dec 31, 2006	June 30, 2007
Shares in SCI Karanis consolidated under the equity method	167.0	-
Loan granted to SCI Karanis	77.5	-
Sub-total SCI Karanis investment	244.5	-
Shares in SCI Triangle des Gares consolidated under the equity method	61.9	65.4
Loan granted to SCI Triangle des Gares	20.0	20.9
Sub-total SCI Triangle des Gares investment	81.9	86.3
Other companies consolidated under the equity method	-0.1	0.3
TOTAL shares and investments in companies consolidated under the equity method	326.3	86.6

The value of the shares in companies consolidated under the equity method reflects the market value of properties owned as well as the market value of derivatives in the case of SCI Karanis.

The investment in SCI Karanis has been reclassified into assets under sale commitment. The company was sold on July 10, 2007, and the loan granted to the company was totally reimbursed after taking into account the deferred interest at this due date.

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

(in € Mn)	Dec 31, 2006	June 30, 2007
Investment property	178.7	190.2
Current assets	32.5	34.0
Total assets	211.2	224.2
Restated shareholders' equity	154.7	163.4
External borrowings and debts to partners	49.9	52.3
Other non-current liabilities	3.5	3.8
Current liabilities	3.1	4.7
Total liabilities	211.2	224.2

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

	June 30, 2007	June 30, 2006	Dec 31, 2006
Rental revenues	56.4	55.0	111.8
Change in fair value of properties	426.3	69.7	314.2
Net income	436.5	88.9	342.5

Note 6 – Inventories

This item corresponds to the value of parking spaces at the Strasbourg-Etoile shopping centre subject to a forward sale agreement with the developer.

Note 7 – Receivables on sale of property

This item mainly corresponds to a discounted deferred payment on the sale of SESMP, owner of the ‘furniture trade show’ (Salon du Meuble), in April, 2007. The payment will be made until 2011.

Note 8 – Other receivables

The change of this item mainly refers to the entry into the scope of consolidation of Rodamco for €91.0 Mn, including €47.0 Mn which refer to prepayments on investment / pipeline projects.

Note 9 – Cash and cash equivalent

As at June 30, 2007, this item includes €44.0 Mn of cash from Rodamco.

5.2-Notes to the consolidated balance sheet liabilities

Note 10 – Commitments to purchase minorities' interests

The increase in this item relates to changes in fair value, based on the appraisal value of the underlying asset, of the commitment existing as at December 31, 2005, to buy out minority interests in the Rennes Alma and Vélizy Usine Center shopping centres, of which the Group acquired 51% in 2005, and in the Etrembières shopping centre of which the Group acquired 50.02% in 2006.

Note 11 – Current and non-current financial liabilities

The business combination Unibail-Rodamco was made through issuing Unibail shares and bonds redeemable for shares and did not create any specific financing needs over the first semester.

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. (see 3.1 Public Exchange Offer on Rodamco Europe N.V. shares).

> Breakdown of debt

Borrowings and other financial liabilities (in € Mn)	Dec 31, 2006	June 30, 2007 Unibail before combination	June 30, 2007 Rodamco	June 30, 2007 Unibail- Rodamco
Bonds and EMTNs	1,676.7	1,452.9	2,285.0	3,737.9
Principal debt	1,650.0	1,430.0	2,308.0	3,738.0
Accrued interest	25.6	22.5	53.0	75.5
Charges and premiums on issues of borrowings	1.1	0.4	-13.0	-12.6
Mark-to-market of debt (1)	-	-	-63.0	-63.0
Bank borrowings	829.5	1,064.8	862.7	1,927.5
Principal debt	797.5	1,027.8	828.0	1,855.8
Accrued interest	4.8	6.7	4.0	10.7
Charges and premiums on issues of borrowings	-2.1	-2.0	-	-2.0
Bank overdrafts	25.8	25.5	29.0	54.5
Current accounts to balance out cash flow	3.5	6.8	-	6.8
Mark-to-market of debt (1)	-	-	1.7	1.7
Bonds redeemable for shares (after a cost deduction of €1.2 Mn)	-	249.6	-	249.6
Other financial liabilities	401.6	499.8	277.0	776.8
Interbank market instruments and negotiable instruments	267.0	358.0	277.0	635.0
Accrued interest on interbank market instruments and negotiable instruments	1.0	0.9	-	0.9
Current accounts with minority partners	133.6	140.9	-	140.9
TOTAL	2,907.8	3,267.1	3,424.7	6,691.8

(1) Rodamco fixed-rate debt has been marked-to-market for its entry into the consolidated entity.

In the first half-year, the financing needs of Unibail (excluding Rodamco) have been granted by:

- the drawdown of €242 Mn from the 7-year syndicated bank loan of €700 Mn which was signed on May 12, 2006. €500 Mn of this bank loan were in use as at June 30, 2007.
- the issue of commercial paper for €743 Mn.

As at June 30, 2007, Rodamco's financial debt is made of:

- €1,808 Mn in EMTN and €500 Mn of bonds,
- €828 Mn of bank loans, including €482 Mn in mortgage loans,
- €277 Mn of commercial paper.

Rodamco has also a syndicated credit facility of €600 Mn. This facility matures in August 2011 and has a one-year extension option to August 2012. As at June 30, 2007 this facility is undrawn.

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

Outstanding duration to maturity (in € Mn)	Current Less than 1 year	Non-current 1 year to 5 years	Non-current More than 5 years	Total June 30, 2007
Bonds and EMTNs	1,013.9	1,724.0	1,000.0	3,737.9
Principal debt	938.0	1,800.0	1,000.0	3,738.0
Accrued interest	75.5	-	-	75.5
Charges and premiums on issues of borrowings	0.4	-13.0	-	-12.6
Mark-to-market of debt	-	-63.0	-	-63.0
Bank borrowings	91.4	523.5	1,312.6	1,927.5
Principal debt	21.4	521.8	1,312.6	1,855.8
Accrued interest	10.7	-	-	10.7
Charges and premiums on issues of borrowings	-2.0	-	-	-2.0
Bank overdrafts	54.5	-	-	54.5
Current accounts to balance out cash flow	6.8	-	-	6.8
Mark-to-market of debt	-	1.7	-	1.7
Bonds redeemable for shares (after a cost deduction of €1.2 Mn)	27.6	58.5	163.5	249.6
Other financial liabilities	358.9	417.9	-	776.8
Interbank market instruments and negotiable instruments	358.0	277.0	-	635.0
Accrued interest on interbank market instruments and negotiable instruments	0.9	-	-	0.9
Partners' current accounts	-	140.9	-	140.9
TOTAL	1,491.8	2,723.9	2,476.1	6,691.8

As at June 30, 2006, Unibail-Rodamco's average debt maturity was 4.7 years, after taking into account the allocation of unused confirmed credit lines (€1,288.2 Mn as at June 30, 2007) and the unused amount (€200 Mn) of the syndicated bank loan, with a maturity of seven years.

> Characteristics of bonds

Issue date	Rate	Amount at June 30, 2007 (€ Mn)	Maturity
August 2002	Fixed rate + 5.050 %	10.0	August 2007
November 2002	Fixed rate + 4.750 %	500.0	February 2008
July 2003	Fixed rate + 3.750 %	500.0	July 2010
October 2004	Float rate + 4.382 %	200.0	October 2007
October 2004	Fixed rate + 4 %	500.0	October 2011
October 2004	Fixed rate + 4.375 %	500.0	October 2014
March 2005	Euribor 3 + 0.15 %	100.0	September 2007
March 2005	Euribor 3 + 0.20 %	150.0	March 2009
June 2005	Euribor 3 + 0.27 %	50.0	September 2008
June 2005	Euribor 3 + 0.23 %	20.0	June 2008
December 2005	Fixed rate + 3.750 %	500.0	December 2012
December 2005	Euribor 3 + 0.20 %	100.0	December 2008
January 2005 (1)	Float rate + 3.698 %	108.0	January 2008
April 2006	Fixed rate + 4.125 %	500.0	April 2011
TOTAL		3,738.0	

(1) issue made in Swedish krona (SEK).

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.

Note 12 – Hedging instruments

Derivative instruments, owned by the Group, are stated at their fair values. With the IFRS implementation, Unibail Holding has opted not to apply the hedge accounting option provided under IAS 39. All derivatives are therefore stated at fair value and any changes are recorded in the income statement.

The marked-to-market of derivatives generated a net profit of €98.3 Mn (profit of + €214.1 Mn and loss of - €115.8 Mn) in the first half of 2007 and was reflected in Unibail accounts by the recording of derivatives of €208.4 Mn under assets and €23.1 Mn under liabilities.

The financial derivatives owned by Rodamco refer to the interest rate and currency hedging policy implemented by Rodamco. Concerning the currency derivatives, they aim at hedging the investments made in countries outside of the Euro-zone.

The derivatives from Rodamco were marked-to-market on the consolidated balance sheet and amounted to €5 Mn in assets, and €30 Mn in liabilities.

IAS 39 does not allow fair value adjustments to debt. But, the Rodamco's fixed-rate debt has been marked-to-market for its entry into the consolidated entity, and amounted to €2,561.2 Mn (see 3.1).

The market value of Unibail-Rodamco's fixed-rate debt is presented in the table below. The Group's outstanding debt is a variable-rate debt, which has its carrying value on the balance sheet as the sum of the nominal amount and coupon payments.

Market value of fixed-rate debts (in € Mn)	December 31, 2006		June 30, 2007	
	Carrying value	Market value	Carrying value	Market value
Long-term debt				
Fixed-rate borrowings, interbank instruments and negotiable market instruments	1,044.0	1,039.2	3,593.0	3,577.5

Note 13 – Deferred tax

(in € Mn)	Dec 31, 2006	Increase	Decrease	Reclassifications	Changes in scope of consolidation	June 30, 2007
Deferred tax liabilities	201.6	3.9	-0.6	0.9	703.1	908.9
Deferred tax liabilities on properties	106.6	3.9	-	0.9	705.0	816.4
Deferred tax on intangible assets	95.0	-	-0.6	-	-1.9	92.5
Other deferred tax liabilities	-4.8	-	-0.8	-0.9	-22.4	-28.9
- Doria tax consolidation group	-1.6	-	-	-2.2	-	-3.8
- others	-3.2	-	-0.8	1.3	-22.4	-25.1
TOTAL DEFERRED TAX LIABILITIES	196.8	3.9	-1.4	-	680.7	880.0
Deferred tax assets	-	-	-	-	18.0	18.0
Deferred tax liabilities on properties	-	-	-	-	-	-
Other deferred tax liabilities	-	-	-	-	-	-
Tax-loss carry-forward	-	-	-	-	18.0	18.0
TOTAL DEFERRED TAX ASSETS	-	-	-	-	18.0	18.0

The change in deferred tax assets and deferred tax liabilities is mainly explained by the entry into the scope of consolidation of Rodamco. 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.

In France, the Doria tax consolidation sub-group mainly comprises property services or property development companies, Paris Expo Porte de Versailles and, since July 1, 2005, companies of the Expositum Group.

Note 14 - Provisions

(in € Mn)	Dec 31, 2006	Allocations	Utilisation	Reversals	Discount	Changes in scope of consolidation (3)	Other movements	June 30, 2007
Long-term provisions	30.5	2.6	-4.7	-8.6	1.1	30.4	-0.8	50.5
Provisions for charges	0.8	1.3	-1.1	-	-	19.1	-	20.1
Provisions for litigation (1)	23.5	0.3	-0.1	-8.0	1.1	11.3	-	28.1
Other provisions	6.2	1.0	-3.5	-0.6	-	-	-0.8	2.3
Provisions for pension liabilities	3.4	-	-	-	-	5.0	-	8.4
Short-term provisions	20.9	1.3	-3.3	-13.5	-	2.0	-0.1	7.3
Provisions for litigation (2)	16.0	-	-0.2	-12.9	-	-	-	2.9
Other provisions	4.9	1.3	-3.1	-0.6	-	2.0	-0.1	4.4
TOTAL	54.8	3.9	-8.0	-22.1	1.1	37.4	-0.9	66.2

- (1) Concerning Unibail's fiscal audit, an agreement was reached with the authorities over one of the notified tax adjustments which enabled a €7.6 Mn reversal of the provision recorded in the balance sheet as at December 31, 2006. The balance of €9.2 Mn relates to tax adjustments that are still under discussion.
- (2) The litigation with the minority shareholder of the Cnit, who disputed the terms of the take-over of Cnit SA by Unibail Holding in 2000, ended in the first half-year of 2007. A €12.5 Mn reversal was recorded.
- (3) The changes in the scope of consolidation refer to Rodamco's entry and mainly consists of tax risk provisions of €11.3 Mn and a potential earn-out for €14.8 Mn concerning the 2006 shopping centre acquisition "Aupark" in Bratislava, Slovak Republic.

Note 15 – Amounts owed to shareholders

As at June 30, 2007, this item consisted of the balance of the dividend voted for by the General Meeting of April 27, 2007, paid on July 16, 2007 (€2 per share). It included the €2 coupon payable for the new 27,917,226 shares issued for the Public Exchange Offer as well as the 9,363,708 ORA.

As at December 31, 2006, this item comprised the second 2006 interim dividend payment (€1 per share), paid on January 15, 2007, in accordance with the decision made by the Board of Directors on December 14, 2006.

Note 16 – Sundry creditors

The increase of this item is mainly explained by the expenses referring to both capital increase and ORA issue for €46.5 Mn and by the entry of Rodamco into the scope of consolidation for €50.2 Mn.

Note 17 – Other liabilities

The change in this item mainly relates to the entry of Rodamco into the scope of consolidation for €55.0 Mn.

Note 18 – Tax and social security liabilities

The change in this item mainly refers to the entry of Rodamco into the scope of consolidation for €67.6 Mn, and by the 2006 income tax payment by Unibail for - €19.6 Mn.

5.3-Notes to the consolidated income statements

Note that Rodamco's consolidation has no impact on the profit and loss as at June 30, 2007.

Note 19- Net rental income

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

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

Net service charge expenses correspond to charges that can be re invoiced to tenants but which are payable by the owner of the property if it is vacant.

Property-related expenses comprise all other expenses, including property management fees.

Note 20 – Net other income

The decrease in 'revenues from other activities' is mainly explained by the frequency of trade shows. 2006 was characterised by an exceptional combination of the biennial and triennial events. In the first half of 2007, trade shows generated revenues of €52.5 Mn compared to €59.0 Mn for the first half of 2006. Net income of other service activities from trade shows amounted to €7.5 Mn compared to €13.0 Mn for the first six months of 2006 (after elimination of rental charges for inter-company rented space).

As at June 30, 2007, 'other expenses' included a €12.5 Mn provision reversal for a litigation linked to the Cnit valuation (see 3.2 - Other events).

Note 21 – 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 straight-lined.

The only divestment during the first half-year 2007 was the effective sale of the Chelles 2 shopping centre (under promise on December 31, 2006).

The Chelles 2 shopping centre was stated at its fair value as per December 31, 2006 based on the price mentioned in the sale agreement. Thus, no capital gain on the asset disposal was recorded as at June 30, 2007.

Note 22 – Valuation movements

This item reflects changes in the market valuation of investment properties.

(in € Mn)	June 30, 2007	June 30, 2006	Dec 31, 2006
Offices	392.7	362.4	699.1
Shopping Centres	322.0	377.8	971.2
Convention-Exhibition	-0.3	-6.5	31.0
TOTAL	714.4	733.7	1,701.3

Note 23 – Fair value adjustments of derivatives

As of January 1, 2005, Unibail opted to mark-to-market derivatives, without the hedging accounting option proposed by the IAS 39. The changes in fair values are recorded in the income statement.

Against the backdrop of rising interest rates, the value of derivatives rose by €98.3 Mn compared to December 31, 2006 (a profit of + €214.1 Mn and a loss of - €115.8 Mn).

Note 24 – Share of the profit of associates

The share of income from companies consolidated under the equity method included changes in the market value of investment property and, in the case of SCI Karanis (Coeur Défense), the change in the fair value of derivatives.

Note 25 – Income tax expenses

(in millions of euros)	June 30, 2007	June 30, 2006	Dec 31, 2006
Deferred tax on:			
- Change in fair value of investment property	-4.5	-5.4	-12.6
- Non recurring	-	-5.9	-1.4
- Recurring income	-1.1	-8.2	-10.8
Reversal for fiscal risk	7.6	-	5.4
TOTAL TAX	2.0	-19.5	-19.4
Including tax due	-1.9	-19.5	-19.4

Companies opting for SIIC tax status are exempt from tax on recurring income and capital gains on property sales. The remaining companies are part of the Doria tax consolidation group (see Note 13 - Deferred taxes).

Payable tax as at June 30, 2007 mainly related to the companies which are not part of the tax consolidation group.

Note 26 – Minority interests

Compared to the first half of 2006, the decrease of minority interests as part of net income was mainly due to the changes in the fair value of investment property.

5.4- Notes to the consolidated cash flow statements

Further to the Public Exchange Offer for Rodamco, the cost of the share and ORA issues deducted from the consolidated shareholders' equity amounted to €40.7 Mn as at June 30, 2007.

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. This payment had no impact on the cash flow statement as at June 30, 2007.

Note 27 – Breakdown of acquisitions and disposals of consolidated subsidiaries

(in € Mn)	June 30, 2007	June 30, 2006	Dec 31, 2006
Price of shares acquired	-24.6	-27.1	-81.6
Cash and current accounts acquired (1)	15.8	-7.1	-4.6
Acquisitions net of cash acquired	-8.8	-34.2	-86.2
Net price of shares sold	15.5	84.0	90.0
Cash and current accounts sold	-1.1	123.1	125.5
Sales net of cash sold (2)	14.4	207.0	215.5

(1) As at June 30, 2007 this item refers to the cash entry of Rodamco for €15 Mn.

(2) As at June 30, 2007, this item refers to the disposal of SESMP, owner of the 'furniture trade show' (Salon du Meuble).

Note 28 - Reconciliation of cash at year-end on the cash-flow statement and cash on the balance sheet

(in € Mn)	June 30, 2007	June 30, 2006	Dec 31, 2006
Available-for-sale investments	4.1	66.6	3.3
Cash	58.7	23.1	29.1
Current account to balance out cash flow	-6.8	-8.1	-3.5
Bank overdrafts	-54.4	-10.9	-25.8
Cash at year-end	1.6	70.7	3.1

6) Financial instruments

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.

Liquidity risk

Unibail-Rodamco's long term refinancing policy consists of diversifying the Group's expiry schedules and financial resources. Accordingly, bond issues represented 59% of financial debt at June 30, 2007, bank borrowings 31% and commercial paper (*'billets de trésorerie'*) 10%.

The commercial paper programme is 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. As at June 30, 2007 the total amount of these confirmed credit lines came to €688 Mn for Unibail and €600 Mn for Rodamco. These credit lines were provided by leading French and international banks. Their average duration is 4 and 5 years respectively. As at June 30, 2007 none of these confirmed credit lines were drawn. Besides, the Group benefits from a syndicated bank loan of €700 Mn signed by Unibail in 2006, of which €200 Mn were still not drawn as at June 30, 2007.

Interest rate risk

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.

Currency exchange rate risk

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.

Counterparty risk

Due to its use of derivatives to minimise its interest and exchange rate risk, the Group is exposed to potential counterparty defaults. To limit counterparty risk, Unibail-Rodamco relies solely on major international banks for its hedging operations.

Measuring interest rate risk

Interest rate risk

(in € Mn)	Outstanding total at June 30, 2007	
	Fixed rate	Variable rate
Financial liabilities	3,683.0	2,727.0
Financial assets		-63.0
Net financial liabilities before hedging programme	3,683.0	2,664.0
Hedging	-1,264.0	1,264.0
Net financial liabilities after micro-hedging (1)	2,419.0	3,928.0
Swap rate hedging (2)		-2,722.0
Net debt not covered by swaps		1,206.0
Cap and floor hedging		-900.0
Hedging balance		306.0

(1) Partners' current accounts are included in variable-rate debt.

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

As at June 30, 2007 net financial debt stood at €6,227 Mn, excluding partners' current accounts and after taking cash surpluses into account (€62.8 Mn). Variable-rate debt and fixed-rate debt immediately converted into variable-rate debt accounted for 61% of net financial debt. This outstanding debt was fully hedged against variations of the Euribor rate by interest-rate swaps and caps and partly hedged against Swedish exchange rate fluctuations.

Based on Unibail-Rodamco's existing debt situation as at June 30, 2007 and hedging instruments in place within the entire Group, an average interest rate rise (Euribor, Libor, Stibor) of 1% (100 basis points) during the second half of 2007 would have an estimated negative impact of €2.4 Mn on the Group's net recurring result. Similarly, any further rise in interest rates of 1% would have an additional negative impact of €2.2 Mn. Conversely, a 1% (100 basis points) drop in interest rates would reduce financial expenses by €6.1 Mn and would enhance 2007 net recurring result by the equivalent amount.

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	Managed exposure net of hedges ⁽²⁾
SEK ⁽¹⁾	1,620.7	519.2	1,101.5	615.7	485.8	23.7
DKK	285.0	85.0	200.0	127.3	72.7	38.9
HUF	2.7	-	2.7	-	2.7	2.7
USD	176.0	54.2	121.8	46.9	74.9	1.7
SKK	0.3	-	0.3	-	0.3	0.3
CZK	-0.8	137.1	-137.9	-137.1	-0.8	-0.8
PLN	1.0	-	1.0	-	1.0	1.0
Total	2,084.9	795.5	1,289.4	652.8	636.6	67.5

⁽¹⁾ 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 €2.2 Mn.

⁽²⁾ Managed exposure is the remaining exposure after exclusion of accepted exposures resulting from capex, revaluations and deferred taxes. Exchange rate differences on these items are recognised in the currency translation reserve.

7) Financial commitments and guarantees

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

Commitments given

Commitments given (in € Mn)	Dec 31, 2006	June 30, 2007	June 30, 2007	June 30, 2007
	Unibail	Unibail before combination	Rodamco	Unibail- Rodamco
Mortgages and first lien lenders	7.2	7.2	481.6	488.8
Commitments related to construction works ⁽¹⁾	203.3	200.4	-	200.4
Guarantees related to works contracts	1.2	1.2	-	1.2
Residual commitments related to works contracts	83.5	146.3	-	146.3
Residual commitments related to forward purchase agreements	64.6	91.7	1,292.9	(2) 1,384.6
Liability warranties (capped) ⁽³⁾	16.1	9.0	-	9.0
Purchase undertakings and contingent fees	116.5	⁽⁴⁾ 105.0	19.9	124.9
Other guarantees given	0.5	1.5	17.4	18.9
TOTAL	492.9	562.3	1,811.8	2,374.1

⁽¹⁾ Mainly concerns the commitment to carry out maintenance and refurbishment works under the contract of the exhibition site Porte de Versailles.

⁽²⁾ Mainly concerns Rodamco's commitments linked to the building of new shopping centres and extension of current existing shopping centres.

⁽³⁾ Liability warranties granted under the usual terms for the disposal of companies, capped at €9.0 Mn, with the exception of certain specifically identified representations and warranties.

⁽⁴⁾ In the context of development projects, the Group has signed conditional purchase agreements amounting to a total of €75.1 Mn in the shopping centre division (mainly the off-plan forward acquisition of a shopping centre in Toulouse).

Other commitments given

- As part of the acquisition of 50.02% of Val Commerces (Etrembières shopping centre) in 2006, Unibail signed a promissory agreement with the minority partner to sell a share of SCI Val Commerces, if the Group's call option over the shares in the minority partner were to be null and void, cancelled or terminated.
- As part of the acquisition of a 50% stake in Gestion TB, organiser of the Technibois exhibition, Expositum made a commitment to purchase at the end of the financial year 2008 all shares held by the co-shareholder at this date.
- Unibail gave an earn-out commitment in the event that an extension permit is obtained for the Chelles 2 shopping centre before 2012. The maximum amount of this payment is €91.47 per square metre of contractual GLA (Gross Leasable Area), indexed according to the CCI (Construction Cost Index).
- Unibail Holding has undertaken to retain its interests in the three subsidiaries that own the Docks de Rouen, Carré Sénart II and Rivetoile projects until these centres are opened to the public.
- At the time of the sale of the company owning the property at 50, Avenue Montaigne in 2005, an indemnity warranty was given payable in the event there proves to be an inaccuracy in the representations made regarding the asset's legal position.
- Undertaking to sell shares in various exhibitions if the Group's call option is not exercised within a certain timeframe (price determined as a multiple of net operating income).
- Undertaking to acquire shares in the company that owns land at Ris-Orangis, scheduled for the construction of a shopping centre, contingent upon obtaining the requisite administrative consents.
- As part of the acquisition of 10% of the shares of Grandes Bruyères, a project to build a multi-brand store, Unibail signed an undertaking to acquire the remaining 90%, contingent upon certain conditions.
- The Paris Chamber of Commerce and Industry (CCIP) and Unibail Group signed on June 5, 2007 a memorandum of agreement to specify the terms and conditions of the potential merger of their operations in the convention-exhibition sector. Both partners would hold a 50% stake in those activities. The achievement of this project is subject to approval by the authorities in question.
- Rodamco Europe N.V. granted to IVG Immobilien AG the exclusive right to purchase the real estate located in Paris 8^{ème} at numbers 18 to 20 Av. Hoche, once the real estate has been redeveloped and 90% of the surface has been

leased. The purchase price will be based on the market value at the date of purchase. The right expires on December 31, 2009.

Commitments received

Commitments received (in € Mn)	Dec 31, 2006	June 30, 2007	June 30, 2007	June 30, 2007
	Unibail	Unibail before combination	Rodamco	Unibail- Rodamco
Refinancing agreements obtained but not used ⁽¹⁾	1,090.2	888.2	600.0	1,488.2
Guarantees received relating to Hoguet Regulation	64.8	56.8	-	56.8
Guarantees received from tenants	32.7	72.5	-	72.5
First lien lenders ⁽²⁾	75.0	75.0	-	75.0
Other commitments received	378.1	⁽³⁾ 396.0	8.2	404.2
TOTAL	1,640.8	1,488.5	608.2	2,096.7

⁽¹⁾ These agreements are usually accompanied by a requirement to meet specific target ratios based on revalued shareholders' equity and debt. This requirement has not changed since December 31, 2004. Certain credit lines are also subject to an early pre-payment (in full or in part) clause in the event of a change in ownership or a series of disposals reducing portfolio assets below a given threshold. Based on forecast budgets, excluding exceptional circumstances, these thresholds are not expected to be attained during the current year.

⁽²⁾ Lenders' second lien granted by SCI Karanis to Unibail. Equates to Unibail's share in the loan granted (i.e. €75 Mn).

⁽³⁾ Mainly liability warranties for acquisitions of companies which are also subject to bank guarantees for an amount of €4 Mn.

Other commitments received

- Following the acquisition of a 50% stake in Société d'Exploitation du Palais des Sports, Unibail Holding was accorded a promissory agreement to purchase the remaining 50%.
- Following the acquisition of a 51% stake in the Rennes Alma and Vélizy Usines Center shopping centres, Unibail was awarded a promissory agreement by the minority shareholder to purchase the remaining 49%, which comes into effect between December 1, 2008, and November 30, 2009.
- Following the acquisition of Val Commerces (Etrembières shopping centre), an indemnity warranty was received payable in the event there proves to be an inaccuracy in the representations made regarding the asset's legal position. A similar warranty was also received with respect to the acquisition of Labex.
- Commitments received from the partners in the sale of interests in exhibitions, the prices being determined on a multiple of net operating income.
- As a result of its participation in the subordinated loan granted to SCI Karanis, Unibail benefits from the following guarantees: bank account security, cap contracts, shares in SCI Karanis owned by Skyline and assigned insurance policies.
- Unibail and the Whitehall funds, owners respectively of a 49% and a 51% equity stake in SCI Karanis, the company owning the Coeur Défense property, have signed a sale agreement with Lehman Brothers Real Estate Partners and Atemi, subject to anti-trust clearance, to sell the company. As part of the transaction, Unibail's participation in the subordinated loan to SCI Karanis will be reimbursed. The sale values the asset at €2,110 Mn.
- Further to the acquisition in 2006 of a 50% stake in the Aupark shopping and entertainment centre (Slovak Republic), Rodamco has an option to extend its stake to 90%, as from 2013 onwards, either by the Group's offer to acquire the additional 40% stake, or by accepting the vendor's offer to sell it.

8) Employee remuneration and benefits

Personnel costs amounted to €43.0 Mn in the first half of 2007 (compared with €39.1 Mn in the first half of 2006). This included €1.3 Mn relating to the Company Savings Plan (compared with €1.2 Mn in the first half of 2006) (employer contribution and difference between the subscription price and the share price on the date of the capital increase) and €1.7 Mn relating to stock options (compared with €1.4 Mn in the first half of 2006), and €0.4 Mn relating to bonus shares.

On June 27, 2007, a share capital increase of €0.1 Mn was carried out reserved for employees under the Company Savings Plan, with the following characteristics: 28,668 shares issued at a nominal value of 5 euros. Additional paid-in capital increased by €4.6 Mn.

Stock-option plans

During the first-half year of 2007, there was no new stock-option plan granted by Unibail Holding.

Concerning Rodamco:

- a Performance Share Plan was set up in 2006. This plan was cancelled on June 21, 2007 and a cash compensation offered to participants of the plan,
- a Share Purchase Plan was set up in 2002 and ended in 2006. The participants were entitled to an interest-free loan from the company to buy Rodamco Europe N.V. shares. Following the business combination, these shares have been converted into Unibail-Rodamco shares (see 9. Related party disclosures).

Headcount

- In the first half of 2007, the average number of employees was 894, broken down as follows:

- | | |
|---------------------|-----|
| • UES(*) Unibail | 452 |
| • UES(*) Paris Expo | 194 |
| • Exposium SA | 248 |

- On June 30, 2007, the number of Rodamco employees was 637, broken down as follows:

- | | |
|-----------------------|-----|
| • Central Europe | 123 |
| • Corporate Center | 66 |
| • France | 87 |
| • Netherlands/Belgium | 79 |
| • Nordic Countries | 159 |
| • Spain | 123 |

(*) Unité Economique et Sociale – Social and Economic Group

Pension plan

The majority of the Group's pension schemes are defined contribution plans.

Regarding Rodamco, 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.

9) Related party disclosures

- Transactions with related companies

The consolidated financial statements include all of the companies in the Group's scope of consolidation (see 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's transactions with related companies

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

(in € Mn)	June 30, 2006	June 30, 2007
SCI Karanis		
Loan	77.1	78.4
Recognised interest	4.0	4.3
Fees invoiced ⁽¹⁾	0.7	0.7
Rental payments ⁽²⁾	-0.5	-0.5
SCI Triangle des Gares		
Loan	22.2	20.9
Recognised interest	0.5	0.3
Fees invoiced ⁽¹⁾	0.3	0.4

⁽¹⁾ Fees invoiced correspond to asset management and property management fees invoiced by the Group.

⁽²⁾ Rental payments correspond to rentals of conference rooms paid to Paris Expo SNC and rentals of car parks paid to S2B.

All of these transactions are based on market prices.

- Rodamco's transactions with related parties

- Aegon, a life insurance and pension company, has been one of the major shareholders of Rodamco Europe N.V. and has its headquarters in a property owned by the Group. In addition, Aegon provides the Group with a local pension and employee benefits program. These transactions between related parties have been done on arm's length conditions.
- A Share Purchase Plan was set up in 2002. The participants were entitled to receive an interest-free loan from the company to buy Rodamco Europe N.V. shares at the prevailing market price. Shares acquired under the scheme were to be held for at least three years. This plan ended in 2006.
As at June 30, 2007, all shares have been converted into Unibail shares. As at June 30, 2007, 8,841 shares of Unibail-Rodamco were held by the Management Board and the residual loan amounts to €0.7Mn.
As at June 30, 2007 8,515 shares of Unibail-Rodamco were held by the employees and the residual loan amounts to €1.4 Mn.

10) Transactions after the accounting date

- The disposal of SCI Karanis, the owner of the property Cœur Défense, was concluded on July 10, 2007, as described in 3.2 – Other Events.
- The property located at 27, rue de Bassano – Paris 8^{ème} was sold on July 18, 2007.
- A sale commitment, concerning the property located at 44, Rue de Lisbonne – Paris 8^{ème}, was signed on July 19, 2007.
- The shopping centre ‘A l’Usine’ near Roubaix, specialised in discount, was acquired on July 19, 2007.
- Regarding the Public Exchange Offer for Rodamco, a subsequent offer period began on June 22, 2007 and ended on July 10, 2007. At the end of this period, Unibail-Rodamco owned 95.74% of Rodamco Europe N.V. shares. The details of the operation are described in § 3 – Highlights of the first half of 2007.

Unibail-Rodamco
(Previously Unibail-Holding, S.A.)

Statutory auditors' review report on the first half-year financial information for 2007

Period from January 1, 2007 to June, 30, 2007

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

**BDO MARQUE &
GENDROT**

23, rue de Cronstadt
75015 Paris
S.A. au capital de € 27.200.000

Commissaire aux Comptes
Membre de la compagnie
régionale de Paris

**ERNST & YOUNG
Audit**

Faubourg de l'Arche
11, allée de l'Arche
92037 Paris-La Défense Cedex
S.A.S. à capital variable

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

Unibail-Rodamco

(Previously Unibail-Holding, S.A.)

Period from January 1, 2007 to June, 30, 2007

Statutory auditors' review report on the first half-year financial information for 2007

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

To the Shareholders,

In our capacity of statutory auditors and in accordance with the requirements of article L. 232-7 of the French Commercial Law (the Code de Commerce), we hereby report to you on:

- the review of the accompanying condensed half-year consolidated financial statements of Unibail-Rodamco, for the period January 1 to June 30, 2007,
- the verification of information contained in the half-year management report.

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

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements are not prepared, in all

material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to Interim financial information.

In accordance with professional standards applicable in France, we have also verified the information given in the interim half-year financial report commenting the condensed half-year consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

Paris and Paris-La-Défense, August 24, 2007

The statutory auditors

BDO MARQUE &
GENDROT

ERNST & YOUNG
Audit

French original signed by

*French original signed
by*

Joël Assayah

Bernard Heller

