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APPENDIX TO THE PRESS RELEASE
February 9, 2011

The audit procedures by the statutory auditors are in progress.

The press release and its appendix can be found on Unibail-Rodamco's website www.unibail-rodamco.com

UNIBAIL-RODAMCO Consolidated Income Statement by segment (€ Mn)			2010			2009		
			Recurring activities	Valuation movements and disposals	Result	Recurring activities	Valuation movements and disposals	Result
SHOPPING CENTERS	France	Gross rental income	529.9	-	529.9	503.3	-	503.3
		Operating expenses & net service charges	- 49.4	-	- 49.4	- 49.4	-	- 49.4
		Net rental income	**480.5**	-	**480.5**	**453.9**	-	**453.9**
		Contribution of affiliates	2.4	4.8	7.1	4.9	- 20.0	- 15.0
		Gains on sales of properties	-	9.7	9.7	-	0.1	0.1
		Valuation movements	-	938.7	938.7	-	- 821.9	- 821.9
		Impairment of Goodwill		- 2.1	- 2.1			
		Result Retail France	**482.9**	**951.0**	**1,433.9**	**458.9**	**- 841.7**	**- 382.8**
	The Netherlands	Gross rental income	118.2	-	118.2	157.5	-	157.5
		Operating expenses & net service charges	- 13.4	-	- 13.4	- 15.0	-	- 15.0
		Net rental income	**104.8**	-	**104.8**	**142.5**	-	**142.5**
		Contribution of affiliates	-	-	-	-	-	-
		Gains on sales of properties	-	68.1	68.1	-	5.3	5.3
		Valuation movements	-	61.3	61.3	-	- 102.1	- 102.1
		Result Retail Netherlands	**104.8**	**129.4**	**234.2**	**142.5**	**- 96.8**	**45.7**
	Nordic countries	Gross rental income	127.7	-	127.7	118.9	-	118.9
		Operating expenses & net service charges	- 32.8	-	- 32.8	- 28.7	-	- 28.7
		Net rental income	**95.0**	**-**	**95.0**	**90.2**	**-**	**90.2**
		Gains on sales of properties	-	- 0.4	- 0.4	-	1.1	1.1
		Valuation movements	-	98.8	98.8	-	- 235.4	- 235.4
		Result Retail Nordic	**95.0**	**98.4**	**193.4**	**90.2**	**- 234.3**	**- 144.1**
	Spain	Gross rental income	132.2	-	132.2	130.3	-	130.3
		Operating expenses & net service charges	- 9.1	-	- 9.1	- 10.5	-	- 10.5
		Net rental income	**123.2**	**-**	**123.2**	**119.8**	**-**	**119.8**
		Gains on sales of properties	-		-	-	- 2.9	- 2.9
		Valuation movements	-	92.3	92.3	-	- 287.5	- 287.5
		Result Retail Spain	**123.2**	**92.3**	**215.5**	**119.8**	**- 290.5**	**- 170.7**
	Central Europe	Gross rental income	95.1	-	95.1	76.2	-	76.2
		Operating expenses & net service charges	- 4.8	-	- 4.8	- 3.0	-	- 3.0
		Net rental income	**90.3**	**-**	**90.3**	**73.1**	**-**	**73.1**
		Gains on sales of properties	-	- 0.3	- 0.3	-	- 29.7	- 29.7
		Valuation movements	-	81.8	81.8	-	- 99.6	- 99.6
		Impairment of Goodwill	**-**		-	**-**	- 35.1	- 35.1
		Result Retail Central Europe	**90.3**	**81.5**	**171.8**	**73.1**	**- 164.4**	**- 91.3**
	Austria	Gross rental income	70.3	-	70.3	67.2	-	67.2
		Operating expenses & net service charges	- 3.0	-	- 3.0	- 5.1	-	- 5.1
		Net rental income	**67.3**	**-**	**67.3**	**62.1**	**-**	**62.1**
		Valuation movements	-	117.8	117.8	-	- 41.8	- 41.8
		Impairment of Goodwill	-	-	-	-	-	-
		Result Retail Austria	**67.3**	**117.8**	**185.1**	**62.1**	**- 41.8**	**20.3**
	TOTAL RESULT RETAIL		**963.4**	**1,470.4**	**2,433.8**	**946.5**	**- 1,669.5**	**- 723.0**
OFFICES	France	Gross rental income	181.3	-	181.3	183.9	-	183.9
		Operating expenses & net service charges	- 7.8	-	- 7.8	- 5.2	-	- 5.2
		Net rental income	**173.5**	-	**173.5**	**178.7**	-	**178.7**
		Gains on sales of properties	-	35.1	35.1	-	- 7.7	- 7.7
		Valuation movements	-	193.4	193.4	-	- 318.3	- 318.3
		Result Offices France	**173.5**	**228.5**	**402.0**	**178.7**	**- 326.0**	**- 147.3**
	Other countries	Gross rental income	39.4	-	39.4	48.1	-	48.1
		Operating expenses & net service charges	- 6.9	-	- 6.9	- 7.2	-	- 7.2
		Net rental income	**32.6**	-	**32.6**	**40.9**	-	**40.9**
		Gains on sales of properties	-	1.5	1.5	-	- 6.8	- 6.8
		Valuation movements	-	8.3	8.3	-	- 67.3	- 67.3
		Result Offices other countries	**32.6**	**9.8**	**42.3**	**40.9**	**- 74.1**	**- 33.2**
	TOTAL RESULT OFFICES		**206.1**	**238.2**	**444.3**	**219.6**	**- 400.1**	**- 180.6**
CONVENTION EXHIBITION		Gross rental income	179.7	-	179.7	175.3	-	175.3
		Operating expenses & net service charges	- 102.4	-	- 102.4	- 90.9	-	- 90.9
		Net rental income	**77.3**	-	**77.3**	**84.3**	-	**84.3**
		On site property services	**42.7**	-	**42.7**	**33.8**	-	**33.8**
		Hotels net rental income	**12.9**	-	**12.9**	**11.8**	-	**11.8**
		Exhibitions organizing	**15.3**	**- 12.7**	**2.6**	**7.0**	**- 5.4**	**1.7**
		Valuation movements, depreciation, capital gain	- 12.2	110.0	97.8	- 11.0	- 217.8	- 228.8
	TOTAL RESULT CONVENTION & EXHIBITION		**136.1**	**97.3**	**233.4**	**125.9**	**- 223.1**	**- 97.2**
		Other property services net operating result	13.3	-	13.3	8.4	-	8.4
		Other income	0.6	-	0.6	9.4	-	9.4
TOTAL OPERATING RESULT AND OTHER INCOME			**1,319.5**	**1,805.9**	**3,125.4**	**1,309.8**	**- 2,292.8**	**- 982.9**
		General expenses	- 97.5	- 15.8	- 113.4	- 97.6	-	- 97.6
		Development costs	- 7.2	-	- 7.2	- 6.5	-	- 6.5
		Financing result	- 268.9	- 129.3	- 398.3	- 282.1	- 311.9	- 594.0
PRE-TAX RESULT			**945.8**	**1,660.7**	**2,606.5**	**923.6**	**- 2,604.6**	**- 1,681.1**
		Corporate income tax	- 9.6	- 111.4	- 121.0	0.6	114.0	114.5
NET RESULT			**936.2**	**1,549.3**	**2,485.5**	**924.1**	**- 2,490.7**	**- 1,566.5**
		Non-controlling interests	88.3	209.6	297.9	87.9	- 186.7	- 98.8
NET RESULT-OWNERS OF THE PARENT			**847.9**	**1,339.7**	**2,187.6**	**836.3**	**- 2,304.0**	**- 1,467.8**

	2010	2009
Average number of shares and ORA	91,498,194	90,979,941
Recurring earnings per share	**9.27 €**	**9.19 €**
Recurring earnings per share growth	**0.87%**	

CONSOLIDATED INCOME STATEMENT **Presented under EPRA format -** (in € Mn)	2010	2009
Gross rental income	1,484.5	1,472.9
Ground rents paid	-22.4	-20.8
Net service charge expenses	-14.1	-12.3
Property operating expenses	-190.6	-182.6
Net rental income	**1,257.4**	**1,257.3**
Corporate expenses	-95.2	-95.3
Development expenses	-7.2	-6.5
Depreciation	-2.3	-2.3
Administrative expenses	**-104.7**	**-104.1**
Acquisition and related costs	**-15.8**	
Revenues from other activities	160.1	155.2
Other expenses	-116.3	-114.4
Net other income	**43.8**	**40.8**
Proceeds from disposal of investment properties	1,527.1	698.7
Carrying value of investment properties sold	-1,413.4	-738.9
Result on disposal of investment properties	**113.7**	**-40.2**
Valuation gains	1,838.6	86.0
Valuation losses	-136.2	-2,278.1
Valuation movements	**1,702.3**	**-2,192.1**
Impairment of goodwill	**-2.1**	**-35.1**
NET OPERATING RESULT BEFORE FINANCING COST	**2,994.6**	**-1,073.5**
Result from non-consolidated companies	0.4	-0.2
Financial income	*81.2*	*78.4*
Financial expenses	*-350.1*	*-360.5*
Net financing costs	-268.9	-282.1
Bonds redeemable for shares		-6.3
Fair value adjustment of ORNANE	-23.8	-188.9
Fair value adjustments of derivatives and debt	-104.6	-117.3
Debt discounting	-0.9	0.6
Share of the result of associates	3.5	-22.3
Income on financial assets	6.2	8.9
RESULT BEFORE TAX	**2,606.5**	**-1,681.1**
Income tax expenses	-121.0	114.5
NET RESULT FOR THE PERIOD	**2,485.5**	**-1,566.5**
Non-controlling interests	297.9	-98.8
NET RESULT (Owners of the parent)	**2,187.6**	**-1,467.8**

Average number of shares (undiluted)	91,478,541	85,655,385
Net result for the period (Owners of the parent)	2,187.6	-1,467.8
Net result for the period (Owners of the parent) per share (€)	**23.91**	**-17.14**
Net result for the period restated [1] (Owners of the parent)	2,211.4	-1,467.8
Average number of diluted shares	92,845,642	91,178,707
Diluted net result per share - Owners of the parent (€)	**23.82**	**-16.10**

[1] The impact of the fair value of the ORNANE is restated in the P&L and its dilutive effect taken into account

NET RESULT FOR THE PERIOD	**2,485.5**	**-1,566.5**
Foreign currency differences on translation of financial statements of subsidiaries	27.0	-18.6
Gain/loss on net investment hedge	12.6	-4.0
Cash flow hedge	0.8	-2.6
OTHER COMPREHENSIVE INCOME	**40.4**	**-25.2**
NET COMPREHENSIVE INCOME	**2,525.9**	**-1,591.7**
Non-controlling interests	298.0	-99.1
NET COMPREHENSIVE INCOME (OWNERS OF THE PARENT)	**2,228.0**	**-1,492.6**

UNIBAIL-RODAMCO **Consolidated Statement of financial position** (in € Mn)	**Year-end 2010**	**Year-end 2009**
NON CURRENT ASSETS	**23,177.3**	**21,363.9**
Investment properties	**21,988.4**	**20,152.6**
Investment properties at fair value	*21,646.5*	*19,581.0*
Investment properties at cost	*341.9*	*571.6*
Other tangible assets	199.8	185.6
Goodwill	265.6	220.4
Intangible assets	170.8	197.4
Loans and other financial assets	251.4	244.9
Deferred tax assets (1)	10.0	11.9
Derivatives at fair value	89.9	81.5
Shares and investments in companies consolidated under the equity method	201.4	269.6
CURRENT ASSETS	**1,799.8**	**1,281.8**
Properties under promise or mandate of sale	**979.7**	**396.4**
Trade receivables from activity	**306.6**	**323.1**
Property portfolio	283.2	287.8
Other activities	23.4	35.3
Other trade receivables	**429.5**	**297.5**
Tax receivables	131.0	138.7
Receivables on sale of property	78.6	-
Other receivables	152.7	123.2
Prepaid expenses	67.2	35.6
Cash and cash equivalents	**84.0**	**264.8**
Financial assets	10.1	195.8
Cash	73.9	69.0
TOTAL ASSETS	**24,977.1**	**22,645.7**
Shareholders' equity (Owners of the parent)	**11,025.2**	**11,316.3**
Share capital	458.7	456.4
Additional paid-in capital	5,948.2	8,475.7
Bonds redeemable for shares	1.8	3.4
Consolidated reserves	2,465.1	3,925.1
Hedging and foreign currency translation reserves	- 36.2	- 76.5
Consolidated result	2,187.6	- 1,467.8
Non-controlling interests	**1,345.4**	**1,119.3**
TOTAL SHAREHOLDERS' EQUITY	**12,370.6**	**12,435.6**
NON CURRENT LIABILITIES	**9,609.1**	**8,289.0**
Commitment to purchase non-controlling interests	10.4	40.7
Net share settled bonds convertible into new and/or existing shares (ORNANE)	780.0	754.4
Long-term bonds and borrowings	7,256.9	6,371.7
Long term Financial leases' liabilities	59.0	-
Derivatives at fair value	278.1	267.6
Deferred tax liabilities (1)	850.5	639.2
Long-term provisions	24.9	18.9
Employee benefits	13.6	10.3
Guarantee deposits	180.8	171.1
Tax liabilities	0.5	3.4
Amounts due on investments	154.4	11.6
CURRENT LIABILITIES	**2,997.4**	**1,921.1**
Commitment to purchase non-controlling interests	**35.6**	**-**
Amounts due to suppliers and other current debt	**712.5**	**671.4**
Amounts due to suppliers	118.7	94.5
Amounts due on investments	241.6	208.9
Sundry creditors	181.3	174.9
Other liabilities	170.9	193.1
Current borrowings and amounts due to credit institutions	**2,102.3**	**1,125.9**
Current financial leases' liabilities	**3.3**	**-**
Tax and social security liabilities	**123.6**	**108.0**
Short term provisions	**20.1**	**15.8**
TOTAL LIABILITIES AND EQUITY	**24,977.1**	**22,645.7**

(1) In 2010, deferred tax assets and deferred tax liabilities within a same fiscal group are offset. 2009's figures were consequently restated.

UNIBAIL-RODAMCO Cash flow statement (€ Mn)	2010	2009
Operating activities		
Net profit	**2,485.5**	**-1,566.5**
Depreciation & provisions	47.0	50.0
Changes in value of property assets	-1,702.3	2,192.1
Changes in value of financial instruments	128.4	306.2
Discounting income/charges	0.9	-0.6
Charges and income relating to stock options and similar items	7.5	5.8
Other income and expenses	0.3	0.3
Net capital gains/losses on sales of properties [1]	-112.6	40.2
Income from companies consolidated under the equity method	-3.5	22.3
Income on financial assets	-6.2	-8.9
Dividend income from non-consolidated companies	-0.3	-
Net financing costs	268.9	288.4
Income tax charge	121.0	-114.5
Cash flow before net financing costs and tax	**1,234.6**	**1,214.7**
Income on financial assets	6.2	8.9
Dividend income and result from companies under equity method or non consolidated	0.3	17.3
Income tax paid	-17.4	-12.0
Change in working capital requirement [2]	-1.6	33.0
Total cash flow from operating activities	**1,222.1**	**1,262.0**
Investment activities		
Property activities	**147.5**	**-148.3**
Acquisition of consolidated subsidiaries	-477.9	-88.3
Amounts paid for works and acquisition of property assets [2]	-824.9	-760.6
Exit tax payment	-2.5	-3.1
Reimbursement of property financing	2.1	4.0
Increase of property financing	-1.7	
Disposal of subsidiaries		1.0
Disposal of investment property	1,452.4	698.7
Finance leasing and short-term lending activities	**1.3**	**0.7**
Repayment of finance leasing	1.3	0.7
Financial activities	**-0.7**	**17.5**
Change in financial assets	-1.1	16.8
Disposal of financial assets	0.4	0.7
Total cash flow from investment activities	**148.2**	**-130.1**
Financing activities		
Capital increase	38.3	30.0
Distribution to parent company shareholders	-2,565.6	-510.9
Dividends paid to non-controlling shareholders of consolidated companies	-9.9	-6.7
New borrowings and financial liabilities	3,001.5	1,862.4
Repayment of borrowings and financial liabilities	-1,561.9	-2,104.6
Financial income	80.4	99.8
Financial expenses	-334.7	-326.4
Other financing activities	-202.8	-42.5
Total cash flow from financing activities	**-1,554.7**	**-998.9**
Change in cash and cash equivalents during the year	**-184.5**	**132.9**
Cash at beginning of year	**256.4**	**123.7**
Effect of exchange rate fluctuations on cash held	**-1.0**	**-0.2**
Cash at year-end [3]	**70.9**	**256.4**

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

[2] Change in debt of investment has been reclassified from "change in working capital requirement" to "amounts paid for works". 2009' figures were consequently restated.

[3] Cash and cash equivalents include bank accounts and current accounts with terms of less than three months.

I. ACCOUNTING PRINCIPLES AND SCOPE OF CONSOLIDATION

Accounting principles

Unibail-Rodamco's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) applicable in the European Union as at December 31, 2010.

No change was made compared to the accounting principles used for the previous period except IFRS3-R[1] implementation.

They are compliant with best-practice recommendations published in October 2010 by the European Public Real-estate Association (EPRA).

Scope of consolidation

On July 15, 2010, Unibail Rodamco acquired the Simon Ivanhoe portfolio, composed of 2 shopping centres in Poland (Arkadia and Wilenska in Warsaw) and Bay1 / Bay 2 shopping centre in France (east of Paris). This portfolio also includes participations in 3 other shopping centres in France (Bel-est, Villabé and Wasquehal) and 5 projects, including "Les Portes de Gascogne" in Toulouse.
As a consequence of this acquisition, the scope of consolidation includes 26 additional entities as from July 2010.

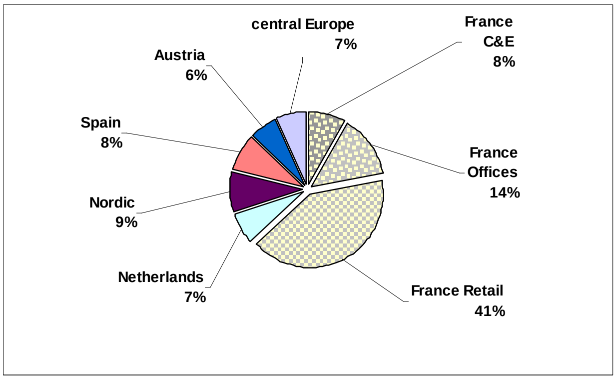
On July 1st, 2010, the Group increased its stake in Euralille shopping centre (Lille- France) from 40 to 76%. This entity, previously consolidated under equity method, has been fully consolidated as from this date.

As at December 31, 2010, 316 companies in 12 countries have been fully consolidated with the exception of 32 companies accounted for under the proportional method and 4 companies under the equity method (mainly COMEXPOSIUM, the trade show organisation business group).

As at December 31, 2010, minority shareholders owned 0.83% of Rodamco Europe NV (1.48% at year end 2009). Legal buy out proceedings under Dutch law initiated on December 14th, 2007 before Enterprise Chamber of the Court of Appeal in Amsterdam are ongoing.

The Group is operationally organised in 6 geographical regions: France, The Netherlands, Nordic, Spain, Central Europe and Austria. France which has substantial representation in all 3 business-lines of the Group, is itself divided in 3 segments: Shopping Centres, Offices and Conventions & Exhibitions. The other regions operate mainly in the shopping centre segment.

The table below shows the split of property gross market value per region as at December 31, 2010.



[1] Impact on Unibail-Rodamco's 2010 financial statements: acquisition costs related to business deals are expensed in the non recurring result.

II. BUSINESS REVIEW BY SEGMENT

1. Shopping centres

1.1. Shopping centre market in 2010

The economic context was generally difficult and unpredictable in 2010 despite a small increase in the GDP of the European Union (+1.8%[2]). Unemployment increased during the first half of the year, stabilising at 9.6% (10.1% in the Eurozone) during H2, and although consumer confidence increased slightly it remained fragile[3].

In this context, and despite the impact of bad weather in December, tenant turnover in Unibail-Rodamco's shopping centres increased significantly with sales volumes up by +3% year-on-year, out-performing national reference indices (+1.1%). The Group's top 15 shopping centres showed a 3.9% increase in tenants' sales, demonstrating their attractiveness to consumers. In addition to an enjoyable shopping experience, these centres offer a broad selection of shops, innovative leisure options and differentiating, creative interior design.

This out performance is attributed to asset quality and pro-active management through retenanting, redesigning and remarketing. Ambitious marketing campaigns and exclusive events were introduced to drive traffic and attract new clients with higher purchasing power, especially in primary catchments areas.

The accessories, hygiene-beauty and clothing sectors performed well in 2010 with sales increases of more than 3% (+4.4% for fashion apparel). The cultural and electronics sectors were down slightly at -0.3%.

Dynamic leasing activity, especially during H2, saw 1,469 leases signed in 2010 (versus 1,151 in 2009). This demand was driven by large national and international retailers seeking to accelerate their European development in prime shopping centres with outstanding locations in the continent's major cities.

Unibail-Rodamco's pro-active approach to attracting premium retailers has enabled the Group to introduce new, differentiating brands such as Apple, Hollister (Abercrombie & Fitch Group), Starbucks and Forever 21 to shopping centres across Europe.

It is expected that these new US retailers and large national and European retailers will accelerate their expansion programmes during 2011.

Their main focus will be on the best international shopping malls in Europe's major capital cities, right in the heart of Unibail-Rodamco's investment base.

[2] Source Eurostat
[3] Source (BNP Paribas Observatoire CETELEM)

1.2. Rental income from Unibail-Rodamco's shopping centres

Total consolidated Net Rental Income (NRI) amounted to € 961.1 Mn in 2010, representing a rise of 2.1% compared with 2009, with significant changes in the scope due to the acquisition of the Simon-Ivanhoe portfolio (France and Poland) in July 2010 and the ongoing divestment programme, especially in The Netherlands.

Region	Net Rental Income (€Mn)		
	2010	2009	%
France	480.5	453.9	5.9%
Netherlands	104.8	142.5	-26.5%
Nordic	95.0	90.2	5.3%
Spain	123.2	119.8	2.8%
Central Europe	90.3	73.1	23.5%
Austria	67.3	62.1	8.5%
Global	**961.1**	**941.6**	2.1%

The €19.5 Mn NRI growth came mainly from:

- Acquisitions: +€31.1 Mn of which:
  - ✓ Simon-Ivanhoe portfolio acquired on July 15, 2010 which generated €7.4 Mn additional NRI in France and €14.9 Mn in Poland.
  - ✓ Stake increase up to 76% in Euralille (Lille- France) on July 1st, 2010, leading to full consolidation of the shopping centre previously consolidated under equity method: +€6.5 Mn.
  - ✓ Acquisition of additional units in Shopping City Süd in Vienna-Austria in Q4-2009: +€2 Mn.
  - ✓ Acquisition of additional plot in St Genis Laval-France in 2009: +€0.3 Mn.

- Deliveries of new shopping centres or extensions: +€16.5 Mn, coming from:
  - ✓ France: +€12.8 Mn.
    - Docks de Rouen–France (37,700 m²) opened in April 2009.
    - Docks Vauban–Le Havre-France (53,800 m²) inaugurated in October 2009.
    - Cnit-Paris La Défense, new retail area (16,670 m²) delivered in October 2009.
    - Lyon Part Dieu extension in Lyon-France (14,956 m²) opened in May 2010.
  - ✓ Austria: +€1.8 Mn, Donau Zentrum extension in Vienna opened in October 2010.
  - ✓ Netherlands: +€1.3 Mn, Almere-Buitenmere extension (16,578 m²) delivered in 2 phases, November 2009 and September 2010.
  - ✓ Spain: +€0.6 Mn, La Maquinista extension in Barcelona-Spain (16,141 m²) delivered by phases between April and November 2010.

- Disposals: -€43.8 Mn.
  - ✓ In The Netherlands: -€40.2 Mn, as a consequence of the disposal of non strategic assets in 2009 and 2010.
  - ✓ In France: -€3.6 Mn due to Limoges- St Martial disposal in July 2010.

- After taking into account +€5 Mn of constant currency correction[4] and -€0.9 Mn of one-off items, the net change like for like amounted to €11.5 Mn.

Region	Net Rental Income (€Mn) Like-for-like		
	2010	2009	%
France	439.3	436.0	0.8%
Netherlands	79.2	78.0	1.6%
Nordic	73.0	73.5	-0.6%
Spain	121.7	118.9	2.3%
Central Europe	75.8	73.1	3.6%
Austria	59.6	57.6	3.6%
Global	**848.7**	**837.2**	1.4%

Excluding currency effect

The total net rental income grew by 1.4 % on a like-for-like basis in 2010, compared to 2009.

Region	Net Rental Income like-for-like evolution (%)			
	Indexation	Renewals, relettings net of departure	other	Total
France	0.3%	0.3%	0.2%	0.8%
Netherlands	1.1%	-0.1%	0.6%	1.6%
Nordic	2.0%	0.0%	-2.6%	-0.6%
Spain	0.5%	0.2%	1.6%	2.3%
Central Europe	1.0%	1.8%	0.8%	3.6%
Austria	0.5%	2.7%	0.4%	3.6%
Global	0.6%	0.5%	0.3%	1.4%

Net of indexation, the highest growth in NRI like for like was in Austria and Central Europe thanks to excellent performance in re-letting with high rental uplift achieved, +52% in Austria and 28% in Central Europe.

Nordic saw increased vacancy in Fisketorvet and Solna due to renovation projects and all the centres were affected by the exceptionally harsh weather conditions which increased operational costs for snow cleaning and heating.

Sales in Unibail-Rodamco's shopping centres, excluding centres delivered in 2009 and 2010, increased on average by 3% in 2010 compared to 2009, outperforming national indexes by 1.1%. Best performing countries were Austria (+8%), Nordic countries (+4.0%), Poland (3.3%) and France (+3.0%). Spain, still going through difficult economic times, stood at +0.6%.

On the whole portfolio, sales based rents amounted to €17.8 Mn (€13.7 Mn in 2009) and represented 1.8 % of total net rental income (1.5% in 2009).

[4] Mainly in Sweden

1.3. Leasing activity in 2010

Leasing activity in 2010 resulted in 1,469 leases signed compared to 1,151 leases signed over 2009.

In total €128.8 Mn of Minimum Guaranteed Rents (MGR) with an average uplift of 18.3% was signed in 2010 versus €101.7 Mn in 2009 with an average uplift of 20.9%.

region	lettings / re-lettings / renewals excl. Pipeline				
	nb of leases signed	m²	MGR (€ Mn)	MGR uplift like for like	
				€ Mn	%
France	358	68,797	47.1	6.8	19.2%
Netherlands	80	22,355	8.2	0.7	11.1%
Nordic	254	55,037	19.8	0.9	5.8%
Spain	375	76,220	24.5	2.0	10.6%
Central Europe	278	35,069	15.0	3.2	27.7%
Austria	124	37,742	14.2	3.9	52.2%
Global	1,469	295,220	128.8	17.6	18.3%

MGR : Minimum Guaranteed Rent

Unibail-Rodamco continued to expand its differentiating retailer strategy. Demand remained strong from international brands which want to develop their European network in prime locations.

Unibail-Rodamco successfully attracted more premium and cross borders retailers in its portfolio.

1.4. Vacancy and Lease expiry schedule

As at December 31, 2010 aggregated annualised Minimum Guaranteed Rents from Unibail-Rodamco's shopping centre portfolio amounted to €1,010.4 Mn, excluding variable rents and other income (€977.8 Mn at year end 2009).

The following table shows a breakdown by expiry date and by next termination option of the leases[5].

Retail portfolio	Lease expiry schedule			
	at date of next break option	as a % of total	at expiry date	as a % of total
Expired	48.6	4.8%	48.6	4.8%
2011	148.5	14.7%	56.1	5.5%
2012	200.0	19.8%	97.2	9.6%
2013	165.1	16.3%	70.5	7.0%
2014	148.1	14.7%	101.7	10.1%
2015	97.8	9.7%	89.1	8.8%
2016	45.0	4.5%	68.4	6.8%
2017	37.1	3.7%	66.8	6.6%
2018	28.0	2.8%	87.6	8.7%
2019	28.8	2.9%	79.6	7.9%
2020	21.3	2.1%	60.6	6.0%
2021	9.6	1.0%	31.0	3.1%
Beyond	32.6	3.2%	153.3	15.2%
M€	**1,010.4**	**100%**	**1,010.4**	**100%**

[5] Un-audited. In The Netherlands, the landlord cannot terminate the lease unilaterally; therefore the expiry date is considered as indefinite. These leases have been classified on the line "beyond" on the table.

Potential rents from vacant space in operation on the total portfolio amounted to €20.2 Mn at December 31, 2010. The financial vacancy rate[6] stood limited at 1.7%, equal to year end 2009 ratio.

Region	vacancy (Dec 31, 2010)		%
	€Mn	%	Dec 31, 2009
France	8.2	1.4%	1.5%
Netherlands	2.3	2.3%	1.9%
Nordic	5.0	3.7%	3.2%
Spain	2.2	1.6%	1.2%
Central Europe	0.3	0.2%	0.0%
Austria	2.2	2.8%	3.7%
Global	**20.2**	**1.7%**	**1.7%**

The average occupancy cost ratio[7] was stable at 12%, ranging from 9.8% in the Nordic countries, 11.5% in Spain, 12.0% in Central Europe, 12.1% in Austria and 12.9% in France.

1.5. Investment

Unibail-Rodamco invested in total €1.5 Bn (Group share) in its shopping centre portfolio in 2010.

- On July 15, 2010, Unibail-Rodamco invested €715 Mn to acquire the Simon-Ivanhoe portfolio composed of:
  - ✓ In Warsaw: Arkadia (73,994 m²) and Wilenska (20,849 m²).
  - ✓ In France Bay1 / Bay 2 (27,031 m²) near Paris and 3 other participations representing 9,388 m² (Villabé, Bel Est and Wasquehal).
  - ✓ Five projects in France, shared 50/50 with Simon- Ivanhoe, mainly “les Portes de Gascogne” in Toulouse (25,468 m² Unibail-Rodamco’s share).

- On July 1st 2010, the Group increased its stake in Euralille–Lille-France from 40% to 76% for an underlying asset value of €65.5 Mn for the acquired part.

- €39 Mn was invested in acquisitions of several plots notably in Garbera and Parquesur in Spain and Rosny 2 in France.

- €547.5 Mn was invested in new shopping centre projects, extensions and renovations.
  (See additional information in the following section on « Project pipeline »)

- Financial costs, eviction costs and other were capitalised respectively for €20.8 Mn, €51.9 Mn and €19 Mn.

1.6. Divestments

Pursuing its strategy of concentrating on large prime shopping centres in 2010, the Group has accelerated its divestments.

- In The Netherlands, 16 shopping centres and 2 high street portfolios, representing 233,900 m² (GLA) were sold.

- In France, the St Martial shopping centre (15,100 m²) in Limoges was sold.

Disposals amounted to €1,066 Mn (net disposal proceeds[8]) and generated a net result of €77.1 Mn.

1.7. Portfolio valuation

As at December 31, 2010 the shopping centre portfolio of Unibail-Rodamco was valued on the balance sheet at €17.9 Bn, excluding transfer taxes and disposal costs (see ‘Net Asset Value’ section).

Fair value adjustments to investment properties resulted in a profit of €1,395.5 Mn in Unibail-Rodamco’s income statement at December 31, 2010, of which €710.3 Mn was already booked as at June 30, 2010.

Changes in value broke down by region as follows:
€943.5 Mn in France, €117.8 Mn in Austria, €98.8 Mn in Nordic, €92.3 Mn in Spain, €81.8 Mn in Central Europe and €61.3 Mn in The Netherlands.

[6] 2009 ratio differs slightly from the ratio previously published, as the group is now using the vacancy rate defined by EPRA best practice recommendations.
EPRA ratio = Estimated Rental Value (ERV) of vacant spaces divided by ERV of total surfaces.
The ratio published previously by the Group was = ERV of vacant spaces divided by (MGR of let surfaces+ ERV of vacant spaces).

[7] Occupancy Cost Ratio = (rental charges + service charges including marketing cost for tenants) / tenants' sales; all factors including VAT and for all the occupiers of the shopping centre.2009 ratio was slightly adjusted to include property taxes rebilled to tenants in France. As tenants’ turnover is not known for The Netherlands, no reliable occupancy cost ratio can be calculated for this country.

[8] Including the disposal of space to Paris city in Forum des Halles for the purpose of the reconstruction and the refurbishment (€82 Mn).

2. Offices

2.1. Office property market in 2010 [9]

Take-up

With a take-up of almost 2.2 Mn m², the Paris Region office market is back on track to its 10-year average transaction level. After three years of successive falls, the office space take-up grew by 15% compared to 2009.

The Paris market accounted for 43% of the take-up in Paris-region; the Paris Central Business District (CBD) performed particularly well with a transaction volume of over 420,000 m², a year-on-year increase of 60%.
The small space segment (less than 1,000 m²) accounted for almost half of space transacted in 2010. But this year also saw the return of transactions above 5,000 m² with 8 transactions for a total of 76,500 m² (versus 3 transactions of 25,000 m² in 2009).

By contrast, La Défense only accounted for 7% of the 2010 Paris Region take up (155,000 m²) with 7 deals above 5,000 m². This is an 11% decrease compared to 2009, largely due to lack of new available supply.

Available supply

Immediate supply in the Paris Region was stable (3.6 Mn m² at the end of 2010) whereas the Outer Suburbs and La Défense markets saw increases.

Paris CBD saw a fall of 13% in immediate supply to 372,000 m² at the end of 2010 (versus 426,000 m² at the beginning of the year). However, over three quarters of this available stock is second-hand space. 50% of the new immediate supply is concentrated in the medium space segment (1,000 to 5,000 m²). Opportunities for moves to large-scale new office space are rare and options are currently very limited.

-The vacancy rate in the greater Paris Region stabilised at 6.8% in 2010 but fell in Paris and in the CBD (5.6%) in particular. The sustained upturn in take-up combined with the low level of scheduled deliveries should have a positive impact on vacancy.

The vacancy rate at La Défense stands at 6% at the end of 2010. 78% of the vacancy is made of second hand buildings, which implies that new or refurbished assets remain in short supply in La Défense.

Rents

In the CBD, prime rents continue to rise and have reached more than 734€/m² per year representing an 11% increase since the beginning of the year.

On the other hand, second-hand rents have been at the same level since 2007. This price gap is widening, as the growing appetite of occupiers for new efficient and sustainable office space is at the expense of less functional 'classical Parisian' buildings.

The prime rent in La Défense went up to 511€/m² although this is based on very few deals at the end of 2010.

Investment situation:

The Paris Region Investment market started to wake up in the 4th quarter of 2009. This positive trend was confirmed throughout 2010.

The volume invested in commercial property in the Paris Region has reached € 8.2 Bn at the end of 2010, a 55% increase compared to 2009 and on par with levels recorded in 1999 and 2003.

Compared to 2009, 2010 was marked by the return of larger-volume transactions with several deals over €100 Mn. The largest transactions include the acquisition of the HSBC headquarters on the Champs Elysées for an estimated price of €400 Mn, the acquisition of Capital 8 Messine by Allianz Real Estate for €243.5 Mn (the latter sold by Unibail-Rodamco), and the acquisition of CB16 tower at La Défense by Parlyo II for an estimated price of €200 Mn.

Prime yields are now clearly improving and this has been confirmed by many transactions in the second half of 2010. According to brokers' reports, in Paris CBD, the prime yield stood between 4.75% and 5.50% at year-end. However, the decrease in yields mainly applies to high quality, well located assets offering secured cash-flows.

2.2. Office division 2010 activity

Unibail-Rodamco's consolidated net rental income from offices (NRI) in 2010 came to €206.1 Mn.

Region	Net Rental Income (€Mn)		
	2010	2009	%
France	173.5	178.7	-2.9%
Netherlands	12.0	20.2	-40.8%
Nordic	17.6	16.3	8.2%
Other countries	3.0	4.4	-32.9%
Global	**206.1**	**219.6**	-6.2%

The variation of -€13.5 Mn between 2009 and 2010, can be broken down as follows:

- -€34.1 Mn came from disposals:
  - ✓ Buildings sold in 2009 (mainly: Cambon, Clichy, 12 Mail and Iéna in Paris, Aegon building in The Hague - The Netherlands).

[9] Source : CBRE

✓Buildings sold in 2010 (in Paris: 18-20 Hoche, and Capital 8–Messine, 168 av Ch de Gaulle in Neuilly and one logistics asset in Spain).

- +€3.7 Mn came from the acquisition of "Le Sextant" building (13,300 m²) in Paris at year end 2009.

- +€11.9 Mn came from the delivery after renovation of Michelet-Galilée in Paris-La Défense, and Tour Oxygène in Lyon-France.

- After taking into account currency effects in Sweden (+€1.5 Mn), like-for-like NRI increased by €3.5 Mn, ie a 2.2% growth, despite a negative impact of indexation of -1.1%.

Region	Net Rental Income (€Mn) Like-for-like		
	2010	2009	%
France	140.7	135.4	3.9%
Netherlands	7.2	8.7	-17.0%
Nordic	12.9	13.3	-2.5%
Other countries	2.2	2.1	2.3%
Global	**163.1**	**159.5**	2.2%

In 2010, 117,211 m² has been let or re-let on the whole office portfolio for €39.9 Mn minimum guaranteed rents.

In France, 35 leases were signed, renewed or renegotiated (69,457 m²) for €33.5 Mn of annual rent, with a MGR downward adjustment of 0.8% compared to the previous leases.

As at December 31, 2010 annualised minimum guaranteed rents generated by the office portfolio amounted to €216.4 Mn. The expiry schedule of the leases (termination option and expiry date) is shown in the following table.

Office portfolio	Lease expiry schedule			
	at date of next break option	as a % of total	at expiry date	as a % of total
Expired	6.8	3.2%	6.8	3.2%
2011	29.7	13.7%	16.1	7.4%
2012	17.0	7.9%	8.0	3.7%
2013	41.6	19.2%	14.7	6.8%
2014	18.7	8.6%	7.0	3.2%
2015	21.9	10.1%	28.7	13.3%
2016	26.5	12.2%	24.6	11.4%
2017	6.9	3.2%	20.7	9.5%
2018	14.6	6.7%	17.0	7.9%
2019	24.8	11.4%	58.4	27.0%
2020	2.2	1.0%	3.2	1.5%
2021	2.1	1.0%	0.0	0.0%
Beyond	3.7	1.7%	11.3	5.2%
M€	**216.4**	**100%**	**216.4**	**100%**

Potential rents from vacant office space in operation amounted to €15.9 Mn at December 31, 2010.

The financial vacancy[10] stood at 7.1% for the whole portfolio (5.6% as at December 31, 2009). In France the financial vacancy increased from 4.3% at year-end 2009 to 5.7% at December 31, 2010, mainly due to the departure of a tenant in the Issy Guynemer building.

2.3. Investment

Unibail-Rodamco invested in total €168 Mn in its office portfolio in 2010 (Group share), of which €149.4 Mn was invested for construction projects and renovations and €2.8 Mn in an acquisition (see more details in the following section on Projects pipeline).

Financial costs and other costs were capitalised respectively for €11.7 Mn and €4.3 Mn.

2.4. Divestments

The Group sold 8 office buildings in 2010 for a total net disposal proceeds of €462 Mn and a net profit of €36.5 Mn:

- Capital 8-Messine (18,107 m²) in Paris, sold in Q2 for a net disposal price of €242.1 Mn at a net initial yield of 5.6%.
- 18-20 av Hoche in Paris (2,774 m²), in Q1 for a net disposal price of €40 Mn and a net initial yield of 5.3%.
- 168 av Charles de Gaulle- Neuilly (7,355 m²), sold at the end of the year for a net disposal price of €62.5 Mn and a net initial yield of 5.8%.
- 11/15 St Georges in Paris (7,855 m²) for a net disposal price of €74.6 Mn and a net initial yield of 4.7%.
- One logistics asset in Madrid-Spain for €27.5 Mn.
- Small assets in Sweden, France and The Netherlands for €15.3 Mn.

The net gain over the last appraised value was +8.9%.

2.5. Portfolio valuation

The office portfolio was valued at €3.7 Bn (excluding transfer taxes and disposal cost) on the balance sheet at December 31, 2010:

- €3,346 Mn in assets recorded at fair market value (after transfer taxes deduction) corresponding to the standing assets and one investment property under construction (So-Ouest building in Levallois);
- €353 Mn of assets at historical cost for one own-use building (the Group's HQ at 7 Adenauer-Paris) and projects under construction.

The change in fair value of office investment properties since December 31, 2009 generated a profit of €201.7 Mn in the P&L (see note on Net Asset Value).

[10] According to EPRA best practice recommendations. 2009 ratio was restated accordingly.

3. Convention & Exhibition

This activity is exclusively located in France, and consists of a real estate venues rental and services company (VIPARIS) and a trade show organiser (COMEXPOSIUM).

Both organisations are jointly owned with the Paris Chamber of Commerce and Industry (CCIP), where VIPARIS is fully managed and consolidated by Unibail-Rodamco and COMEXPOSIUM is controlled by the CCIP and recorded under the equity accounting method.

The Convention and Exhibition business has been exposed to the economic crisis. A few shows, such as the Furniture Show and the Paris Tuning show have been cancelled, while the creation of new shows is slowing down.

Nevertheless, premium shows have proven their ongoing attraction value. Although lower than normal for an even year, the Convention & Exhibition business in 2010 performed well in the current environment on the back of an increase in number of exhibitors.

Especially in this environment, shows are one of the most effective media for exhibitors since they offer direct, personal and effective contacts with customers relative to other forms of media.

Consequently, Viparis hosted more than 51,500 exhibitors in 2010, including 40% of foreign exhibitors.

In aggregate, 942 events were held on all VIPARIS venues in 2010, of which 309 shows, 126 conventions, and 507 corporate events. Especially the 4th quarter of 2010 has been strong, with several large shows such as the Motor show, the boat show and SIAL.
The important shows have seen little impact of the crisis, as they have become landmark events for the public at large. These include the "Agriculture show" (since 1926), the "Motor show" (since 1898), the "Boat show" (since 1961), "Paris Fair show" (since 1926) and the furniture show named "Maison et Objet" (since 1998).

A new hall (35,000 m²) was opened in July 2010 in Villepinte which is now the 5th largest venue in Europe.
This new hall has been let to VIPARIS for 97 years[11].

Despite the impacts of strikes and the adverse weather in December, visits numbers were satisfying with more than 9 million visits on VIPARIS's 10 venues, an increase of 245,000 over 2009.

Traditionally, the Convention and Exhibition business has a seasonal results pattern, with annual, bi-annual and tri-annual shows. Even years tend to have more shows than uneven years.
As a result of these seasonal effects and in view of the challenging external environment, EBITDA amounted to a satisfactory €120 Mn, an increase of €1.9 Mn vs. 2009. Compared to 2008 (€127.4 Mn), this represented a decline by 5.8%.

At year-end 2010, pre-booking levels for 2011 are at 88%, within the normal level of 85-90%.

Comexposium, the trade show organisation business, and consolidated under equity method, contributed €15.3 Mn in 2010 (€7 Mn in 2009) to the Group's recurring result.

Including the hotels Méridien-Montparnasse (Paris) and Hilton-Cnit (Paris la Défense), of which the rental income is part of this segment of activity, and after deduction of depreciation, the division showed an operating profit of €136.1 Mn in 2010, versus €125.9 Mn in 2009.

[11] The contract was booked as a financial lease for a total liability of €58.3 Mn on Unibail-Rodamco's balance sheet.

III. 2010 RESULT

General expenses amounted to €97.5 Mn in 2010, compared to €97.6 Mn in 2009.

Non recurring general expenses, (€15.8 Mn) correspond to acquisition costs[12] related to Simon–Ivanhoe acquisition and related costs.

Development Costs incurred for feasibility studies of projects amounted to €7.2 Mn in 2010.

Property services net operating result (€13.3 Mn) came from property services companies in France, and in Spain.

The item 'other income' was limited to €0.6 Mn in 2010, compared to €9.4 Mn in 2009 that resulted from a reversal of provision for a successfully concluded litigation.

Group net financial expenses totalled €304 Mn in 2010, including capitalised financial expenses of €35.1 Mn allocated to projects under construction.

Net borrowing expenses recorded in net recurring result for 2010 thus came to €268.9 Mn (€282.1 Mn in 2009).

Most of the ORAs issued in 2007 have been converted. Only 9,677 ORAs[13] were still in issue as at December 31, 2010.

The ORNANE[14] issued in April 2009 was accounted at fair value, in accordance with IFRS. The increase in value amounted to €23.8 Mn at December 31, 2010, resulting in a charge which did not affect the recurring result.

In accordance with the option adopted by Unibail-Rodamco for hedge accounting (IAS 39), the change in value of derivatives was recognised directly in the P&L, resulting in a negative amount of €98.6 Mn[15].
This charge did not affect the recurring result.

The Group's average cost of financing came to 3.9% in 2010 (4.0 % in 2009). Unibail-Rodamco's refinancing policy is described in the following section 'Financial Resources'.

The income tax charge is attributable to countries where specific tax regimes for property companies[16] do not exist and activities in France which are not eligible to the SIIC regime, mainly in the Convention & Exhibition business.

[12] Booked as charges according to IFRS 3-R
[13] Convertible into 11,902 shares.
[14] Net share settled bonds convertible into new and/or existing shares.
[15] Of which: €0.9 Mn for discounting effect.
[16] In France : SIIC (Société Immobilière d'Investissements Cotée).

Total income tax allocated to the recurring result was a charge of €9.6 Mn, versus slight profit in 2009 which benefited from a lower Viparis taxable result, recognition of deferred tax assets in Spain and reversal of provision for tax litigation closed last year.

Corporate income tax allocated to valuation result and disposals was a charge of €111.4 Mn due essentially to the variation of deferred taxes liabilities on investment properties' fair value.

As reported in its press release of December 11, 2009, Unibail-Rodamco expects that the Dutch tax authorities will deny the status of FBI (Fiscale Beleggings Instelling) in The Netherlands for Unibail-Rodamco's Dutch activities for 2010 onwards. Unibail-Rodamco still qualifies as a SIIC under the French SIIC regime. Differences between the French SIIC and the Dutch FBI regime, although materially insignificant in the Group's case, proved to be irreconcilable for the Dutch tax authorities.

Although Unibail-Rodamco does not agree with the viewpoint of the Dutch tax authorities, it has adopted a prudent view in its 2010 accounts, based on the assumption that the Dutch activities from 2010 onwards will be taxable. Due to significant Dutch tax-loss carry forwards the Group has realised, this had no impact on the Group's recurring result for 2010, and will not have a material impact on its recurring results for the foreseeable future.

Consolidated net recurring profit after tax for 2010 amounted to €936.2 Mn.

Non-controlling interests in the consolidated net recurring profit after tax amounted to €88.3 Mn. They related to CCIP's minority share in VIPARIS (€28.5 Mn), to shopping centres in France and Spain (€55 Mn, mainly Les Quatre Temps and Forum des Halles) and to the remaining 0.83% minority shareholders in Rodamco Europe (€4.8 Mn).

Consolidated net result (Group share) was a profit of €2,187.6 Mn in 2010. This figure breaks down as follows:

- **€847.9 Mn of recurring net profit**
- **€1,339.7 Mn of disposals and fair value adjustments of property assets and financial instruments.**

The average number of shares and ORAs[17] in issue during this period was 91,498,194.

Recurring Earnings per Share came to €9.27 in 2010, representing an increase of 0.87% compared to 2009.

[17] It has been assumed here that the ORAs have a 100% equity component.

IV. DIVIDEND AND OUTLOOK

Dividend

The regular annual distribution of €8.00 per share related to 2009 result and approved by the annual General Meeting was paid on May 10, 2010.

As a consequence of its successful divestment strategy and considering the strength of its balance sheet, the Group decided to reshape its capital structure. Accordingly, a proposal to make an exceptional distribution of €20.00 per share was approved by an extraordinary General Meeting on September 8, 2010. This €1.8 Bn exceptional distribution, declared from the Group's premium reserve, was paid on October 12, 2010.

Based on the 2010 consolidated recurring result of €9.27 per share, the Group will propose to the Annual General Meeting to declare a distribution of €8.00 per share in cash. This proposed distribution represents 86% of the recurring earnings per share and is in line with the established Group distribution policy.

The statutory 2010 result of Unibail-Rodamco SE, the parent company, was a profit of €1,336 Mn of which €725.6 Mn of reversal of the impairment of Rodamco Europe shares. Taking into account the negative retained earnings of €833.6 Mn and the allocation to the legal reserve, the dividend distribution capacity of Unibail-Rodamco SE amounts to €497.3 Mn.

If approved by the Annual General Meeting on April 27, 2011, the €8.00 per share distribution will be composed of circa 2/3 of dividend and 1/3 of distribution from premiums.

For the medium term, the Group intends to continue an annual cash distribution of at least €8.00 per share.

Post Balance Sheet events

On January 7, 2011, Unibail-Rodamco acquired from STARMAN Group the leasehold ("fonds de commerce") of Méridien Hotel Montparnasse in Paris.
Unibail-Rodamco, which already owned the building, has now the full ownership of this hotel.
Simultaneously, a business lease ("contrat de location gérance") was signed with Accor-Pullman which has been managing the hotel since this date.

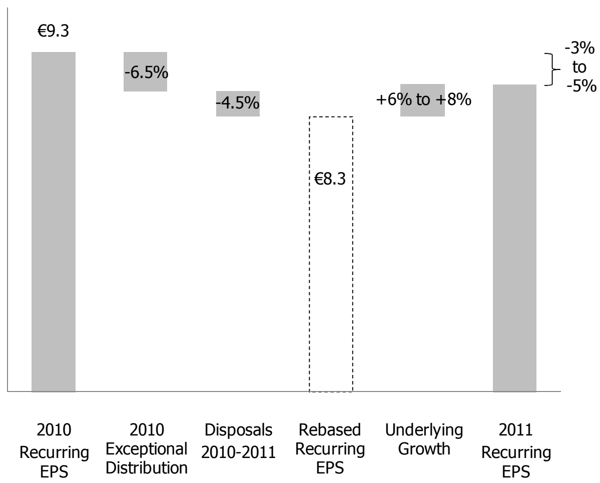
On the balance sheet as at Dec 31, 2010, assets for sale represented €980 Mn, out of which the Solna Hotel in Sweden sold on January 28, 2011 (€19.6 Mn), the Etrembières shopping centre in France sold on Feb 4, 2011 (€36.3 Mn for Unibail-Rodamco 50% share), while a further €153 Mn of preliminary sale and purchase agreements have been signed.

On February 1st, 2011, the Dutch Enterprise Chamber decided to request a panel of experts to update their July 2010 report on the value of the Rodamco-Europe shares, in view of the increase in the Net Asset Value per share over 2010. A final decision is now expected in the second quarter of 2011.

Outlook

With some 15% of the Group's equity distributed to shareholders, and massive disposals of smaller assets, 2010 has been a transformational year for Unibail-Rodamco in many ways. For 2011, the core underlying business is expected to be strong, and underlying growth should add around 6% to 8% to the recurring earnings per share. However, the exceptional distribution and the disposals will reduce the recurring earnings by respectively -6.5% and -4.5% (approximately 11%in total), bringing the overall outlook for 2011 to a limited 3% to 5% net decrease to reported 2010 recurring earnings per share.

Evolution of Recurring EPS in 2011 (€ per share)



For the 2012-2014 period the combination of healthy like for like growth prospects, combined with deliveries from the development pipeline and the protected cost of borrowing, and despite the ongoing divestments, leads the Group to express confidence in a return to an average growth of the recurring earnings per share of 5% to 7%.

DEVELOPMENT PROJECTS AS AT DECEMBER 31, 2010

After two years of re-visiting and improving the cost-efficiency of its development projects, Unibail-Rodamco took advantage of the current market to feed its pipeline with new projects. As of December 31, 2010 Unibail-Rodamco's development pipeline increased to €6.6 Bn, corresponding to a total of 1.3 Mn m² Gross Lettable Area (GLA), re-developed or added to its portfolio of assets.

1. Taking advantage of a recovering development and construction market

Over the last twelve to eighteen months, the property developers faced tough times as non-recourse loans for speculative development projects were practically impossible to obtain. Many projects were put on hold and various developers found themselves in financial difficulties.

In that context, Unibail-Rodamco fully benefited from its specific position as investor-developer-operator. It leveraged its strong balance sheet by sourcing new opportunities and financing the construction of its committed development projects.

The Group accelerated this opportunistic strategy in different situations during the last months of 2010, among them:

- Signature of a sale and purchase agreement of a land plot for a major retail and leisure development scheme in Valencia (Spain): the Fuente de San Luis project,
- Signature of several agreements with EPADESA, public land developer of La Défense : protocol for the building rights on Tour Phare, final deed for Tour Majunga allowing construction works to be launched end of December 2010, and a protocol for the development of Trinity, a circa 46,000m² GLA office building close to CNIT, in la Défense.

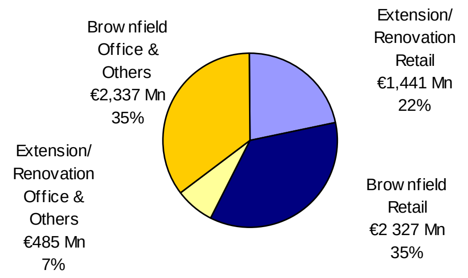
At the same time, Unibail-Rodamco took advantage of a tough period of time for the construction industry on most European markets, where order books began to shrink. The Group notably secured in that context the construction price for the Taby project in Sweden, the Majunga tower as well as other significant on-going development and extension projects.

As a result, the Unibail-Rodamco development pipeline increased by €1.1 Bn (€1.5 Bn of new projects minus €0.4 Bn of deliveries) and 0.2 Mn m² GLA (0.3 Mn m² of new projects minus 0.1 Mn m² of deliveries) compared to December 31, 2009.

2. Development pipeline overview

The Total Investment Cost of the development pipeline as of December 31, 2010 came to €6.6 Bn. It can be broken down as follows:

Development pipeline by category



With €3.8Bn, the retail sector makes up the largest part of the pipeline. Brownfield projects represent 60% of the retail pipeline, while extensions and renovations of existing malls make up the remaining 40%. The projects aim to increase GLA by approximately 718,000m² and to redevelop 99,000m².

The value of the Offices & Others' pipeline (including Conventions & Exhibitions) amounts to €2.8Bn. Brownfield projects, which aim to build approximately 374,000m² of new GLA, represent 83% of this investment. The remainder will be invested in redeveloping or refurbishing 144,000m² of existing assets.

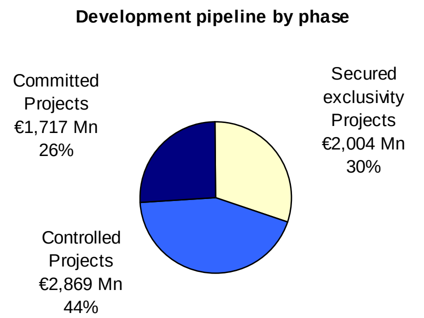
3. Phases of the pipeline projects

The evolution of the development pipeline shows that projects move forward and come closer to completion, while new projects are picked up.
Committed[18] projects as of December 31, 2010 amounted to €1.7 Bn (vs. €1.2Bn in FY 2009), Controlled[19] projects to €2.9 Bn (vs. €1.8 Bn in FY 2009) and Secured exclusivity[20] projects to €2.0 Bn (vs. €2.5 Bn in FY 2009).

[18] Committed projects: projects currently under construction, for which Unibail-Rodamco owns the land or building rights and has obtained all necessary administrative authorisations and permits

[19] Controlled projects: project in an advanced stage of studies, for which Unibail-Rodamco controls the land or building rights, but where not all administrative authorisations have been obtained yet

[20] Secured exclusivity projects: projects for which Unibail-Rodamco has the exclusivity but where negotiations for building rights or project definition are still underway



4. New projects in 2010

Several new projects have entered the development pipeline in 2010 of which:

Shopping Centres:
- The Forum des Halles renovation project in Paris, France, as agreed with the Paris Municipality.
- A major renovation of the Shopping City Sud Centre in Vienna, Austria,
- Two brownfield projects part of the Simon-Ivanhoe acquisition: Portes de Gascogne (U-R share: 50% of the 50,936m²) in Toulouse, France and Le Cannet (U-R share: 25% of the 27,320 m²), in the suburbs of Cannes, France.
- The Fuente de San Luis Project, in Valencia, Spain, a brownfield project for a regional Shopping Centre of 74,249m²;
- The 3 Pays Project, a 90,000m² brownfield project in France in the Bâle region, near the Swiss and German borders.

Office:
- After an agreement with EPADESA, the Trinity project, a circa 46,000m² GLA office building close to CNIT, in la Défense, France.
- The redevelopment of four office buildings: the Courcellor 1 office building in Levallois, France, the building 2 of the 70-80 Wilson complex in La Défense, France, the building 1 of the Issy Guynemer complex in Greater Paris, France and the Plaza Office Building in Rotterdam, The Netherlands.

5. Deliveries in 2010

The main deliveries in 2010 were:

- La Part-Dieu extension in Lyon, France, with 14,956m² of GLA and an investment cost of €55 Mn. Since opening in May 2010, footfall of the whole shopping centre increased by 12.3% and total sales increased by 14%. The extension is fully let.
- La Maquinista extension in Barcelona, Spain, with 16,141m² of GLA and an investment of €44 Mn. Since opening in September 2010, footfall of the whole shopping centre increased by 5.9% and total sales increased by 10.1%. The extension is 97% let as of December 31, 2010.
- Donau Zentrum extension in Vienna, Austria, 25,876m² of GLA with an investment cost of €111 Mn. The opening of this successful mall extension took place in October. Since opening, footfall of the whole shopping centre increased by 18.1% and total sales increased by 60.6% (7.6% without extension). The extension is 95% let as of December 31, 2010.
- Tour Oxygène in Lyon France, a newly built office tower of 29,421m² of GLA with a total investment cost of €110 Mn. The building is 79% let as of December 31, 2010.
- Michelet-Galilée in La Défense, France, the refurbished office building was completed in March for a total investment cost of €36 Mn. The building is fully let.

6. Investments in 2010

Unibail-Rodamco invested €547.5 Mn[21] (group share) in its shopping centre portfolio in 2010:
- In France: with new shopping centre projects and extensions under construction like So-Ouest-Levallois, Lyon-Confluence and Lyon Part Dieu extension. As well as for the renovation of existing shopping centres (4 Temps, Vélizy 2, Parly 2).
- In Sweden : with Taby extension and renovation works for Forum Nacka and Solna.
- In Austria: for Donau Zentrum extension and renovation.
- In Spain: La Maquinista extension.

Unibail-Rodamco invested €149.4 Mn[21] in its office portfolio in 2010, mainly:
- For construction works in France mainly for Tour Oxygène in Lyon, So Ouest building in Levallois and the Phare and Majunga buildings in Paris-La Défense.
- For the renovation of existing buildings, mainly Michelet-Galilée, Tour Ariane and Cnit offices in Paris La Défense.

[21] Group-share, excluding financial costs and internal costs capitalised.

7. Projects overview

Developement projects [1]	Business	Country	City	Type	Total Complex GLA (m²)	GLA U-R scope of consolidation (m²)	Cost to date [2] U-R scope of consolidation (€ Mn)	Expected cost [3] U-R scope of consolidation (€ mn)	Expected Opening date [4]	U-R Yield on cost (%)
SO OUEST OFFICES	Office & others	France	Paris Region	Greenfield / Brownfield	33 419 m²	33 419 m²	141	193	H2 2011	
DONAUZENTRUM	Shopping Centre	Austria	Vienna	Extension / Renovation	0 m²	0 m²	40	55	H2 2011	
70-80 WILSON	Office & others	France	Paris Region	Redevelopment / Refurbishment	12 462 m²	12 462 m²	0	16	H2 2011	
ISSY GUYNEMER	Office & others	France	Paris Region	Redevelopment / Refurbishment	14 833 m²	14 833 m²	1	24	H2 2011	
SOLNA	Shopping Centre	Sweden	Solna	Extension / Renovation	2 950 m²	2 950 m²	9	26	H2 2011	
PARLY 2	Shopping Centre	France	Paris Region	Extension / Renovation	0 m²	0 m²	5	14	H2 2011	
LYON CONFLUENCE	Shopping Centre	France	Lyon	Greenfield / Brownfield	53 626 m²	53 626 m²	185	258	H1 2012	
FARO DEL GUADIANA	Shopping Centre	Spain	Badajoz	Greenfield / Brownfield	66 339 m²	43 339 m²	36	88	H1 2012	
SO OUEST SC	Shopping Centre	France	Paris Region	Greenfield / Brownfield	46 712 m²	46 712 m²	191	326	H1 2013	
MAJUNGA	Office & others	France	Paris Region	Greenfield / Brownfield	63 035 m²	63 035 m²	96	376	H2 2013	
FORUM DES HALLES	Shopping Centre	France	Paris	Extension / Renovation	15 386 m²	15 386 m²	27	71	H1 2014	
TABY CENTRUM	Shopping Centre	Sweden	Täby	Extension / Renovation	27 295 m²	27 295 m²	25	244	H2 2014	
OTHERS					7 364 m²	7 364 m²	15	26		
Committed projects					**343 420 m²**	**320 421 m²**	**771**	**1 717**		**7,7%**
ROTTERDAM PLAZA	Office & others	Netherlands	Rotterdam	Redevelopment / Refurbishment	16 025 m²	16 025 m²	0	20	H2 2011	
ROSNY 2	Shopping Centre	France	Paris Region	Extension / Renovation	4 729 m²	4 729 m²	26	32	H1 2012	
CARRE SENART 3	Shopping Centre	France	Paris Region	Greenfield / Brownfield	16 077 m²	16 077 m²	5	26	H1 2012	
FISKETORVET	Shopping Centre	Denmark	Copenhagen	Extension / Renovation	2 625 m²	2 625 m²	1	21	H2 2012	
SHOPPING CITY SUD	Shopping Centre	Austria	Vienna Region	Extension / Renovation	0 m²	0 m²	3	73	H2 2012	
PARLY 2	Shopping Centre	France	Paris Region	Extension / Renovation	18 392 m²	14 433 m²	5	77	H1 2013	
CENTRUM CERNY MOST	Shopping Centre	Czech Rep.	Prague	Extension / Renovation	44 213 m²	44 213 m²	17	145	H1 2013	
RENNES ALMA	Shopping Centre	France	Rennes	Extension / Renovation	10 443 m²	10 443 m²	21	82	H1 2013	
AEROVILLE	Shopping Centre	France	Paris Region	Greenfield / Brownfield	81 423 m²	81 423 m²	13	321	H2 2013	
LA TOISON D OR	Shopping Centre	France	Dijon	Extension / Renovation	12 318 m²	12 318 m²	2	79	H2 2013	
LES PORTES DE GASCOGNE	Shopping Centre	France	Toulouse	Greenfield / Brownfield	85 936 m²	25 468 m²	6	104	H2 2013	
COURCELLOR 1	Office & others	France	Paris Region	Redevelopment / Refurbishment	40 382 m²	40 382 m²	4	174	H1 2014	
MALL OF SCANDINAVIA	Shopping Centre	Sweden	Stockholm	Greenfield / Brownfield	96 364 m²	96 364 m²	12	535	H2 2014	
FUENTE DE SAN LUIS	Shopping Centre	Spain	Valencia	Greenfield / Brownfield	74 249 m²	74 249 m²	9	181	H1 2015	
BENIDORM	Shopping Centre	Spain	Benidorm	Greenfield / Brownfield	53 939 m²	26 970 m²	38	75	H1 2015	
PHARE	Office & others	France	Paris Region	Greenfield / Brownfield	124 776 m²	124 776 m²	46	900	Post 2015	
OTHERS					8 123 m²	8 123 m²	5	24		
Controlled projects					**690 014 m²**	**598 617 m²**	**214**	**2 869**		**8.0%-8.5%**
3 PAYS	Shopping Centre	France	Bâle Region	Greenfield / Brownfield	90 000 m²	90 000 m²			H2 2014	
TRINITY	Office & others	France	Paris	Greenfield / Brownfield	45 975 m²	45 975 m²			H1 2015	
LE CANNET	Shopping Centre	France	Le Cannet	Greenfield / Brownfield	21 860 m²	6 830 m²			Post 2015	
TRIANGLE	Office & others	France	Paris	Greenfield / Brownfield	83 887 m²	83 887 m²			Post 2015	
OTHERS					189 382 m²	189 382 m²				
Secured exclusivity projects					**431 104 m²**	**416 074 m²**	**9**	**2 004**		**8.0%-8.5%**
U-R Total Pipeline					**1 464 538 m²**	**1 335 112 m²**	**993**	**6 590**		**8% target**
					Of which additionnal area	1 092 830 m²				
					Of which redevelopped area	242 282 m²				

(1) Figures subject to change according to the maturity of projects.
(2) Excluding financial costs and internal costs capitalised.
(3) Excluding financial costs and internal costs capitalised. The costs are discounted in today's value.
(4) In case of staggered phases in a project, the date corresponds to the opening of the first phase.

NET ASSET VALUE AS AT DECEMBER 31, 2010

Unibail-Rodamco's EPRA triple net NAV (Net Asset Value) amounted to €124.60 per share as at December 31, 2010. Corrected for the €20.00 per share exceptional distribution paid in October 2010, this represents an increase by 15.2% from December 31, 2009. On this basis, the total NAV increase of €16.40 per share reflects the effect of marking to market of assets and liabilities of €13.90, the recurring earnings and result of disposals over 2010 for €10.50 per share, offset by the €8.00 per share distribution of the 2009 recurring result.
The going concern NAV (GMV based), measuring the fair value on a long term, ongoing basis, came to €136.50 / share at year end 2010.

1. PROPERTY PORTFOLIO

The European Investment volume increased over 2010 by +48% to €102.2 Bn[22] vs. 2009, providing more transactional evidence for asset valuations. The recovery continued throughout 2010 after a market upturn during the first half of the year. Selective equity investors continued to focus on prime and secure products in cities with significant catchment areas. European core markets witnessed improved investment activity, with especially France (retail and office), Austria/Germany, Poland and Sweden.

Investor appetite for large investment volumes improved with 50 competitive benchmark deals above €100 Mn now reported across Europe. The market is witnessing more competitive bidding driven by increased investor interest frustrated by shortage of good quality products. Retail transactions accounted for 28% of overall transactions in 2010, reflecting the attractiveness of this sector.

Taking into account this pan-European recovery and scarcity of supply of high quality assets, appraisals showed compressing yields.

Appraisers have taken into account the operating performance of the Group's assets in particular of the large centres for which demand from national and international retailers increases.

Unibail-Rodamco's asset portfolio including transfer taxes grew from €22,313 Mn at year-end 2009 to €24,532 Mn at December 31, 2010. On a like-for-like basis, the value of the overall portfolio increased by €1,623 Mn net of investments, i.e. +8.6% compared with year-end 2009.

Asset portfolio valuation of UNIBAIL-RODAMCO (including transfer taxes) (a)	**December 31, 2009**		**December 31, 2010**		**Like-for-like change net of investment - full year 2010 (b)**	
	€ Mn	%	€ Mn	%	€ Mn	%
Shopping centres	16,528	74%	18,614	76%	1,304	9.2%
Offices	3,926	18%	3,885	16%	184	6.7%
Convention-Exhibition centres	1,541	7%	1,716	7%	134	8.7%
Services	318	1%	318	1%	0	0.0%
Total	**22,313**	**100%**	**24,532**	**100%**	**1,623**	**8.6%**

(a) Based on a full scope of consolidation, including transfer taxes and disposal costs (see §1.5 for Group share figures).
The portfolio valuation includes:
- the appraised/at cost value of the entire property portfolio (100% when fully consolidated, group share when consolidated under the proportional method).
- the market value of Unibail-Rodamco's equity holding in Comexposium, a trade shows organisation business, consolidated under the equity method.

(b) Principal changes in the scope during the full-year:
- Acquisitions of: 8 shopping centres and development projects from Simon-Ivanhoe in France and Poland (Arkadia and Wilenska in Poland, Bay 1/2, Bel Est, Villabé, Wasquehal et Portes de Gascogne in France), of the 29, rue du Port office building in Nanterre/France, of building rights in the Majunga office development project, of a further stake of 36% in Euralille (Lille/France), and of lots in So Ouest Levallois (office building + shopping center under development near Paris), units in Parquesur (Madrid/Spain) and in Garbera (San Sebastian/Spain)
- Disposal of small Dutch shopping centres (notably St. Jorisplein, De Bossche Boulevard, WC Overvecht, Willem Eggert, Woensel, and Carnisse Veste) and high street properties (notably the Lijnbaan high street portfolio).

[22] Source: Jones Lang LaSalle

- Disposal of Capital 8-Messine, 11-15 Saint Georges and 18-20 Hoche office buildings in Paris/France as well as 168 Charles de Gaulle in Neuilly-sur-Seine/France.
- Disposal of Saint Martial shopping centre in Limoges/France.
- Disposal of Leganes (last logistics asset) in Madrid/Spain.
- Disposal of residential units in Bälsta/Sweden.

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

Appraisers

Early 2010, the Group appointed two international, qualified appraisers, Jones Lang LaSalle and DTZ, to assess its retail and offices properties. This centralisation from the 5 appraisers used until 2009 ensures a consistent pan-European approach to the Group's valuations across the internationally diversified property portfolio. The rotation policy remains in line with international requirements, standards and guidelines, e.g. RICS (Royal Institute of Chartered Surveyors), IVSC (International Valuation Standards Committee) and FSIF (‘Fédération des Sociétés Immobilières et Foncières’), and ensures that appraisers’ key team members as well as signatories are rotated regularly. Unibail-Rodamco has allocated properties evenly across the two appraisers, while ensuring that large regions are assessed by both companies for comparison and benchmarking purposes. The appraiser of Conventions and Exhibitions as well as Services is now PricewaterhouseCoopers, in line with the Group rotation policy. Assets are appraised twice a year (June and December), except service companies (appraised yearly).

Appraiser	Property location	% of total portfolio (in value)
DTZ	France / Netherlands / Nordic / Spain / Central Europe	47%
JLL	France / Netherlands / Nordic /Spain / Central Europe / Austria	40%
PWC	France	8%
CBRE	France / Central Europe	3%
At cost or under sale agreement		2%
		100%

Fees paid to appraisers are determined prior to the valuation campaign and are independent from the value of properties appraised.

A detailed report, dated and signed is produced for each appraised property.

None of the appraisers has received fees from the Group representing more than 10% of their turnover.

Valuation methodology

The valuation principles adopted are based on a multi-criteria approach. The independent appraiser determines the fair market value based on the results of two methods: the discounted cash flow and the yield methodologies. Furthermore, the resulting valuations are cross-checked against the initial yield and the fair market values established through actual market transactions. Intelligence on Unibail-Rodamco’s own transactions executed in 2010 was also used to validate and cross-check the valuations.

Valuation scope

As at December 31, 2010, independent experts have appraised 98% of Unibail-Rodamco’s portfolio.

Investment Properties Under Construction (IPUC) for which a value could be reliably determined, are required to be accounted for at fair value and were assessed by external appraisers.

Investment Properties Under Construction are taken at fair value once management considers that a substantial part of the project’s uncertainty has been eliminated, such that a reliable fair value can be established. The company uses generic guidelines to establish the remaining level of risk, focusing notably on uncertainty remaining in construction and leasing.

Investment Properties Under Construction were valued using a discounted cash flow or yield method approach (in accordance with RICS and IVSC standards) as deemed appropriate by the independent appraiser. In some cases, both methods were combined to validate and cross-check critical valuation parameters.

The following assets under construction, valued at cost as at June 30, 2010 were assessed at fair value as at December 31, 2010:

- Three shopping centre projects: Badajoz (Badajoz/Spain), Lyon Confluence (Lyon/France) and So Ouest Shopping Centre (Levallois/France);
- So Ouest Office in Levallois/France;
- Hotel Lyon Confluence, under construction in Lyon/France.

In addition, the Alma extension (Rennes/France) continues to be valued at fair value.

The Donau Zentrum extension (Vienna/Austria) as well as a part of Buitenmere (Almere/The Netherlands), recorded as Investment Properties Under Construction at mid-year 2010, were successfully delivered respectively in October and September 2010 and are now included within the standing portfolio. Two shopping centres (Maquinista extension in Barcelona/Spain and La Part-Dieu extension in Lyon/France) and one office building (Tour Oxygène in Lyon/France), recorded as Investment Properties Under Construction at year-end 2009, were successfully delivered during the first half-year 2010.

The remaining assets (2%) of the portfolio, which have not been externally appraised as at December 31, 2010, have been valued as follows:

- At cost for the Investment Properties Under Construction for which a reliable value could not yet be established. These Investment Properties Under Construction at cost accounted for 1% of the value of Unibail-Rodamco's total portfolio. These mainly represent shopping centres under development (notably Portes de Gascogne in Toulouse/France, Benidorm in Spain and Täby extension in Stockholm/Sweden) and office developments (Phare and Majunga in La Défense/France, Courcellor in Levallois/France).
- At disposal price for assets under sale agreement (Saint Genis 2, Evry 2 and Shopping Etrembières in France), representing 1% of the portfolio.

1.1. Shopping Centre portfolio

The value of Unibail-Rodamco's shopping centre portfolio is the addition of the value of each individual asset. This approach does not include the "portfolio value", which reflects the additional value of having a large group of unique assets in a single portfolio, as this value cannot be objectively assessed, yet is definitely part of the attraction to the shareholders.

Evolution of Unibail-Rodamco's Shopping Centre portfolio valuation

The value of Unibail-Rodamco's Shopping Centre Portfolio grew from €16,528 Mn to €18,614 Mn as at December 31, 2010, including transfer taxes and disposal costs:

Valuation 31/12/2009 (€ Mn)	16,528	
Like for Like revaluation	1,304	
Revaluation of Non Like for Like assets	226	(a)
Capex / Acquisitions	1,466	
Disposals	- 1,087	(b)
Constant Currency Effect	176	(c)
Valuation 31/12/2010 (€ Mn)	18,614	

(a) Non like-for-like assets regarding:
(i) Deliveries in 2010 (La Part-Dieu extension in Lyon/France, extensions of Donau Zentrum in Vienna/Austria and La Maquinista in Barcelona/Spain)
(ii) Investment properties under construction taken at cost or at fair value.
(b) Value as at 31/12/2009.
(c) Composed of a currency gain of €169 Mn in Nordic and of €7 Mn in Central Europe, before offsets from foreign currency loans and hedging programs.

Based on an asset value excluding estimated transfer taxes and disposal costs, the shopping centre division's net initial yield at December 31, 2010 came to 5.7% vs. 6.1% at year-end 2009.

Shopping Centre portfolio by region - December 31, 2010	Valuation including transfer taxes in € Mn	Valuation excluding estimated transfer taxes in € Mn	Net inital yield (a) Dec. 31, 2010	Net inital yield (a) Dec. 31, 2009
France (b)	10,033	9,622	5.3%	5.8%
Spain	2,013	1,962	6.8%	6.9%
Nordic	1,932	1,895	5.8%	5.9%
Central Europe	1,695	1,667	6.8%	7.2%
Netherlands	1,520	1,421	6.0%	6.3%
Austria	1,420	1,392	5.2%	5.8%
Total	**18,614**	**17,959**	**5.7%**	**6.1%**

(a) Annualised contracted rent (including latest indexation) net of expenses, divided by the value of the portfolio net of estimated transfer taxes and disposal costs. Shopping centres under development are not included in the calculation.
(b) For France, the effect of including Key Moneys in the Net Rental Income would increase net initial yield to 5.7% as at December 31, 2010, and 6.3% at December 31, 2009.
For the EPRA yield calculations, see § 1.6.

Sensitivity

Based on the year-end yield of 5.7%, a change of +25 basis points would result in a downward adjustment of -€760 Mn (or -4.1%) of the total shopping centre portfolio value (including transfer taxes and disposal costs).

Like-for-like analysis

On a like-for-like basis, the value of the Shopping Centre portfolio, including transfer taxes and disposal costs and restated for works, capitalised financial and leasing expenses and eviction costs, increased by €1,304 Mn (or +9.2%) over the full year. This breaks down into +4.3% from the increase in revenues of shopping centres and 4.9% due to changes in yield.

Shopping Centre - Like for Like (LxL) change (a)				
Full year 2010	Like for Like change in € Mn	Like for Like change in %	LxL change - Rent impact	LxL change - Yield impact
France	851	11.7%	3.5%	8.1%
Spain	83	4.6%	3.5%	1.1%
Nordic	112	7.0%	6.5%	0.5%
Central Europe	89	8.6%	8.3%	0.3%
Netherlands	64	4.7%	0.3%	4.4%
Austria	105	9.7%	7.2%	2.6%
Total	**1,304**	**9.2%**	**4.3%**	**4.9%**

(a) Like-for-like change net of investments from December 31, 2009 to December 31, 2010.

1.2. Office portfolio

Evolution of Unibail-Rodamco's Office portfolio valuation

The value of the Office Portfolio decreased from €3,926 Mn to €3,885 Mn at December 31, 2010, including transfer taxes and disposal costs:

Valuation 31/12/2009 (€ Mn)	3,926	
Like for Like revaluation	184	
Revaluation of Non Like for Like assets	14	(a)
Capex / Acquisitions	168	
Disposals	- 438	(b)
Constant Currency Effect	31	(c)
Valuation 31/12/2010 (€ Mn)	3,885	

(a) Non like-for-like assets regarding:
(i) Delivery of Tour Oxygène in Lyon/France in 2010
(ii) Investment properties under construction 7 Adenauer building (U-R headquarters)
(b) Value as at 31/12/2009.
(c) Composed of currency gain of €31 Mn on Nordic, before offsets from foreign currency loans and hedging programs.

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

Valuation of Office portfolio - 31/12/2010	Valuation (including transfer taxes)	
	€ Mn	%
France	3,423	88%
Nordic	265	7%
Netherlands	160	4%
Austria	37	1%
Total	**3,885**	**100%**

For occupied offices and based on an asset value excluding estimated transfer taxes and disposal costs, the Office division's net initial yield at December 31, 2010 decreased by 40 basis points to 6.6% vs. year-end 2009.

Valuation of occupied office space - December 31, 2010	Valuation including transfer taxes (a) in € Mn	Valuation excluding estimated transfer taxes in € Mn	Net inital yield (b) Dec. 31, 2010	Net inital yield (b) (c) December 31, 2009
France	2,862	2,769	6.4%	6.8%
Nordic	247	243	7.5%	7.6%
Netherlands	130	121	9.8%	9.6%
Austria	35	35	7.3%	6.9%
Total	**3,274**	**3,167**	**6.6%**	**7.0%**

(a) Valuation of occupied office space as at December 31, 2010, based on the appraiser's allocation of value between occupied and vacant space.
(b) Annualised contracted rent (including latest indexation) net of expenses, divided by the value of occupied space net of estimated transfer taxes and disposal costs.
(c) The net initial yield as at 31/12/2009 includes the net initial yield for Spain. Spain no longer has assets in this category.
For the EPRA yield calculations, see § 1.6.

Sensitivity

A change of +25 basis points in the offices net initial yield would result in a downward adjustment of -€132Mn (or -3.4%) of the total office portfolio value (occupied and vacant space, including transfer taxes and disposal costs).

Like-for-like analysis

The value of Unibail-Rodamco's office portfolio, including transfer taxes and disposal costs, and after accounting for the impact of works and capitalised financial and leasing expenses, increased on a like-for-like basis by €184 Mn (or +6.7%) over the year 2010. This breaks down into +0.9% from the rents and lettings and +5.8% due to changes in yields.

Offices - Like for Like (LxL) change (a)				
Full year 2010	Like for Like change in € Mn	Like for Like change in %	LxL change - Rent impact	LxL change - Yield impact
France	181	7.8%	0.3%	7.5%
Nordic	5	2.3%	1.8%	0.4%
Netherlands	- 1	-0.9%	5.0%	-5.9%
Austria	- 0	-0.9%	4.5%	-5.5%
Total	**184**	**6.7%**	**0.9%**	**5.8%**

(a) Like-for-like change net of investments from December 31, 2009 to December 31, 2010.

French Office Portfolio

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

French Office portfolio by sector - December 31, 2010	Valuation (including transfer taxes)	
	€ Mn	%
Paris CBD	931	27%
Neuilly-Levallois-Issy	640	19%
La Défense	1,610	47%
Other	242	7%
Total	**3,423**	**100%**

For occupied offices and based on an asset value excluding estimated transfer taxes and disposal costs, the French Office division's yield at December 31, 2010 came to 6.4%. This yield was 40 basis points lower than at year-end 2009.

Valuation of French occupied office space - December 31, 2010	Valuation including transfer taxes in € Mn (a)	Valuation excluding estimated transfer taxes in € Mn (a)	Net inital yield (b) Dec. 31, 2010	Average price €/ m² (c)
Paris CBD	922	902	5.9%	13,921
Neuilly-Levallois-Issy	332	315	6.5%	5,250
La Défense	1,397	1,344	6.6%	7,244
Other	211	207	7.3%	3,478
Total	**2,862**	**2,769**	**6.4%**	**7,585**

(a) Valuation of occupied office space as at December 31, 2010, as based on the appraiser's allocation of value between occupied and vacant space.
(b) Annualised contracted rent (including latest indexation) net of expenses, divided by the value of occupied space net of estimated transfer taxes and disposal costs.
(c) Average price, excluding estimated transfer taxes, per m^2 for occupied office space as based on the appraiser's allocation of value between occupied and vacant space.
Average prices were restated for parking spaces with a basis of €30,000 per space for Paris CBD and Neuilly-Levallois-Issy and €15,000 for other areas.

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.

Valuation methodology

The valuation methodology adopted by PricewaterhouseCoopers for the venues is mainly based on a discounted cash flow model applied to total net income projected over the life of the concession or leasehold, if it exists 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 discounted cash flow methodology has been adopted for the Méridien-Montparnasse hotel asset[23], the Cnit-Hilton hotel (operating under an operational lease agreement) and the Lyon Confluence hotel (operating under a management contract) as at December 31, 2010.

Evolution of the Convention-Exhibition Centres valuation

The value of Convention-Exhibition centres and hotels, including transfer taxes and disposal costs, grew to €1,716 Mn[24] as at December 31, 2010:

Valuation 31/12/2009 (€ Mn)	1,541	(a)
Like for Like revaluation	134	
Revaluation of Non Like for Like assets	1	
Capex	40	
Valuation 31/12/2010 (€ Mn)	1,716	(b)

(a) Of which €1,373 Mn for Viparis and €168 Mn for Hotels.
(b) Of which €1,543 Mn for Viparis and €173 Mn for Hotels.

On a like-for-like basis, net of investments, the value of Convention and Exhibition properties and hotels is up €134 Mn or +8.7% compared with year-end 2009.

Convention-Exhibition - Like for Like change net of investment	**Full-year 2010**	
	€ Mn	**%**
Viparis (a)	127	9.2%
Hotels	7	4.3%
Total	**134**	**8.7%**

(a) Viparis includes all of the Group's Convention-Exhibition centres (of which 50% of Palais des Sports).

[23] Pullman-Montparnasse following acquisition of the hotel operations (fonds de commerce) as of January 7, 2011
[24] Based on a full scope of consolidation, including transfer taxes and disposal costs (see §1.5 for Group share figures).

On a like-for-like basis and net of investments, the value of the Convention-Exhibition venues (Viparis) grew by €127 Mn or +9.2% compared to year-end 2009. The increase resulted from a decrease in discount rates applied by the appraiser partly offset by the amortisation of another year of the Porte de Versailles concession with the City of Paris.

Based on these valuations, the average EBITDA yield on Viparis at December 31, 2010 (recurring operating profit divided by the value of the asset, excluding transfer taxes) was 8.2% and compressed by 80 basis points vs. December 31, 2009.

The value of the Cnit-Hilton and Méridien-Montparnasse hotels, net of investments, increased over the full year by €7 Mn (+4.3%).

The Lyon Confluence Hotel project is valued at fair value at year end 2010.

1.4. Services

The services portfolio is composed of:

- Comexposium, a trade show organisation business.
- 2 property service companies, Espace Expansion and Rodamco Gestion.

The services portfolio is appraised in order to include at their market value all significant intangible assets in the portfolio and in the calculation of Unibail-Rodamco's NAV. Intangible assets are not revalued but maintained at cost or at amortised cost on Unibail-Rodamco's consolidated statement of financial position (subject to impairment test).

Comexposium was valued at €201 Mn (Group share) as at December 31, 2010 by PricewaterhouseCoopers. The value decreased by 3.6% or €8 Mn compared to December 31, 2009.

Espace Expansion and Rodamco Gestion were valued at €117 Mn following the appraisal by PricewaterhouseCoopers made as at December 31, 2010. This represents an increase of €7.7 Mn or +7.1% compared to year-end 2009.

1.5. Group share figures for the Property Portfolio

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

	Full scope of consolidation		Group Share	
Asset portfolio valuation - December 31, 2009	€ Mn	%	€ Mn	%
Shopping centres	16,528	74%	15,188	75%
Offices	3,926	18%	3,916	19%
Convention-Exhibition centres	1,541	7%	923	5%
Services	318	1%	318	1%
Total	**22,313**	**100%**	**20,345**	**100%**
Asset portfolio valuation - December 31, 2010	€ Mn	%	€ Mn	%
Shopping centres	18,614	76%	17,120	77%
Offices	3,885	16%	3,880	17%
Convention-Exhibition centres	1,716	7%	1,029	5%
Services	318	1%	318	1%
Total	**24,532**	**100%**	**22,346**	**100%**
Like for Like change - net of Investments - Full-year 2010	€ Mn	%	€ Mn	%
Shopping centres	1,304	9.2%	1,167	8.9%
Offices	184	6.7%	184	6.7%
Convention-Exhibition centres	134	8.7%	86	9.3%
Services	0	0.0%	0	0.0%
Total	**1,623**	**8.6%**	**1,437**	**8.4%**
Like for Like change - net of Investments - FY10 - Split rent/yield impact	Rent impact %	Yield impact %	Rent impact %	Yield impact %
Shopping centres	4.3%	4.9%	4.3%	4.5%
Offices	0.9%	5.8%	0.9%	5.8%
Net Initial Yield	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010
Shopping centres	6.1%	5.7%	6.1%	5.7%
Offices - occupied space	7.0%	6.6%	7.0%	6.6%

1.6. Group EPRA yields

The following table provides the Group yields according to the EPRA net initial yield definitions per sector with a bridge from Unibail-Rodamco net initial yield:

Net Initial Yield - Dec. 31, 2010	Shopping Centres	Offices
U-R yields	**5.7%**	**6.6%**
Effect of vacant units and vacant buildings		-0.5%
Effect of EPRA adjustements on NRI	0.1%	0.0%
Effect of estimated transfer taxes and disposals costs	-0.2%	-0.2%
EPRA topped-up yield (a)	**5.6%**	**5.9%**
Effect of lease incentives	-0.2%	-0.3%
EPRA cash yield (b)	**5.4%**	**5.6%**

(a) Annualised contracted rent, excluding lease incentives, net of expenses, divided by the gross market value of the portfolio.
(b) Annualised contracted cash rent (including current lease incentives), net of expenses, divided by the gross market value of the portfolio.

2. EPRA TRIPLE NET ASSET VALUE CALCULATION

The EPRA triple net Net Asset Value (NAV) is calculated by adding to consolidated shareholders' equity (Owners of the parent), as shown on the consolidated statement of financial position (under IFRS) several items as described hereafter.

2.1. Consolidated shareholders' equity

At Dec 31, 2010, consolidated shareholders' equity (Owners of the parent) came to €11,025.2 Mn.

Shareholders' equity (Owners of the parent) incorporated net recurring profit of €847.9 Mn and +€1,339.7 Mn of fair value adjustments on property assets and on financial instruments and of capital gain on sales of properties.

2.2. Impact of rights giving access to share capital

Dilution coming from securities giving access to share capital was computed when such instruments came in the money.

The debt component of the ORAs, recognised in the financial statements (€0.2 Mn) was added to shareholders' equity for the calculation of NAV. At the same time, all ORAs were treated as equity shares.

In accordance with IFRS rules, financial instruments and the ORNANE[25] were recorded on Unibail-Rodamco's statement of financial position at their fair value with the impact of the change in fair value included in the P&L and thus in the consolidated shareholders' equity.

The ORNANE being in the money as at Dec 31, 2010 its fair value was restated for the NAV calculation (€212.8 Mn revaluation) and its potential dilutive effect was taken into account in the number of shares.

The exercise of stock-options whose price was below share price at Dec 31, 2010 and with the performance criteria fulfilled, would have led to a rise in the number of shares of 2,869,239 increasing shareholders' equity by €346.7 Mn.

The full conversion of the ORNANE would lead to the issue of 927,896 new shares without any shareholders' equity increase.

[25] Net share settled bonds convertible into new and/or existing shares (ORNANE) – see Financial Resources note.

As at Dec 31, 2010, the fully-diluted number of shares taken into account for the NAV calculation totalled 95,554,960.

2.3. Unrealised capital gains on intangible assets

The appraisal of property service companies and of the operations (fonds de commerce) of Paris Nord Villepinte / Palais des Congrès de Paris / Palais des Congrès de Versailles and Issy les Moulineaux gave rise to an unrealised capital gain of €125.7 Mn which was added for the NAV calculation.

2.4 Adjustment of capital gains taxes

In accordance with accounting standards, deferred tax on property assets was calculated on a theoretical basis on the consolidated statement of financial position as at Dec 31, 2010.
For the purpose of the EPRA NAV calculation, deferred tax on unrealised capital gains on assets not qualifying for tax exemption (€760 Mn) has been added back. Goodwill booked on the balance sheet as a result of deferred taxes was accordingly excluded from the NAV for a total amount of -€255.4 Mn.

For the calculation of the EPRA NNNAV, estimated taxes actually payable should a disposal take place (€378 Mn) was deducted.

2.5 Mark-to-market value of debt

In accordance with IFRS rules, financial instruments were recorded on Unibail-Rodamco's statement of financial position at their fair value.
The fair value adjustment (-€129 Mn) was added back for the EPRA NAV calculation and then deducted for the EPRA NNNAV calculation.

On the contrary, the value of the fixed-rate debt on the balance sheet is equal to the nominal value for the ex-Unibail debt and the fair value of the ex-Rodamco debt at combination date (June 30, 2007). Taking fixed rate debt at its fair value would have had a negative impact of €147 Mn. This impact was taken into account in the EPRA NNNAV calculation

2.6 Restatement of transfer taxes and disposal costs

Transfer taxes are estimated after taking into account the disposal scenario minimising these costs: sale of the asset or of 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 Dec 31, 2010, these estimated transfer taxes and other disposal costs compared to transfer taxes and costs already deducted from asset values on the statement of financial position (in accordance with IFRS) came to a net adjustment of €215.2 Mn.

2.7. EPRA triple Net Asset Value

Unibail-Rodamco's triple Net Asset Value (Owners of the parent) thus stood at €11,906 Mn or €124.60 per share (fully-diluted) as at Dec 31, 2010.

Taking into account the €20.00 exceptional distribution paid out in October 2010, the NNNAV growth was 15.2% over the year.

Value creation during the year amounted to €24.40 per share, by adding back the €8.00 distribution paid out in May 2010 and the €20.00 exceptional distribution paid out in October 2010.

The following tables show the calculation presented in compliance with EPRA best practice recommendations. A bridge from Dec 31, 2009 to Dec 31, 2010 is also presented.

EPRA NNNAV calculation (all figures are group share, in €Mn)	Dec 31, 2009		June 30, 2010		Dec 31, 2010	
	M€	€/share	M€	€/share	M€	€/share
Fully diluted number of shares		93,586,481		93,569,768		95,554,960
NAV per the financial statements	11,316		11,731		11,025	
ORA and ORNANE	189		132		213	
Effect of exercise of options	225		218		347	
Diluted NAV	11,730		12,081		11,585	
Include						
revaluation intangible assets	104		106		126	
exclude						
Fair value of financial instruments	312		131		129	
Deferred taxes on balance sheet	542		598		760	
Goodwill as a result of deferred taxes	-210		-209		-255	
EPRA NAV	12,479	133.30 €	12,707	135.80 €	12,345	129.20 €
Fair value of financial instruments	-312		-131		-129	
Fair value of debt	-129		-209		-147	
Effective deferred taxes	-230		-302		-378	
Transfer tax optimization	190		194		215	
EPRA NNNAV	**11,998**	**128.20 €**	**12,259**	**131.00 €**	**11,906**	**124.60 €**
October 2010 distribution		- 20.00 €		- 20.00 €		
EPRA NNNAV Proforma with distribution of October 2010		108.20 €		111.00 €		124.60 €
% of change over 6 months				**2.6%**		**12.3%**
% of change over 1 year						**15.2%**

Unibail-Rodamco also states the "going concern NAV" = EPRA NNNAV per share adding back transfer taxes and deferred capital gain taxes. It corresponds to the amount of equity needed to replicate the Group's portfolio with its current financial structure - on the basis of fully diluted number of shares.

EPRA NNNAV	11,998		12,259		11,906	
Effective deferred capital gain taxes	230		302		378	
Optimized transfer taxes	717		742		758	
Going concern NAV	12,946	138.30 €	13,304	142.20 €	13,041	136.50 €

EPRA NNNAV as at Dec 31, 2010 is reconciled with EPRA NNNAV as at December 31, 2009 in the following table:

Evolution of EPRA NNNAV Dec. 31, 2009 to Dec 31, 2010			H1	H2
EPRA NNNAV per share as at Dec. 31, 2009		**128.20 €**	**128.20 €**	**131.00 €**
Revaluation of property assets		15.82	8.93	6.88
Retail	12.82		6.68	6.14
Offices	2.10		1.56	0.54
Convention & exhibition and other	0.90		0.69	0.21
Capital gain on disposals		1.18	0.20	0.98
Recurring net profit		9.27	4.70	4.57
Distribution in 2010		- 28.00	- 8.00	- 20.00
Mark-to-market of debt and financial instruments		- 1.30	- 2.87	1.57
Variation in transfer taxes & deferred taxes adjustments		- 0.62	- 0.60	- 0.02
Other		0.03	0.43	- 0.40
EPRA NNNAV per share as at Dec 31, 2010		**124.60 €**	**131.00 €**	**124.60 €**

In 2010, the financial markets have remained very volatile affecting both interest rates and credit spreads. Despite this volatility, interest rates stayed at historical low levels and the Group reinforced its portfolio of hedges through 2010 to secure its interest cost in the medium to long term at a low level. Conditions on the bond market improved in 2010, especially for corporates but remained volatile on the back of the crisis of weaker European countries. In this environment, Unibail-Rodamco seized market windows to raise €2.0 Bn of new medium to long term debt, through the public and private bond market as well as, to a lesser extent, the bank market.

Despite the €1.8 Bn distribution completed on October 12, 2010, the financial ratios at year-end 2010 stand at healthy levels: the Loan to Value (LTV) stands at 37% and the interest coverage ratio stands at 4.1x. The average cost of debt slightly decreased and stands at 3.9% for 2010.

1. Debt structure at December 31, 2010

Unibail-Rodamco's consolidated nominal financial debt at December 31, 2010 increased to €9,252 Mn, after the €1.8 Bn distribution on October 12, 2010.

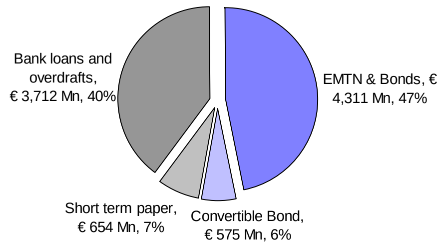
This financial debt includes €575 Mn of net share settled bonds convertible into new and/or existing shares of Unibail-Rodamco (ORNANE) for 100% of their nominal value.

1.1 Debt breakdown

Unibail-Rodamco's nominal financial debt as at December 31, 2010 breaks down as follows:

- €4,311 Mn in bond issues, of which €2,811 Mn in Euro Medium Term Notes (EMTN) of Unibail-Rodamco's programme and €1,500 Mn in EMTN of Rodamco Europe's programme;
- €575 Mn in ORNANE;
- €654 Mn short term issues of commercial paper (*billets de trésorerie* and Euro Commercial Paper)[26];
- €3,712 Mn in bank loans, including €2,575 Mn in corporate loans, €1,124 Mn in mortgage loans and €13 Mn in bank overdrafts.

No loans were subject to prepayment clauses linked to the Group's ratings[27].



- The Group's debt remains well diversified with a significant proportion of bond financing, as the funding in 2010 was predominantly raised on the bond market thanks to the attractiveness of this market.

1.2 Funds Raised

Medium to long term financing transactions completed in 2010 amounted to €2,036 Mn and include:

- The signing of €650 Mn medium to long term credit facilities or bank loans with an average maturity of 4.4 years and an average margin[28] of ca 110 bps;

- The issue of 2 public EMTN bonds for a total amount of €1,135 Mn with the following features:

  - in March 2010: issue of a €500 Mn bond, increased to €635 Mn in April 2010 with a 3.375% coupon (equivalent to a margin over mid-swap of 101 bps on €635 Mn); duration of 5 years at issuance

  - in November 2010: issue of a €500 Mn bond with a 3.875% coupon (equivalent to a margin over mid-swap of 118 bps) and a duration of 10 years at issuance.

- Five private placements amounting to a total of €251 Mn:
  - 100 M€ of 10-year CMS[29] indexed bonds swapped back to 3-month Euribor for a 10-year maturity (margin of 105 bps after swaps);
  - 110 M€ of 8-year fixed rate bonds swapped back to 3-month Euribor (margin of 104.5 bps after swaps);
  - A 41 M€ fixed rate bond with a duration of 20 years and a 4.17% coupon

- In total €1,386 Bn were raised on the bond market in 2010 at an average margin of 106 bps over mid-swap and an average duration of 8 years.

[26] Short term paper is backed by confirmed credit lines (see 1.2).
[27] Barring exceptional circumstances (change in control).
[28] Taking into account current rating
[29] CMS: Constant Maturity Swap.

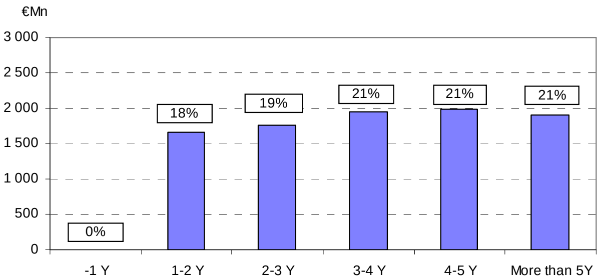
Other new financial resources were obtained from the money market by issuing commercial paper. The average amount of commercial paper outstanding in 2010 was €461.5 Mn, including €434.1 Mn of *Billets de Trésorerie* and €27.4 Mn of Euro Commercial Paper (maturity of up to 3 months). *Billets de trésorerie* were raised over 2010 at an average margin of 6 bps above Eonia and Euro Commercial Paper at an average margin of 1 bp below Euribor.

As at December 31, 2010, the total amount of undrawn credit lines came to €2,983 Mn.

The cash position at year-end was limited to €84 Mn, due to the implementation in 2010 of a European cash pooling system which optimises the cost and the use of liquidity across the Group.

1.3 Debt maturity

The following chart illustrates Unibail-Rodamco's debt as at December 31, 2010 after the allocation of the confirmed credit lines (including the undrawn part of the bank loans) by date of maturity and based on the residual life of its borrowings.



More than 60% of the debt had a maturity of more than 3 years as at December 31, 2010 (after taking into account undrawn credit lines).

The average maturity of the Group's debt as at December 31, 2010, taking into account the confirmed unused credit lines, stood at 4.3 years (4.5 years as of December 31, 2009).

<u>Liquidity needs</u>

Unibail-Rodamco's immediate debt repayment needs[30] are covered by the available undrawn credit lines: the amount of bonds or bank loans outstanding as at December 31, 2010 and maturing or amortising in 2011 is €1,378 Mn (including two €500 Mn bonds to be repaid in April and October 2011) to be compared with €2,983 Bn of undrawn credit lines outstanding as at December 31, 2010.

[30] Excluding Commercial Paper's 2011 repayment amounting to € 654 Mn

1.4 Average cost of Debt

Unibail-Rodamco's average cost of debt came to 3.9% over 2010 (4.0% over 2009). This average cost of debt results from the level of margins on existing borrowings, the low interest rate environment in 2010, the Group's hedging instruments and the cost of carry of the undrawn credit lines.

2. Ratings

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

Standard & Poor's confirmed its long-term rating 'A' and its short-term rating 'A1' on July 21, 2010, with an outlook revised to negative following the €1.8 Bn exceptional distribution announcement.

On July 17, 2010, Unibail-Rodamco announced that Fitch Ratings is replacing Moody's as one of the Group's rating agencies, alongside Standard & Poor's. The last rating from Moody's obtained on May 5, 2010 was A3 with a positive outlook.

On July 21, 2010, Fitch Ratings assigned an "A" long term rating to the Group with a stable outlook, taking into account the €1.8 Bn exceptional distribution.

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

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 or forward 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.

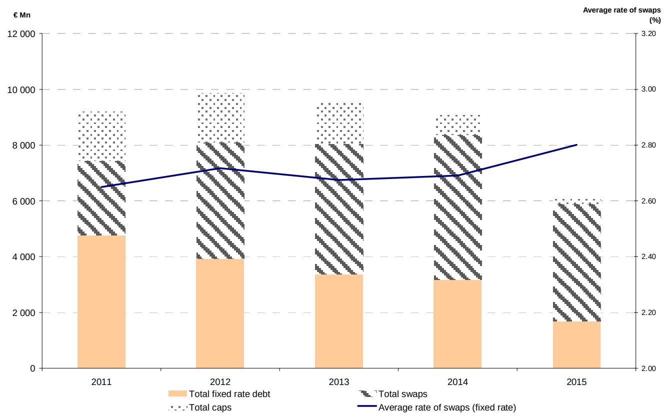
3.1 Interest rate risk management

Interest rate hedging transactions

During 2010, Unibail-Rodamco took the opportunity of the low interest rate environment to reinforce its existing hedging portfolio, in particular in view of the debt raised to finance the €1.8 Bn distribution, and to manage its overall exposure in the medium to long term.

- In 2010, Unibail-Rodamco entered into forward swaps to hedge in advance the years 2011 to 2018 (€4,000 Mn of swaps have been contracted over this period, on different maturities, at an average rate of 2.39%).
- It also put in place €1,250 Mn collars covering 4 years beginning either in 2010 or in January 2011.
- Finally, € 200 Mn of caps were bought to hedge the period 2013-2017, financed by the sale of inflation caps.
- After reviewing the interest rate exposure of the Group as at December 31, 2009, the Group cancelled € 1.6 Bn of swaps and collars in January 2010. Since 30 June 2010, additional cancellations have been done (€1.2 Bn in H2 and €1 Bn in January 2011) to adjust the overall exposure of the Group on the long run (in particular in view of the bond issued in November and kept at fixed rate).

Annual projection of average hedging amounts and fixed rate debt over the next 5 years (€ Mn – as at December 31, 2010)



The graph above shows:

- The part of debt which is kept at fixed rate.
- The hedging instruments used to hedge the variable rate loans and fixed rate debt immediately converted into variable rate debt through the Group's macro hedging policy.

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

Measuring interest rate exposure

As at December 31, 2010, net financial debt stood at €9,167 Mn, excluding partners' current accounts and after taking cash surpluses into account (€84 Mn).

The outstanding debt was hedged at 77% against an increase in variable rates, based on debt outstanding as at December 31, 2010 through both:

- Debt kept at fixed rate.
- Hedging in place as part of Unibail-Rodamco's macro hedging policy.

Hedges starting in 2011 have already been contracted. Those hedges will significantly decrease the exposure of the Group to interest rate evolution for 2011.

Based on Unibail-Rodamco's debt situation as at December 31, 2010[31], if interest rates (Euribor, Stibor or Libor) were to rise by an average of 0.5%[32] (50 basis points) during 2011, the resulting increase in financial expenses would have an estimated negative impact of €5.5 Mn on the recurring net profit. A further rise of 0.5% would have an additional adverse impact of €8.6 Mn. Conversely, a 0.5% (50 basis points) drop in interest rates would reduce financial expenses by an estimated €2.3 Mn and would enhance 2011 recurring net profit by an equivalent amount.

3.2 Managing and measuring currency risk exposure

The Group has activities and investments in countries outside the euro-zone, primarily in Sweden. When converted into euros, the income and value of the Group net investment may be influenced by fluctuations in exchange rates against the euro. Wherever possible, the Group aims to match foreign currency income with expenses in the same currency, reducing the exchange effects on earnings volatility and net valuation of the investment. Translation risks are hedged by either matching cash investments in a specific currency with debt in the same currency, or using derivatives to achieve the same risk management-driven goal. Currency risk during the building period of pipeline investments is covered as early as possible after signing of the actual building contract. Other monetary assets and liabilities held in currencies other than the euro are managed by

[31] And taking into account some hedges restructuring that took place early in January 2011

[32] The eventual impact on exchange rates due to this theoretical increase of 0.5% in interest rates is not taken into account; theoretical impacts of rise in interest rates are calculated above a Euribor of 1.20%

ensuring that net exposure is kept to an acceptable level by buying or selling foreign currencies at spot or forward rates where necessary to address short term balances.

Measuring currency exposure

Main foreign currency positions (in €Mn)

(in € Mn) Currency	Assets	Liabilities	Net exposure	Hedging Instruments	Exposure net of hedges
SEK	1 712.6	- 502.2	1 210.4	- 762.3	448.1
DKK	310.2	- 62.1	248.1	- 127.2	121.0
HUF	0.4	-	0.4	-	0.4
CZK	0.0	- 148.5	- 148.5	157.5	9.0
PLN	20.3	- 0.3	20.0	-	20.0
Total	**2 043.5**	**- 713.0**	**1 330.5**	**- 732.0**	**598.5**

The main exposure kept is in Swedish Krona. A decrease of 10% in the SEK/EUR exchange rate would have a €41 Mn negative impact on shareholders' equity.
The sensitivity of the 2011 recurring result[33] to a 10% depreciation in the SEK/EUR exchange rate is limited to €1.2 Mn following the implementation of forward exchange rate transactions early in 2011.

4. Financial structure

As at December 31, 2010, the portfolio valuation (including transfer taxes) of the Unibail-Rodamco group amounted to €24,532 Mn.

Debt ratio

As of December 31, 2010, the Loan-to-Value ratio (LTV) calculated for Unibail-Rodamco came to 37%, vs 32% as at December 31, 2009. This level results from the €1.8 Bn distribution following the disposals completed in 2010 offset by the increase in the fair market value of the portfolio.

Interest coverage ratio

The interest coverage ratio (ICR) for Unibail-Rodamco came to 4.1x for 2010. It is in line with the solid levels achieved in recent years (3.9x in 2009). The distribution had a limited affect on this ratio as the distribution took place on October 12, 2010 and the impact on financial expenses is thus limited to 2.5 months. Had the distribution taken place at the start of the year, the ICR (pro-forma) would have come to 3.5x[34]. On the whole, the level of the ICR level is a result of: (i) the controlled cost of debt and (ii) the stable income.

Financial ratios	Dec. 31, 2010	Dec. 31, 2009
LTV[35]	37%	32%
ICR[36]	4.1x	3.9x

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

As at December 31, 2010, 91% of the Group's credit facilities and bank loans allowed indebtedness amounting to 60% or more of the Group's total asset value or of the value of the asset of the borrowing entity, as the case may be.

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

[33] The sensitivity is measured by applying a change in exchange rate to the net revenues in SEK (net rents – financial expenses - taxes), based on an EUR/SEK exchange rate of 9.1283.

[34] Taking the assumption of a financing cost of 3.45% for the exceptional distribution for the first 9.5 months of 2010.

[35] Loan-to-Value (LTV) = Net financial debt / Total portfolio valuation including transfer taxes.

[36] Interest Cover Ratio (ICR) = Recurring Ebitda / Recurring Net Financial Expenses (including capitalised interest); Recurring Ebitda being calculated as [total recurring operating results and other income less general expenses, excluding depreciation and amortisation].