



unibail·rodamco

Strong operating performance underpinned by good fundamentals

Unibail-Rodamco's Supervisory Board convened on August 24, 2007, and reviewed the company's consolidated accounts for the first half of 2007.

Scope of Consolidation. On June 21, 2007, Unibail declared its public exchange offer for Rodamco Europe shares unconditional. With 79.6% of Rodamco's shares tendered and exchanged by June 25, Unibail has chosen to consolidate Rodamco effective June 30. This implies that the Rodamco balance sheet is consolidated, but not the income statement over H1'07.

Business Performance. The combination of high growth in net rental income for the office portfolio (+15.4%) and the shopping centre portfolio (+13.9%) formed the basis of the improvement in recurring net profit with 22.7% growth to €187Mn or €4.05 per share.

Business conditions remain positive, and net rental like-for-like growth (office +18.6%, shopping centres +9.8%) is excellent. The sales performance in Unibail-Rodamco's shopping centres has been solid showing again strong fundamentals in this business.

Revaluation results over H1 2007 amount to €957Mn (Group share), bringing total Net Profit to €1,144Mn (or €24.79/share), an increase of 11.1% on H1 2006.

H1 2007 results, after integrating the impact of the merger with Rodamco in H2 2007, allow the Group to confirm its target growth rate of recurring EPS with more than 15% for the full year.

Triple Net Asset Value. The appraised asset value of the Unibail-Rodamco Group, taking into account the value of the acquired Rodamco business, comes to €23.9Bn, of which €16.7Bn in shopping centres, €5.7Bn in offices and €1.4Bn in Convention & Exhibition business.

On a like-for-like basis, the value of Unibail's assets (excluding Rodamco) rose by 7.9% to €12.0Bn. The increase results from rental increases (in particular the letting out of vacant office space) and continued yield shift in H1 2007.

Divestments in H1 2007 were signed at premiums compared to last appraisal values as at December 31, 2006 (Cœur Defense +21%; 44 Lisbonne +30%; Chelles Shopping Centre +18%).

Triple Net Asset Value comes to €159.7/share, an increase of 13.6% compared to end 2006, and results mostly from revaluation results, disposal results and recurring net profit. The consolidation of Rodamco as at 30 June 2007 had a limited impact of minus €2.2 per share.

Development and Outlook. The Group announced that it had reached an agreement in June with the CCIP to merge their Convention & Exhibition activities with those of Unibail-Rodamco. This transaction, subject to authorisations, should be effective on January 1, 2008.

The Group has a pipeline of some 1.5Mn square meters, of which 1.1Mn square meters in shopping centres and 0.4Mn square meters in offices. The pipeline projects encompass growth in GLA of 38% of existing retail and office surface and forms the basis of continued strong rental growth performance.

Merger Update. Integration efforts are on track and well under way, with the Group ready to announce its top 50 management structure, working on the first combined 5-year plan (due end-November) and preparing for the move of its international headquarters operations to Amsterdam.

Unibail-Rodamco currently owns 95.74% of the Rodamco Europe shares. Squeeze-out of the remaining Rodamco shares will be initiated in the coming months with filing of the application with the Dutch Enterprise Chamber before year-end. The Dutch Enterprise Chamber will set the price of the squeeze-out. In the meantime, and starting as of August 27, 2007, the Group, via ABN AMRO which will act independently, may buy Rodamco shares on the market or through off-market transactions.

Dividend. The pay-out ratio of the Group has been increased to 85-95% of recurring EPS. Three interim dividends of €1.70 each per share will be paid in October 2007, January and April 2008, with the final dividend, which should bring the targeted total 2007 dividend to €7 per share, paid in July 2008. The Group may buy-back shares in Unibail-Rodamco, from 27 August onwards, within the existing authorisation granted by the Group's General Meeting.

Key consolidated indicators In €Mn	H1 2007	H1 2006	% growth	% like-for-like
• Shopping centres	127	111	+ 13.9%	+ 9.8%
• Offices	74	64	+ 15.4%	+ 18.6%
• Convention & Exhibition	32	36	- 10.9%	- 2.1%
Net rental income	233	211	+ 10.2%	+ 10.4%
Valuation movements and gain on disposals	925	845	+ 9.5%	
Others	9	19	- 50.3%	
Operating result	1,166	1,075	+ 8.5%	
Net profit group share	1,144	1,029	+ 11.1%	
of which recurring	187	152	+ 22.7%	
Recurring earnings per share ⁽¹⁾	4.05€	3.32€	+ 22.0%	
Total distribution ⁽²⁾	2.00€	1.90€		
	June 30, 2007	Dec. 31, 2006	%	
Fully diluted liquidation Net Asset Value per share ⁽³⁾	159.7€	140.6 €	+ 13.6%	

¹⁾ Average number of shares during H1-2007: 46,142,271. ²⁾ Paid during the January 1- June 30 period.

³⁾ Number of shares fully diluted as at June 30, 2007: 85,312,925.

No.1 in commercial
property listed
in CAC 40

A **€23.9 billion**
property portfolio

Recurring EPS:
€4.05 up 22%

Fully diluted
liquidation NAV
per share:
€159.7

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