APPENDIX TO THE PRESS RELEASE
AUGUST 27, 2007

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 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
Financial income	*24.9*	*18.8*	*45.7*
Financial expenses	*-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

CONSOLIDATED INTERIM INCOME STATEMENTS BY DIVISION (in € Mn)

	unibail·rodamco Consolidated Income Statements by division	2007 H1			2006 H1			2006		
		Recurring activities	Valuation mouvements and disposals	Result	Recurring activities	Valuation mouvements and disposals	Result	Recurring activities	Valuation mouvements and disposals	Result
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 deprciation	- 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 opearting 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
	Miscenaleous	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**

	2007 H1	2006 H1	2006
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%**

1. Accounting standards, scope of consolidation and entry in the accounts of the exchange offer for Rodamco shares.

The consolidated financial statements have been prepared in accordance with IFRS as adopted by the European Union and constitute condensed financial accounts. No changes were made in the implementation of accounting principles for the account statement of Unibail-Rodamco as per June 30, 2007 compared to Unibail's consolidated accounts as per December 31, 2006.

The financial statements reflect the result of the first phase of the exchange offer of Rodamco Europe (Rodamco) shares for Unibail shares and/or redeemable bonds. As a result of this offer, declared unconditional on June 21, 2007, Unibail held 79.63% of Rodamco shares.

The Unibail-Rodamco consolidated balance-sheet and NAV per June 30, 2007 reflected this control of 79.63% of Rodamco Europe by Unibail.
The subsequent offer period, which ended on July 10, 2007 and which raised the control to 95.74% will be accounted for in the second half of 2007.

As the impact of the first phase of the exchange offer (during the period between the end of the first phase and the closing of H1 accounts) was non material for the profit and loss account of the first half 2007, the transaction has been accounted for as per June 30, 2007.

Therefore, the analysis and comments of the first-half results presented below relates to Unibail's activities only and its property portfolio as it existed before the exchange offer.

Details of the accounting treatment regarding the exchange offer are described in the section 'Notes to the simplified consolidated financial statements as at June 30, 2007'.
The main elements are listed below:

- As payment for the 71,378,392 Rodamco shares contributed at the end of the first offer period, Unibail issued 27,917,226 shares and 9,363,708 redeemable bonds being the entire maximum number of redeemable bonds as stated in the exchange offer.
- The redeemable bonds are accounted for as equity capital[1], except for the net present value of the minimum coupon guaranteed until the issuer's first possible call option date for redemption (12 years).
- This resulted in (net of incurred costs):
  - An increase in equity capital of €5,358 Mn in issued Unibail shares.
  - An increase in equity capital of €1,575 Mn issued in redeemable bonds for their equity component.
  - €249.6 Mn in debt relating to the debt component of the redeemable bonds
- The cost[2] of the business combination after taking into account acquisition cost amounts to €7,322.6 Mn.
- The fair value of assets and contingent liabilities of Rodamco have been provisionally estimated at their value in the consolidated balance sheet of Rodamco as per June 30, 2007 (except for fixed rate financial debt accounted for its fair value).
- The difference between the total merger cost and the acquired stake of net assets as determined showed a provisional goodwill of €1,655.6 Mn. The basis of calculations will be reviewed at the year-end closing.
- Rodamco's share acquisitions or contributions after June 30, 2007, of which 14,443,054 shares (i.e. 16.11% of Rodamco's capital) contributed during the subsequent period of the exchange offer, are going to be accounted for as an acquisition of minority shares. For this reason, the difference between acquisition cost of such shares and the acquired stake of net assets will be directly deducted from equity.

2. Key indicators and highlights of first half 2007

The success of the exchange offer for Rodamco shares launched and announced jointly by Unibail and Rodamco on May 21, 2007, which saw the creation of a new European market leader in commercial property and the entry on the CAC40 index of the Paris Stock Exchange, were of course the main highlights of the first half 2007.

It is in the second half of 2007 that the full impact of the now double size of the group will have its effect on activity and the profit and loss account.

Two other major events took place in first half 2007:
- The signature of the sales agreement of the 49% participation in the property complex Coeur Défense, valuing the building at €2,110 Mn. The sale was completed on July 10.
- On June 5, 2007 an agreement was signed with the Paris Chamber of Commerce and Industry (CCIP), to merge the convention-exhibition activities of the two CCIP and Unibail entities as per January 1, 2008, subject to approval of the relevant authorities. A European market leader will then be created in the sector of conventions and exhibitions, regrouping the large Parisian sites (Palais des Congrès at Porte Maillot, Paris Expo Porte de Versailles, Paris-Nord-Villepinte, Le Bourget, the Cnit, the Carroussel du Louvre, Espace Champerret, Espace Grande Arche and the Palais des Sports) as well as two major exhibition organisers (Exposium and Comexpo).

Recurring EPS (earnings per share) amounted to € 4.05 per share for the first six months of 2007. This represented an increase of 22% compared with first half 2006.
This performance was consistent with the Group's growth target of recurring EPS of more than 15% growth over the year as a whole, whilst taking into account the effects of the exchange offer in the second half 2007.

Unibail-Rodamco's fully-diluted triple net liquidation NAV (Net Asset Value), Group share came to €159.7 per share as at June 30, 2007, up 13.6% compared with year-end 2006.
Value creation during the six-month period amounted to €21.10 per share, by adding to NAV growth of €19.10 per share, the €2 dividend paid out during the first six months of 2007.

Net profit (group share), including fair value adjustments for investment properties, amounted to €1,143.9 Mn.

[1] According to IAS 32 standard
[2] According to IFRS 3 standard

The income statement has been presented both in the format recommended by EPRA[3] and by business division.
The following comments refer to the analysis of the income statement by division.

3. Business review by division

The business review for the first half of 2007 only relates to Unibail's property portfolio before the Exchange Offer, as Rodamco's portfolio was consolidated effective June 30, 2007. Where relevant, Rodamco figures have been included for information purposes.

3.1 Shopping centres

The shopping centre market during the first half of 2007

The growth forecast for the French GDP announced by the French National Statistical Office INSEE is estimated at 2.1% for the year 2007 compared to 2.2% for 2006[4]. Several factors sustained consumer spending: improvement of spendable income, an increase in social allocations as well as contained inflation were the main reasons.

The Banque de France Index (retail sector "champs petit commerce") posted an increase of 2.5% in the first half of 2007 despite a particularly disappointing performance in May.

In this context, tenants' turnover in Unibail's shopping centres registered an increase in total for the first half of 2007 of 6.0% in volume and of 5.1% on a comparable retail unit basis[5], especially in the greater Paris region (up 6.2%) and slightly less in the rest of France (up 5.5%).

Les Quatre Temps and Vélizy 2 benefited largely from the positive renovation effect: plus 14% in volume for Les Quatre Temps and +9% in volume for Vélizy 2. Rosny 2 continued its upward trend (plus 7.0% in volume) and Carré Sénart continued its long-standing dynamic growth (up 9% in volume). Due to the ongoing renovation, the Cnit registered a decline of -12.6% in volume but an increase of 1.4% on comparable retail units basis.
In the French provinces, Saint-Genis 2 in Lyon (up 6.6%), Labège 2 in Toulouse (up 7.4%) and Nice Etoile (up 6.0%) were the best performers (on comparable retail units basis). On the other hand, Cité Europe near Calais remained stable thanks to a favourable month of June.

Within the scope of a very limited offer of good quality shopping centres for sale, the increase in demand from French and foreign investors, which started already some years ago, continued its upward trend during the first half of 2007. This situation caused a further yield compression on all asset classes.

First half 2007 shopping centres activities

Shopping Centre Division (€ Mn)	2007-H1	2006-H1
Rental income	133.2	121.7
Net operating expenses	- 4.7	- 8.8
Net service charge expenses	*- 1.1*	*- 1.6*
Expenses related to properties	*- 0.6*	*- 4.0*
Properties management expenses	*- 3.1*	*- 3.1*
Ground rents	- 1.5	- 1.5
= Net rents ----------------------------	**127.0**	**111.5**
Asset management expenses	- 3.1	- 2.6
Shopping centre division recurring net operating income	**123.9**	**108.9**
Contribution of companies consolidated under equity method	1.5	1.7
Interest on financial assets	0.3	0.5
Recurring result of shopping center division	**125.7**	**111.0**

During the first half of 2007, Unibail's shopping centre division generated €133.2 Mn in gross rental income, a rise of 9.4% compared with €121.7 Mn recorded in the same period of 2006.

Total net rental income amounted to €127.0 Mn, representing an increase of 13.9% compared with the first half of 2006. This rise of €15.5 Mn breaks down as follows:

- €2 Mn was generated by the acquisitions in the first half of 2006 of the shopping centre Etrembières as well as the co-ownership lots of the Toulouse Labège centre
- €2 Mn deriving from acquisitions of co-ownership lots (Maine Montparnasse, Vélizy 2, Rosny 2) and the restaurant area of Carré Sénart 2 becoming operational
- A loss of €2.1 Mn from disposals, mainly Chelles 2 in January 2007
- €3 Mn deriving from reversal of risk provision in Nice Etoile
- €10.6 Mn reflecting the increase in net rental income on a like-for-like basis. This represented a 9.8% growth compared to the first half of 2006 and breaks down as follows :
    - 5.5% from the impact of rent indexation
    - 6.4% from new leases
    - minus 3.6% due to tenants departures
    - 1.5% from lease renewals

A total of 166 new leases and renewals were signed during the first half of 2007 (versus 183 during the first half of 2006) generating full-year rentals of €21.8 Mn.

- The level of renewals was sustained with 61 leases signed during the first half of 2007, generating a gain in full-year rental income of €1.5 Mn
- 105 new lettings and relettings were signed for a full-year rental income of €15.9 Mn, whereas for the same period 54 departures were registered generating a loss of € 5.1m in rental income

All in all, same surface renewals and relettings generated an increase of 47% of the minimum guaranteed rents.

As at June 30, 2007 aggregated full-year rental income from Unibail's shopping centre division amounted to €243 Mn, excluding variable rents and other income.

The following table shows a breakdown by lease expiry date and by next termination option:

[3] European Public Real Estate Association
[4] INSEE, Economic Report, June 2007
[5] Unibail in consolidated percentage, excluding hypermarkets and excluding *Chelles 2* (sold) and *Euralille (consolidated under equity method)*

Lease expiry schedule for Shopping centre portfolio (rent roll in € Mn)				
year	At date of next break option	as a % of total	at lease-end date	as a % of total
Lease expired & car parks	24.3	10.0%	24.3	10.0%
2007	2.8	1.1%	2.8	1.1%
2008	77.5	31.9%	8.7	3.6%
2009	60.2	24.8%	14.5	6.0%
2010	68.0	28.0%	27.9	11.5%
2011	2.7	1.1%	19.9	8.2%
2012	1.8	0.7%	41.3	17.0%
2013	0.1	0.1%	17.1	7.0%
2014	1.3	0.5%	19.8	8.2%
2015	-	0.0%	17.4	7.2%
2016	0.5	0.2%	19.8	8.1%
2017	2.3	0.9%	26.2	10.8%
beyond	1.6	0.7%	3.3	1.4%
Total	**243.0**	**100.0%**	**243.0**	**100.0%**

The average occupancy cost ratio[6] for Unibail's shopping centres came to 10.9% against 10.8% as at December 31, 2006.

The financial vacancy rate was 1.3% at June 30, 2007 (including a strategic vacancy rate of 0.1%) compared with 1.8% at year-end 2006. Rental income from vacant space in operation amounted to €3.3 Mn on a full-year basis.

The retail space undergoing renovation at CNIT represented a potential additional rental income evaluated at €7.2 Mn.

After integrating Unibail's share in the profits of Euralille (€1.5 Mn), a centre owned by a company accounted for under the equity method, as well as €0.3 Mn in revenue generated by the loan granted to this company and after deducting € 3.1Mn of asset management cost for the whole division, recurring net operating profit for the shopping centre division came to €125.7 Mn at June 30, 2007 against €111 Mn as at June 30, 2006.

The centre Chelles 2, under a sale commitment as per December 31, 2006, was finally sold on January 19, 2007 for the amount of €88.1 Mn. No capital gain came from this sale into 2007 result, as this asset was already taken on the balance sheet per December 31, 2006 for its fair value based on the sale commitment, resulting in a capital gain of 17.7% over the year 2006.

Unibail invested €152.1 Mn in its shopping centre division during the first half of 2007 (€136.7 Mn on a group share basis).

- During the first half of 2007, Unibail acquired co-ownership lots for the amount of €13.2 Mn in the shopping centre Maine Montparnasse as well as lots in the shopping area next to Vélizy 2
- The Group's position was strengthened in the Toulouse centre Labège and the Rosny 2 centre via acquisitions of additional lots for a total amount of €8.4 Mn
- €45.7 Mn was invested (€33.2 Mn on a group share basis) in renovation works and extending existing centres, mainly Les Quatre Temps and CNIT at La Défense
- €72.8 Mn was devoted to new shopping centre construction projects, mainly Les Docks in Rouen (€22.5 Mn), Lyon Confluence (€19.1 Mn), Strasbourg Rivétoile (€13.5 Mn), the opening of which is planned for 2008 and Carré Sénart II (€11.5 Mn), which will be delivered in October 2007
- €12 Mn in financial expenses, eviction cost and letting fees was capitalised.

[6] Occupancy cost ratio = (rental charges + service charges - including GIE (Retailers Economic Interest Group) cost for tenants) / tenants' sales

After having obtained final administrative authorisations in June, construction works for the extension of Labège 2 will start in the second half of 2007, which will also be marked by two other important deliveries, being: the extension of 16,000 m² at Carré Sénart and the eastern part extension of Les Quatre Temps.

On July 19 latest, the Group acquired 'A l'Usine', a shopping centre near Roubaix of 18,000 m² and with 85 shops, specialised in discount or 'stock clearance'.

As at per June 30, 2007 the shopping centre portfolio was valued on the balance sheet at €5,567 Mn, excluding transfer taxes and disposal cost. Of this total €5,309 Mn is accounted for as investment property[7] and valued at fair value based on appraisals carried out by CB Richard Ellis Bourdais (see 'Net Asset Value' section).

Fair value adjustments to investment properties generated a gain of €322 Mn on the income statement at June 30, 2007, plus €4.1 Mn in adjustments to the value of shares held in SCI of Triangle des Gares, which owns the Euralille shopping centre and is accounted for under the equity method.

The shopping centre portfolio deriving from Rodamco was valued at €10,329 Mn (excluding transfer taxes and disposal cost) at June 30, 2007.

3.2 Office properties

The office property market during the first half 2007[8]

With almost 1.4 million m² let in the Paris region, at a steady level of office take-up compared to the first half of 2006, the first six months confirms brokers' estimates of a successful year 2007 with a take-up at year-end estimated at approx. 2.7 million m².

Paris and Western Paris represented 72% of office space taken-up, confirming the dominant position of the traditional business sectors in the Paris region.

While there was a rise in take-up for small and medium office spaces in the Central Business District (CBD) (up by 24% in volume year-on-year), letting transactions for large office spaces contributed largely to the improvements in the La Défense business district (up by 17% in volume year-on-year).

New or redeveloped offices accounted for a third of letting transactions. The rising demand for further new office space accelerated preletting activities, therefore causing a decline In the portion of new quality space in the immediate available office offer. New or redeveloped space only represented 20% of the available surface which remained around 2.4 million m².

The average vacancy rate in the Paris region stabilised at 5%, with discrepancies between the areas of the Paris region. The decline in the vacancy rate continued in the traditional central business areas (minus 3.8% in the CBD and 4.5% at La Défense), whereas rates just outside of Paris city centre e.g. north of Paris remained high.

[7] Plus €171.6 Mn for the shopping centres under construction and €86.3 Mn for centres owned by companies consolidated under the equity method

[8] Sources : Immostat Data / Atisreal / CBRE

The increase in headline rents reflected the decline in the vacancy rate. Because of a declining offer in good quality and well-situated office buildings, 'prime' rents continued their rise up 10.5% in the Paris CBD over first half 2007.

Furthermore, letting incentives granted by lessors were reduced.

Investment in commercial property continued to attract investors with a total of investments of €13.3 Bn. Office property represented 76% of investments in the first half of 2007 representing €10.1 Bn. The success of these kind of assets was explained by market fundamentals: the low vacancy rate (in particular in the traditional business areas), a sustained volume in office take-up and an increase in rental values. In a market with a limited offer of high quality buildings providing secure cash flows, a high volume of available invested capital led to a fall in yield to 3.6% for 'prime' office buildings in the Paris CBD.

First half 2007 Office division activities

Office Division (€ Mn)	2007-H1	2006-H1
Rental income	77.5	67.7
Net operating expenses	- 4.0	- 4.0
Net service charge expenses	*- 1.8*	*- 2.2*
Expenses related to properties	*- 2.0*	*- 1.4*
Properties management expenses	*- 0.2*	*- 0.5*
Ground rents	- 0.0	- 0.0
= Net rents	**73.5**	**63.7**
Asset management expenses	- 2.2	- 2.2
Office division recurring net operating income	**71.3**	**61.5**
Contribution of companies consolidated under equity method	- 0.9	1.8
Interest on financial assets	4.3	4.0
Recurring result of office division	**74.7**	**67.3**

Gross rental income during the first half of 2007 came to € 77.5 Mn, representing an increase of €9.8 Mn compared with the first half of 2006, owing to the following four principal factors:

- An increase of €8.7 Mn in like-for-like rental income, including €1.9 Mn of indemnities from early departing tenants[9]
- €7.5 Mn in additional rental income from the letting of the Murat part of Capital 8 and from 44 Lisbonne both in Paris/8th Arrondissement
- A rental shortfall of €6.8 Mn due to properties sold in 2006 (41 rue Ybry in Neuilly; 189 boulevard Malesherbes in Paris/17th Arr.; 31 rue du Colisée in Paris/8th Arr.; 70 boulevard de Courcelles in Paris/17th Arr.; Palais Hanovre in Paris/9th Arrondissement)
- A gain of €0.5 Mn in rental income from the letting of offices in the Cnit building, although most of the rental surface is currently undergoing renovation.

Net rental income for the Office division during the first half of 2007 came to €73.5 Mn, up from €63.7 Mn in the same period of 2006.

On a like-for-like basis, net rental income grew by 18.6% compared to the first half of 2006. This increase of €10.3 Mn breaks down as follows:

- €2.5 Mn in additional rental income compared with the first half of 2006 as a result of rental indexation (up 4.6%)
- New leases signed generated €8.5 Mn in the first half of 2007, representing an increase of 15.3%
- €1.4 Mn in additional rental income from lease renewals (up 2.5%)
- Tenant departures generated a net rental shortfall of €3.7 Mm compared with the first half of 2006 (net of indemnities received from early departing tenants i.e. a decrease of 6.6%)
- The balance of €1.6 Mn resulted from a reduction in non-refundable charges, with the ratio of net rental income to gross rental income rising to 97.0% from 93.9% year on year.

The new leases and increases in letting surface signed during the first half of 2007, which represented 22,780 m², generated a rise in full-year rental income of €13.4 Mn. The most significant leases[10] were:

- Les Villages at La Défense: 11,500 m² let by Société Générale and Star GT Acquisition (Société du Louvre)
- 44 Lisbonne in Paris/9th Arr.: the entire building (4,023 m²) let to AT Kearney
- Capital 8 in Paris/8th Arr.: 4,230 m² let, of which 2,833 m² to an American law firm Dechert Price & Rhoads, and smaller surfaces to Rothschild & Cie Banque and to AS Watson.

The rental levels obtained were € 430/m² at La Défense and € 720 to € 785/m² in Paris/8th Arr, increasing compared to the lettings of the previous semester.

Three early departures at the tenants' requests were registered, with indemnity payments of which €1.9 Mn accounted for in the first half of 2007. On the basis of lease terminations, this represented a gross rental shortfall of nearly €6 Mn on a full-year basis, but gives the opportunity of important rent revaluations e.g. the building at 7 Adenauer in Paris/16th which will be subject to renovation to be completed in the first half of 2008.

As at June 30, 2007 combined full year rental income generated by the office portfolio amounted to €180.4 Mn. The expiry schedule of the leases (termination option and end of lease) is shown in the following table.

Lease expiry schedule for Office portfolio (rent roll in € Mn)				
year	At date of next break option	as a % of total	at lease-end date	as a % of total
Lease expired & car parks	1.3	0.7%	1.3	0.7%
2007	8.8	4.9%	8.8	4.9%
2008	31.9	17.7%	2.8	1.5%
2009	22.5	12.5%	15.2	8.4%
2010	29.2	16.2%	1.3	0.7%
2011	10.2	5.6%	5.5	3.1%
2012	6.8	3.8%	6.9	3.8%
2013	11.1	6.2%	49.7	27.5%
2014	4.3	2.4%	16.1	8.9%
2015	25.5	14.1%	33.6	18.6%
2016	18.9	10.5%	28.2	15.6%
2017			0.4	0.2%
Au-delà	9.8	5.4%	10.6	5.9%
Total	**180.4**	**100.0%**	**180.4**	**100.0%**

Potential rents from vacant office space in operation amounted to €15.2 Mn at June 30, 2007. The financial vacancy rate falls to 7.8% on June 30, down from 14.2% at year-end 2006.

[9] *7 Adenauer-Paris-16th Arrondissement* and *Issy Guynemer*

[10] Weighted average surface area in m², if not otherwise stated

As at June 30, 2007, 72% of the financial vacancy came from Capital 8-Paris 8th, and for the remainder from 39/41 Cambon-Paris 1st and the part of the Cnit building not undergoing renovation. Of the Capital 8 complex total lettable area of 63,422 m², 14,770 m² (excluding inter-company restaurant) is still available.

Potential rents from properties undergoing renovation (Cnit and 12 Mail) were valued at €11.3 Mn.

In addition to net rental income generated by fully consolidated companies, the Group also recorded its share in the profits of the 49% stake of SCI Karanis (owner of Coeur Défense) and consolidated under the equity method, as well as interest on loan granted to this company, for a total net amount of €3.4 Mn.

After deducting €2.2 Mn of asset management cost, recurring result for the office portfolio came to €74.7 Mn for the first half of 2007, compared to €67.3 Mn in the first half of 2006.

No building was sold during the first half of 2007, but negotiations were in progress for the disposal of three buildings, for which the sale agreements were signed in July 2007.

- The most important sale being the Group's 49% remaining stake in Coeur Défense. This disposal of the stake in the ownership company is based on the value of the building of € 2 110 Mn, ie a 21% rise to last appraised value. The sale was completed on July 10, 2007.
- The building 27 Bassano in Paris/8th, the disposal of which was agreed upon on April 26, 2007, was sold on July 18.
- A sale commitment was signed on July 19 for the building 44 Lisbonne in Paris/8th recently let to AT Kearney.

Excluding Coeur Défense, the properties to be sold during the second half of 2007 will generate net proceeds of €98 Mn, representing a 32% premium over last appraised values as at Dec 31, 2006.

Unibail invested €82.8 Mn in its office portfolio during first half of 2007, including:

- €55.8 Mn in renovation works (essentially the Tour Ariane and the Cnit , both at La Défense)
- €12.7 Mn for the construction of the building in Clichy with delivery planned for February 2008
- €7.7 Mn for projects, mainly Phare and Majunga at La Défense
- The remainder of €6.7 Mn included capitalised interest charges (€2.9 Mn), letting fees and internal charges.

The office portfolio was valued at €4,345.1 Mn (excluding transfer taxes and disposal cost) on the balance sheet at June 30, 2007. This included:

- €3,610.5 Mn in assets recorded as investment properties and accordingly marked-to-market based on independent appraisals carried out by DTZ Eurexi (see following 'Net Asset Value' section)
- €95.5 Mn of buildings under sale agreements or advanced sale negotiations as per June 30 as mentioned above, for which the stated value is the one as mentioned in the sale agreement.
- €106.9 Mn taken into the accounts as operational buildings for internal use (3/5 Malesherbes, head office of Unibail-Rodamco and part of 70 Wilson head office of Exposium) and therefore stated at their historical cost.
- €78.2 Mn for projects accounted for at construction cost.
- €454 Mn for the 49% stake in Karanis (the holding company of Coeur Défense) and loans granted to Karanis, based on the received offer value.

The change in the fair value of investment properties since December 31, 2006 generated a surplus of €392.7 Mn with an additional €208.2 Mn due to the increase in the fair value of shares in SCI Karanis, owner of Coeur Défense, and accounted for under the equity method.

The office portfolio (including industirals and others) deriving from Rodamco was valued at €998.0 Mn (excluding transfer taxes and disposal cost) at June 30, 2007.

3.3 Convention-Exhibition centres

Operating profit in the Convention-Exhibition division comprises the following:

- Operating profit from exhibition venue management activities which includes net rental income and net income from on site services provided by Paris Expo top organisers and exhibitors;
- Net rental income from the Cnit Hilton and Méridien Montparnasse hotels;
- Operating profit from the trade show organisation business (Exposium).

Convention-Exhibitions Division (€ Mn)	2007-H1	2006-H1
Rental income	49.1	54.8
Net operating expenses	- 19.1	- 19.0
Ground rents	- 4.7	- 6.0
= Net rents	**25.2**	**29.8**
Property services revenues	23.1	26.7
Net operating expenses	- 16.8	- 19.6
= On site property services	6.3	**7.1**
Net operating income of Paris Expo	**31.5**	**36.9**
Rental income from hotels	6.8	5.8
Net operating expenses	- 0.0	0.3
Hotel net operating income	**6.8**	**6.1**
Fees from exhibition organizing	52.5	59.0
Net operating expenses	- 49.4	- 47.2
Exhibition organizing net operating income (Exposium)	**3.1**	**11.7**
Tangible assets depreciation	- 1.8	- 1.8
Intangible assets depreciation	- 1.7	- 1.7
Convention-exhibition division net operating result	**37.8**	**51.1**
Contribution of companies consolidated under equity method	0.3	- 0.1
Recurring result of the convention exhibition division	**38.2**	**51.0**

Conventions-exhibitions venue management activities

Total revenues from Paris Expo came to €72.2 Mn in the first half of 2007 versus €81.5 Mn in the first half of 2006 and €72.4 Mn in the first half of 2005.

Even years always generate higher revenues than odd years, since a larger number of major biennial shows[11] take place in even numbered years.

The apparent stability in activity versus 2005 (comparable year) resulted from the closure of the Cnit site since March 31, 2007. Renovation works are due to be finished in October 2007. Except for the Cnit venue, revenue growth amounted to 3.7% compared to the first half of 2005.

Exhibitions:

[11] Paris Motor Show, housing equipment, hotel equipment *(Mondial de l'Automobile, Interclima/idéobain, Equip'hôtels…)*

The strategy engaged several years ago continued to bear fruit. Paris Expo continued its growth with new exhibitions as well as extending existing ones, which compensated for the slight decrease in site occupancy time per exhibition (due to shorter assembly and dismantling times).

In the first half of 2007, Paris Expo saw the creation of 13 new events, in comparative growth versus last year, a visible sign for a positive trend in the exhibition activity in the Paris region.

The trend seen over the last years regarding visitor numbers continued in the first half of 2007 with increased attendance at trade fairs as well as large public shows, especially at the Porte de Versailles site. This increased attendance was favourably influenced by the Paris Tram N°3 (Boulevard des Maréchaux) becoming operational, which - together with the Tram N° 4 (Val de Seine) still under construction - will increase the catchment area to 3 million people within less than 30 minutes from the Porte de Versailles exhibition site.

Corporate events:

A number of 124 corporate events were held on all sites during the first half of 2007, a direct result from an improved policy towards large companies, cooperation with event agencies and venue advisers with Paris Expo.

Conventions:

This segment, which represents less than 5% of total revenues of Paris Expo, continued its development with two new conventions for the first half of 2007 (one national and one international).

First half operating income from Paris Expo's combined rental and service activities came to €31.5 Mn in 2007, €36.9 Mn in 2006 and €31.2 Mn in 2005. Excluding the impact of the closure of the Cnit, the increase compared to the comparable year 2005 was 5.1%.

The hotels Méridien-Montparnasse and Hilton-CNIT, which are part of the business division, showed an operating profit of €6.8 Mn for the first half of 2007 (versus €6.1 Mn for the first half of 2006).

Investment at the venues managed by Paris Expo during the first half of 2007 amounted to €7.2 Mn and involved mainly the renovation works of the Cnit (€5.3 Mn), which is due for reopening in October 2007 and the Parc des Expositions at Porte de Versailles (€1.4 Mn).

As at June 30, 2007 the convention-exhibition venues and hotel portfolio were valued on the balance sheet at €872.8 Mn (excluding transfer taxes.)

Exposium activity

Given the timing and frequency of Exposium's shows, 2007 will be a year of low activity, whereas 2006 saw a favourable combination of biennial and triennial events.

A total of 13 events were held in the first half of 2007, the most important of which was the SIMA (agricultural equipment) at Paris Nord Villepinte with a 6% increase in number of visitors compared to the last session.

The Salon du Meuble (furniture trade show) held in January 2007 had a performance below expectations and was disposed of at a surplus of €0.2 Mn compared to its acquisition cost in 2006.

Over the first half of 2007 total revenues amounted to €52.5 Mn.

Exposium's contribution to Unibail's consolidated net operating income during the first half of 2007 came to €3.1 Mn. No comparison can be made with the first half of 2006 (+€11.7 Mn) because of the seasonality as mentioned above.
As per June 30, 2007 Exposium acquired for an amount of €1.8 Mn, three trade shows in the tourism sector to complete, under the name of Mahana, the offer of tourism trade shows in the provinces.

The main event for the Convention-exhibition division during the first half of 2006 remained of course the signature of the agreement on June 5, 2007 with the Paris Chamber of Commerce and Industry (CCIP), to merge the convention-exhibition activities of the two CCIP and Unibail entities as per January 1, 2008, subject to approval of the relevant authorities. A European market leader will then be created in the field of conventions and exhibitions regrouping the large Parisian sites (Palais des Congrès at Porte Maillot, exhibition centres Porte de Versailles and Paris-Nord-Villepinte, Le Bourget, the CNIT, the Carrousel du Louvre, Espace Champerret, Espace Grande Arche and the Palais des Sports) as well as two major exhibition organisers (Exposium and Comexpo).

3.4 Other services

Other services mainly comprise income from Espace Expansion (property and asset management and property development) and U2M (shopping centre entertainment and multimedia services).

The contribution from these two companies came to €1.6 Mn for the first half of 2007.

4. Half year 2007 profit

Administrative expenses not assignable to a specific division amounted to €4.9 Mn compared to €5.8 Mn in the first half of 2006. These mainly include the head office and general expenses shared by all divisions.

Cost incurred for the study of uncompleted development projects amounted to € 1Mn during the first half of 2007.

The 'Other' item reflects:

- gains and losses on the finance leasing portfolio, on which the residual amount is winding down, amounted to €10.9 Mn as at June 30, 2007. The exercise of a call option gave rise to a non-recurring gain of €2.9 Mn.
- €12.3 Mn reversal of risk provision following the outcome of the litigation with Accor regarding the take-over conditions of the company CNIT S.A. by Unibail in 2000.
- €2.4 Mn of incurred cost for the merger of the Unibail and Rodamco working teams in France.

The sum of total net operating profit for all divisions, as presented in the income statement per sector and after deduction of shared expenses and cost, constituted a net operating profit, as shown on the EPRA-recommended format of the income statement, which amounted to €953.1 Mn (including €713 Mn deriving from asset disposals and fair value adjustments)[12].

Breakdown of net operating profit (€ Mn)	global	of wich recurring
Office division	464.0	71.3
Shopping centre division	444.2	123.9
Convention-exhibitions division	37.8	37.8
Property services	1.6	1.6
Other income and expenses	5.4	5.4
Net operating profit	**953.1**	**240.0**

Financial expenses

Group net financial expenses totalled €51 Mn, including capitalised financial expenses of €6.4 Mn incurred by the financing of projects under construction.

Net borrowing expenses thus came to €44.6 Mn.

The Group's average refinancing rate came to 3.6% during the first half of 2007, compared with 3.5% for the year 2006 as a whole. Unibail's refinancing policy is described in the following section 'Financial Resources'.

Against the background of higher interest rates, hedging instruments (swaps and caps) recorded an increase in their fair value of €98.3 Mn, compared with December 31, 2006. In accordance with the options adopted by Unibail for IAS 39, this amount was recognised as profit in the income statement.

Discounting of provisions and liabilities (mainly the four-year deferred exit tax payment following election for SIIC tax status) resulted in a charge of €1.3 Mn.

Tax

The tax expense recorded by companies not qualifying for the exemption under SIIC tax status amounted to €5.6 Mn, of which € 1.1m was attributable to taxable profit from recurring activities (Paris Expo Porte de Versailles, Exposium and its subsidiaries, Espace Expansion). The remainder of €4.5 Mn principally represents the deferred tax on fair value adjustments on non-SIIC assets.

Following a fiscal audit of Unibail holding in 2004-2005, provisions were made on the balance sheet for the amount of €16.8 Mn. As part of the adjustment was withdrawn, Eur €7.6 Mn of the provision was released as per June 30, 2007.

Consolidated net profit after tax for the first half of 2007 amounted to €1,225.6 Mn against €1,125.6 Mn for the first half of 2006.

Minority interests in this profit amounted to €81.6 Mn. They related mainly to shopping centres Les Quatre Temps and Forum des Halles as well as certain companies within the Exposium group.

Consolidated net profit (group share) amounted to €1,143.9 Mn in the first half of 2007. This figure breaks down as follows:

- **€186.7 Mn in recurring net profit**
- **€957.2 Mn in fair value adjustments and net gains on property disposals**

The average number of shares in issue during this period was 46,142,271.

Recurring Earnings Per Share came to € 4.05 during the first half of 2007, representing a rise of 22% compared to the first half of 2006.

5. Outlook

As per June 30, 2007 results showed an excellent operational performance of the Group for the first half year.

This will allow the Group to confirm its stated target of more than 15% growth in recurring earnings per Unibail-Rodamco share for 2007, integrating the impact of the merger with Rodamco in the second half of 2007.

[12] Excluding assets owned by companies under the equity method (*Coeur Défense* and *Euralille*)

NET ASSET VALUE AS AT JUNE 30, 2007

Unibail-Rodamco's fully-diluted triple net liquidation NAV (Net Asset Value) after taking into account the impact of the exchange offer on Rodamco came to €159.7 per share as at June 30, 2007, up 13.6% compared with year-end 2006.

Value creation during the six-month period amounted to €21.10 per share, by adding to NAV growth of €19.10 per share, the €2 dividend paid out during the first six months of 2007.

1. PROPERTY PORTFOLIO

Unibail-Rodamco's asset portfolio was valued at €23,879 Mn as at June 30, 2007, including transfer taxes and disposal costs. At this date, the asset portfolio attributable to Unibail (prior to the Public Exchange Offer) was valued at €12,004 Mn, with Rodamco's assets valued at €11,875 Mn.

Asset portfolio valuation of UNIBAIL-RODAMCO (including transfer taxes)	December 31, 2006 UNIBAIL		June 30, 2007 UNIBAIL (before PEO)		June 30, 2007 RODAMCO Impact		June 30, 2007 UNIBAIL-RODAMCO	
	€ Mn	%	€ Mn	%	€ Mn	%	€ Mn	%
Shopping centres	5,523	51%	5,905	49%	10,833	91%	16,738	70%
Offices & Industrials	3,904	36%	4,665	39%	1,042	9%	5,707	24%
Convention-Exhibition centres	936	9%	943	8%		0%	943	4%
Services (Exposium & Espace Expansion)	493	5%	492	4%		0%	492	2%
Total	**10,856**	**100%**	**12,004**	**100%**	**11,875**	**100%**	**23,879**	**100%**

Excluding Rodamco's assets, the value of Unibail's portfolio grew from €10,856 Mn at year-end 2006 to €12,004 Mn by June 30, 2007. On a like-for-like basis, the value of the overall portfolio increased by €807 Mn net of investments, i.e. a rise of 7.9% compared with year-end 2006.

Asset portfolio valuation of UNIBAIL before PEO (including transfer taxes) (1)	December 31, 2006		June 30, 2007		Like-for-like change at June 30, 2007 (2)		Like-for-like change net of investment at June 30, 2007	
	€ Mn	%	€ Mn	%	€ Mn	%	€ Mn	%
Shopping centres	5,523	51%	5,905	49%	382	7.4%	339	6.6%
Offices	3,904	36%	4,665	39%	530	14.7%	468	13.0%
Convention-Exhibition centres	936	9%	943	8%	6	0.6%	- 1	-0.1%
Services (Exposium & Espace Expansion)	493	5%	492	4%	-	0.0%	-	0.0%
Total	**10,856**	**100%**	**12,004**	**100%**	**919**	**9.0%**	**807**	**7.9%**

(1) Based on a full scope of consolidation, including transfer taxes and disposal costs.
The valuation of the portfolio includes:
- the appraised value of the entire property portfolio;
- the market value of Unibail's equity holdings in companies consolidated under the equity method and loans granted to these companies (SCI Karanis, which owns Cœur Défense and SCI Triangle des Gares, which owns the Euralille shopping centre); for Karanis, market value was calculated based on the sale that took place on July 10, 2007.
- the appraised value of the Exposium group at December 31, 2006 (annual appraisal) plus the value of acquisitions and less the value of disposals, as well as the value of Espace Expansion at December 31, 2006 (annual appraisal).

(2) Principal changes in the scope of consolidation during 2006:
- Divestment of the Chelles 2 shopping centre.
- Acquisitions of co-ownership lots in the Labège, Maine Montparnasse and Vélizy avenue de l'Europe shopping centres.
- The acquisition by Exposium of three trade fair business franchises and brands for a total cost of €15.3 Mn and the divestment of the Salon du Meuble exhibition for € 17.5 Mn.

Changes on a like-for-like basis do not include the changes listed above.

For the record, the value of Rodamco's portfolio appreciated from €10,977 Mn at year-end 2006 to €11,875 Mn at June 30, 2007 (up 6.8% on a like-for-like basis net of investments):

Asset portfolio valuation of RODAMCO (including transfer taxes)	December 31, 2006		June 30, 2007		Like-for-like change at June 30, 2007 (1)		Like-for-like change net of investment at June 30, 2007 (1)	
	€ Mn	%	€ Mn	%	€ Mn	%	€ Mn	%
Shopping centres	10,034	91%	10,833	91%	703	6.9%	678	6.7%
Offices & Industrials	943	9%	1,042	9%	47	8.6%	46	8.5%
Total	**10,977**	**100%**	**11,875**	**100%**	**750**	**7.0%**	**724**	**6.8%**

(1) Including a €41.5 Mn currency loss

As at June 30, 2007, independent appraisers had valued 91.3% of Unibail-Rodamco's portfolio.

The appraisers valuing Rodamco's assets are appointed from a short list based on a number of solid qualifications, e.g. reputation, credibility, compliance with RICS (Royal Institute of Chartered Surveyors and ISVC 'International Valuation Standards Committee' and code of conducts. This list is used to select appraisers and includes: CB Richard Ellis, Cushman & Wakefield, Healey & Baker, Jones Lang LaSalle and DTZ.
They are rotated by asset every three years.

The appraisers who have valued Unibail's portfolio since 2005 are DTZ Eurexi for the Office division, CR Richard Ellis Bourdais for the Shopping Centre division and KPMG for the Convention-Exhibition division. The Cnit-Hilton and Méridien-Montparnasse hotels have been appraised by DTZ Eurexi since December 31, 2006. The Exposium group and Espace Expansion were appraised by PricewaterhouseCoopers as at December 31, 2006.

The valuations include disposal costs and transfer taxes. They reflect the amount a buyer would have to pay to reconstitute the same portfolio by acquiring each asset. Disposal costs and transfer taxes are then deducted for the purposes of the balance sheet presented under IFRS format and the NAV calculation according to specific methods detailed in §3.6.

The remaining assets (8.7%), which have not been externally appraised as at June 30, 2007, have been valued as follows:

- At their disposal price for assets being sold (Cœur Défense, 44 Lisbonne, Bassano, 126 Jules Guesde), i.e. slightly over 2.3% of the total Unibail-Rodamco asset portfolio;
- At their book value for properties under construction. These chiefly represent shopping centres under development (notably Forum Nacka extension in Sweden, Badajoz in Spain, Pankrac in the Czech Republic and in France: Rivétoile in Strasbourg, Cour Oxygène in Lyon, Lyon Confluence, Docks de Rouen, the undelivered portion of Carré Sénart II and Aéroville) and office developments (Phare and Majunga at La Défense and Clichy), accounting for 2% of Unibail-Rodamco's total portfolio.
- At their acquisition cost for assets purchased during the preceding six-month period, including principally Go Sport and the co-ownership lots acquired in the Maine Montparnasse, Labège and Vélizy avenue de L'Europe shopping centres. These assets represent 0.1% of the total Unibail-Rodamco portfolio.
- At appraisal value in previous quarters for 75% of the high-street shop assets in the Netherlands and Belgium, which account for 2.2% of the total Unibail-Rodamco portfolio, as 25% of the high-street shop portfolio is valued each quarter.
- At appraisal value at December 31, 2006 for service companies (Exposium and Espace Expansion), i.e. 2.1% of the total Unibail-Rodamco portfolio, with service companies appraised on an annual basis.

1.1 Shopping Centre portfolio

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

<u>Valuation methodology</u>

The basis for determining the fair value of Unibail-Rodamco property portfolio is the net open market value, which is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a wiling seller in an arm's length transaction, after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion, including estimated costs that a buyer needs to make for obtaining the property.

The valuation methodology involves discounting future cash flows (method applied in particular to all Unibail's assets) and taking into account the resale value at the end of the period, which is calculated by applying a yield to final year net rental income or capitalisation rate of net rent.

When the discounting cash flow methodology is used, the valuations derived from this methodology are cross-checked by the appraisers using two indicators: (i) the capitalisation rate of net rent (actual initial yield based on net passing rents on the valuation date and asset valuation including transfer taxes and disposal costs) and (ii) value per square metre.
Parking spaces currently in service are also valued using discounted cash flows.

Evolution of Unibail-Rodamco's Shopping Centre valuation

The value of Unibail-Rodamco's Shopping Centre Portfolio came to €16,738 Mn at June 30, 2007, including transfer taxes and disposal costs, of which €10,833 Mn attributable to the value of Rodamco's assets at June 30, 2007.

Shopping Centre portfolio by region	Valuation including transfer taxes in € Mn	Valuation excluding estimated transfer taxes in € Mn (1)	Net yield excluding estimated transfer taxes (2)
France	8,144	7,779	4.4%
Netherlands & Belgium	3,573	3,344	5.7%
Nordic (3)	1,812	1,792	4.9%
Spain	1,791	1,745	5.1%
Central Europe	1,418	1,398	5.9%
Total	**16,738**	**16,059**	**4.9%**

(1) Valuation excluding estimated transfer taxes and disposal costs (see §3.6).
(2) Annualised rent (including indexation at January 1, 2007) net of expenses, divided by the value of the portfolio excluding estimated transfer taxes and disposal costs and excluding the equity accounted shopping centres (Euralille) and shopping centres under development. This rate represents Net current yield as defined by EPRA.
Net initial yield on Rodamco's shopping centres comparable to Rodamco's figures on 31 December 2006 (ie based on gross open market value including transfer taxes) amounts to 5.1%, with a net initial of 4.5% for French assets, 5.4% in the Netherlands & Belgium, 4.9% in Nordic countries, 5.0% in Spain and .5.8% in Central Europe. This represents an overall yield compression of 30bps over H1 2007
(3) Yield relates to the combined valuation of offices and retail in Nordic countries

Portfolio deriving from Unibail:

On a like-for-like basis, the value of the Shopping Centre portfolio deriving from Unibail, including transfer taxes and disposal costs, rose by €382 Mn (+7.4%) compared with year-end 2006. Restated for capital expenditure, capitalised financial expenses, leasing expenses and eviction costs, the value of the Shopping Centre portfolio rose by 6.6% on a like-for-like basis breaking down into +0.9% from the increase in revenues of shopping centres and +5.7% due to changes in yield.

Shopping Centre portfolio by region	Valuation including transfer taxes in € Mn	Valuation excluding estimated transfer taxes in € Mn	Net yield excluding estimated transfer taxes
Paris and Paris region	3,826	3,660	4.1%
French Provinces (1)	1,827	1,741	4.6%
Development	252	252	n/a
Total	**5,905**	**5,654**	**4.3%**

(1) Including the valuation of shares in SCI Triangles des Gares, which owns the Euralille shopping centre and is accounted for using the equity method, together with the loan granted to this company by Unibail.

Based on the asset value excluding estimated transfer taxes and disposal costs, the yield came to 4.3% as at June 30, 2007, compared with 4.6% as at December 31, 2006.
As a reminder, assets in operation in Unibail's Shopping Centre division have a reversionary potential of 22%, excluding renovations and extensions.

Portfolio deriving from Rodamco:

Based on an asset value, excluding estimated transfer taxes and disposal costs, the yield on Rodamco's assets stood at 5.3% at June 30, 2007.

Shopping Centre portfolio by region	Valuation including transfer taxes in € Mn	Valuation excluding estimated transfer taxes in € Mn	Net yield excluding estimated transfer taxes
France	2,239	2,126	4.7%
Netherlands & Belgium	3,573	3,344	5.7%
Nordic	1,812	1,792	4.9%
Spain	1,791	1,745	5.1%
Central Europe	1,418	1,398	5.9%
Total	**10,833**	**10,405**	**5.3%**

Shopping centre development and extension projects

Shopping centre development and extension projects have not been assigned a market value, despite the potential capital gains, but are valued at their historical cost until delivery. These mainly comprise:
- in France: Strasbourg-Rivétoile, Cour Oxygène in Lyon, Lyon Confluence, Docks de Rouen, Carré Sénart II (undelivered portion), Passages CMK in Bordeaux, Versailles-Chantiers, the Eiffel project in Levallois, the retail portion of the Cnit undergoing restructuring and the Aéroville project (Paris Charles de Gaulle airport).
- In the Rest of Europe: Forum Nacka in Sweden, Badajoz in Spain, Pankrac and Centry Most in the Czech Republic, as well as the Donauzentrum extension in Austria.

At June 30, 2007, Shopping Centre development projects represented a total historical cost of €394 Mn on the balance sheet of Unibail-Rodamco.

1.2 Office portfolio

Valuation methodology

The basis for determining the fair value of Unibail-Rodamco's property portfolio is the net open market value, which is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a wiling seller in an arm's-length transaction, after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion, including estimated costs that a buyer needs to make for obtaining the property.

The valuation principle adopted is based on the discounted cash flow and yield methodologies. The independent appraiser determines the fair market value based on the results of these two methods. Furthermore, the resulting valuations are cross-checked against the initial yield and the fair market values per square metre.

Evolution in Unibail-Rodamco's Office valuation

The value of the Office Portfolio stood at €5,707 Mn at June 30, 2007, including transfer taxes and disposal costs, of which €1,042 Mn attributable to the value of Rodamco's assets at June 30, 2007:

Office portfolio by region	Valuation (including transfer taxes)	
	€ Mn	%
France	4,737	83%
Netherlands & Belgium	392	7%
Nordic	375	7%
Spain (Industrials)	140	2%
Central Europe	63	1%
Total	**5,707**	**100%**

Based on an asset value, excluding estimated transfer taxes and disposal costs, the Office division's potential yield at June 30, 2007 came to 5.4%.

Valuation of offices / Industrials	Valuation including transfer taxes in € Mn	Valuation excluding estimated transfer taxes in € Mn	Potentiel yield (1)
France	4,737	4,592	5.2%
Netherlands & Belgium	392	367	6.8%
Nordic (2)	375	369	5.1%
Spain (Industrials)	140	136	6.2%
Central Europe	63	61	8.9%
Total	**5,707**	**5,526**	**5.4%**

(1) Potential rental income on office space divided by the value of the portfolio excluding estimated transfer taxes and disposal costs.
(2) Yield relates to the combined valuation of offices and retail in Nordic countries

French Office Portfolio:

On a like-for-like basis,[13] the value of Unibail's office portfolio, including transfer taxes and disposal costs, has risen by €530 Mn since year-end 2006, i.e. an increase of 14.7%. After accounting for the impact of capital expenditure and capitalised financial and leasing expenses, the valuation of the Office portfolio, on a like-for-like basis, has risen by 13.0% breaking down into +1.4% from the increase of rents and lettings and +11.6% due to changes in yield.

French Office portfolio by region	Valuation (including transfer taxes) (3)	
	M€	%
Paris CBD (1)	1,856	39%
Neuilly-Levallois-Issy	712	15%
La Défense	2,041	43%
Other (2)	129	3%
Total	**4,737**	**100%**

(1) Including €48.8 Mn for two assets from Rodamco France's Office Portfolio.
(2) Including €23.7 Mn from Rodamco France's Office Portfolio.
(3) Valuation including transfer taxes and disposal costs of all office portfolio assets, including the remaining 49% stake in Cœur Défense (including loans granted by Unibail to SCI Karanis, which owns the asset).

Based on an asset value, excluding estimated transfer taxes and disposal costs, the Office division's yield at June 30, 2007 came to 5.0%. This yield was 60 basis points lower than at year-end 2006.

Valuation of French occupied office space	Valuation including transfer taxes in € Mn (3)	Valuation excluding estimated transfer taxes in € Mn (4)	Net yield excl. estimated transfer taxes (5)	Average price €/ m² (6)
Paris CBD (1)	1,543	1,504	4.5%	13,447
Neuilly-Levallois-Issy	710	671	5.5%	6,103
La Défense	1,450	1,401	5.2%	8,130
Other (2)	129	97	5.5%	5,782
Total	**3,832**	**3,674**	**5.0%**	**9,028**

(1) Including €48.8 Mn for both assets from Rodamco France's Office Portfolio.
(2) Including €23.7 Mn (inclusive of transfer taxes) for the asset from Rodamco France's Office Portfolio
(3) Valuation (including transfer taxes) of occupied office space as at June 30, 2007, based on the appraiser's allocation of value between occupied and vacant space. Excluding Cœur Défense, space undergoing restructuring and vacant space.
(4) Valuation, excluding estimated transfer taxes and disposal costs (see § 3.6), of occupied office space as at June 30, 2007, based on the appraiser's allocation of value between occupied and vacant space. Scope identical to note (3) above.
(5) Annualised rents (net of non-refundable charges) of assets let, divided by the value of occupied space, excluding estimated transfer taxes and disposal costs. This yield corresponds to Net current yield as defined by EPRA, applied to occupied space.
(6) Based on the scope described in note (2), excluding estimated transfer taxes, except for the parking spaces at 68/82 rue du Maine-Paris 14th arrondissement. Restatement of parking spaces on the basis of €30,000 per space for Paris CBD and Neuilly-Levallois-Issy, and €15,000 for other areas.

For the three assets under sale agreements or in the process of being sold at June 30, 2007 (44 Lisbonne, Bassano, 126 Jules Guesdes), the valuation adopted based on the future selling price implied an increase of 32%[14] compared with the appraisal value at year-end 2006.
The 49% stake held in Cœur Défense by SCI Karanis (company with ownership) was sold on July 10, 2007 at a price implying a property value of €2,110 Mn, representing an increase of 21% compared with the appraisal value at December 31, 2006.

1.3 Convention-Exhibition Portfolio

The value of Unibail-Rodamco's convention-exhibition centre portfolio is derived from the combination of the value of each individual asset. Accordingly, no value is attributed to Unibail-Rodamco's market share, even though its market share is undoubtedly significant in this sector.

Valuation methodology

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

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

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

The valuation methodology used by DTZ Eurexi to determine the fair market value of the Méridien-Montparnasse hotel premises at June 30, 2007 consists in capitalising the fixed portion of annual income, plus discounting cash flows representing the variable portion of rents. The discounted cash flow model has been adopted for the Cnit-Hilton hotel (operating under an operational lease agreement).

[13] The portfolio deriving from Rodamco (three assets with a value including transfer taxes, of € 72.5 Mn) is not included in the like-for-like analysis.

[14] Excluding 126 Jules Guesdes which was already under sale agreement at year-end 2006.

Evolution of the Convention-Exhibition Centres valuation

In view of the above, the value of Convention-Exhibition centres (including hotels), including transfer taxes and disposal costs, came to €943 Mn as at June 30, 2007, almost stable (down 0.1%) on a like-for-like basis, net of investments, compared with year-end 2006.

Convention-Exhibition Portfolio including transfer taxes (€ Mn)	Dec 31, 2006	June 30, 2007	Like-for-like change net of investments	
			€ m	%
Paris Expo (1)	740	741	-7	-0.9%
Hotels : Méridien Montparnasse and Cnit Hilton	196	202	6	2.9%
Total	**937**	**943**	**-1**	**-0.1%**

(1) Paris Expo includes all of the Group's Convention-Exhibition centres.

The value of the Convention-Exhibition venues (Paris Expo) was stable. On a like-for-like basis and net of investments, the insignificant decline of 0.9% compared to year-end 2006 derived from completed investments (chiefly the Cnit), as the discount rate also remained stable over the first half.

Based on these valuations, the average initial yield on Paris Expo at June 30, 2007 (estimated 2007 recurring operating profit divided by the value of the asset, excluding transfer taxes and costs) was 9.2% (excluding the Cnit, which underwent restructuring during part of the period), up slightly on the 9.1% yield at year-end 2006.

The valuations of the Cnit-Hilton and Méridien-Montparnasse hotels increased over the first six months of the year by a total of €6 Mn, a rise of 2.9%.

1.4 Services

PriceWaterhouseCoopers had appraised for the first time as at December 31, 2006 the value of the Exposium group, a trade show organisation business and related exhibitions, as well as Espace Expansion, a company specialised in the promotion, marketing and management of property assets, in order to include at their market value all significant intangible assets in the portfolio and in the calculation of Unibail-Rodamco's NAV.

Intangible assets are not revalued but maintained at their historical cost on Unibail-Rodamco's consolidated balance sheet.

Valuation methodology

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

Evolution of the Services valuation

Service companies are valued on an annual basis. At June 30, 2007, their appraisal value was the same as at December 31, 2006. The market value of Espace Expansion companies and the Exposium group at June 30, 2007 was thus €492 Mn, stable on a like-for-like basis compared with year-end 2006.

The modest change in value was attributable to the impact of the acquisition by Exposium of three trade shows for a total outlay of €15.3 Mn and the disposal of the furniture exhibition (Salon du Meuble) for €17.5 Mn (leading to a capital gain of €0.2 Mn).

2. NAV VALUATION METHODOLOGY

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

- unrealised capital gains on fixed assets, which are not carried at market value on the balance sheet:
  - Property assets excluding investment properties,
  - Intangible assets ;
- the adjustment to potential taxes and disposal costs, to reflect the likely disposal scheme for assets and the corresponding tax impacts ;
- the marked-to-market value of fixed-rate debt, bearing in mind that under IFRS, only derivative financial instruments are measured at their fair value on the balance sheet ;
- the value of the debt component of the bonds redeemable for shares (ORA), which are treated entirely as equity.

Since NAV is calculated on the assumption of an immediate sale of all assets considered on an individual basis (no portfolio effect), the goodwill recognised at the end of the Rodamco exchange offer is deducted from the combined entity's consolidated shareholders' equity.

The NAV is calculated in Group share to allow NAV per share calculation.

To take into account the impact of securities giving access to the share capital (including to date stock-options and bonus share allotments), these are assumed to have been issued and the amount of shareholders' equity arising from these potential securities is added to shareholders' equity to give a fully diluted triple net liquidation NAV.

The NAV calculation is reviewed by the Group's Statutory Auditors, who validate application of the methodology and the consistency of parameters used and results obtained.

3. TRIPLE NET LIQUIDATION NAV CALCULATION

3.1 Consolidated shareholders' equity

At June 30, 2007, consolidated shareholders' equity (Group share) came to €13,999 Mn.

Shareholders' equity, Group share incorporated net recurring profit of €186.7 Mn, while sales of properties and fair value adjustments on property assets and on derivative financial instruments had an impact of €957.2 Mn.

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

A receivable of €166.8 Mn was recognised as at June 30, 2007 in respect of shareholders and ORA holders representing the remainder of the dividend payable for the 2006 financial year, being €2 per share, which was actually paid on July 16, 2007. This amount, which was deducted from the shareholders' equity shown on the consolidated balance sheet as at June 30, 2007, was added back for the calculation of NAV.

As indicated previously at §2, the goodwill of €1,655.6 Mn accounted for the offer is deducted.

3.2 Unrealised capital gains on the property portfolio

The only unrealised capital gains to be taken into account at June 30, 2007 were those arising from the valuation of operating fixed assets carried on the balance sheet at historical cost. They related to the property at 5, bd Malesherbes-Paris 8th arrondissement[15], and part of the property at 70 Wilson at La Défense[16], on which the unrealised capital gain stood at €84.9 Mn, excluding estimated transfer taxes and disposal costs.

3.3 Capital gains on services

Exposium and Espace Expansion are appraised only once a year at the end of the financial year.
Since no negative event likely to give rise to impairment was identified, the appraisal values at December 31, 2006 were unchanged, and the overall unrealised capital gain of €150.7 Mn remained the same.

Unibail's other operational subsidiaries (U2M, S2B and Unibail Management) were valued at their consolidated book value, i.e. the value of their operating fixed assets. Accordingly, this cautious approach did not give rise to any unrealised capital gains or losses.

3.4 Mark-to-market value of debt

In accordance with IFRS, derivative financial instruments were recorded on Unibail-Rodamco's balance sheet at their fair value and their impact included in the consolidated shareholders' equity. Only fixed-rate debt was not accounted for at its fair value. Taking Unibail's fixed rate debt (excluding Rodamco) at its fair value would have had a positive impact of €15.5 Mn. This impact was taken into account in the NAV calculation.
The fixed rate debt arranged by Rodamco was recorded on Unibail-Rodamco's balance sheet at June 30, 2007 at its fair value.

3.5 Adjustment of taxes

In accordance with accounting standards, deferred tax on property assets was only calculated on a theoretical basis on the consolidated balance sheet as at June 30, 2007. For the purpose of the NAV calculation, deferred tax on unrealised capital gains on assets not qualifying for tax exemption (SIIC or FBI regime), should be re-integrated and replaced by taxes actually payable, should a disposal take place.

This resulted in an adjustment of €284.7 Mn to the NAV calculation.

3.6 Restatement of transfer taxes and disposal costs

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

As at June 30, 2007, these estimated transfer taxes and other disposal costs totalled €487.9 Mn, while transfer taxes and costs already deducted from asset values on the balance sheet (in accordance with IFRS) amounted to €647.1 Mn.

3.7 Treasury shares and securities giving access to share capital

Unibail held no treasury shares as at June 30, 2007.

Moreover, the exercise of stock-options and allotment of bonus shares outstanding at June 30, 2007 would have led to a rise in the number of shares of 1,857,300, increasing shareholders' equity by €168.2 Mn.

As at June 30, 2007, the fully-diluted number of shares taken into account for the NAV calculation totalled 85,312,925, including the 9,363,708 ORAs and the dilutive impact of stock-options and bonus shares.

Unibail-Rodamco's triple net liquidation NAV (Group share) thus stood at €13,623 Mn or €159.7 per share (fully-diluted) as at June 30, 2007, an increase of 13.6% compared with year-end 2006.

Value creation during the six-month period amounted to €21.10 per share, by adding to NAV growth of €19.10 per share, the €2 dividend paid out during the first six months of 2007.

NAV as at December 31, 2006 is reconciled with NAV as at June 30, 2007 in the following table.

Evolution of triple net liquidation NAV Dec 31, 2006 to June 30, 2007		
Fully diluted NAV per share as at Dec 31, 2006 (€)		**140.6**
Revaluation of property assets (excluding Cœur Défense)		14.2
Revaluation of Cœur Defense at the sale price		4.3
Recurring net profit, net distributions		2.0
Mark-to-market of debt and financial instruments		2.3
Variation in transfer taxes & deferred taxes adjustments	-	1.4
Other	-	0.1
Fully diluted NAV per share as at June 30, 2007 before PEO		161.9
Consolidation of 79.63% of Rodamco	-	2.2
Fully diluted NAV per share as at June 30, 2007 (€)		**159.7**

[15] the Group's head office
[16] Exposium's head office

Tripe net liquidation NAV (€ Mn)	2007 Dec 31, 2006	June 30, 2007 before Public Exchange Offer	Unibail-Rodamco June 30, 2007
Consolidated shareholders' equity	**6,053.1**	7,065.3	**13,999.0**
Amounts owed to shareholders	**46.1**	92.3	**166.9**
Bonds redeemable for shares (restatement of debt component)			**249.6**
Deduction of the goodwill on exchange offer			**- 1,655.6**
Unrealised capital gain on			
Property excluding investment properties	**58.5**	84.9	**84.9**
Exposium & Espace Expansion	**150.7**	150.7	**150.7**
Fixed-rated debt	**4.8**	15.5	**15.5**
Adjustment to taxes			
Deferred tax on capital gains on property assets (balance sheet)	**105.9**	109.8	**636.4**
Actual tax	**- 7.3**	- 7.6	**- 351.7**
Adjustment to transfer taxes and disposal costs			
Taxes already deducted from value of assets in balance sheet	**471.7**	467.5	**647.1**
Transfer taxes and disposal costs	**- 302.9**	- 370.4	**- 487.9**
Impact of rights giving access to share capital			
Potential impact of stock options and shares granted	**169.4**	168.2	**168.2**
Triple net liquidation NAV	**6,750.0**	7,776.2	**13,623.1**
Number of fully diluted shares	48,004,323	48,031,991	85,312,925
Fully diluted triple net liquidation NAV per share (€)	**140.6**	**161.9**	**159.7**
Change %		15.1%	**13.6%**

The Unibail-Rodamco Group emanates from the combination of Unibail and Rodamco, through an exchange offer declared unconditional on June 21, 2007 for Unibail shares and Unibail redeemable bonds ('ORA')[17] issued in exchange for existing outstanding Rodamco shares. Consequently, Unibail-Rodamco consolidates Rodamco as of June 30, 2007. Being all in shares/ORA, the offer did not generate related financing needs during the first half year.
Following the subsequent offer, which ended on July 10, 2007, Unibail-Rodamco owns 95.74% of Rodamco shares. Unibail-Rodamco stated its intention to delist Rodamco and buy back minority shareholders, which will be done in cash.

The ORA is only reimbursable in Unibail-Rodamco shares with no possible reimbursement in cash. The coupon corresponds to the dividend paid on Unibail-Rodamco shares. In view of its nature, it is, therefore, not considered as debt but as equity[18].

On June 30, 2007, the Group's total net debt includes both Unibail's and Rodamco's debt.

1. Debt structure at June 30, 2007

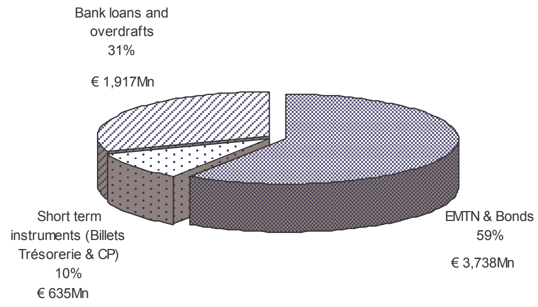
Consolidated gross financial debt at June 30, 2007 amounted to €6,290 Mn, resulting from the debt raised by Unibail, €2,848 Mn, and the debt raised by Rodamco Group, €3,442 Mn[19].

1.1. Debt breakdown

Unibail-Rodamco's gross financial debt as at June 30, 2007 breaks down as follows:

- €3,738 Mn in bond issues, of which €1,430 Mn in Euro Medium Term Notes (EMTN) of Unibail's programme and €1,808 Mn in EMTN of Rodamco's programme, the remainder, €500 Mn, in Rodamco bonds;
- €635 Mn short term issues of which €358 Mn in French commercial paper (*billets de trésorerie)* and €277 Mn under Rodamco Commercial Paper Programme;
- €1,917 Mn in bank loans, including €1,372 Mn in corporate loans, €484 Mn in mortgage loans and €61 Mn in bank overdrafts.

No loans were subject to prepayment clauses linked to the Company's ratings[20].



1.2. Funds Raised

During the first half-year of 2007, new financial resources for Unibail (on a stand alone basis) were obtained from both the money-market by issuing commercial paper (*billets de trésorerie*) and the bank loan market, focusing on the use of the 7-year syndicated bank loan of €700 Mn concluded in May 2006.
Unibail's refinancing operations (excluding Rodamco operations) over the first half-year 2007 break down as follows:

- €734 Mn in commercial paper (*billets de trésorerie*) with a maturity of up to one year and an average outstanding amount of €128 Mn over the first half-year.

- The commercial paper programme is backed by confirmed credit lines[21]. These credit lines protect Unibail 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. These credit lines were provided by leading French and international banks. Their average duration is 4 years. As at June 30, 2007, none of these confirmed credit lines were drawn.

- A drawdown of €242 Mn was taken from the 7-year syndicated bank loan of €700 Mn which was signed in May 2006. This drawndown means that €500 Mn of this bank loan are in use as of June 30, 2007.

Unibail's cash surplus was limited in the first half-year of 2007, amounting to an average of €21 Mn. These surpluses were invested in diversified low-risk money-market unit trusts (*SICAV*).

For information, over the same period, Rodamco carried out the following refinancing operations:

- Rodamco refinanced over the first half year 2007 an amount of €625 Mn in commercial paper, €85 Mn in short term loans from money brokers and €150 Mn from uncommitted credit facilities.

- Rodamco's commercial paper programme is backed by a committed syndicated credit facility of €600 Mn. This facility matures August 2011 and has a one-year extension

[17] 'ORA' = Obligations Remboursables en Action Unibail
[18] Consequently, the €249.6 Mn of the ORA recognised as debt are included in shareholders' funds – this approach is consistant with treatment of the ORA by S&P
For more information on ORA, see the section "Other significant operations"
[19] Per its nominal value
[20] Barring exceptional circumstances (change in control)

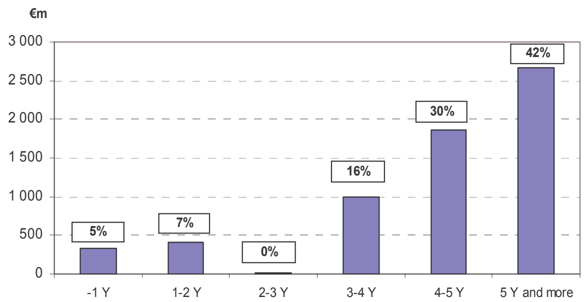
[21] These confirmed credit lines generally include requirements to meet specific ratios relating to debt, financial expenses and revalued shareholders equity and are not usually subject to prepayment clauses linked to the company's ratings.

option to August 2012. As at June 30, 2007, this facility was undrawn.

- In May 2007 Rodamco executed a €140 Mn 5-year credit facility in Czech Koruna equivalent via its subsidiary Centrum Praha JIH-Chodov s.o.r.. This facility was fully drawn as at June 30, 2007.
- Besides the €600 Mn committed syndicated credit facility, Rodamco has other committed lines, generally used directly by its subsidiaries, for a total amount of €62 Mn. These lines are used for day-to-day cash and working capital management.
- Rodamco's consolidated net cash balances amounted to €14 Mn as at June 30, 2007. These surpluses are invested in overnight deposits with various, creditworthy number of banks.

1.3. Debt maturity

The following chart illustrates Unibail-Rodamco's debt as at June 30, 2007 after the allocation of the confirmed credit lines (including the undrawn part of the 7-year bank loan) by date of maturity and based on the residual life of its borrowings.



42% of the debt had a maturity of more than 5 years and nearly 90% had a maturity of more than 3 years as at June 30, 2007 (after taking into account undrawn credit lines).

The average maturity of Unibail-Rodamco's debt as at June 30, 2007, taking into account the confirmed unused credit lines[22], stood at 4.7 years, stable compared to previous years (4.7 years as of December 31, 2006[23]).

1.4. Average cost of Debt

Unibail's average refinancing rate came to 3.6% over the first half-year of 2007 (therefore before impact of the exchange offer), stable in comparison with 2006 (3.5%). This average cost of debt results from the low level of margins on existing borrowings and the interest rate risk hedging programme implemented in 2003 and significantly built up in 2005 and the beginning of 2006.

This average refinancing rate consists of the cost of Unibail's debt for the first half-year of 2007, a period in which the merger with Rodamco had no impact on financial cost. Taking into account Rodamco's debt cost for the first half-year of 2007, the average cost of debt for the entire group would have been 3.9%.

Rodamco's cost of debt during the same period stood at 4.1%.

2. Ratings

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

Following the merger with Rodamco, Standard & Poor's upgraded its long-term rating from 'A-' to 'A' and its short-term rating from 'A2' to 'A1'and giving a stable outlook for Unibail-Rodamco.

Moody's gave Unibail-Rodamco a long-term rating of 'A3', also with a stable outlook.

During the first half year of 2007, Rodamco was rated 'A' with a stable outlook by Standard Poor's. The merger with Unibail-Rodamco did not affect Rodamco's credit rating.

3. Market risk management

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

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

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

Due to its use of derivatives to minimise its interest rate and currency risk, the Group is exposed to potential counterparty defaults. The counterparty risk is the risk of replacing the derivative transactions at current market rates in the case of default. To limit counterparty risk, Unibail-Rodamco relies solely on major international banks for its hedging operations.

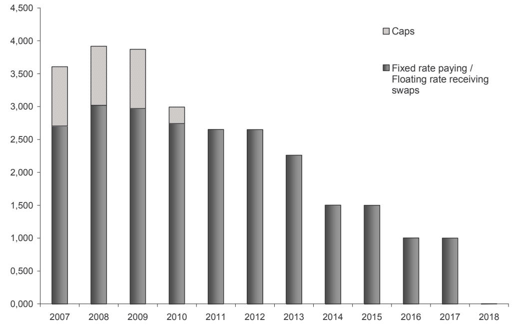
3.1. Interest rate risk management

Interest rate hedging transactions

In view of the recent interest rates developments and the size of Unibail's already existing hedging portfolio, no new hedging operations were undertaken in the first half-year of 2007 by Unibail or Rodamco.

[22] Including the undrawn part of the 7-year syndicated bank loan.
[23] Unibail on a stand-alone basis as of december 31,2006

Annual projection of average hedging amounts[24] (€ Mn)



The derivative operations presented above hedge the variable rate loans and fixed rate debt immediatly converted into variable-rate debt.
A significant part of debt is kept at fixed rate.

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

Measuring interest rate exposure

As at June 30, 2007, net financial debt stood at €6,227 Mn, excluding partners' current accounts and after taking cash surpluses into account (€63 Mn).

Variable-rate debt and fixed-rate debt immediately converted into variable-rate debt accounts for 61% of net financial debt. This outstanding debt is fully hedged against Euribor developments and presents some exposure to Swedish rates.

Based on Unibail-Rodamco's debt situation as at June 30, 2007 and hedging instruments in place in both companies, if interest rates (Euribor, Stibor or US Libor) were to rise by an average of 1%[25] (100 basis points) during the second half of 2007, the resulting increase in financial expenses would have an estimated negative impact of - €2.4 Mn on recurring net profit. A further rise of 1% would have an additional adverse impact of - €2.2 Mn. Conversely, a 1% (100 basis points) drop in interest rates would reduce financial expenses by an estimated €6.1 Mn and would enhance 2007 recurring net profit by an equivalent amount.

3.2. Managing and measuring currency risk exposure

The Group through Rodamco has activities and investments in countries outside the euro-zone, primarily in Sweden. When converted into euros, the income and value of the Group net investment may be influenced by fluctuations in exchange rates against the euro. Wherever possible, the Group aims to match foreign currency income with expenses in the same currency, reducing the exchange effects on earnings volatility and net valuation of the investment. Translation risks are hedged by either matching cash investments in a specific currency with debt in the same currency, or using derivatives to achieve the same risk management- driven goal. This hedge policy excludes revaluations, capital expenditures and deferred tax. Currency risk during the building period of pipeline investments is covered as early as possible after signing of the actual building contract. Other monetary assets and liabilities held in currencies other than the euro are managed by ensuring net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short-term balances.

Main foreign currency positions[26] (in € Mn)

Currency	Assets	Liabilities	**Net exposure**	Hedging instruments	**Exposure net of hedges**	Managed exposure net of hedges
SEK	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	0.0	**2.7**	0.0	**2.7**	2.7
USD	176.0	54.2	**121.8**	46.9	**74.9**	1.7
SKK	0.3	0.0	**0.3**	0.0	**0.3**	0.3
CZK	-0.8	137.1	**-137.9**	-137.1	**-0.8**	-0.8
PLN	1.0	0.0	**1.0**	0.0	**1.0**	1.0
Total	**2,084.9**	**795.5**	**1,289.4**	**652.8**	**636.6**	**67.5**

The main exposure kept is in Swedish Krona. The sensitivity of 2007 recurring result[27] to a 10% change in the exchange rate Swedish Krona / Euro is limited to €2.2 Mn.
A 10% change in the SEK/eur exchange rate would have a €44 Mn impact on shareholders' equity.

4. Financial structure

As at June 30, 2007, the portfolio valuation (including transfer taxes) of the Unibail-Rodamco group amounted to €23,879 Mn, including Unibail-Rodamco's remaining interest in SCI Karanis' share capital and in the subordinated loan granted to SCI Karanis (owners of Coeur Défense).

Debt ratio

As at June 30, 2007, the 'net financial debt / portfolio valuation' ratio calculated for Unibail-Rodamco was set at 26% in line with the levels recorded at December 31, 2006 (25% for Unibail on a stand alone basis and 30% for Rodamco[28]).

These figures do not take into account the exercise of stock options[29] which would generate €168 Mn in additional shareholders' equity, further strengthening Unibail-Rodamco's equity base, reducing its debt, and gearing ratios.

Interest coverage ratio

The recurring net operating profit interest coverage ratio for Unibail (on a stand alone basis) came to 4.7x for the first half-year 2007. This ratio represents an increase on the high levels achieved in recent years (4.6x in 2006). This level was due to: (i) the low level of the Group's average debt, (ii) the tightly controlled cost of debt and (iii) income growth.

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[24] This graph only includes swaps that decrease the interest rate exposure to variable rate by swapping floating rates to fixed rate.
[25] The eventual impact on exchange rates due to this theoretical increase of 1% in interest rates is not taken into account

[26] Managed exposure is the remaining exposure after exclusion of accepted exposures resulting from capex, revaluations and deferred taxes.
[27] The sensitivity is measured by applying a change in exchange rate to the net revenues in SEK (net rents – financial expenses)
[28] The portfolio valuation used includes transfer taxes.
[29] These instruments were all "in the money" as at June 30, 2007

Financial ratios	Dec. 31, 2005	Dec. 31, 2006	June 30, 2007
Net financial debt / market value of portfolio	32%	25%	26%[30]
Recurring net operating profit interest coverage ratio[31] (Unibail stand alone)	3.5x	4.6x	4.7x

Note that the interest coverage ratio for Rodamco stood at 3.3x for the first half-year of 2007.

As per June 30, 2007, the pro-forma ratio of the combined entity, calculated by adding income and financial cost of Unibail and Rodamco, stood at 3.9x .

5. Other significant operations

Issue of ORA

In the context of the exchange offer for Rodamco, on June 25, 2007, Unibail-Rodamco issued 9,363,708 redeemable bonds ("ORA") for a total amount of €1,841 Mn. The main characteristics of the ORA are the following[32] :

- Each ORA will be redeemed by the delivery of one Unibail-Rodamco ordinary share[33]
- ORA holders may at any time after the expiry of a non-redemption period of three months from the date of issue request the redemption of their ORA into Unibail-Rodamco shares
- Issuer's call option: applicable after 12 years
- Nominal value : €196.60
- Coupon: each ORA holder will receive a coupon equal to the dividend paid on Unibail-Rodamco shares with a minimum amount of 1.5% of the nominal value of the ORA and a maximum of 17.5%.
- Maturity date: the ORA will mature on June 25, 2057.

[30] Ratio relating to Unibail-Rodamco as a combined entity

[31] Calculation based on the '[total recurring operating results + total general expenses and other income less depreciation and amortization / [recurring net financial expenses, including capitalised interest]'.

[32] For more information on the ORA, please consult the « Note d'Operation » document

[33] This redemption ratio may be adjusted based on the anti-dilution provisions