2010

Annual and sustainable development report

unibail·rodamco

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The 4 pillars of performance

Exceptional teams, outstanding assets, unforgettable experiences, responsible operations

unibail·rodamco

Leadership

Committed teams, solid results

Corporate

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Profile

Unibail-Rodamco is Europe's leading listed commercial property company with a portfolio valued at €24.5 billion on December 31, 2010.

A clear strategy

Unibail-Rodamco is present in three segments of the commercial real estate industry: shopping centres, office buildings, and convention and exhibition venues. The Group focuses on large, high-quality shopping centres in major European cities with high population density and attractive catchment areas. It invests in assets with reversionary potential that can be captured through superior operational management and through development opportunities such as extensions and renovations. On December 31, 2010, the Group owned 88 shopping centres, 54 of which receive more than 6 million visits per year.

PORTFOLIO BY ACTIVITY*

- Shopping centres **76%**
- Convention & Exhibition **8%**
- Offices **16%**

A commitment to value creation

1,600 employees create value for shareholders through an integrated approach combining property and asset management, investment and development.

The Group constantly reinforces the tenant mix and customer experience in its retail assets to make them more attractive and increase footfall. Present in 12 European countries, Unibail-Rodamco is a natural partner for retailers seeking to enter or expand in these markets.

In the office segment, Unibail-Rodamco focuses on modern, efficient buildings of more than 10,000 m² GLA, primarily in Paris, where there is strong demand due to a lack of new construction and the obsolescence of the existing offer. Investments are driven by development and renovation opportunities.

The Group also owns and operates the major convention and exhibition centres of the Paris region in joint venture with the Paris Chamber of Commerce and Industry. With 10 venues in Paris, VIPARIS is a formidable competitor in this increasingly international activity.

The development pipeline, which features many exciting shopping centre and Parisian office projects, creates further value. At end 2010, the pipeline covered 1.33 million m² GLA and had an estimated total investment cost of €6.6 billion.

PORTFOLIO BY REGION*

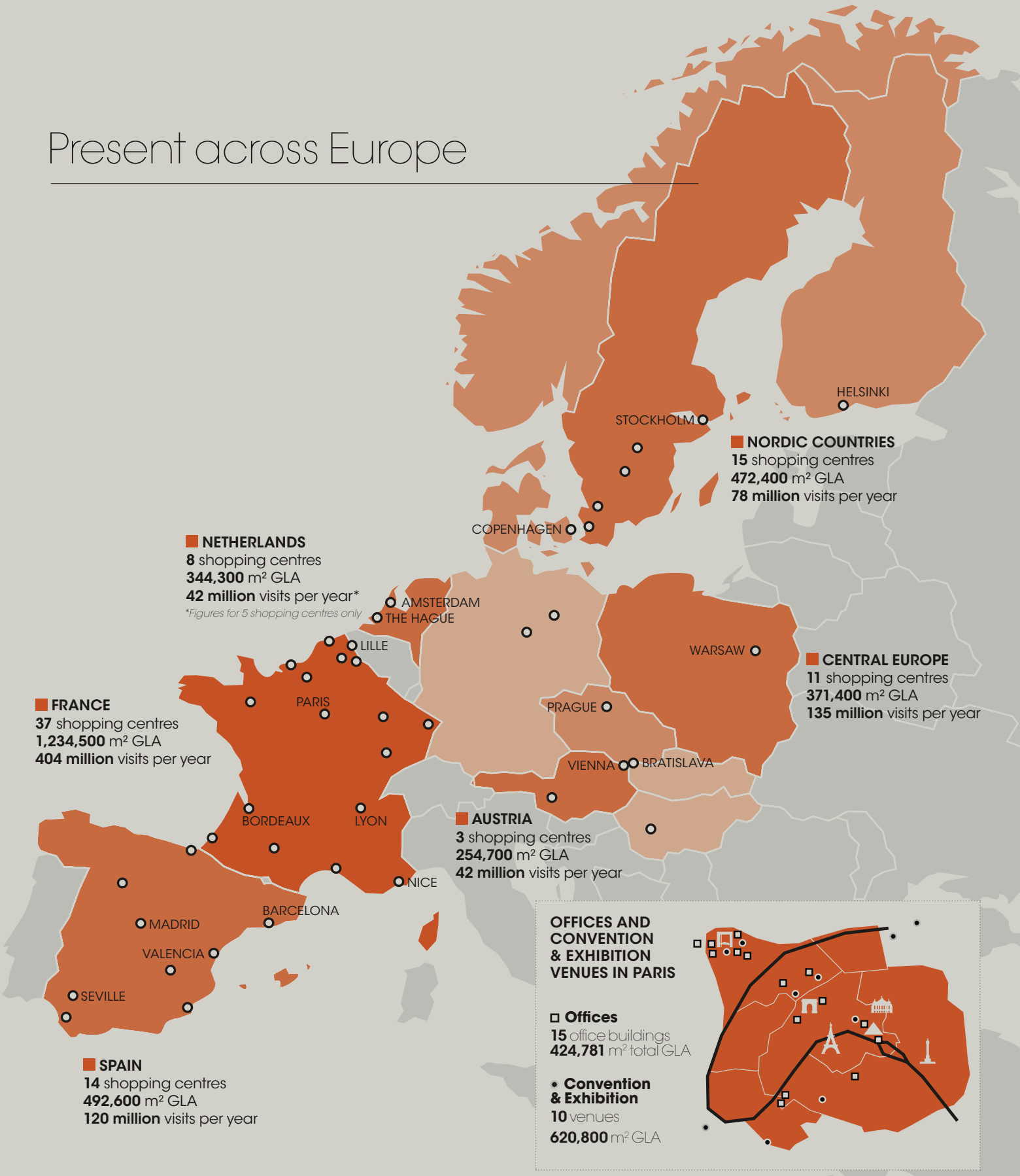
- France Offices **14%**
- France Retail **41%**
- France Convention & Exhibition **8%**
- Netherlands **7%**
- Nordic Countries **9%**
- Spain **8%**
- Central Europe **7%**
- Austria **6%**

**At December 31, 2010, in value, including transfer taxes*

Financial strength and stability

Unibail-Rodamco is listed on Euronext Paris (CAC 40) and Amsterdam (AEX). It is a member of the Dow Jones EURO STOXX 50 index, as well as the DJSI (World and Europe) and FTSE4Good sustainable investment indexes. The Group benefits from a strong balance sheet with a low LTV of 37%. It has the strongest credit rating in the industry with an A rating from Standard & Poor's and Fitch.

Present across Europe



NORDIC COUNTRIES
15 shopping centres
472,400 m² GLA
78 million visits per year

NETHERLANDS
8 shopping centres
344,300 m² GLA
42 million visits per year*
**Figures for 5 shopping centres only*

CENTRAL EUROPE
11 shopping centres
371,400 m² GLA
135 million visits per year

FRANCE
37 shopping centres
1,234,500 m² GLA
404 million visits per year

AUSTRIA
3 shopping centres
254,700 m² GLA
42 million visits per year

SPAIN
14 shopping centres
492,600 m² GLA
120 million visits per year

OFFICES AND CONVENTION & EXHIBITION VENUES IN PARIS

Offices
15 office buildings
424,781 m² total GLA

Convention & Exhibition
10 venues
620,800 m² GLA

06

UNIBAIL-RODAMCO
2010 ANNUAL AND SUSTAINABLE DEVELOPMENT REPORT
CORPORATE

Message from the CEO

Guillaume Poitrinal, CEO & Chairman of the Management Board

2010 was a transformational year for Unibail-Rodamco. The Group's activities performed well in an unstable macro-economic environment. Higher than planned non-core asset disposals were completed and the development pipeline expanded. A highly disciplined approach to finance and operations enabled the Group not only to make an exceptional return of capital of €20 per share in October, but also to deliver net recurring results that are in line with expectations at €9.27 per share.

In 2010, Unibail-Rodamco maintained and increased its management focus on shopping centres with high growth potential, namely large, well located, prime assets that attract more than six million visits per year. Assets with less growth potential, such as refurbished offices and small shopping centres, were divested for a total of €1.5 billion. Another €2.5-3.0 billion of assets is planned to be disposed of between 2011 and 2013.

Throughout the year, the Group maintained good access to various sources of financing at historically attractive rates. This enabled the Group to make an exceptional distribution to shareholders of €1.8 billion, equivalent to the net proceeds of disposals since the 2007 merger.

Unibail-Rodamco intensified its focus on re-designing, re-tenanting and re-marketing its shopping centres. Innovative multi-sensory shopping environments, differentiating retailers and new online services were delivered as part of a 'metamorphosis' programme that is transforming the Group's large assets. This active management strategy delivered the desired results: footfall and tenant sales rose across the portfolio, leading to rental uplift.

The development pipeline is a key source of future growth. In 2010, major renovation and extension projects were successfully delivered at La Part-Dieu, La Maquinista and Donau Zentrum; large-scale renovation projects were launched at three major retail assets (Forum des Halles, Parly 2 and Täby Centrum); construction continued apace at the Confluence and SO Ouest shopping centre projects; and the ground-breaking ceremony was held for the Majunga tower at Paris-La Défense. The Aéroville and Mall of Scandinavia shopping centre and the Phare tower projects progressed while several large potential projects, such as Les Trois Pays and Trinity offices, gained exclusivity. Sustainable development principles are now fully integrated in the Group's operations and decision-making processes, as evidenced by the excellent BREEAM ratings achieved by recent deliveries.

Despite these deliveries, the Group further increased its development pipeline in 2010. It now represents some €6.6 billion of planned future capital expenditure, focused on prime retail and office projects designed to deliver superior returns.

The out-performance of the Group's existing assets, in combination with an exciting project pipeline, managed by a strong team of talented professionals, gives us great confidence as we look forward to the coming years.

Message from the Chairman of the Supervisory Board

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

Notwithstanding ongoing tough economic conditions in 2010, Unibail-Rodamco continued to perform very well.

The operational results were resilient and, on top of that, Unibail-Rodamco was in a position to pay an exceptional distribution of €20/share to its shareholders in 2010. This performance is a credit to the Group's strategy devised by the Management Board upon the formation of Unibail-Rodamco in 2007 which has proven to be robust and bodes well for the future given the Group's advancement in 2010 towards its goal to focus its portfolio on large prime shopping centres.

In 2010, the Supervisory Board worked diligently to uphold and develop Unibail-Rodamco's first class corporate governance arrangements and, for that matter, Unibail-Rodamco continues to adhere to all of the French AFEP-MEDEF corporate governance code (Code) best practice recommendations. Further, in the context of the French legislative developments on equal representation between men and women on supervisory boards and the new AFEP-MEDEF recommendations on this subject incorporated into the Code in April 2010, the Supervisory Board conducted a thorough review of its current profile, competencies and composition. As a result of this review, which began in late 2009, three new Supervisory Board members, including one woman, will be proposed for nomination to Unibail-Rodamco shareholders at the company's AGM in April 2011. The Supervisory Board takes this opportunity to thank Jacques Dermagne and Jos Westerburgen, who stepped down from the Supervisory Board at the April 2010 AGM, for their important contributions.

In 2010, the Supervisory Board met seven times, its Audit Committee met four times and its Governance, Nomination and Remuneration Committee met six times. For its annual strategic retreat, the Supervisory Board convened in Stockholm this year, where Supervisory Board members had the opportunity to interact with the regional management team and to visit Unibail-Rodamco's key local assets including Nacka Forum, one of Stockholm's best performing shopping centres, and the site of the Mall of Scandinavia development project which, once delivered, will be the largest shopping centre of its kind in the Nordic region. The retreat was also an important occasion for the Management and Supervisory Boards to have constructive and enriching exchanges on industry and market developments, economic trends, sustainability, Unibail-Rodamco's positioning and its strategy as well as the Group's development pipeline projects.

As in 2010, the Unibail-Rodamco Group has many challenging objectives for 2011 and beyond. The Management Board's strong strategy, dedicated employees and capable management leadership puts it in a good position to achieve them. We thank all for their valuable contributions in 2010.

FROM LEFT TO RIGHT: MR. FRANÇOIS JACLOT; MR. BART R. OKKENS; MR. HENRI MOULARD; MR. ROBERT TER HAAR. MR. YVES LYON-CAEN; MR. FRANS J.G.M. CREMERS; MR. JEAN-LOUIS LAURENS; MR. ROBERT F.W. VAN OORDT; MR. ALEC PELMORE; MRS. MARY HARRIS.

2010 performance

Outperforming tenant sales, growth in shopping centre footfall and rising rental income combined to deliver **encouraging 2010 results.** Tenant rotation is accelerating everywhere and top international retailers are showing more interest than ever in Unibail-Rodamco's malls, generating rental uplift. Centres which recently delivered extensions and renovations are performing above expectations; similar upgrades are in progress at a number of assets. In the Paris office market, prime rents strengthened, especially for new, efficient offices. The Group's development pipeline, which is the largest in the sector at €6.6 billion, is another driver of future growth.

The Group's **EPRA triple net asset value per share** dropped to €124.60 at year-end 2010. Rebased for the €20/share exceptional distribution, however, this **represents an increase of 15%**, derived from property yield compression and rental growth. The **Gross Market Value of the portfolio now stands at €24.5 billion**, while average yields stand at 5.7% for retail and 6.6% for the occupied office portfolio. The **Going Concern NAV per share**, which includes transfer taxes and deferred capital gain taxes, **stands at €136.50/share**.

The **recurring EPS growth of 0.9% achieved in 2010** is in line with outlook. The Group's real performance, however, is more impressive. Unbudgeted and earnings-dilutive events during the year included the exceptional distribution to shareholders of €1.8 billion; accelerated disposals of non-core assets with disposal yields exceeding marginal borrowing cost; and the 5-month delay in the acquisition of the Simon-Ivanhoe portfolio.

The Group will propose a **distribution of €8/share** to the 2011 General Meeting and intends to maintain the distribution at or above this level over the coming years.

NET RENTAL INCOME (NRI)
(in million €)

RECURRING EARNINGS PER SHARE (EPS)
(in €)

DISTRIBUTION PER SHARE
(in €)

**Subject to approval from the General Meeting*

NET RENTAL INCOME

(in million €)		2010	2009	Growth %	Growth % *like-for-like*
Shopping Centres	France	481	454	5.9%	0.8%
	Netherlands	105	143	-26.5%	1.6%
	Nordic Countries	95	90	5.3%	-0.6%
	Spain	123	120	2.8%	2.3%
	Central Europe	90	73	23.5%	3.6%
	Austria	67	62	8.5%	3.6%
	Net Rental Income	**961**	**942**	**2.1%**	**1.4%**
Offices	France	174	179	-2.9%	3.9%
	Other	33	41	-20.4%	-7.3%
	Net Rental Income	**206**	**220**	**-6.2%**	**2.2%**
Convention & Exhibition	**Net Rental Income**	**90**	**96**	**-6.1%**	**-6.1%**
Total	**Net Rental Income**	**1,257**	**1,257**	**0.0%**	**0.8%**

KEY CONSOLIDATED INDICATORS

(in million €)	2010	2009	Growth %	Growth % *like-for-like*
Net Rental Income	**1,257**	**1,257**	**0.0%**	**0.8%**
Valuation movements and gain on disposals[1]	1,806	-2,293		
Net profit, Group share	2,188	-1,468		
of which net recurring profit, Group share	848	836	1.4%	
Recurring earnings per share	**€9.27**	**€9.19**	**0.9%**	
Regular distribution per share[2]	**€8.00**	**€8.00**		
Exceptional distribution per share	**€20.00**			

1 - Excluding fair value adjustment of financial instruments
2 - Subject to approval from the General Meeting

NET ASSET VALUE (NAV)

(€/share)	Dec 31, 2010	Dec 31, 2009
EPRA Triple Net Asset Value	124.60	128.20
Going Concern Net Asset Value	136.50	138.30

Stock market performance and shareholding structure

Shareholding structure

Unibail-Rodamco has been listed on the Paris Stock Exchange since 1972 and included in the CAC 40 index since June 18, 2007. On December 31, 2010, the Group had a market capitalisation of €13.6 billion[1]. Unibail-Rodamco is included in the Euronext 100 index. As a result of the merger with Rodamco, the Group has also been included in the Dutch AEX Index since June 22, 2007. On February 8, 2010, Unibail-Rodamco entered the Dow Jones Euro Stoxx 50 Index.

Unibail-Rodamco has a large and diverse international shareholding base, which is mainly composed of institutional investors based in the Netherlands, the United Kingdom, the United States and France. On January 1, 2011, none of Unibail-Rodamco's shareholders had declared holdings of more than 10% of the issued share capital. The principal known investors, with holdings of between 4% and 8%[2], include APG and Cohen & Steers.

Stock market performance

Stock market value creation is measured by Total Shareholder Return (TSR). TSR indicates the total return obtained through ownership of a share over a given period of time. It includes dividends (or any other distribution) paid and any change in the company's share price. In particular, it includes the exceptional distribution of €20.00 per share declared from the 'contribution paid-in capital' and paid on October 12, 2010.

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

- 18.5% per annum over a 10-year period between December 31, 2000, and December 31, 2010, compared with -1.6% for the CAC 40 index and 10.3% for the EPRA[3] property investment companies' performance index (Euro zone).
- 15.5% per annum over the period between April 28, 2005[4], and December 31, 2010, compared with 3.1% for the CAC 40 index and 4.4% for the EPRA property investment companies' performance index (Euro zone).
- 16.3% per annum over the full year 2010, compared with 0.4% for the CAC 40 index and 14.7% for the EPRA property investment companies' performance index (Euro zone).

Traded volumes

In 2010, the number of shares traded decreased slightly to an average daily volume of circa 443,000 shares compared to 450,000 shares in 2009. In parallel, the average daily traded capitalisation increased to €64.3 million in 2010, compared to €54.0 million in 2009.

2011 distribution schedule

Unibail-Rodamco's current distribution policy is to pay out between 85% and 95% of the financial year's net recurring profit. At the General Meeting to be held on April 27, 2011, the Board will propose a distribution of €8[5] per share for the 2010 financial year. This is flat compared to the 2009 distribution, despite the negative impacts of the €20 per share capital return and disposals. Subject to approval of the General Meeting, the distribution will be paid in one payment of €8 per share on May 10, 2011.

1 - Including 9,677 ORAs outstanding at December 31, 2010.
2 - Based on latest ownership threshold disclosures received.
3 - European Public Real Estate Association (www.epra.com). TSR for EPRA Euro Zone index is calculated with gross dividend reinvested.
4 - Date of the appointment of Mr Guillaume Poitrinal as CEO of the Company.
5 - Subject to approval of the General Meeting.

Financial services for shares and dividends
Crédit Agricole – Caisse d'Epargne Investor Services (CACEIS)
Service Emetteurs-Assemblées
14, rue Rouget de Lisle - 92862 Issy-les-Moulineaux Cedex 9 – France
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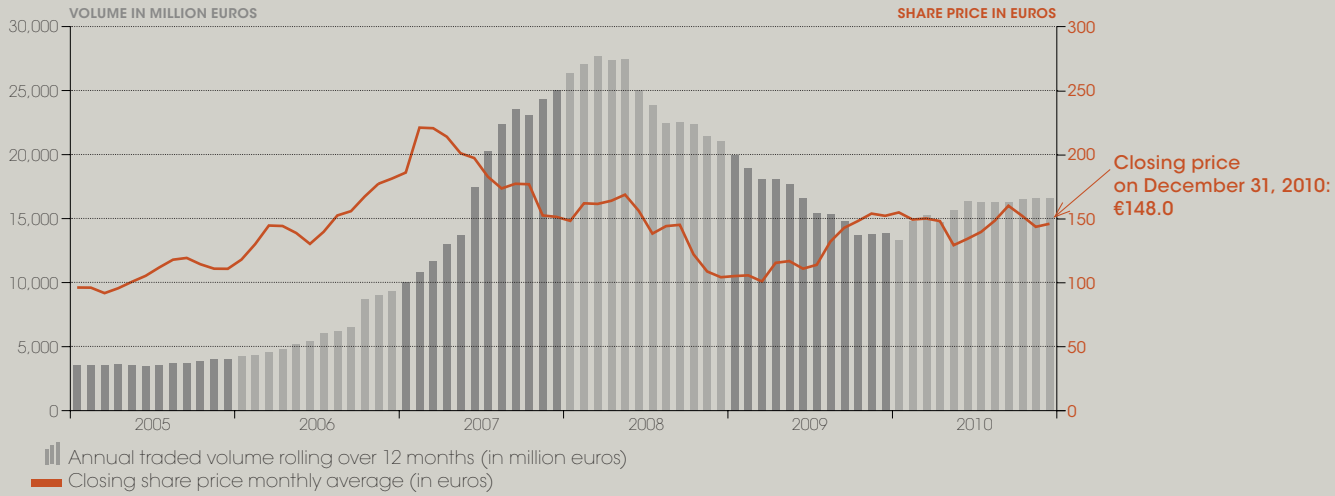
CHANGE IN SHARE PRICE AND TRADED VOLUMES SINCE 2005



RELATIVE PERFORMANCE OF UNIBAIL-RODAMCO'S SHARE[6]

(rebased to 100 as at April 28, 2005[7])

6 - As at December 31, 2010
7 - Date of the appointment of Mr. Guillaume Poitrinal as CEO of the Company
8 - European Public Real Estate Association (www.epra.com)

Corporate governance and risk management

Unibail-Rodamco has a two-tier governance structure designed to ensure balanced, responsible decision-making and sustainable economic growth.

The Supervisory Board

The Supervisory Board, chaired by Mr. Robert van Oordt, exerts oversight and control over the Management Board and the general affairs of the Group. Supervisory Board members participate in regular review sessions on subjects including market and industry developments, financial and legal matters, sustainable development, risk management, and governance[1]. The Board is assisted by two committees which focus on specific aspects of its supervisory responsibilities: the Audit Committee, and the Governance, Nomination and Remuneration Committee.

The Supervisory Board is committed to diversity in its membership in expertise, age, gender and nationality. On 31 December, 2010, all members qualify as independent according to the criteria defined in the Supervisory Board Charter, based on the AFEP-MEDEF French Corporate Governance Code criteria, with the exception of Henri Moulard, whose combined terms on the boards of Unibail SA, Unibail-Rodamco SA and Unibail-Rodamco SE (as of May 2010) exceed 12 years[2]. The Supervisory Board reviews the independence of its members and its functioning annually in accordance with AFEP-MEDEF best practice.

The Management Board

The Management Board is comprised of 5 members, chaired by Mr. Guillaume Poitrinal. The Management Board's duties include developing and carrying out the Group's strategy within the approved risk profile, effectively structuring and staffing the organisation, applying consistently the principles of sustainability to operations and developments, and achieving and properly reporting on financial targets and results. The Board operates under its own Charter and is overseen by the Supervisory Board.

The Code Of Ethics

The fundamental principles, values and standards that govern the Group are described in Unibail-Rodamco's Code of Ethics. It sets out the Group's policy on respect for human dignity, employees' work and non-discrimination, on loyalty, integrity and conflicts of interest, on ethical ways of doing business, and on the treatment of confidential information. In particular, it prohibits the giving and/or receiving of bribes or other unlawful payments, promotes respect for all applicable laws, and places clear restrictions on the giving and/or receiving of gifts. Violation of the Code may lead to disciplinary and legal action.

In addition to legal regulations, employees are required to respect internal procedures in their stock-market transactions when they relate to shares or related financial instruments in the Group or its listed subsidiaries and closed periods prior to the publication of the half-year and annual accounts. All employees are required to disclose any positions, duties or financial interests they have in any of Unibail-Rodamco's competitors, clients or suppliers. They must alert the Group to real or potential conflicts of interest arising from direct or indirect personal interests.

As a signatory of the UN Global Compact, Unibail-Rodamco has undertaken to promote the application of fundamental values with respect to human rights, labour, the environment and corruption.

Members of the Management Board

FROM LEFT TO RIGHT: **CATHERINE POURRE** CHIEF RESOURCES OFFICER; **PETER VAN ROSSUM** CHIEF FINANCIAL OFFICER; **GUILLAUME POITRINAL** CHIEF EXECUTIVE OFFICER AND CHAIRMAN OF THE MANAGEMENT BOARD; **JAAP L.TONCKENS** CHIEF INVESTMENT OFFICER; **MICHEL DESSOLAIN** CHIEF OPERATING OFFICER.

Risk management

The overall risk philosophy of the Group can be described as conservative, with an emphasis on accepting the risks that determine the nature of the business, such as fluctuations in the value of assets, vacancies, volatility in market rents, or risks associated with development activities. Key risks are assessed using a standard, Group-wide risk analysis framework and risk maps are used to rank exposure on the basis of probability and magnitude. Sensitivity analysis is also conducted at Group level. Other risks, notably interest rate and exchange rate risks, are closely managed and actively hedged. Financing risks related to potential breaches of loan covenants are minimised through a conservative financing policy, which has served the Group very well during recent years. The table below shows the potential impact of three types of risk on recurring result and equity.

Type of risk	Impact on recurring result	Impact on equity
Interest rate +50 bps	-€5.5 million	-
Swedish Krona/ Euro -10%	-€1.2 million	-€41 million
Asset yields[3] +25 bps	-	-€892 million

The Group's internal audit department carries out regular, risk-oriented audits of operational and functional activities according to an annual audit plan. The final audit reports are addressed to the departments concerned and the Management Board. An action plan is subsequently drawn up, implemented and followed up. The Internal Audit Department reports directly to the Chief Executive Officer and to the Chairman of the Audit Committee.

The Articles of Association, the Code of Ethics and the Management and Supervisory Board charters are available on the Group website: www.unibail-rodamco.com.

1 - Full details of the Group's corporate governance structure and risk management approach are provided in the Report of the Chairman of the Supervisory Board and the Legal Information chapter.

2 - This is the sole criterion with which Mr. Moulard does not comply with respect to independence. See Report of the Chairman of the Supervisory Board for additional information.

3 - On shopping centres and offices (including transfer taxes and disposal costs).

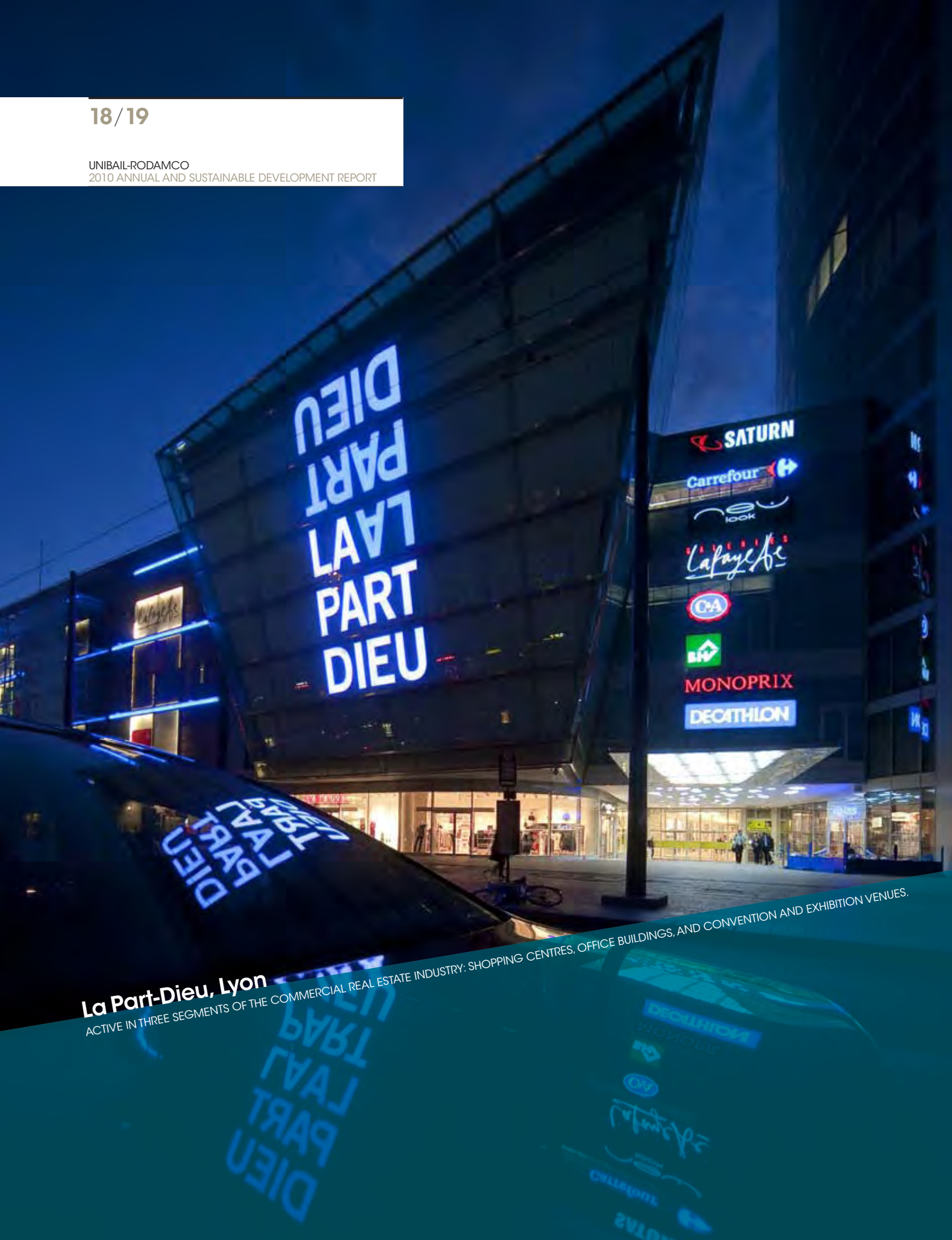
PORTE DE PARIS
photos
cdiscount

Places

Sometimes iconic, always exceptional

Strategy

18 Operations
22 Investment & divestment
24 Development
26 Financial resources
28 Human resources



La Part-Dieu, Lyon

ACTIVE IN THREE SEGMENTS OF THE COMMERCIAL REAL ESTATE INDUSTRY: SHOPPING CENTRES, OFFICE BUILDINGS, AND CONVENTION AND EXHIBITION VENUES.

CORPORATE STRATEGY & BUSINESS OVERVIEW

Active management of the asset portfolio and an efficient, integrated operational strategy enabled Unibail-Rodamco to achieve positive results in all of its activities in 2010. The economic environment continued to present challenges but generally improved relative to 2009.

Differentiation: the key to success

The creation of a memorable, enjoyable shopping experience for visitors lies at the heart of the Group's shopping centre strategy. Unibail-Rodamco works to achieve continuous improvement and differentiation in the shopping experience by "re-designing, re-tenanting and re-marketing". In other words, through the design and ambiance of the malls, the quality of the retail mix, and the events and services offered to customers.

Variety and differentiation through tenant rotation

To ensure that customers enjoy the world's most successful, innovative retail concepts, the Group actively seeks out the best brands in the US, the UK and Asia and helps them drive their European development through Unibail-Rodamco's network of prime retail assets. International premium retailers such as Hollister, Forever 21, and Kiehl's signed for their first stores in European shopping centres through the Group. More importantly, leading brands with established positions in Unibail-Rodamco shopping centres, such as Apple, Desigual and G-Star chose to drive their European expansion programmes through the Group's platform of outstanding assets. There was strong demand for space in Unibail-Rodamco shopping centres during 2010, with national and international retailers in particular showing renewed interest in expansion during the last quarter.

Improving the shopping experience with new technologies

The multi-sensorial "Welcome Attitude" programme is now firmly established as a means of ensuring the comfort of customers throughout their physical journey to, through and from Unibail-Rodamco's shopping centres. Scents, sounds and light effects combine to create a holistic atmosphere that appeals to all the senses and ensures a pleasurable shopping experience for customers. In 2010, the Group turned its attention to their 'digital journey', with a specialised team dedicated to delivering the same high level of service through social networking sites, websites and iPhone applications. Customers now benefit from immediate access to everything from up-to-the-minute information about the latest store openings and special offers to interactive floor plans.

>>>

Strategy

>>> Another successful innovation in 2010 was the launch of a new customer relationship strategy featuring gift and loyalty cards. Gift cards offer flexibility to the buyer and a wide range of choices to the recipient, who can use them in all of the shops in a given centre, or even in a selection of Unibail-Rodamco's centres in the region. The holders of loyalty cards benefit from advantages such as private sales, special offers, and advice from personal shoppers and beauty coaches.

Exclusive events and dynamic marketing partnerships

The events, marketing and specialty leasing teams were reinforced in order to leverage the scale and geographical spread of the portfolio and provide higher quality events and exclusive entertainment in the Group's malls across Europe. Particular emphasis has been placed on building effective partnerships with retail, leisure and entertainment brands. For example, 32 of the Group's assets in eight countries across Europe partnered with Elite Model Look to host casting sessions to find the top models of the future. Fashion and beauty sessions for all visitors proved to be the ideal complement to this prestigious and popular event.

Growth through renovations and extensions

Differentiation through design informs the Group's programme of renovations and extensions. Donau Zentrum, La Part-Dieu and La Maquinista delivered outstanding new projects in 2010 with an immediate, positive impact on sales and footfall. Individual retailers also contributed to the innovative interiors of the Group's centres by choosing to launch their new store concepts with Unibail-Rodamco.

Creating a virtuous circle of footfall, sales and income

Re-designing, re-tenanting and re-marketing reinforce the virtuous circle whereby exclusive national and international premium and cross-border brands, an attractive shopping environment and improved services attract larger numbers of customers. This leads to higher sales, which in turn attracts the best retailers and supports higher rents. In 2010, this operating strategy delivered year-on-year increases in sales and footfall of 3.0% and 1.1% respectively and a rental uplift of 18.3%.

Donau Zentrum, Vienna

A NATURAL PARTNER FOR RETAILERS SEEKING TO ENTER OR EXPAND IN CONTINENTAL EUROPE.

Fisketorvet, Copenhagen

INVESTING IN LARGE, HIGH-QUALITY SHOPPING CENTRES IN MAJOR EUROPEAN CITIES WITH HIGH POPULATION DENSITY AND ATTRACTIVE CATCHMENT AREAS.

INVESTMENT & DIVESTMENT

Active asset management

Appetite for real estate investment increased in 2010 thanks to low interest rates. Despite macro-economic uncertainties affecting Europe, large institutional players and individuals alike were attracted by the solid inflation-linked cash flows that are generated by quality commercial real estate, and by yields that significantly exceed those of government bonds. In general, the sector saw significant inflows of capital and a compression of net yields. European commercial property investment volumes in 2010 exceeded €102 billion, an increase of more than 48% compared to 2009. Investors appear to have focused on Western European countries where economic fundamentals appear the strongest. Germany, France and Sweden benefited most. Growing demand coupled with a lack of high-quality assets has prompted investors to focus on slightly higher risk commercial real estate assets in core markets.

In this climate, Unibail-Rodamco maintained its highly-disciplined, opportunistic approach to both investments and divestments. The Group accelerated divestments of non-core assets, successfully disposing of €1.1 billion of smaller shopping centres and high street retail assets. In addition, consistent with the Group's long-standing offices strategy, it disposed of €462 million of offices. Most of the assets divested in 2010 were in the Netherlands and France. On average, these divestments were concluded at a premium of 10.5% to the most recent appraisal value.

Part of the divestment proceeds were used to finance the acquisition of the Simon-Ivanhoe portfolio: three major shopping centres in Warsaw and the Paris Region and five development projects (acquired through a 50-50 joint-venture with the sellers) were acquired for a total consideration of €715 million. In addition, the Group evaluated a number of other potential acquisition opportunities. Acquisition yields, however, reached levels that exceeded Unibail-Rodamco's economic hurdle rates so the Group chose to focus, for now, its resources on projects that did meet its return requirements. It was, nevertheless, encouraging to note a return towards price increases for high-quality assets after two years of value declines.

Net disposals since the merger now stand at almost €2.0 billion. This streamlining of the portfolio will continue over the next few years, with approximately €2.5-3.0 billion-worth of non-core assets currently identified as suitable for disposal. Unibail-Rodamco continues to actively seek to acquire large assets and development projects that fit its strategy.

DEVELOPMENT

Long-term growth through development

The Group's extensive pipeline of development and extension projects creates additional value through organic growth. Over the last two years, building rights and construction costs for these projects have been renegotiated to reflect new market conditions and respect Unibail-Rodamco's stringent investment criteria. In some cases, partnership agreements and earn-out negotiations have also been leveraged to align interests and overcome investment hurdles.

For example, the Aéroville retail development project in the Paris Region was reconfigured to meet adjusted financial targets and the architect Philippe Chiambaretta was engaged to redesign the project. The building permit for this sleeker, more efficient scheme was delivered at the end of 2010. A similar process of analysis and redefinition was applied to SO Ouest (a mixed retail-office development in the Paris Region) and Majunga (an office building at Paris La-Défense), both of which are now under construction.

The reconfiguration of these projects integrated an increased focus on environmental sustainability. Unibail-Rodamco is committed to obtaining high environmental standards in all of its new development and extension projects and systematically seeks third-party validation through independent certification programmes such as BREEAM.

The development pipeline covered 1,335,000 m² and had a total investment cost of €6.6 billion on 31 December 2010. 15% of this sum has already been spent and a further 26% is committed. Notable additions to the retail pipeline in 2010 include the Portes de Gascogne project in Toulouse, France, which was acquired on a 50-50 basis through the Simon-Ivanhoe deal; a retail project in Valencia, Spain, where a sales and purchase agreement was signed in December 2010; and the procurement of exclusive negotiating rights for the Trois Pays development project in the Bâle Region on the French, German and Swiss borders. A preliminary agreement with the EPADESA, the public land developer of La Défense, has been signed for the development of the Trinity office project close to the Cnit. The EPADESA has also approved the Phare tower project, designed by Pritzker Prize-winner Thom Mayne.

Finally, new extensions to Donau Zentrum, La Part-Dieu and La Maquinista were successfully delivered. These projects enabled the Group to extend the retail offering in these centres by a total of 57,000 m² GLA and introduce attractive premium retailers.

Phare project, Paris-La Défense

CAPTURING RENTS AND REVERSIONARY POTENTIAL THROUGH SUPERIOR OPERATIONAL MANAGEMENT AND DEVELOPMENT OPPORTUNITIES.

Parquesur, Madrid

CONSTANTLY REINFORCING THE TENANT MIX AND SHOPPING EXPERIENCE TO MAKE RETAIL ASSETS MORE ATTRACTIVE TO CUSTOMERS.

FINANCIAL RESOURCES

An exceptional distribution to shareholders

As a result of its ongoing access to affordable debt and its active divestment policy, Unibail-Rodamco was able to return €20/share to its shareholders in October 2010. Although this distribution totalled €1.83 billion, equivalent to almost 14% of its market capitalisation, the Group retained both its coveted 'A' credit ratings and one of the strongest loan-to-value ratios in the industry.

Decreasing costs of borrowing

The financial markets were nervous throughout 2010 due to uncertainty over Greece, Ireland, Portugal and Spain. Confidence was further shaken when significant European Central Bank (ECB) financial safety nets had to be provided to Greece and Ireland to maintain their position in the Eurozone. Although ECB rates have been stable at unprecedented low levels, the risk spreads charged by banks and bond investors have reflected this volatility.

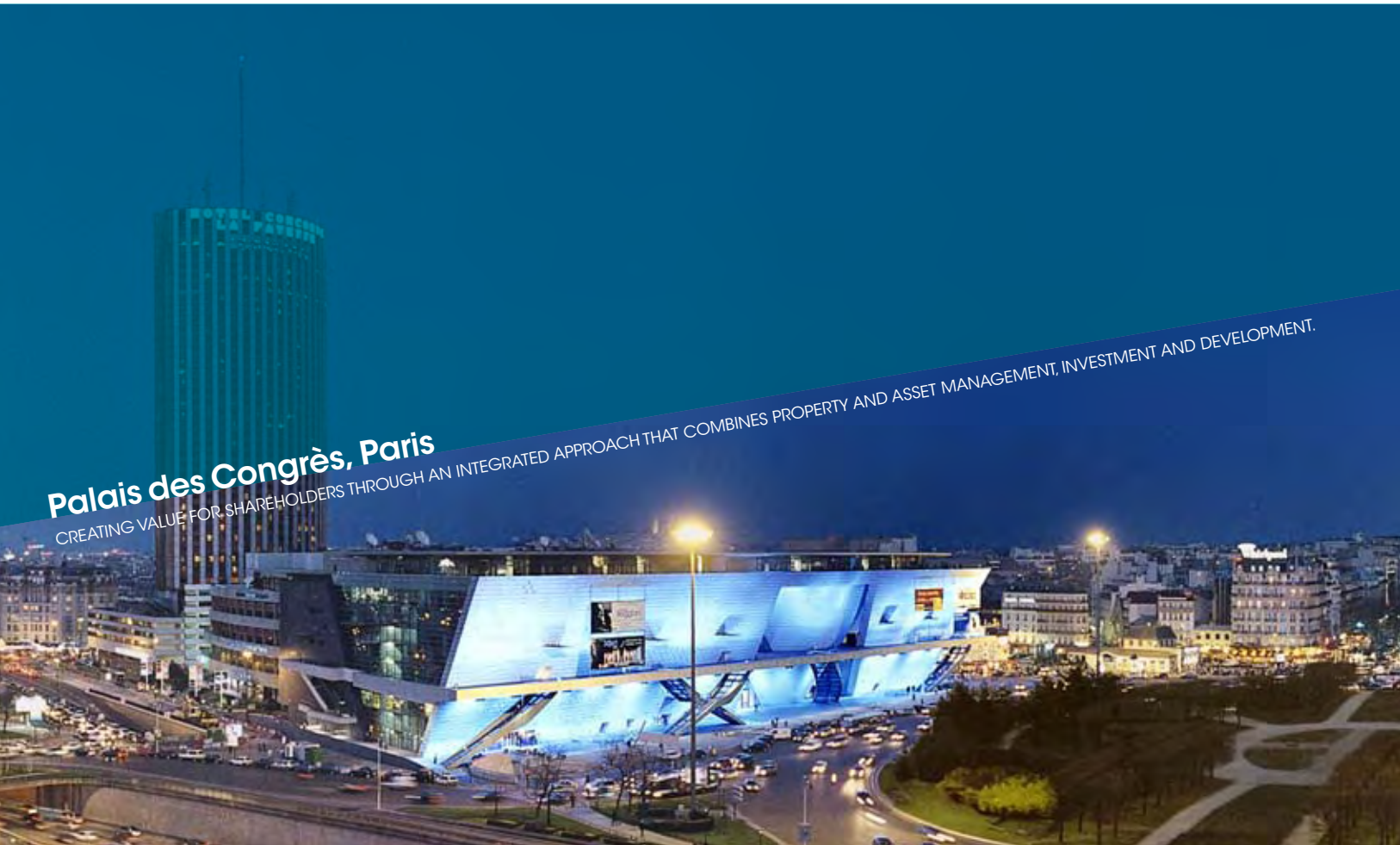
Throughout the year, the Group maintained its strong financial position through the availability of credit lines, new debt and proceeds from divestments. The Group issued two benchmark plain vanilla bonds: a €500 million 5-year bond with a coupon of 3.375% in March, which was later extended to a total size of €635 million, and a 10-year €500 million bond with a coupon of 3.875% in November. Several other smaller bonds with 8- to 20-year maturities and coupons ranging between 3.35% and 4.17% were issued as private placements. €500 million in bonds matured in July.

The Group signed approximately €650 million in medium- to long-term credit facilities or bank loans with margins of 110 bps while several more expensive bank facilities were renegotiated or cancelled. By year-end 2010, the Group had around €3.0 billion in undrawn funds available. At end-2010, Unibail-Rodamco was rated A with a negative outlook by Standard & Poor's and A with a stable outlook by Fitch.

HUMAN RESOURCES

The skills and autonomy for leadership

Unibail-Rodamco's activities are not labour-intensive: even though individual assets can have the operational complexity and turnover of a rather large company, it takes relatively few people to manage each one. However, these people need to be highly skilled and autonomous, to be capable of taking objective decisions in a wide variety of high-stakes situations, to master all aspects of the business, and to act as entrepreneurs for the benefit of their asset within the wider ambitions and strategy of the Group. In a word, to be each and every one of them a leader. Staff in core functions acquire the necessary skills and experience through a combination of on-the-job and academic training and internal and international mobility. The Group's human resources strategy is designed to give all personnel, especially young graduates, plentiful opportunities to encounter a variety of business situations and discover Unibail-Rodamco's activities from all angles under the monitoring of strong, expert leaders. A thorough grounding in these functions and in the different regions where Unibail-Rodamco is present provides them with the skills and the confidence to take decisions and act autonomously as they progress and take on leadership roles.



Palais des Congrès, Paris

CREATING VALUE FOR SHAREHOLDERS THROUGH AN INTEGRATED APPROACH THAT COMBINES PROPERTY AND ASSET MANAGEMENT, INVESTMENT AND DEVELOPMENT.

A job grading framework to facilitate mobility

In 2010, Unibail-Rodamco introduced a standard job grading framework for career management and progression. The framework provides staff in core functions with a clear understanding of their position in the Group and the skills they need to acquire to progress. As well as increasing transparency, it facilitates mobility between positions, functions and countries and makes it easier to assess and reward performance equitably across different regions and departments.

Extensive training to ensure high standards

Training is used to promote skills acquisition and align efficient working practices. The Unibail-Rodamco Academy ensures that key processes, such as business modelling or asset plan design, are carried out in a very disciplined way and that exactly the same methodology is used in all regions. This training creates a 'common language' across the Group, ensuring very high operational standards and, again, facilitating mobility. To complement these core processes, a Group management skills and leadership training course has been developed and will be deployed in 2011 throughout the Group.

Experiences

The ideal blend of design and pleasure

Activities

32 France
34 The Netherlands
36 Nordic Countries
38 Central Europe
40 Austria
42 Spain
44 Offices
46 Convention & Exhibition

THE 'GARDENS OF THE WORLD' EVENT WAS HELD AT **PARLY 2** AND CARRÉ SENART IN THE PARIS REGION.

France

France continued to introduce exceptional premium retail brands to its centres during 2010. To showcase these arrivals and support the positioning of its assets, the Group revolutionised its approach to marketing and communications by leveraging social networks, web sites, iPhone applications and innovative events and advertising campaigns.

Jean-Marie Tritant
Managing Director, France

The success that differentiating premium brands enjoy in Unibail-Rodamco shopping centres increases footfall, which drives higher sales intensity which, in turn, attracts other premium tenants and supports higher rents. In 2010, new arrivals included Kiehl's, which opened its first store in a French shopping centre in Les Quatre Temps; Zadig & Voltaire, which opened at Parly 2; and Desigual, Guess and Camper, which opened at Vélizy 2. Other established retailers expanded across the portfolio. Apple, for example, opened in Vélizy 2 following the success of its original store at the Carrousel du Louvre.

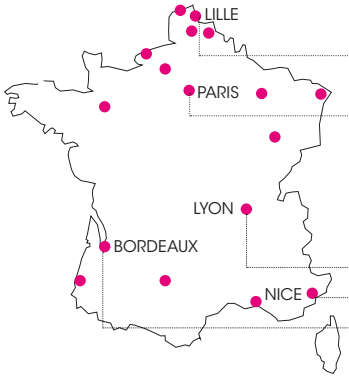
The French portfolio continues to expand and improve in quality. After opening a new 15,000 m² GLA extension in 2010 and the 'Les Terrasses' dining area in 2009, the Group is preparing to drive further growth at La Part-Dieu through a complete renovation and repositioning of the original centre. A major extension and renovation of Parly 2 will also be launched in 2011.

Rivétoile and Docks 76, which opened in October 2008 and April 2009 respectively, are maturing and showing positive growth. Three major new retail development projects – SO Ouest, Lyon Confluence, and Aéroville – will add further high-quality capacity to the portfolio in the coming years.

New iPhone applications are providing customers with instant access to information about retailers, special offers, cinema times and floor-plans, as well as innovative services such as a GPS 'find my car' system for car parks. Following successful pilots at Les Quatre Temps and Vélizy 2, this 'digital journey' will be rolled out to other large shopping centres in 2011. Intelligent parking systems that guide drivers to available spaces are also being introduced to make car parks more fluid, more welcoming and less stressful.

A 'multi-sensory' marketing strategy is using scents and sounds to complement the visual identity of the Group's different centres and enhance the customer experience. For example, cosy armchairs with integrated sound systems block out the ambient noise of the mall and allow customers to relax in a bubble of sound, surrounded by music of their choice.

Upmarket press and print campaigns highlighted the fashion offering in the Group's Parisian centres. Loyalty cards were introduced at Les Quatre Temps, Rivétoile and Rosny 2.



Major assets

Villeneuve 2, 12.2 million visits
Les Quatre Temps, 42.3 million visits
Parly 2, 13.4 million visits
Vélizy 2, 15.5 million visits
Carré Sénart, 13.9 million visits
Rosny 2, 14.7 million visits
Le Forum des Halles, 41.0 million visits
Lyon Part-Dieu, 31.9 million visits
Nice Étoile, 11.9 million visits
Meriadeck, 13.8 million visits

37 shopping centres
1,234,500 m² GLA
404 million visits per year

A 15,000 m² extension to **La Part-Dieu** opened in May with an immediate, positive impact on sales and footfall across the whole centre.

10,000 contestants participated in the **Elite Model Look** event in France, including one of the winners of the global finals in Shanghai.

The Netherlands

Over the last three years, the portfolio has been streamlined through an intensive programme of divestments which has leveraged strong investor demand for high-quality retail assets. The Group is now focused on four large, well-located shopping centres in the densely populated area between Amsterdam and The Hague that provide a stable, high-quality platform for its retail partners in the Netherlands.

Edwin Turksma
Managing Director,
The Netherlands

Almost €900 million of assets were divested in 2010 at an average premium of over 11% to their latest appraisal value. The quality and range of these assets attracted a wide variety of investors, from individuals to institutional investors and listed real-estate companies. An additional set of divestments is expected to take place over the next three years.

In parallel, the Group is preparing to make significant investments in its core shopping centres in the Netherlands. These re-designing, re-tenanting and re-marketing programmes will build on the centres' existing strengths to increase their appeal to customers and expand their retail offering.

The location, quality, size and footfall of the Group's core assets continues to attract premium national and international retailers. Desigual, which has expanded successfully throughout Unibail-Rodamco's European portfolio, opened in Citymall Almere. Guess, Zara and Rituals opened in Stadshart Amstelveen with a strong, positive impact on footfall and sales for all retailers in this shopping centre.

The introduction of a new standard lease contract has created a more balanced relationship between landlord and tenant, aligned the interests of the Group and its retail partners, and standardised Unibail-Rodamco's Dutch leases along the lines of those commonly used by the Group and retailers in other regions. 'Green' leases were also introduced.

The Group continues to invest heavily in the customer experience at its core assets. Stadshart Amstelveen organised a "Midsummer's Night" event of live music and beauty events in partnership with Marie Claire magazine. Stores stayed open until midnight and footfall increased by 40%. The Elite Model Look competition events in Stadshart Amstelveen and Citymall Almere drew large numbers of visitors keen to participate in the competition and the associated beauty events.

Major assets

Citymall Almere, 10.2 million visits
Stadshart Amstelveen, 9.4 million visits
Zoetermeer, 9.3 million visits
Leidsenhage, visit numbers not available

8 shopping centres
344,300 m² GLA
42 million visits per year*

** Figures for five shopping centres only*

An infrastructure project to enhance the customer experience at **Citymall Almere** is moving forward rapidly in close cooperation with the local authorities and tenants.

Imaginative advertising campaigns are helping **Stadshart Amstelveen** establish its reputation as a first-choice shopping destination.

STADSHART AMSTELVEEN IS ONE OF THE FOUR PRIME SHOPPING CENTRES THAT UNIBAIL-RODAMCO IS FOCUSING ON IN THE NETHERLANDS.

SALES AND FOOTFALL AT **NACKA FORUM** HAVE CLIMBED STEADILY SINCE THE RENOVATION WAS DELIVERED IN 2008.

Nordic Countries

A very positive macro-economic environment in Sweden, home to around 80% of Unibail-Rodamco's Nordic assets in value, had a beneficial effect on footfall and sales during 2010. It also increased the region's appeal for international retailers seeking new expansion opportunities.

Olivier Coutin
Managing Director, Nordic Countries

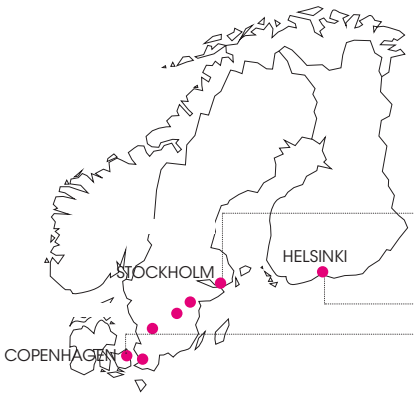
A number of premium and cross-border retailers chose to take their first steps in the Nordic region with Unibail-Rodamco. Desigual opened its first store in Scandinavia in April 2010 at Täby Centrum, while Rituals signed for its first Scandinavian store and is due to open at Täby in 2011. Yves Rocher launched its new concept store in Solna Centrum. Nacka Forum welcomed Companys' first store in Sweden alongside cross-border retailers Gamestop and Bijou Brigitte. Foot Locker, Mötivi and Deichmann opened stores in Fisketorvet.

The strength of the economy undoubtedly contributed to the increase in footfall and sales at the Group's Swedish assets (2.5% and 3.3% respectively). In Denmark, expert operational management enabled the Group to achieve similar results despite a weaker economic environment.

2010 saw the launch of an ambitious programme of renovation, restructuring and extension projects at key assets. A major renovation/extension project got underway at Täby Centrum and will be delivered in phases until 2014. With 27,295 m² GLA of new retail space and a full refurbishment, Täby will become one of the largest, most elegant shopping centres in Scandinavia and will be even more attractive to international and premium retailers. Footfall is expected to increase significantly upon delivery.

At Solna Centrum, the phased delivery of a renovation and restructuring project has enabled the centre to welcome Esprit and Yves Rocher. The project is due for completion in 2011. The ambitious renovation programme that is underway at Fisketorvet will continue in 2011, transforming this asset into the leading shopping centre in Denmark. The relevance of these large-scale extension and refurbishment projects is clearly demonstrated by the ongoing success of Nacka Forum. Footfall has risen 60% and sales have doubled since the extension was delivered in 2008. Significant progress has been made in the negotiations regarding land and building rights for the Mall of Scandinavia development, which is destined to be the largest shopping centre in Scandinavia.

Innovations in marketing ranged from the introduction of a mobile website for visitors to Nacka Forum, a new loyalty card programme at Täby Centrum, and 'lucky bags' (a massively popular Japanese concept where customers buy gift bags containing valuable, but unknown, goodies) at Fisketorvet.



Major assets

Täby Centrum, 10.1 million visits
Solna Centrum, 6.7 million visits
Väsby Centrum, 6.3 million visits
Nacka Forum, 5.6 million visits
Jumbo, 8.7 million visits
Fisketorvet, 8.2 million visits

15 shopping centres
472,400 m² GLA
78 million visits per year

Negotiations around the **Mall of Scandinavia** project continue to advance.

Täby Centrum and Nacka Forum ranked 1st and 2nd in the 2010 Stockholm shopping centre survey conducted by ISI Wissing.

Central Europe

The acquisition of Arkadia and Wilenska, two of the finest, highest-footfall shopping centres in Warsaw, was one of the highlights of the year for Unibail-Rodamco. A building permit was also obtained for the extension of Cerný Most in Prague, the first step in its transformation into a new, supra-regional centre of more than 80,000 m² GLA.

Arnaud Burlin
Managing Director, Central Europe

Since the conclusion of the agreement with Simon-Ivanhoe in July, considerable progress has been made in the integration of Arkadia and Wilenska and their respective operating teams into the Group. Unibail-Rodamco's pro-active management and leasing approach is being applied at both centres, with a particular focus on improving the tenant mix and introducing the Welcome Attitude. Since Unibail-Rodamco took ownership of Arkadia, for example, Zara Home, Timberland, Okaidi, Stradivarius, Pull & Bear, Home & You, and a new flagship store for Douglas have all been introduced. Further to the Polish Competition Authority's ("UOKIK") conditions for the acquisition of Arkadia and Wilenska, the Group relinquished its management control over the Zlote Tarasy shopping centre, effective January 14, 2011.

The 44,213m² GLA extension/renovation project at Cerný Most, which is due to begin in 2011, will add significant value to the Central Europe portfolio. This expansion and modernisation programme will establish Cerný Most as a leading supra-regional shopping centre by leveraging the full potential of its location and creating space to welcome new retailers.

Impressive results were achieved by the leasing teams at Centrum Chodov and Galeria Mokotów. As half of the original lease agreements expired in 2010, around 200 leases had to be signed or renewed. This operation was successfully completed with a total MGR uplift of 27% at Chodov and 41% at Mokotów on relettings and renewals that occurred in 2010. A number of premium and cross-border retailers were introduced during this process. For example, at Centrum Chodov alone, the Group welcomed the Czech Republic's first branches of Armani Jeans, Claire's Accessories and Crabtree & Evelyn, and the first Celio and Pandora stores in Prague.

A variety of high-profile marketing events were organised in 2010. The Elite Model Look held casting sessions in Centrum Chodov, with one aspiring model making it all the way to the Grand Finals in Shanghai. Oscar-winning film star Halle Berry made a well-publicised visit to Galeria Mokotów to launch her new perfume. Zlote Tarasy hosted the Warsaw Film Festival and World Press Photo Exhibition, while Centrum Chodov welcomed the Czech National Squash Championships in a specially-constructed glass court in the middle of the mall.

Major assets

Arkadia, 20.4 million visits
Wilenska, 19.4 million visits
Galeria Mokotów, 12.6 million visits
Zlote Tarasy, 20.4 million visits
Centrum Chodov, 12.7 million visits
Cerný Most, 10.4 million visits

11 shopping centres
371,400 m² GLA
135 million visits per year

Thanks to its outstanding location in an established shopping area with excellent transport links, **Cerný Most** already attracts 10.4 million visits per year.

A total MGR uplift of 41% was achieved at **Galeria Mokotów** in 2010.

ARKADIA, ONE OF THE TWO OUTSTANDING WARSAW SHOPPING CENTRES UNIBAIL-RODAMCO ACQUIRED IN JULY 2010.

THE NEWLY-EXTENDED **DONAU ZENTRUM** WAS A POPULAR DESTINATION FOR CHRISTMAS SHOPPERS.

Austria

The extension and renovation project at Donau Zentrum was successfully delivered in October 2010, transforming this centre into one of the largest, most attractive assets in the country. A shared approach to marketing and events is leveraging synergies between Donau Zentrum and Shopping City Süd and improving the customer experience.

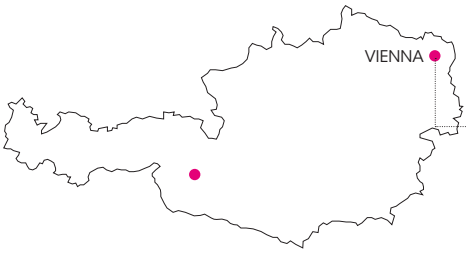
Markus Pichler
Managing Director, Austria

Following the delivery of the 26,000 m² GLA extension and renovation, Donau Zentrum is now the largest shopping centre in the city of Vienna and the ideal complement to Shopping City Süd, which is located in the Viennese suburbs. Its winning combination of design, architecture and top-quality retail is proving highly popular with customers: since opening, footfall is up by more than 18% and sales have risen by 61% year-on-year.

Austria has made a good recovery from the economic crisis of 2009: macro-economic growth is stable and the labour market is expanding. This has resulted in increased consumer spending and significant interest from retailers seeking to enter or expand in the Austrian market. At Donau Zentrum, for example, the new extension welcomes the first Salomon, Desigual and Bench stand-alone stores in Vienna, while a massive Van Graaf store of more than 8,000 m² GLA opened at Shopping City Süd. The centre is set to become even more attractive to tenants thanks to an ambitious renovation and restructuring project which will be launched in 2011. The tenant mix at Südpark has been further improved by the introduction of a new anchor, Intersport.

When it acquired Shopping City Süd in 2008, the Group also gained possession of a vacant, 19,600 m² GLA retail park alongside the main shopping centre. This asset is now 90% let to major retailers such as Wein&Co, Baby One, Kare and Haas Elektro.

A joint media plan and shared events programme was implemented at Donau Zentrum and Shopping City Süd in 2010 to leverage marketing and events budgets and reduce operating costs. A joint summer promotion aimed at families with kids – in partnership with the biggest Austrian children's TV programme – attracted more than 10,000 people and helped to increase footfall by up to 14% during the event period. An additional highlight of this cooperative approach was the launch in October of a pre-paid 'deluxe' shopping card that can be used to make purchases in any of the 500 stores in the two centres.



Major assets

Shopping City Süd, 23.7 million visits
Donau Zentrum, 15.9 million visits

3 shopping centres
254,700 m² GLA
42 million visits per year

The customer experience at **Shopping City Süd** will be transformed by an extensive refurbishment programme that is due to begin in 2011.

The extension at **Donau Zentrum** has significantly improved both the retail offer and the quality and range of services offered to visitors.

Spain

High levels of pro-active tenant rotation enabled the Group to introduce new, differentiating brands and raise the quality of the retail offering in its centres across Spain. The arrival of new, premium retailers following the delivery of a 16,141 m² GLA extension to La Maquinista had a positive impact on sales and footfall for the whole centre.

Simon Orchard
Managing Director, Spain

Strong leasing activity and limited vacancy rates, which demonstrate the resilience of the Group's portfolio, are particularly noteworthy given the ongoing challenges presented by the macro-economic environment in Spain.

Premium and cross-border retailers introduced in 2010 include Apple, Hollister and FNAC, which opened at La Maquinista, LO:CO and Pandora at Parquesur, and Jeff de Bruges and the new-concept Disney Store at La Vaguada. The expansion of these – and other – highly-attractive brands throughout the Spanish port-folio is generally driven by the success of the first stores these retailers opened with the Group. The high sales and footfall of Unibail-Rodamco shopping centres is another deciding factor: in 2010, the Group again outperformed the Spanish shopping centre market in both respects.

An active programme of extensions, renovations and developments continues to add value to the portfolio. A refurbishment of La Vaguada, which will reposition this centre and re-establish its 'prime' image, is underway and should be completed in 2011. From 2011, Garbera will undergo a similar metamorphosis, facilitated by Unibail-Rodamco's acquisition of space that the Eroski hypermarket liberated in 2010. In Vallsur, construction will start in the new year on a 3,300 m² GLA extension, which will bring in a new H&M to anchor the scheme.

The 66,300 m² Faro del Guadiana development project at Badajoz is showing great promise. This project, which lies in a large catchment area with no competition, was launched at the end of 2010 and is due to be delivered in 2012. There is widespread confidence in the potential of this project, which already shows high levels of pre-letting. Confirmed top-quality tenants include Inditex, H&M, C&A, Sephora and Primark. The centre will be anchored by an El Corte Inglès hypermarket and department store.

The Group continues to make the most of current difficult market circumstances and position itself for a recovery in the Spanish economy. In 2010, it acquired a brownfield site in the Valencia region for the future development of a 75,000 m² retail scheme.

Major assets

La Maquinista, 13.6 million visits
Glòries, 11.3 million visits
La Vaguada, 24.2 million visits
Parquesur, 16.6 million visits
Bonaire, 9.6 million visits
Los Arcos, 7.9 million visits
Bahía Sur, 7.0 million visits

14 shopping centres
492,600 m² GLA
120 million visits per year

Live "art battles" were popular with customers during Bartcelona, an event at **La Maquinista** which drew about 550,000 people over two weeks.

The **Faro del Guadiana** development project at Badajoz is attracting significant interest from premium national and international retailers.

REFURBISHED RELAXATION AREAS AT **LA MAQUINISTA.**

SO OUEST WILL OFFER 33,400 M² OF HIGH-QUALITY OFFICE SPACE WHEN IT IS DELIVERED IN 2011.

Offices

The office market in central Paris and La Défense, where most of the Group's assets are located, showed signs of recovery during 2010. Rents have been resilient for high-quality assets in prime locations and there has been renewed demand from institutional investors for top-quality assets.

Jean-Marc Jestin
Managing Director, Offices France

The revival of the letting market in 2010 saw 2.2 million m² let, an increase of 15% year-on-year. Vacancy rates in the Paris Region remained stable at 6.8% at the end of 2010 and remain significantly lower in Paris CBD and La Défense. More importantly, quality space became increasingly scarce with new or refurbished offices accounting for less than a quarter of available space. The improvement was more moderate in terms of net absorption, even though the global take up for office spaces in 2010 increased to 420,000 m².

The scarcity of good quality supply is driving growth in prime rents across the Central Business District; rent-free periods and other inducements granted to tenants for such assets have stabilised. Thanks to its focus on the CBD, La Défense and western suburbs of Paris, the Group maintained its vacancy rates at very low levels (5.7%).

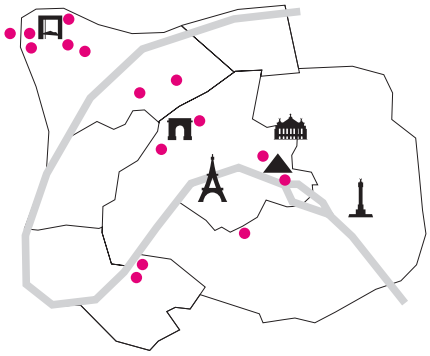
Investments in commercial property in the Paris Region included a number of larger-volume transactions and totalled €8.2 billion at the end of 2010. This is a 55% increase compared to 2009 and a return to the levels recorded in 1999 and 2003. Prime yields are now clearly improving and this compression has been confirmed by many transactions in the second half of 2010.

The quality, maturity and excellent locations of its assets enabled the Group to achieve good premium-to-book values during divestments. Four assets in Paris (11-15 rue Saint Georges, 18bis-20 avenue Hoche, 168 avenue Charles de Gaulle, and the avenue de Messine portion of Capital 8) as well as several smaller offices in the regions were sold for a net disposal price of €462 million with an average premium to last appraisal values of 8.9%.

Both rental and investment demand is driven by the increasing obsolescence of the existing offer. Very few deliveries are scheduled for the 2011-2012 period, and the drop in new production caused by the economic crisis will put further pressure on supply in the following years. Throughout this period, Unibail-Rodamco will deliver new and renovated assets to the market thanks to its decision to maintain an active portfolio management policy throughout the downturn. For example, restructuring projects are currently underway at the Wilson, Issy-Guynemer and Courcellor I assets. Construction work on Majunga, an outstanding new development project of 63,000 m² GLA at La Défense, will be launched on a countercyclical basis in 2011 with delivery expected in 2013.

The delivery of SO Ouest will offer tenants a modern, efficient and sustainable location just five minutes away from the Arc de Triomphe and Champs Elysées. In December, the Group reached an agreement with EPADESA, the local planning authority, regarding Phare, a high-profile, 125,000 m² GLA project at La Défense.

Unibail-Rodamco chooses to apply rigorous environmental certification standards such as BREEAM to its development and renovation projects. Investing in high-quality, efficient buildings at central locations provides both environmental and economic advantages, from reducing transport-related CO_2 emissions to making it easier to attract, motivate and retain the best employees.



15 office buildings in the Paris Region
424,781 m² total GLA

Majunga, designed by architect Jean-Paul Viguier, is scheduled to be completed in 2013.

Convention & Exhibition

Activity across the sector started to recover in 2010 due to a greater number of biannual events and, more importantly, an ongoing and growing preference for exhibitions relative to other forms of media. Particularly in challenging economic conditions, companies view exhibitions as a reliable forum for building their brand and developing their business.

Renaud Hamaide
Managing Director, Convention & Exhibition France

The number of exhibitors increased by 3.6%. Visitor footfall was basically stable (excluding figures from the World Motor Show, where transport strikes had a significant impact on attendance) while it rose at professional events by 3%. Some public exhibitions enjoyed very significant increases in visitor numbers, notably Kidexpo (+42%), the Salon des entrepreneurs (+62%) and Autonomic (+70%). Marketing programmes to raise awareness of the exhibitions calendar saw traffic on viparis.com grow by 51% to 1.5 million visits. An iPhone application including a geolocalisation service was also developed.

VIPARIS set up a dedicated development team and advertising programme to encourage and support new exhibitions. The first edition of Paris Games Week, a video and online gaming show, was particularly successful and attracted 72,000 visitors. Other examples include the Dinosaurs exhibition and the Bouglione Circus.

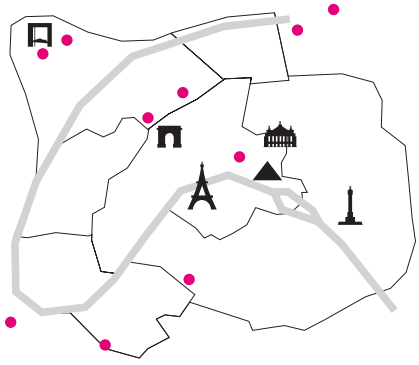
Structural investments across the portfolio are creating value by enabling the Group to host larger events and match supply and demand more closely. Paris Nord Villepinte has become the largest exhibition venue in France and the fifth largest in Europe following the delivery of a 35,000 m² hall, which is the first exhibition building in France designed and built to HQE (High Environmental Quality) standards. The renovation of the Cnit convention venue at La Défense delivered positive results in the form of increased customer satisfaction and higher turnover (+14% year-on-year).

The Welcome Pack, which provides a range of free services to exhibitors and visitors from their arrival at airports and railway stations until their arrival at VIPARIS venues, was deployed at 36 exhibitions and 8 conventions. The most popular service, free shuttle buses, was used by more than 30,000 people.

In addition to the shuttle buses, which help to reduce transport-related CO_2 emissions, VIPARIS introduced a variety of sustainability-related initiatives. For example, an extensive programme to upgrade the quality of service provided to visitors with disabilities was launched and an online calculator that enables event organisers to evaluate the carbon footprint of their event was rolled out.

At the end of 2010, pre-letting for the 2011 programme stood at 88% of annual gross rental income. Contracts have been signed for two major exhibitions: Food Ingredients, to be held in 2011, and CPHI, the world's leading pharmaceutical networking event, which will be held in 2013. Major new conventions scheduled for 2011 include ESC, the world's largest cardiology convention, and ICAD, the International Conference on Alzheimer's Disease.

The strength and positioning of VIPARIS enables Paris to bid effectively for major international events of this type. This, in turn, clearly demonstrates both the relevance of the joint venture between Unibail-Rodamco and the Paris Chamber of Commerce and Industry (CCIP) and the value that has been created through ongoing investments in infrastructure and services.



10 venues
620,800 m² GLA
126 conventions
309 public exhibitions
507 corporate events

The Salon de l'Art at the **Espace Champerret.**

PARIS-NORD VILLEPINTE: CLEAR SIGNAGE AND A WELL-ORGANISED ARRIVAL AREA ENHANCE THE VISITOR EXPERIENCE.

Sustainability

In tune with society and the environment

Sustainable development

50 A comprehensive strategy & ambitious goals
52 Environmental management systems
54 2010 BREEAM certifications
56 Cooperation on environmental issues
60 Climate, emissions & energy
64 An efficient, responsible approach to risks & resources
68 Encouraging dialogue & strengthening relationships
70 Promoting equality & diversity
72 Corporate citizenship

A comprehensive strategy and ambitious goals

PROGRESS TOWARDS 2010 TARGETS

- Achieved **78%**
- Partially achieved **14%**
- Not achieved **8%**

The Group's environmental and social targets are realistic but ambitious. Unibail-Rodamco chooses to set the bar high to challenge its teams to outperform and innovate, even though this comes at the expense of a perfect score sheet. The considerable performance improvements made since 2006 demonstrate the relevance of this approach.

AMBITIOUS LONG-TERM TARGETS

-40% CO_2/visit 2006-2016
-20% kWh/visit 2006-2012
-20% litre/visit 2006-2012

2010 was a year for maintaining momentum and breaking new ground. The consolidation of best practices introduced in previous years saw the Group draw closer to its long-term environmental goals, while the introduction of creative new solutions provided a vision of the sustainable shopping centre of the future.

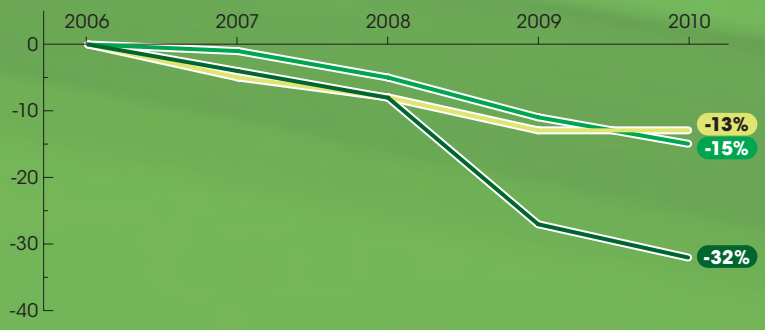
Sustainability is now closely integrated into Unibail-Rodamco's day-to-day operating, development and investment activities. Despite unfavourable climatic conditions, the Group was able to maintain its performance in 2010.

Unibail-Rodamco develops and validates its strategy and achievements in cooperation with expert third parties. In 2010, it maintained its membership of leading SRI (Socially Responsible Investment) indexes and achieved high rankings in external research studies. Ernst & Young[1] audited ten of the Group's performance targets, including the CO_2/visit KPI, well in advance of any legislative requirements to do so. In setting targets, Unibail-Rodamco also strives to exceed its obligations. For example, the Group's carbon intensity target of -40% between 2006 and 2016 goes significantly beyond the reductions required by the French government or the European Union. The green leases introduced by Unibail-Rodamco in 2009 are now a central pillar of the Group's sustainability strategy. Their implementation clearly identifies the Group as a leader in environmentally sustainable operations and demonstrates its commitment to involving key stakeholders in this process.

Finally, as a responsible corporate citizen, Unibail-Rodamco continues to play an active role in government and industry working parties. In particular, the Group has been a driving force behind EPRA's newfound commitment to environmental sustainability and its development of consistent key performance indicators on sustainability for the commercial real estate industry.

1 - The statutory auditor's report on the review of selected environmental and human resources information and indicators is available on pages 136-137 and on the Group website: www.unibail-rodamco.com

ENVIRONMENTAL PERFORMANCE OF MANAGED SHOPPING CENTRES



**Verified by Ernst & Young. See assurance report on pages 136-137.*

Project	BREEAM Rating	Status
Docks 76, Rouen, France	Good	1st shopping centre certified in Europe (April 2009)
Tour Oxygène, Lyon, France	Very good	1st office tower certified Very Good in France (May 2010)
Donau Zentrum, extension, Vienna, Austria	Very good	1st shopping centre certified in Austria (May 2010)
Lyon Confluence, Lyon, France	Very good	1st shopping centre certified Very Good in France (October 2010)
SO Ouest, Levallois-Perret, France	Excellent	1st shopping centre certified Excellent in Europe (November 2010)

Environmental management systems

Unibail-Rodamco's environmental achievements are founded on efficient Environmental Management Systems (EMS). Both existing assets and new developments are carefully managed and monitored to balance the needs and comfort of customers and environmental performance.

The Sustainable Attitude, the Group's EMS for **assets in operation**, is in place across the whole of the managed porfolio in Europe. In November 2010, Bureau Veritas[1] assessed the content and structure of the Sustainable Attitude programme at the Group's French assets and confirmed that it is a functional and relevant system that supports Unibail-Rodamco's policy of continuous improvement.

The ongoing improvements in the environmental performance of the Group's managed shopping centres clearly illustrate the benefits of introducing this EMS. In 2010, CO_2/visit was reduced by a further 7% year-on-year and has now been cut by a total of 32% since 2006.

Efficient design can significantly reduce energy consumption and CO_2 emissions during the operational life of a building. In recent years, considerable efforts have been made to incorporate sustainability into the Group's Design Guidelines for **new development, renovation and extension projects**. The application of this best practice framework enables the Group to capitalise on in-house experience, save time and money, and promote the sharing of best practices. It has also helped Unibail-Rodamco's development teams to deliver some of Europe's most sustainable new buildings (see over).

In 2010, the Design Guidelines were updated on the basis of new assumptions and technologies and operational feedback from across the Group. New guidelines were issued on the use of natural lighting, energy efficient heating and cooling, natural ventilation and biodiversity.

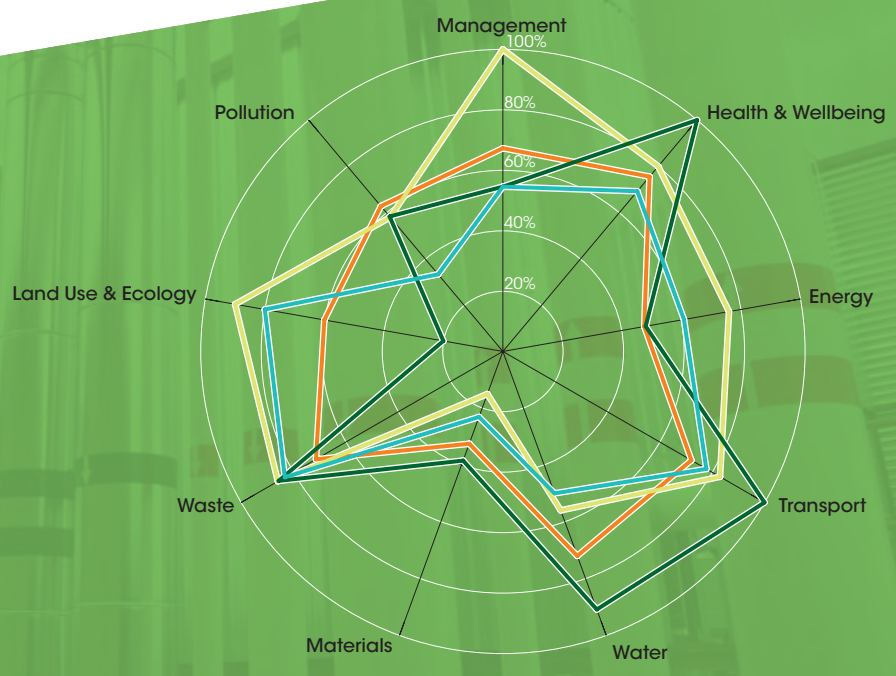
1 - Bureau Veritas is a world leader in health, safety, security and environmental management and certification. Their report is available on the Group website: www.unibail-rodamco.com

2010 BREEAM certifications

In-house development teams have acquired significant experience in environmental design and management following the Group's decision to apply for third-party certification of all new assets of more than 10,000 m². Thanks to a methodological approach and a clear focus on excellence, Unibail-Rodamco is a market leader in sustainable construction and is driving the industry to propose innovative technologies and a better, more relevant sustainability framework for all buildings.

In 2010, four assets received BREEAM[1] design stage certification, with several of them setting new standards for sustainable construction. A further nine are registered by the certification bodies and another eight assets are undergoing preliminary assessments. The Group set another benchmark when the new hall at Paris-Nord Villepinte became the first convention and exhibition building in France to be developed according to HQE[2] standards.

1 - The Building Research Establishment Environmental Assessment Method (BREEAM) is the world's most widely used sustainable construction certification.
2 - HQE (Haute Qualité Environnementale/High Environmental Quality) is the French standard certification scheme for sustainable construction.



BREEAM RATINGS FOR DONAU ZENTRUM, SO OUEST AND OXYGÈNE COMPARED TO UNIBAIL-RODAMCO'S AVERAGE SCORE
(% of achieved credits per category)

- OXYGÈNE Lyon, France
- DONAU ZENTRUM Vienna, Austria
- SO OUEST Levallois-Perret, France
- Average score on portfolio

The "average" Unibail-Rodamco shopping centre achieves a Very Good score under BREEAM. Connection to public transport networks, waste management, water management and the comfort (health and wellbeing) of visitors are key drivers and achievements. The Group has further room for improvement in research into sustainable materials, energy efficiency and the general integration of ecology and biodiversity into new projects.

OXYGÈNE Lyon, France

1st skyscraper building in France to receive Very Good certification

Oxygène was constructed on a disused brownfield site alongside La Part-Dieu shopping centre. It benefits from the same outstanding access to Lyon's public transport network: office workers can choose to travel by train, bus, tram, metro or bicycle. Buildings which are linked to public transport networks have a far lower indirect carbon footprint than those which can only be accessed by car.

Area: 29,400 m^2 GLA

Opened: April 30, 2010

Main environmental features:

- Efficient energy consumption (27% lower than French regulatory requirements*)
- Double-skin façade with integrated sun screens to reduce energy demand for cooling
- Efficient heat pumps using ground water for renewable cooling and heating

DONAU ZENTRUM Vienna, Austria

1st shopping centre in Austria to receive Very Good certification in the Retail category

Donau Zentrum is the largest shopping and entertainment centre in central Vienna. In 2007, it was the first shopping centre in Austria to be awarded the 'Oeko Business Plan' by the City of Vienna for its commitment to sustainability.

New extension: 26,000 m^2 GLA

Opened: October 27, 2010

Main environmental features:

- Building designed to minimise the loss of heated or cooled air through the building fabric
- Excellent access to public transport services and local amenities, including public paths for cyclists and pedestrians, as well as facilities for cyclists (showers, cycle racks, changing rooms, etc.)
- Constructed in an area with a low risk of flooding

SO OUEST Levallois-Perret, France

1st shopping centre in Europe to receive Excellent certification in the Retail category

SO Ouest showcases a number of best practices that serve to reduce energy consumption and CO_2 emissions, enhance biodiversity, and optimise the use of natural resources. For example, the shopping centre will be fully connected to the local urban cooling and heating network, which uses 100% renewable geothermal energy.

Area: 46,700 m^2 GLA

Opening: 2013

Main environmental features:

- Energy consumption 36% below French regulatory requirements*
- 10,000 m^2 of green spaces designed by a qualified ecologist to enhance biodiversity
- 100% of rainwater recovered and used to flush toilets, clean technical areas and water gardens
- Global cost study of design features (including structure and heating, ventilation and air-conditioning system) for periods of 30 and 60 years
- Compactors used to reduce waste volumes; number of visits by waste lorries cut by four
- Green roof for thermal and acoustic insulation, filtering of air pollution, rainwater retention and increased biodiversity

**2005 Thermal Regulation, applies to all building permits filed after September 1, 2006.*

Cooperation on environmental issues

Cooperation with key environmental partners gathered pace in 2010. 'Green lease' clauses were gradually rolled out in all regions and were included in 79% of leases and renewals signed across Europe. A growing percentage of shopping centre services are purchased from responsible suppliers. Tenant committees and customer communications are helping to spread the message that everyone has a role to play in the environmental performance of an asset.

New signage is being introduced to inform **customers** about the environmental performance of their shopping centre. The first centre to benefit was Vélizy 2 (Paris Region), which receives over 15 million visits per year.

Unibail-Rodamco launched its 'green lease' strategy in late 2009. This pioneering initiative, which goes well beyond regulatory requirements, formalises the environmental obligations of **tenants and landlords** in a standard appendix to the lease contract. The clauses have been applied to all new leases and renewals since January 1, 2010.

Sustainability committees at individual assets are used to define shared action plans, encourage dialogue, and inform tenants about the Group's initiatives, the performance of the asset, and the contribution that is expected from retailers. During 2010, these committees brought together over 230 tenants at 30 shopping centres in France, the Czech Republic and Poland. Key priorities highlighted by tenants during committee meetings include the development of sustainable transport and 'green' communications for visitors, the improvement of waste management processes, and the monitoring of energy consumption to help stores operate as efficiently as possible. More tenant/landlord workshops will be held on these issues in 2011.

The Group carried out a benchmark at the Euralille (Lille) and Meriadeck (Bordeaux) shopping centres to understand why some tenants consume significantly more water than other tenants with the same commercial activity. The consumption of food retailers, mobile phone shops, opticians, and fashion apparel stores was analysed and compared. As well as raising awareness of efficient behaviours, the exercise led to immediate improvements.

Suppliers are also being encouraged to adopt environmentally-sustainable habits. Across Europe, the Group's purchasing teams are working to ensure that new contracts and renewals include 'green' clauses, covering everything from the use of chemical cleaners to waste disposal. In 2010, the waste management component of these clauses was reinforced and a framework was developed to assess compliance rates. The framework will be rolled out in 2011. It covers the five key contracts in place in a typical asset: maintenance, cleaning, waste management, elevators, and security and safety. Suppliers in Spain are required to respect ISO 14001 criteria.

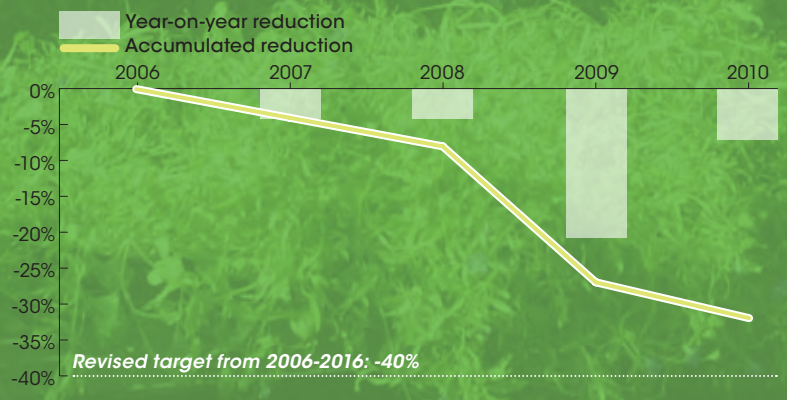
1,180

green leases signed

68

suppliers in French shopping centres (**88%** of purchases by value) have contracts with green clauses

REDUCING CO_2/VISIT AT MANAGED SHOPPING CENTRES



CO_2/visit provides a transparent, quantitative gauge of the carbon impact of a real estate asset. It measures three key elements that contribute to an asset's carbon footprint: energy mix (**CO_2/kWh**), energy efficiency (**kWh/m²**) and intensity of use (**m²/user**). In the future, it will also take account of emissions from customer transport (**kgCO_2/visit**).

Climate, emissions and energy

Unibail-Rodamco is tackling the related challenges of climate change, CO_2 emissions and energy efficiency in a number of ways, but measures its progress with one key indicator: CO_2/visit. In 2010, Ernst & Young[1] certified that the Group had reduced CO_2/visit at its managed assets by 32% since 2006. This remarkable reduction is a clear demonstration of the Group's commitment to the environmental sustainability of its portfolio.

To reduce its CO_2 emissions and mitigate its impact on climate change, the Group works to reduce its **energy consumption** and, in addition, to cut the **carbon content** of the energy that it does consume. Reducing energy consumption is the most effective way to cut CO_2 emissions as it eliminates emissions at source during the power generation process. Energy consumption in the Group's managed assets has been declining steadily since the Sustainable Attitude was introduced. Since 2006, 23% of managed shopping centres have reduced their consumption by more than 20%.

These reductions have been achieved through a combination of simple assessments and advanced technology. For example, the 'energy tree' is a straightforward inventory of the operating hours and energy consumption rates of all technical installations in a given building. The results are analysed to identify inefficiencies and the computerised systems that manage the installations are reprogrammed accordingly. Light and temperature sensors are installed to enable the system to make real-time adjustments to reflect weather conditions. This approach was successfully piloted in Spain in 2009 and applied to great effect in shopping centres in Poland and the Czech Republic in 2010. In Zlote Tarasy (Warsaw), for example, energy consumption fell by 14% in three months.

The Spanish team launched a major project to install LED lighting in the mall, car parks, toilets and emergency corridors at 10 shopping centres. It is estimated that every euro invested in this project will generate a saving of 1.07 kg CO_2 thanks to an equivalent reduction in energy consumption of 3.15 kWh/€. A programme is underway to upgrade the smoke exhaust systems of the Group's convention and exhibition assets to enable the use of natural ventilation in all weather conditions. Systems were upgraded at six of the halls at Porte de Versailles in 2010 and the roofs of all other venues will be adapted in the next five years. ■■■

Mitigation/Adaptation

As well as optimising the environmental performance of its assets through challenging energy and CO_2 reduction measures, Unibail-Rodamco has developed a long-term roadmap to address and adapt to **climate change**. In particular, the Group aims to understand the scale of risks to asset value and operations and ensure compliance with existing and future legislation. The roadmap provides a methodology to address issues such as potential increases in temperatures, flooding and extreme weather events on the portfolio and will establish a risk profile for each area where the Group has assets. The roadmap will be reviewed and updated regularly and adaptation strategies will be developed when relevant.

1 - The statutory auditor's report on the review of selected environmental and human resources information and indicators is available on pages 136-137 and on the Group website: www.unibail-rodamco.com

The Group is taking its first steps into CO_2 sequestration at Amstelveen (Amsterdam). Olivine, a naturally occurring mineral that traps CO_2 and converts it into harmless sand, magnesium, bicarbonate and iron, is being tested as roofing ballast.

In October, the Group signed an agreement with Renault to promote the use of electric vehicles by helping to create a network of simple, practical, rapid charging points.

A small but increasing proportion of the Group's energy is being generated on-site. For example, a highly-efficient **tri-generation** unit which produces electricity, heat and cooling from gas was installed at Los Arcos (Seville) in May and another will soon be installed at Parquesur (Madrid).

A study into **geothermal** energy at the Aéroville development site north of Paris returned very encouraging conclusions: the geothermal solution has lower operating costs and produces significantly less CO_2 than a traditional solution using gas and electricity. The difference in CO_2 emissions is over 410 tonnes per year, equivalent to driving 41 times around the earth in a regular car. Furthermore, the financial benefit of investing in geothermal increases if gas prices rise.

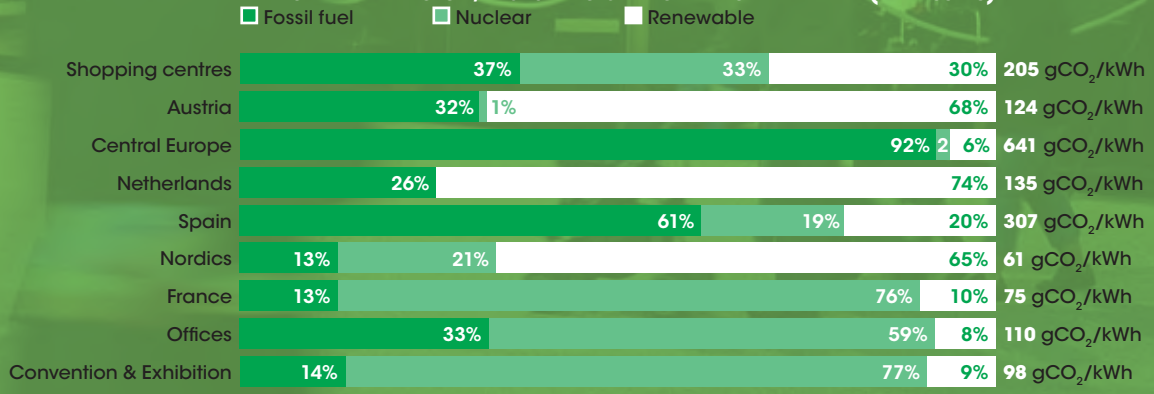
In the past, Unibail-Rodamco's CO_2/visit results have been weighed down by the carbon-intensive national energy infrastructure of some regions. In 2010, a contract to purchase **100% renewable energy from local providers** was concluded for Shopping City Süd (Vienna). As a result, all of the energy used at Shopping City Süd, which is one of the largest shopping centres in Europe, comes from hydro-electric power stations. This contract reduced the Group's CO_2 emissions by 3,435 tonnes in 2010.

Every square metre that is built has an environmental impact during construction, during operations and at the end of its life. This is taken into account through the **'intensity of use'** (visitors/m^2) component of the CO_2/visit indicator. To improve its performance, Unibail-Rodamco ensures that development projects are appropriately sized and also works to attract increasing numbers of customers to its assets.

Buildings which are accessible only by car have a far higher indirect carbon footprint than those which are linked to public transport networks. Most of Unibail-Rodamco's assets have central locations in major European cities and are easily accessed **by sustainable modes of transport**. The office portfolio, in particular, is extremely well-connected to major transport hubs. In 2010, VIPARIS introduced a user-friendly online calculator that enables convention and conference organisers to calculate the carbon footprint of their event in order to develop an action plan to reduce their environmental impact.

Although almost 55% of customers walk, cycle or use public transport to visit the Group's shopping centres, large numbers of customers prefer to use their car. To help reduce the impact of those visits, Unibail-Rodamco is innovating in the interests of the customer and the environment. Free recharge points for electric vehicles will be installed at all of the Group's Spanish shopping centres and at large French shopping centres by the end of 2011. Twenty-one shopping centres across Europe have already been equipped.

ENERGY MIX BY REGION, INCLUDING CARBON WEIGHT PER KWH (ALL ASSETS)



MODES OF TRANSPORT USED BY VISITORS TO THE GROUP'S SHOPPING CENTRES IN 2010

- Public transport **42%**
- Car/taxi **45%**
- Foot/bicycle **11%**
- Other **2%**

WATER CONSUMPTION AT MANAGED SHOPPING CENTRES

Unibail-Rodamco share Tenant share

2009	50%	50%	**2,603,656** m³ / **3.7** litres/visit
2010	53%	47%	**2,310,539** m³ / **3.5** litres/visit

An efficient, responsible approach to risks and resources

Unibail-Rodamco's approach to managing natural resources, promoting biodiversity and ensuring health and safety combines targeted action on issues that it controls and close cooperation with external stakeholders on other, wider issues.

The Group relies on close cooperation with tenants and customers to reduce **water** consumption. Efficient devices are installed systematically in new developments and during renovations. In 2010, upgrades of this type ranged from the installation of waterless urinals at Shopping City Süd (Vienna) and Südpark (Klagenfurt), to an overhaul of the water cooling towers at Zlote Tarasy (Warsaw) which reduced water consumption by 20%. The Nordic Countries installed tenant sub-meters at ten shopping centres to monitor consumption and ensure that leaks are detected rapidly.

A comprehensive study into the use of **materials** in development and refurbishment projects was concluded in 2010. To help development and technical teams select the most environmentally-sustainable and economically-efficient option, 'do' and 'don't' recommendations have been drawn up for the different types of materials that are most commonly used. On a smaller scale, VIPARIS developed an award-winning, 'eco-friendly' exhibition stand which is re-usable, built using untreated PEFC-certified wood, and decorated with solvent-free inks.

In 2010, the international year of **biodiversity**, Unibail-Rodamco defined a clear policy regarding the protection and enhancement of ecological features at its assets. As in previous years, BREEAM biodiversity criteria were applied to all new development projects. SO Ouest (Paris) scored over 75% in its BREEAM biodiversity assessment, helping it become the first retail development in Europe to obtain an Excellent rating.

A study delivered in early 2010 which categorised assets into four broad categories according to their ecological status and their potential for improvement has enhanced Unibail-Rodamco's understanding of biodiversity at its existing assets. At SO Ouest, a qualified ecologist advised on plans for 10,000 m^2 of parks and green roofing to ensure they feature relevant local plant species and offer new habitats for wildlife. Hall 7 at the Paris-Nord Villepinte convention and exhibition centre has the largest green roof in France. In addition to the ecological benefits they offer, green roofs also provide excellent insulation. A series of articles in the internal newsletter helped to inform employees about the Group's approach to managing and enhancing biodiversity.

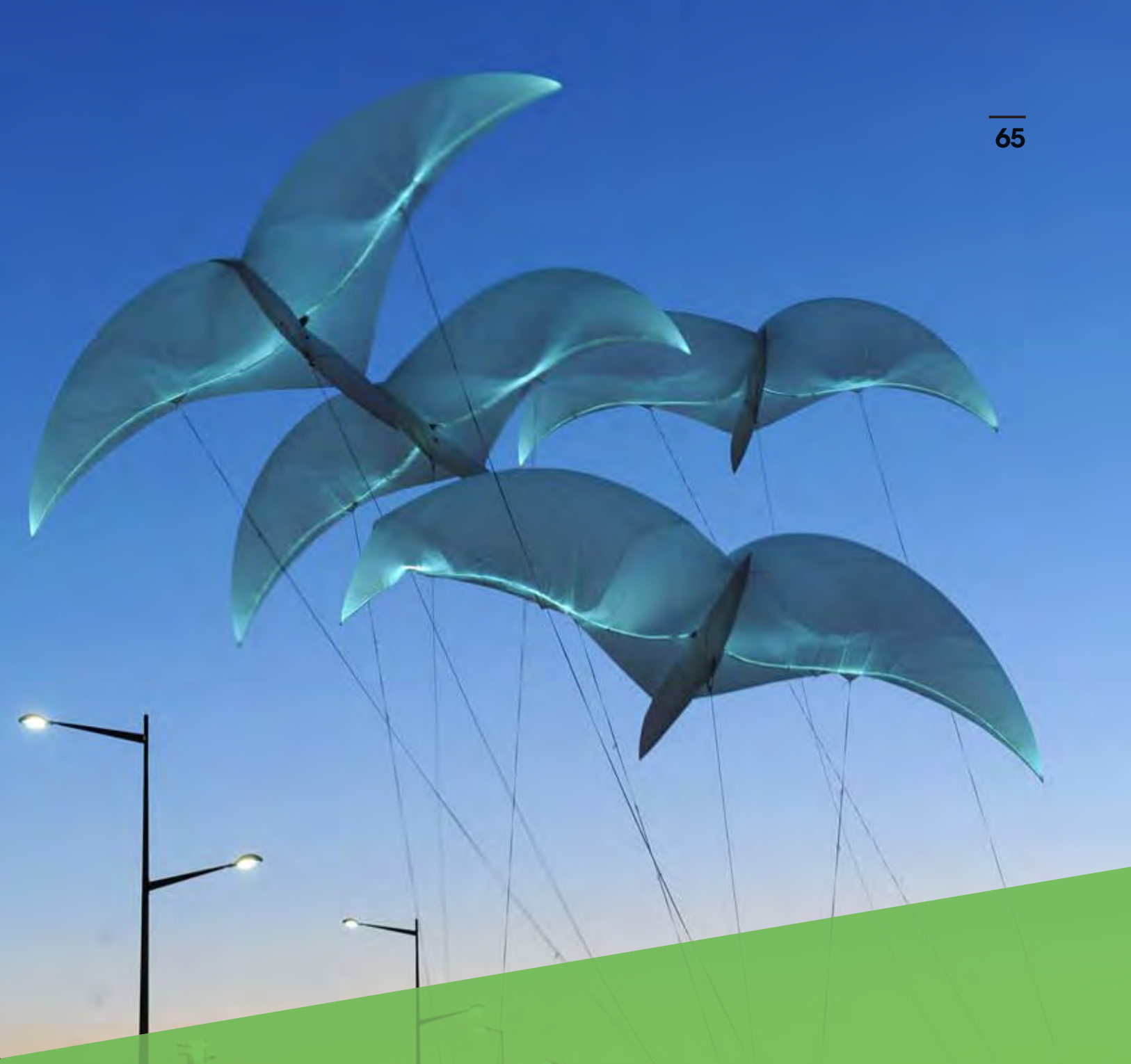
The Palais des Congrès (Paris) has introduced a barcode-based system to measure the amount of waste produced by individual convention and exhibition clients. In the future, this information will be used to give clients a financial incentive for segregating their waste.

Following extensive monitoring and analysis in 2009, the Group set itself two ambitious long-term goals for **waste management**: by 2016, at least 50% of waste collected from managed shopping centres should be recycled, and the proportion of waste diverted from landfill should have risen by 50% relative to 2009.

Given that tenants and suppliers are the source of almost all of the waste in a typical shopping centre, a successful waste management policy must be based on active cooperation with these two stakeholders. In France, a 'waste ambassador' has been appointed at Vélizy 2 to promote waste management best practices to tenants and ensure practical issues are resolved rapidly. At Docks Vauban, 1.1 tonnes of glass is being recycled per month following the introduction of a new collection system in partnership with the centre's restaurant owners. A partnership with a national environmental association and improvements to collection and segregation infrastructures have helped to improve recycling rates in Spain. Across the Group, waste management contracts have been reinforced to improve data reporting and increase recycling rates.

The Group continues to pay close attention to **health and safety** and **environmental risk management** issues across its portfolio. A comprehensive programme to map asbestos in all assets built before this material was banned by local regulations will be completed in 2011. This information will be used to schedule and prioritise asbestos removal works. All regions have received clear instructions on managing asbestos-related risks.

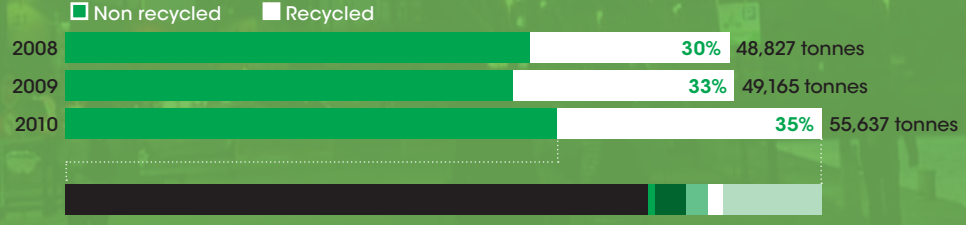
A standardised Methodological Risk Analysis (MRA) for all cooling towers under the Group's direct management is being rolled out at managed assets across Europe. By identifying risk factors and establishing Group-wide standards for monitoring, maintenance and documentation, this process will increase operational efficiency and reduce the risk of legionella proliferation. The standardised MRA was carried out at all French and Spanish managed assets in 2010.



WASTE BY FINAL DISPOSAL METHOD IN 2010

- Landfill **24%**
- Incineration (or use as fuel) **30%**
- Recycling/Reuse/Composting **36%**
- Managed by municipality **9%**

WASTE RECYCLING AT MANAGED SHOPPING CENTRES



COMPOSITION OF WASTE RECYCLED IN 2010

- Cardboard **77%**
- Paper **1%**
- Plastics **4%**
- Glass **3%**
- Wood **2%**
- Other **13%**

NUMBER OF CUSTOMERS PARTICIPATING IN SATISFACTION SURVEYS
2009
26,538
2010
28,127
+6%

Encouraging dialogue and strengthening relationships

Unibail-Rodamco's Welcome Attitude is a welcome and loyalty policy that considers all visitors to the centre as guests. It creates 'quality time' by offering enjoyment, well-being and entertainment alongside great shopping.

At every stage in the business cycle, Unibail-Rodamco aims to create value for its stakeholders and minimise its impact on the environment. Skilled, dedicated employees and strong relationships with external stakeholders underpin the Group's financial, social and environmental performance and enable it to improve, adapt and thrive over time.

Shopping centres provide entertainment, services and social opportunities to people of all ages and serve as a focus for whole **communities**. To ensure that its investments, developments and operations benefit the local area, the Group works to build and maintain strong relationships with residents and public authorities. Public consultations are held for all development and extension projects. These allow development teams to explain the proposed project in detail, listen to the public's concerns and respond appropriately, whether by providing clearer information, conducting additional studies or adjusting aspects of the proposal.

Both new investments and existing activities generate **economic growth** through employees' salaries, payments to suppliers and infrastructure investments, and create direct and indirect employment. For example, it has been estimated that the Aéroville shopping centre (Paris Region), which is due to open in 2014, will create around 1,500 new jobs when the project is launched and 2,600 jobs in the longer term.

In 2010, new European surveys were used to learn more about the needs and expectations of two of Unibail-Rodamco's most important stakeholders: customers and tenants. The **tenant** survey, piloted in France in 2009, was rolled out in 63 centres across all regions and completed by around 20% of tenants. The information gathered will serve as a baseline for measuring performance in the coming years. **Customer** satisfaction was also assessed. More than 28,000 customers participated in an upgraded survey that used additional questions and an improved methodology to obtain a better understanding of visitors' needs and expectations.

Some of the Group's largest **investors**, such as APG and PGGM, are integrating increasingly stringent environmental criteria into their investment decision-making processes. The Group organised dedicated sustainability sessions for around 30 major investors in Paris, Amsterdam and London in 2010. During these discussions, it emerged that investors' growing interest in environmental performance is driven as much by risk management issues as by the potential for higher returns. In short, careful management and monitoring of operational activities for the purposes of sustainability reporting also serves to reduce a company's exposure to legislative, compliance and reputational risks.

Investor feedback on the Group's sustainable development approach and communications was generally favourable. Feedback from external analysts and researchers was also positive. For example, in January 2010, the University of Maastricht published a report, with support from APG and PGGM, which ranked Unibail-Rodamco first in continental Europe for environmental policy management, implementation and measurement. In September, the Group was listed in the Dow Jones Sustainability (World) Index for the third time and entered the DJSI (Europe) for the first time.

Employee communications about sustainable development policies and activities were maintained and expanded in 2010. In June, a 'sustainability day' was organised at the Group's headquarters to mark the publication of the 2009 corporate sustainability report. Display panels were used to highlight key sustainability achievements, an international fair-trade company and the French energy and environment agency organised events for employees, and a meeting of the CNCC (French Council of Shopping Centres) sustainability committee was also held on site. The internal newsletter, which is distributed electronically to all employees, continued to highlight a different environmental issue every month.

In May, the Management Convention brought together 200 senior managers in Barcelona for two days of networking, team-building and learning. Unibail-Rodamco's sustainability policies, achievements and objectives were presented. The sometimes conflicting demands of marketing and environmental sustainability were also covered in a presentation on the use of natural and artificial lighting in retail assets, given by an external expert.

Relaxation areas on every floor of the Group's main offices give employees a place to hold informal meetings or chat while enjoying a coffee or free fruit.

SOCIALLY RESPONSIBLE INVESTMENT (SRI) INDEXES

Unibail-Rodamco is listed on several prestigious SRI indexes. The Group has been included in the FTSE4Good and the Dow Jones Sustainability Index (World) since 2008. In 2010, it entered the Dow Jones Sustainability Index (Europe), the ASPI Index (Europe), and the NYSE Euronext Low Carbon 100 Europe® Index. In February 2011, Unibail-Rodamco was selected for inclusion in the Ethibel EXCELLENCE Investment Register and also entered the Corporate Knights Global 100 list of the world's most sustainable companies.

Promoting equality & diversity

A number of new initiatives were launched in 2010 to promote equality and diversity across all of the Group's activities.

The quality of service provided to **customers with disabilities** was a major focus in 2010. An audit concluded in 2009 identified features that could interfere with the enjoyment of customers with disabilities. These issues are systematically corrected during renovation works. Many of the modifications that are being made for customers with physical and sensory disabilities are also appreciated by the elderly and parents with small children. This echoes previous experience with the 'Welcome Attitude' programme, where it was found that many services introduced for families, such as extra-wide car parking spaces, are useful for customers with reduced mobility.

To identify issues that could affect the comfort of visitors to the Group's convention and exhibition assets, VIPARIS invited representatives of French associations for people with paralysis and with visual handicaps to tour its venues and note both positive aspects and weaknesses. A list of best practices and practices to avoid has been drawn up and corrective action has been taken when necessary. Five sites were analysed in 2010 and the remaining five will be covered in 2011.

In 2007, Saint Sever shopping centre in Rouen became the first shopping centre in France to receive the S3A label[1].

In France, the Group is building a close partnership with the UNAPEI, a charitable association that works on behalf of people with **mental disabilities**. During 2011, shopping centre staff who work with the public, whether they are retail employees or security and cleaning contractors, will receive training in welcoming customers with mental disabilities and accommodating their needs. These centres will then display the 'S3A'[1] label as a permanent sign of their commitment to the 700,000 people in France who are affected by mental disability and their families. Each centre will also hold a public event every year to raise awareness of mental disability.

Following the signature of the French Disability in the Workplace Charter in 2009, the Group produced a brochure on **disability in the workplace** in 2010 and distributed it to all employees in France. The aim was to raise awareness of the spectrum of disabilities that can affect people during their working life and encourage staff to declare any disabilities they might have so that their working conditions can be adapted accordingly. Unibail-Rodamco is also a signatory of the French Diversity Charter.

An e-learning programme about the **Code of Ethics** was launched to raise awareness of the ethical standards which all personnel must respect when working for Unibail-Rodamco. Ethical behaviour was also covered during the week-long European Graduate Programme induction seminar and in training courses across Europe and at the Unibail-Rodamco Academy.

The Group's commitment to ensuring that men and women doing jobs with similar levels of responsibility receive **equal pay** took a major step forward with the introduction of a job grading system. The grading framework applies to staff in core business functions. As well as facilitating internal mobility, it will make it easier to align remuneration with skills and responsibilities, regardless of department or country. Employees are assigned a grade based on their core skills, seniority and scope, and given clear information on the skills they need to master to progress to the next grade. In total, 30,332 hours of training were provided to employees during 2010, including 7,517 hours of training through the Unibail-Rodamco Academy. 37% of management positions were held by women in 2010.

1 - 'S3A' is a French standard for public spaces that have demonstrated their commitment to being welcoming, supportive and accessible to people with mental disabilities.

EMPLOYMENT BY COUNTRY

- Austria **91**
- Czech Republic **44**
- Denmark **16**
- France **1,050**
- Netherlands **93**
- Poland **56**
- Spain **148**
- Sweden **118**

EMPLOYMENT BY ACTIVITY

- Offices **17**
- Shopping Centres **667**
- Convention & Exhibition **405**
- Development **63**
- Shared Services **273**
- Headquarters **191**

EMPLOYEES BY AGE

- < 30 years old **21.7%**
- 30 - 50 years old **62.1%**
- > 50 years old **16.2%**

EMPLOYEES BY GENDER

- Women **49.1%**
- Men **50.9%**

Corporate citizenship

The Group maintained its commitment to supporting good causes in 2010. A total of €3.75 million in cash and in kind was donated to educational, cultural, entrepreneurial and social initiatives. More than 320 local charity fundraising and awareness events were held in the Group's shopping centres. Space is provided for free to small local charities as well as to large international organisations like UNICEF and the Red Cross. The Group signed a partnership agreement with UNICEF in Spain.

Children's workshops based on Alexander Calder's sculptures and mobiles that were developed in partnership with the Centre Pompidou museum in Paris continued their successful tour of French shopping centres in 2010.

Unibail-Rodamco devotes considerable energy to attracting top-flight tenants and helping them to expand and develop their commercial activities. This **commitment to supporting business** extends to entrepreneurs and start-ups: by nurturing new concepts, the Group is able to provide greater variety for customers and contribute to the development of the premium brands of the future. Through the Grand Prize for Young Retail Entrepreneurs, in the retail sector, and Expocréa, in the convention and exhibition sector, Unibail-Rodamco provides financial and logistical support that helps creative, imaginative business people to get their venture off to a good start in the best conditions.

Expocréa, which is organised by VIPARIS, encourages innovation by helping promising new convention and exhibition events to prepare their second show. In 2010, the main prize winners were Paris Games Week, the Healthy Home, Housing and Habitat exhibition, and Provemploi, an exhibition covering employment and business creation in the French regions.

Artworks and sculptures for the Group's assets were commissioned from a number of modern artists. For example, in June, Nacka Forum (Sweden) unveiled a striking public sculpture by artists Petter Hellsing and Margon Lindberg on the roundabout outside the centre. The artwork has been donated to the Municipality of Nacka.

In Spain, the Group created a new international art contest with a twist. The first edition of 'Bartcelona', held at La Maquinista shopping centre, brought together young contemporary artists to exhibit their works and to participate in 'art battles', competitions between new and established artists who create art on stage in front of a live audience. Further editions of this highly successful event will be hosted at Bonaire, Parquesur and La Maquinista in 2011.

In France, the Group continued to support the School of the Second Chance (E2C)[1]. Since 2008, 15 shopping centres have formed a partnership with their local E2C. These agreements provide a useful point of contact for students seeking a job or work experience. For example, in 2010, 34 students from the E2C 93, to the north of Paris, gained experience with tenants and suppliers at the Rosny 2, Les Quatre Temps and Forum des Halles shopping centres.

1 - The Ecole de la Deuxième Chance (E2C, School of the Second Chance) provides 18- to 25-year olds with few or no qualifications with the training and support they require to access further education or employment.

GRAND PRIZE FOR YOUNG RETAIL ENTREPRENEURS

The Grand Prize provides tomorrow's retail stars with the financial and logistical support they need to start their business today. It is by far the largest single endowment supporting the creation of new businesses in France, distributing prizes with a value of €1.35 million to the three winners. Unibail-Rodamco provides them with retail space in one of its shopping centres, waiving both key money and the first six months' rent to relieve the new entrepreneurs of some of the stress that is involved in launching a commercial venture. In addition, all six finalists receive marketing, legal, business and management guidance to help them to fine-tune their business plan. The fourth edition of the Grand Prize for Young Retail Entrepreneurs was won by Tailor Corner, an innovative concept which proposes made-to-measure suits at off-the-rack prices. The runners-up were Chaak, a Mexican fast-food concept, and Goutu, which sells fresh, low-cost sandwiches.

Transparency

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France: Shopping Centre Portfolio

as at December 31, 2010

	GLA of the whole complex (m^2)	Parking spaces	Catchment area (in millions of people)	Number of visits (in millions)	Year of acquisition	Construction (C) Refurbishment (R) date	GLA of the property owning companies (m^2)	% Unibail-Rodamco's shares	% of consolidation	Total space according to consolidation (m^2)
Shopping centres in the Paris Region										
Les Quatre Temps (La Défense) Auchan, Castorama, C&A, 27 MSU, 210 shops, a cinema complex	130,000	6,500[3]	5.7	42.3	1992/95 1999	1981 R 2006/08	125,700	53.3%	100%	125,700
Vélizy 2 Auchan, C&A, FNAC, Le Printemps and 12 MSU, 157 shops and 7 cinemas Truffaut, Amarine	104,200	6,915	3.8	15.5	1994 2007	R 2005/07	66,300	100%	100%	66,300
Parly 2 21 MSU (o/w Printemps, BHV, Simply Market, Habitat, Fnac, Decathlon, C&A) and 167 shops	107,000	5,050	4.6	13.4	2004	1969/87	46,200	100%	100%	46,200
Rosny 2 Carrefour, Galeries Lafayette, Darty, FNAC, Go Sport, H&M, Zara 154 shops and 22 MSU	110,500	5,950	6.5	14.7	1994 2001/ 2010	1973 R 1997	31,900 22,100	26% 100%	26% 100%	8,300 22,100
Carré Sénart Carrefour, Go Sport, Cinema, 1 shopping park, 17 MSU, 118 shops	95,900	5,260	1.7	13.9	1994/ 1999	2002 2006/07	81,000	100%	100%	81,000
Bay 1 - Bay 2 Carrefour, Leroy Merlin, Conforama and Toys'R'Us 7 MSU, 123 shops, Cinema	94,400	4,870	3.3	8.0	2010	2003/04	19,200 7,800	100%	100%	19,200 7,800
Le Forum des Halles (Paris 1er) FNAC, 124 shops, 20 MSU, 1 UGC Ciné Cité and 1 UGC Orient Express	66,700	2,100	6.7	41.0	1994/ 2010	1979/86 R 1996	62,300	65%	100%	62,300
Ulis 2 Carrefour, 8 MSU, 88 small units	51,500	2,930[3]	2.2	6.1	1994	1973 R 1998/99	22,800	100%	100%	22,800
Côté Seine (Argenteuil) Géant Casino, 6 MSU, 52 small units	29,000	1,350[3]	4.8	5.8	2003	2002	14,600	100%	100%	14,600
Cnit (Shopping arcade - La Défense) FNAC, Decathlon, Monoprix, Habitat, 26 shops and a restaurant area	27,000	6,500[4]	5.7	15.1	1999	C 1989/2009 R 2009	27,000	100%	100%	27,000
Bobigny 2 Atac, 53 shops o/w 6 MSU	27,000	1,100	4.0	2.4	2004	1974	8,000	100%	100%	8,000
Vélizy Usines Center 123 shops (o/w Gerard Darel, Ventilo Quiksilver, Hygena)	20,500	1,270	13.9	1.4	2005	1986	20,500	100%	100%	20,500
Boutiques Palais des Congrès (Paris 17e) Galeries Gourmandes, Les Editions du Palais, Palais Maillot, 4 MSU, 1 Cinema and 66 shops	17,800	1,600[3]	7.2	8.5	2008		17,800	50%	100%	17,800
Galerie Gaité (Paris 15e) Darty, 3 MSU, 16 small units	14,000	1,992[1]	6.5	3.7	1998	C 1976 R 2001	12,600	100%	100%	12,600
Carrousel du Louvre (Paris 1er) Virgin, Apple, 1 MSU, 32 shops and a food court	11,300	700[2][3]	6.7	16.7	1999	1993 / R 2009	11,300	100%	100%	11,300
Sub-total Shopping centres in the Paris Region										**573,500**

Catchment area: less than 30 minutes from the shopping centre
MSU: Medium Size Units
(1) Gaîté Montparnasse car parks are shared between Meridien hotel, Gaîté shopping gallery and office
(2) The Carrousel du Louvre car park is shared between the shopping centre and the exhibition spaces
(3) Car parks not owned by Unibail-Rodamco
(4) Car parks are owned by Cnit C&E and shared between Cnit C&E, Cnit Offices and Cnit retail

France: Shopping Centre Portfolio

as at December 31, 2010

	GLA of the whole complex (m^2)	Parking spaces	Catchment area (in millions of people)	Number of visits (in millions)	Year of acquisition	Construction (C) Refurbishment (R) date	GLA of the property owning companies (m^2)	% Unibail-Rodamco's shares	% of consolidation	Total space according to consolidation (m^2)
Shopping centres in the French Provinces										
Lyon La Part-Dieu Carrefour, Galeries Lafayette, Décathlon, C&A, BHV, Monoprix, 30 MSU, 211 shops and 14 screen UGC cinema complex.	126,500	4,756	1.4	31.9	2004	C 1975/2010 R 2002/2010	78,600	100%	100%	78,600
Calais Cité Europe - L'Usine Côte d'Opale Carrefour, C&A, Bowling, Toys'R'Us 15 MSU and 105 shops 44 factory outlets	86,400	5,100	0.5	7.0	1995	C 1995/2003 R 2008	49,900 13,700	50% 100%	50% 100%	24,900 13,700
Euralille Carrefour, Go Sport, 13 MSU and 99 shops	66,700	2,900 (3)	1.4	11.5	1994/ 2010	1994	42,900	76%	100%	42,900
Le Havre Docks Vauban Leclerc, 12 MSU, 38 shops, 1 cinema	53,800	2,000 (3)	0.3	5.0		2009	53,800	100%	100%	53,800
Dijon La Toison d'Or Carrefour, Saturn, Darty, Go Sport, 13 MSU and 106 shops	58,600	3,540	0.3	6.7	1994	1990	33,500	100%	100%	33,500
Villeneuve 2 Auchan and La Poste 7 MSU (Furet du Nord, H&M), 125 shops	57,000	3,250	1.6	12.2		1977 R 2004/06	32,600	100%	100%	32,600
Toulouse Labège 2 Carrefour 7 MSU (C&A, H&M), 109 shops	47,900	3,310	0.8	6.3	1994 2006	1983/1992 E 2008	21,600	100%	100%	21,600
Rouen Saint Sever Leclerc, UGC 6 MSU (Go Sport, La Grande Récré), 79 shops	44,400	1,800	0.5	10.1		1978/02	33,400	100%	100%	33,400
Bordeaux Meriadeck - Passages Meriadeck Auchan, Darty 6 MSU (Zara, H&M) and 70 shops	41,500	1,670 (3)	0.8	13.8	1994	C 1980/2008 R 2000	27,000 7,400	61% 100%	100% 100%	27,000 7,400
Bayonne BAB 2 Carrefour, 3 MSU (H&M, C&A), 79 shops	42,000	2,500	0.2	6.0	1994	1982/2009	14,000	100%	100%	14,000
Rouen Docks 76 Toys, Monoprix, 6 MSU, 68 shops, 1 cinema	37,700	1,000	0.6	3.8		2009	37,700	100%	100%	37,700
Rennes Alma Carrefour, Printemps, 4 MSU and 62 shops	35,800	2,668	0.6	6.6	2005 2007	C 1971 R 1990	21,100	100%	100%	21,100
Châlons Croix Dampierre Carrefour, C&A 53 shops, 6 MSU	34,700	2,209 (3)	0.1	4.2		1973/1992	11,200	100%	100%	11,200
Marseille La Valentine Printemps, Castorama, Darty, FNAC	30,000	1,500	1.4	7.4	2007	1982 R 1999	8,400	100%	100%	8,400
Wasquehal Carrefour, Centre Auto Feu Vert, Gas station 55 shops	31,200	2,000	1.3	n.a.	2010	1981/2006	6,000	100%	100%	6,000
Lyon Saint-Genis 2 Auchan, BHV, 4 MSU and 67 shops	31,000	1,800	1.2	4.1	1994/96 2009	1981	11,400	100%	100%	11,400
Strasbourg Rivétoile Leclerc, Darty, H&M, 2 MSU and 84 shops	28,300	1,800 (3)	0.7	4.3	-	2008	28,300	100%	100%	28,300
Orléans Place d'Arc Carrefour 4 MSU (Darty, H&M, Zara..), 56 shops, 1 cinema	27,000	750 (3)	0.3	7.8	1988	1988	13,400	73%	100%	13,400
Marseille Bonneveine Carrefour, 1 MSU, 61 shops, 5 cinemas	26,600	1,000	0.9	5.8	1986	1983	10,000	100%	100%	10,000
Nice Etoile C&A, 4 MSU, 93 shops	21,900	2,157	0.7	11.9	2000	C 1982 R 2005	17,700	100%	100%	17,700
Annemasse Shopping Etrembières 1 hyper Migro, 3 MSU and 46 shops	19,000	1,000	0.3	2.3	2006	1994	8,900	50%	100%	8,900
L'Usine Roubaix 5 MSU and 75 shops	18,800	400	1.3	4.6	2007	1984	18,800	100%	100%	18,800
Sub-total Shopping centres in the French Provinces										**576,300**

France: Shopping Centre Portfolio

as at December 31, 2010

Other holdings

	GLA of the whole complex (m^2)	Parking spaces	Catchment area (in millions of people)	Number of visits (in millions)	Year of acquisition	Construction (C) Refurbishment (R) date	GLA of the property owning companies (m^2)	% Unibail-Rodamco's shares	% of consolidation	Total space according to consolidation (m^2)
Evry 2 Carrefour, Galeries Lafayette, 10 MSU, 240 shops and multiplexes CGR	93,000	5,300	1.5	16,0	2004	C 1975 R 2003	53,800	7.5%	7.5%	4,000
Bel Est Auchan, 67 shops	48,800	2,000	3.8	n.a.	2010	1992	5,500	35.2%	35.2%	2,400
Paris Aquaboulevard Decathlon, Water park, Fitness centre, Gaumont Cinema Event areas, 1 "food court", 3 shops	42,000	948	n.a	4.9	2006 2008	1990	36,000	100%	100%	36,000
Villabe Carrefour, 6 MSU, 55 shops	34,100	2,900	1.3	n.a.	2010	1992	5,800	15%	15%	900
Paris Maine Montparnasse 1 shop Naf Naf	35,500	1,900 (3)	n.a	n.a.	2007		200	100%	100%	200
Boissy 2 Geant, 30 shops	23,000	900 (3)	0.2	n.a.	2004	1976	7,000	100%	100%	700
Paris - 23, boulevard de Courcelles (Paris 8) Renault car dealer	12,900	-	n.a	n.a.	1999	R 1989	12,900	100%	100%	12,900
Paris - 40 ter, avenue de Suffren (Paris 15) Volkswagen car dealer	11,200	-	n.a	n.a.	1999	R 1982	11,200	100%	100%	11,200
Grigny 2 Casino, 1 MSU, 26 shops	10,700	1,200	n.a.	n.a.	2004	C 1973 R 2000	1,600	100%	100%	1,600
Go Sport: Marseille Grand Littoral, Evreux, Saintes, La Valentine	8,900		2.7	n.a.	2007		8,900	100%	100%	8,900
Plaisir Planete Saturn	5,200	100	n.a.	n.a.	2001		5,200	100%	100%	5,200
Limoges Boisseuil			n.a.	1.5	2004		700	100%	100%	700
Sub-total Other holdings										**84,700**
Total (according to the scope of consolidation)										**1,234,500**

Catchment area: less than 30 minutes from the shopping centre
MSU: Medium Size Units
(1) Gaîté Montparnasse car parks are shared between Meridien hotel, Gaîté shopping gallery and office
(2) The Carrousel du Louvre car park is shared between the shopping centre and the exhibition spaces
(3) Car parks not owned by Unibail-Rodamco
(4) Car parks are owned by Cnit C&E and shared between Cnit C&E, Cnit Offices and Cnit retail

France: Convention-Exhibition Portfolio

as at December 31, 2010

	Year of acquisition	Construction (C) Refurbishment (R) date	Parking spaces	Total floor space of the asset (m^2)	% Unibail-Rodamco's share	% consolidation	Total space according to consolidation (m^2)[3]	Description
PARIS AND PARIS-LA DÉFENSE								
Property and operation							**563,400**	
Paris Porte de Versailles – Paris 15e	2000	Hall 5 in 2003	5,500	226,000	50%	100%	226,000	8 exhibition halls (from 5,000 to 70,000 m^2), 32 conference rooms of which 3 auditoriums
Paris Nord Villepinte	2008	Hall 7 in 2010	13,000	245,000	50%	100%	245,000	9 exhibition halls, 45 conference rooms of which 3 auditoriums
Cnit – La Défense	1999	R 2007	4,800[5]	24,000	100%	100%	24,000	Exhibition and convention space
Espace Grande Arche – La Défense	2001	R 2003		9,500	50%	100%	9,500	Flexible space covering 9,500 m^2
Espace Champerret – Paris 17e	1989/1995	R 2008	1,100[1]	9,100	50%	100%	9,100	Exhibition space (trade shows)
Le Palais des Congrès de Paris	2008	1993	1,500[1]	32,000	50%	100%	32,000	92 conference rooms of which 4 auditoriums
Carrousel du Louvre (Expos) – Paris 1er	1999	1993	4,300[1]	7,100	100%	100%	7,100	Exhibition space (trade and fashion shows, corporate events)
Palais des Sports – Paris 15e	2002	1960		n.a.	50%	50%	n.a.	Flexible entertainment or convention room from 2,000 to 4,200 seats
Hilton Cnit – La Défense	1999	R 2008		10,700	100%	100%	10,700	Hotel
Operation								
Paris Le Bourget	2008	1952/ 2005	12,000	80,000	50%	100%	-	5 exhibition halls, 7 conference rooms of which 1 auditorium
Palais des Congrès de Versailles	2008	1964	4,300[1]	3,200	45%	100%	-	11 conference rooms of which 1 auditorium
Palais des Congrès d'Issy-les-Moulineaux	2009	R 2007		3,000	48%	100%	-	14 conference rooms of which 1 auditorium
Property							**57,400**	
Méridien-Montparnasse Hotel – Paris 14e [4]	1998	1974	1,992[2]	57,400	100%	100%	57,400	Hotel, conference centre and private parking lot [2]
Total (according to the scope of consolidation)							**620,800**	

(1) This parking lot does not belong to the Group.
(2) Car parks are shared between Meridien hotel, Gaîté shopping gallery and office.
(3) Unibail-Rodamco's interest in the property.
(4) Hotel operation acquired January 7, 2011.
(5) Car parks are owned by Cnit C&E and shared between Cnit C&E, Cnit Offices and Cnit retail.

France: Offices Portfolio*

as at December 31, 2010

	Year of acquisition	Construction (C) / Refurbishment (R) date	Total floor space (m²)	Parking spaces	% ownership and % consolidation	Total floor space according to consolidation (m²)	Main tenants (in terms of rental income)
Paris CBD, Paris and Western Paris outskirts							
Paris 1er							
34-36, rue du Louvre	1976	R 2006	4,183	-	100%	4,183	BNP Paribas, Caisse d'Epargne
Paris 8e							
Capital 8 (Monceau/Murat)	2001	R 2006	45,280	373	100%	45,280	Gaz de France, Eurazeo, Dechert, SAP, Marionnaud, Arsene, Nixon
5, boulevard Malesherbes	1999	R 2000	7,899	60(1)	100%	7,899	Salans
Paris 15e							
Le Sextant, 2 bis – 2 ter rue Louis Armand	2009	1998	13,388	147	100%	13,388	Securitas, Geopost, Direct Energie
Paris 16e							
7, place du Chancelier Adenauer	1999	R 2008	12,065	150	100%	12,065	Unibail-Rodamco's headquarters
Sub-total "Paris CBD"			**82,815**			**82,815**	
92 PARIS-LA DÉFENSE							
Espace 21 (Les Villages)	1999	R 2006	41,993	1,546	100%	41,993	Genegis, Concorde Management Company, Louvre Hotels
Tour Ariane	1999	R 2008(2)	63,487	212	100%	63,487	Marsh, British Telecom France, Société Generale, Completel, Ciments Français, Arkea, Mercer, Network Appliance, Regus, Vanco, Air Liquide
Cnit (Offices)	1999	R 2008	36,843	4,800(3)	100%	36,843	SNCF, ESSEC, APEC, Select TT
Michelet-Galilée	1999	C 1986	32,662	127	100%	32,662	Alstom
70-80, av. Wilson	1999	C 1988	22,543	548	100%	22,543	AXA, Orphan
Sub-total "Paris-La Défense"			**197,527**			**197,527**	
92 NEUILLY-SUR-SEINE							
2, rue Ancelle	1996	R 2000	16,041	170	100%	16,041	Gras Savoye
92 LEVALLOIS							
Courcellor 1	2005	-	19,734	344	100%	19,734	Under Refurbishment
92 ISSY-LES-MOULINEAUX							
34-38, rue Guynemer	1999	R 2006	47,048	897	100%	47,048	Carlson, Aldata, Accor, Bercy Services
Sub-total "Neuilly-Levallois-Issy"			**82,823**			**82,823**	

* And related: shops in office buildings, light-industrial space, appartments, etc.
(1) Number of car parks on 2 concessions.
(2) Refurbishment from 2004 to 2008.
(3) Car parks are owned by Cnit C&E and shared between Cnit C&E, Cnit Offices and Cnit retail.

France: Offices Portfolio*

as at December 31, 2010

	Year of acquisition	Construction (C) / Refurbishment (R) date	Total floor space (m²)	Parking spaces	% ownership and % consolidation	Total floor space according to consolidation (m²)	Main tenants (in terms of rental income)
Other office buildings in Paris (Paris 14e)							
Gaité-Montparnasse (Offices)	1998	C 1974	9,648	1,992[1]	100%	9,648	Le Point, Craf
Other office buildings in Western Paris region (Nanterre)							
29 rue du Port	2010	C 1989	9,600	90	100%	9,600	Le Point, Craf
Sub-total of other office assets in Paris			**19,248**			**19,248**	
Sub-total Paris CBD, Paris and Western Paris outskirts			**382,412**			**382,412**	
Outside Paris							
Lyon							
Tour Crédit Lyonnais	1996 / 2007	C 1977	12,949	60	100%	12,949	France Télécom, DHL, CAF de Lyon
Tour Oxygene	2007	C 2010	29,421	-	100%	29,421	SNCF, Ernst & Young
Sub-total Outside Paris			**42,370**			**42,370**	
Total (according to the scope of consolidation)			**424,781**			**424,781**	

* And related: shops in office buildings, light-industrial space, apartments, etc.
(1) Car parks are shared between Meridien hotel, Gaîté shopping gallery and office.

Netherlands: Shopping Centre Portfolio

as at December 31, 2010

	GLA of the whole complex (m^2)	Parking spaces	Catchment area (in millions of people)	Number of visits (in millions)	Year of acquisition	Construction (C) Refurbishment (R) date	GLA of the property owning companies (m^2)	% Unibail-Rodamco's shares	% of consolidation	Total space according to consolidation (m^2)
Shopping Centres										
Almere – Stadshart Almere	84,800	1,807	0.6	10.2	2002	2002/2008	80,400	100%	100%	80,400
Zoetermeer – Stadshart Zoetermeer	75,000	3,340	1.9	9.3	1983	1983/2005	50,300	100%	100%	50,300
Amstelveen – Stadshart Amstelveen	80,700	2,775	1.7	9.4	2005	1960/1998	51,700	100%	100%	51,700
Hoofddorp – Vier Meren/Dik Tromplein	74,000	1,900	1.6	5.7	2004	2004	31,600	100%	100%	31,600
Eindhoven – Piazza Center	45,400	1,460	0.8	7.2	1997	2004	23,900	100%	100%	23,900
Leidschendam – Leidsenhage	73,500	3,000	2.1	n.a.	1990	1971/2000	21,700	100%	100%	21,700
Zwijndrecht – Walburg	28,000	900	0.2	n.a.	1995	1974/1994	14,800	100%	100%	14,800
Hilversum – Kerkstraat	12,200	72	n.a.	n.a.	1993	n.a.	12,200	100%	100%	12,200
Oldenzaal – In den Vijfhoek	8,100	340	n.a.	n.a.	1980	1980	7,800	100%	100%	7,800
Almere – Buitenmere	29,600	2,643	n.a.	n.a.	1996	1994	13,600	100%	100%	13,600
Deventer – Brink 100	7,700	n.a.	n.a.	n.a.	1993	1735	7,700	100%	100%	7,700
Stadskanaal – Oude Marktpassage	6,800	195	n.a.	n.a.	1998	1989	6,800	100%	100%	6,800
Almere – Zoetelaarpassage	4,900	-	n.a.	n.a.	1983	1983	4,900	100%	100%	4,900
Rotterdam – Plaza	3,800	488	n.a.	n.a.	1992	1992	3,800	100%	100%	3,800
Rotterdam – Woonmall Alexandrium III	65,000	1,000	n.a.	n.a.	1998	1996	4,300	100%	100%	4,300
Rotterdam – K.Doormanstraat/J.	2,700	n.a.	n.a.	n.a.	1996	1957	900	100%	100%	900
Venlo – Carleijspassage 10	1,900	n.a.	n.a.	n.a.	1993	1951	1,900	100%	100%	1,900
Rotterdam – Coolsingel	1,600	n.a.	n.a.	n.a.	1961	n.a.	1,600	100%	100%	1,600
Waalwijk – De Els	14,500	500	n.a.	n.a.	1990	1975/1990	1,200	100%	100%	1,200
Breda – Houtmarktpassage	3,500	300	n.a.	n.a.	1999	1951/1989	1,100	100%	100%	1,100
Sneek – Oosterdijk	1,500	n.a.	n.a.	n.a.	1988	n.a.	900	100%	100%	900
Breda – Ginnekenstraat	600	n.a.	n.a.	n.a.	2000	n.a.	600	100%	100%	600
Amersfoort – Utrechtsestraat	400	n.a.	n.a.	n.a.	n.a.	n.a.	400	100%	100%	400
Amstelveen – Pieter Lastmanweg 2–6	78,200	n.a.	n.a.	n.a.	n.a.	n.a.	200	100%	100%	200
Total (according to the scope of consolidation)										**334,300**

Netherlands: Offices Portfolio

as at December 31, 2010

	GLA of the whole complex (m^2)	Parking spaces	Catchment area (in millions of people)	Number of visits (in millions)	Year of acquisition	Construction (C) Refurbishment (R) date	GLA of the property owning companies (m^2)	% Unibail-Rodamco's shares	% of consolidation	Total space according to consolidation (m^2)
Offices										
Rotterdam – Plaza	29,700	474	n.a.	n.a.	1989	1992	29,700	100%	100%	29,700
Leidschendam – Leidsenhage	25,300	3,000	n.a.	n.a.	2007	1971/2000	25,300	100%	100%	25,300
Zoetermeer - Stadshart Zoetermeer	15,700	3,340	n.a.	n.a.	1983/2005	1983/2005	15,700	100%	100%	15,700
Almere – Zoetelaarpassage	9,200	-	n.a.	n.a.	1983	n.a.	9,200	100%	100%	9,200
Rotterdam – Coolsingel	9,200	28	n.a.	n.a.	n.a.	1961	9,200	100%	100%	9,200
Groningen – Oude Boteringestraat	7,300	n.a	n.a.	n.a.	1992	1992	7,300	100%	100%	7,300
Eindhoven – Piazza Center	6,800	1,460	n.a.	n.a.	1997	2004	6,800	100%	100%	6,800
Hoofddorp – De Polderlanden	3,700	1,037	n.a.	n.a.	1996	2008	3,700	100%	100%	3,700
Delft – Kalfj eslaan 2	4,200	71	n.a.	n.a.	1999	n.a.	4,200	100%	100%	4,200
Rotterdam – Hofplein 33	3,500	n.a	n.a.	n.a.	1984	1987	3,500	100%	100%	3,500
Amstelveen – Stadshart Amstelveen	2,500	2,775	n.a.	n.a.	2005	1960/1998	2,200	100%	100%	2,200
Almere – Buitenmere	2,600	2,643	n.a.	n.a.	1996	1994	2,600	100%	100%	2,600
Hoofddorp – Dik Tromplein	2,100	n.a	n.a.	n.a.	1999	1999	2,100	100%	100%	2,100
Almere – Stadshart Almere	2,100	1,807	n.a.	n.a.	2002	n.a.	2,100	100%	100%	2,100
Total (according to the scope of consolidation)										**123,600**

Nordics: Shopping Centre Portfolio

as at December 31, 2010

	GLA of the whole complex (m^2)	Parking spaces	Catchment area (in millions of people)	Number of visits (in millions)	Year of acquisition	Construction (C) Refurbishment (R) date	GLA of the property owning companies (m^2)	% Unibail-Rodamco's shares	% of consolidation	Total space according to consolidation (m^2)
Sweden										**384,700**
Greater Stockholm - Solna Centrum 120 units	49,700	1,265	1.5	6.7	1985	1962/1965/1992	49,700	100%	100%	49,700
Greater Stockholm - Täby Centrum 160 units and a cinema complex	60,700	2,400	1.1	10.1	1997	1968/1969 1975/1992	60,700	100%	100%	60,700
Greater Stockholm - Nacka Forum 150 units	53,900	1,900	1.4	5.6	1996	1990/1997/2008	53,900	100%	100%	53,900
Greater Stockholm - Väsby Centrum 78 units	26,700	700	1.1	6.3	2004	1972/1986/1991 2003/2007	26,700	100%	100%	26,700
Greater Stockholm - Eurostop Arlandastad 30 units	30,400	1,600	1.0	1.9	1996	1992	30,400	100%	100%	30,400
Greater Stockholm - Haninge Centrum 85 units	32,100	850	0.9	5.1	1996	1966/1989/2006	32,100	100%	100%	32,100
Tyresö - Tyresö Centrum 73 units	22,100	850	1.0	6.3	2003	1967/1992	22,100	100%	100%	22,100
Lund - Nova Lund (1, 2 & 3) 75 units	25,900	1,300	0.6	2.4	2002/ 2005	2002/2006	25,900	100%	100%	25,900
Örebro - Eurostop Örebro 7 units	15,500	900	0.2	4.0	1996	1991/1996/2007	15,500	100%	100%	15,500
Greater Stockholm - Arninge Centrum 25 units	20,200	500	1.0	2.9	2001	1983/1990	20,200	100%	100%	20,200
Greater Stockholm - Eurostop Halmstad 33 units	26,200	1,500	0.1	2.8	1996	1991/2001	16,300	100%	100%	16,300
Greater Stockholm - Bålsta Centrum 35 units	15,400	250	0.4	3.0	1996	1970/1991	15,400	100%	100%	15,400
Jönköping - Eurostop Jönköping 5 units	7,300	450	0.1	0.9	1996	1989	7,300	100%	100%	7,300
Helsingborg - Helsingborg 1 unit	8,500	400	1.0	2.8	2001	1998	8,500	100%	100%	8,500
Denmark										**57,800**
Copenhagen – Fisketorvet 122 shops and a cinema complex	57,800	1,600	1.0	8.2	2000	2000	57,800	100%	100%	57,800
Finland										**29,900**
Helsinki – Jumbo, 122 units	85,100	4,600	0.5	8.7	2005	1999/2005	29,900	100%	100%	29,900
Total (according to the scope of consolidation)										**472,400**

Nordics: Office Portfolio

as at December 31, 2010

	GLA of the whole complex (m^2)	Parking spaces	Catchment area (in millions of people)	Number of visits (in millions)	Year of acquisition	Construction (C) Refurbishment (R) date	GLA of the property owning companies (m^2)	% Unibail-Rodamco's shares	% of consolidation	Total space according to consolidation (m^2)
Sweden										
Greater Stockholm - Solna Centrum 75 office units, 219 apartments, 1 hotel, 247 hotel rooms	48,700	-	-	-	1985	1962/1965/1992	48,700	100%	100%	48,700
Greater Stockholm - Täby Centrum 48 office units	18,000	-	-	-	1997	1968/1969 1975/1992	18,000	100%	100%	18,000
Greater Stockholm - Nacka Forum 94 office units	13,900	-	-	-	1996	1990/1997/2008	13,900	100%	100%	13,900
Greater Stockholm - Väsby Centrum 17 office units	13,200	-	-	-	2004	1972/1986/1991 2003/2007	13,200	100%	100%	13,200
Greater Stockholm - Eurostop Arlandastad 1 Hotel, 228 rooms	10,000	-	-	-	1996	1992	10,000	100%	100%	10,000
Greater Stockholm - Haninge Centrum 27 office units	8,100	-	-	-	1996	1966/1989/2006	8,100	100%	100%	8,100
Tyresö - Tyresö Centrum 25 office units	14,600	-	-	-	2003	1967/1992	14,600	100%	100%	14,600
Örebro - Eurostop Örebro 1 hotel, 111 rooms	4,700	-	-	-	1996	1991/1996/2007	4,700	100%	100%	4,700
Greater Stockholm - Eurostop Halmstad 1 hotel, 107 rooms	4,000	-	-	-	1996	1991/2001	4,000	100%	100%	4,000
Jönköping - Eurostop Jönköping 1 hotel, 111 rooms	5,100	-	-	-	1996	1989	5,100	100%	100%	5,100
Total (according to the scope of consolidation)										**140,300**

Spain: Shopping Centre Portfolio

as at December 31, 2010

	GLA of the whole complex (m^2)	Parking spaces	Catchment area (in millions of people)	Number of visits (in millions)	Year of acquisition	Construction (C) Refurbishment (R) date	GLA of the property owning companies (m^2)	% Unibail-Rodamco's shares	% of consolidation	Total space according to consolidation (m^2)
Madrid - Parquesur 230 units	151,200	5,800	5.6	16.6	1994	1989/2005	94,700	100%	100%	94,700
Barcelona - La Maquinista 235 units and a hypermarket	90,500	5,100	6.6	13.6	2008	2000/2010	76,100	51.1%	100%	76,100
Valencia - Bonaire 200 units Retail Park	135,000	5,700	1.8	9.6	2001	2001/2003	47,300	100%	100%	47,300
Madrid - Equinoccio 54 units Retail Park	36,800	1,408	5.2	3.3	1998	1998/2003	34,000	100%	100%	34,000
Barcelona - Barnasud 89 units Retail Park	43,700	2,450	3.5	4.4	2001	1995/2006	33,400	100%	100%	33,400
Valladolid - Vallsur 93 units	31,800	2,250	0.4	6.5	2002	1998/2004	31,300	100%	100%	31,300
Barcelona - Glòries 175 units	56,300	2,900	4.5	11.3	1998	1995/2001	30,200	100%	100%	30,200
Cádiz - Bahía Sur 104 units	59,000	2,737	0.6	7.0	1994	1992/2005	25,400	100%	100%	25,400
Torrevieja - Habaneras 67 units	24,100	850	0.4	4.4	2008	2005	24,100	52.8%	100%	24,100
San Sebastian - Garbera 82 units	36,000	2,784	0.6	5.3	2002	1997	26,100	100%	100%	26,100
Madrid - La Vaguada "Madrid 2" 252 units	85,500	3,600	5.8	24.2	1995	1983/2003	21,200	100%	100%	21,200
Seville - Los Arcos 107 units	43,400	1,800	1.4	7.9	1995	1992/2002	17,700	100%	100%	17,700
Seville - Dos Hermanas FOC 63 units	16,500	1,200	1.3	1.9	2002	1999/2000	16,000	100%	100%	16,000
Albecete - Albacenter 69 units	28,000	1,223	0.2	3.8	2002	1996/2005	15,100	100%	100%	15,100
Total (according to the scope of consolidation)										**492,600**

Central Europe: Shopping Centre Portfolio

at December 31, 2010

	GLA of the whole complex (m^2)	Parking spaces	Catchment (in millions of people)	Number of visits (in millions)	Year of acquisition	Construction (C) Refurbishment (R) date	GLA of the property owning companies (m^2)	% Unibail-Rodamco's shares	% of consolidation	Total space according to consolidation (m^2)
Czech Republic										**141,200**
Prague - Centrum Chodov 207 units	57,700	2,600	1.2	12.7	2005	2005	57,700	100%	100%	57,700
Prague - Centrum Cerný Most 77 units and a cinema complex	53,300	2,494	1.2	10.4	2000	1997	53,300	100%	100%	53,300
Prague - Centrum Pankrac 120 units	40,300	1,100	1.2	10.4	2005	C 2008	40,300	75%	75%	30,200
Poland										**123,300**
Warsaw - Galeria Mokotów 246 units and a cinema complex	62,300	2,600	1.8	12.6	2003	2000/2002/ 2006	62,300	50%	50%	31,200
Warsaw - Zlote Tarasy 207 units and a cinema complex	66,200	1,600	1.9	20.4	2007(1)	2007	n.a.(1)	n.a.(1)	n.a.(1)	n.a.(1)
Warsaw - Arkadia 229 units and a cinema complex	113,300	4,300	1.8	20.4	2010	2004	74,000	100%	100%	74,000
Warsaw - Wilenska	40,000	1,253	0.9	19.4	2010	2002	18,100	100%	100%	18,100
Slovak Republic										**26,200**
Bratislava - Aupark 244 units and a cinema complex	52,300	2,320	0.6	11.9	2006	2000/2001/ 2007	52,300	50%	50%	26,200
Hungary										**41,300**
Budapest - Europark 71 units	25,100	950	0.8	7.0	1999	1997	25,100	100%	100%	25,100
Budapest - Árkád Örs Vezér Tér 241 units	48,600	1,350	1.1	14.5	2002	2002	16,200	100%	100%	16,200
Germany										**39,400**
Magdeburg - Allee-Center 140 retail units	51,300	1,300	0.8	10.5	1996	1998/2006	51,300	50%	50%	25,700
Berlin - Ring-Center 1 62 retail units and a cinema complex	20,600	1,000	1.3	5.0	1996	1997	20,600	67%	67%	13,700
Total (according to the scope of consolidation)										**371,400**

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

Central Europe: Offices Portfolio

at December 31, 2010

	GLA of the whole complex (m^2)	Parking spaces	Catchment area (in millions of people)	Number of visits (in millions)	Year of acquisition	Construction (C) Refurbishment (R) date	GLA of the property owning companies (m^2)	% Unibail-Rodamco's shares	% of consolidation	Total space according to consolidation (m^2)
Warsaw - Wilenksa Offices	13,400	0	n.a.	n.a.	2010	2002	4,800	100%	100%	4,800
Warsaw - Zlote Tarasy Lumen	23,700	0	n.a.	n.a.	2007(1)	2007	n.a.(1)	n.a.(1)	n.a.(1)	n.a.(1)
Total (according to the scope of consolidation)										**4,800**

Austria: Shopping Centre Portfolio

as at December 31, 2010

	GLA of the whole complex (m^2)	Parking spaces	Catchment area (in millions of people)	Number of visits (in millions)	Year of acquisition	Construction (C) Refurbishment (R) date	GLA of the property owning companies (m^2)	% Unibail-Rodamco's shares	% of consolidation	Total space according to consolidation (m^2)
Austria										
Vienna - Shopping City Süd (SCS) 317 units	192,500	10,000	3.2	23.7	2008	1976/2002	124,200 (1)	100%	100%	124,200(1)
Vienna - Donau Zentrum 257 units, cinema complex and a hotel	119,100	2,957	2.6	15.9	2003	C 1975/2000/2010 R 2006/2008/ 2010/2011	119,100	90%	100%	119,100
Klagenfurt - Sudpark 83 units	22,700	620	0.2	2.8	2007	2004	22,700	50%	50%	11,400
Total (according to the scope of consolidation)										**254,700**

Austria: Offices Portfolio

as at December 31, 2010

	GLA of the whole complex (m^2)	Parking spaces	Catchment area (in millions of people)	Number of visits (in millions)	Year of acquisition	Construction (C) Refurbishment (R) date	GLA of the property owning companies (m^2)	% Unibail-Rodamco's shares	% of consolidation	Total space according to consolidation (m^2)
Austria										
Vienna - Shopping City Süd (SCS)	8,900	n.a.	n.a.	n.a.	2008	1989	8,900	100%	100%	8,900
Vienna - Donau Zentrum 2 buildings	10,600	n.a.	n.a.	n.a.	2003	1975/1985	10,600	90%	100%	10,600
Total (according to the scope of consolidation)										**19,500**

(1) Without 7,500 m² of land leases (Interio, Mc Donald's).

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BUSINESS REVIEW AND 2010 RESULTS

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.

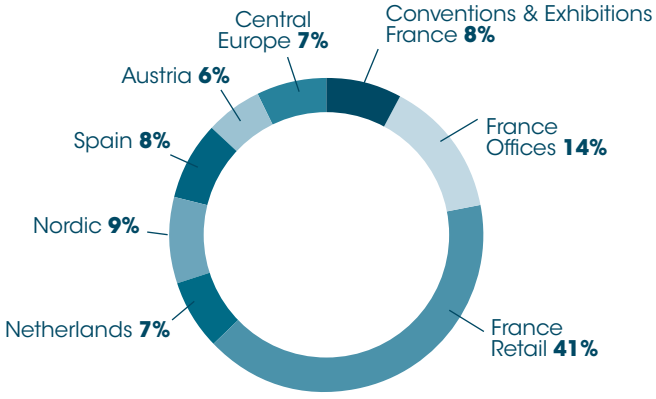
On July 1, 2010, the Group increased its stake in Euralille shopping centre (Lille-France) from 40 to 76%. This entity, previously consolidated under equity method, has been fully consolidated as from this date.

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 14, 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 graph 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.

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 1, 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.

(2) Source Eurostat.
(3) Source (BNP Paribas Observatoire CETELEM).

- 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).

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%.

(4) Mainly in Sweden.

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-border 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%
€Mn	**1,010.4**	**100%**	**1,010.4**	**100%**

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.

(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.
(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).

Region	Vacancy (Dec. 31, 2010)		% Dec. 31, 2009
	€Mn	%	
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 1, 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.

(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).

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.

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

(9) Source: CBRE

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).
  - Buildings sold in 2010 (in Paris: 18-20 Hoche, and Capital 8–Messine, 168 av Charles 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, i.e. 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 port-folio	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%
€Mn	**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 in 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%.

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

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.

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.

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.

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

IV. 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.

DEVELOPMENT PROJECTS

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 46,000 m² GLA office building close to the Cnit, in La Défense.

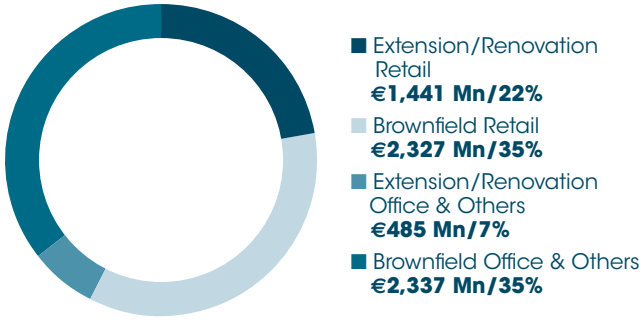
At the same time, Unibail-Rodamco took advantage of a tough period of time for the construction industry on most European markets, where order books began to shrink. The Group notably secured in that context the construction price for the Täby project in Sweden, the Majunga tower as well as other significant 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 718,000 m² and to redevelop 99,000 m².

The value of the Offices & Others' pipeline (including Conventions & Exhibitions) amounts to €2.8 Bn. Brownfield projects, which aim to build approximately 374,000 m² of new GLA, represent 83% of this investment. The remainder will be invested in redeveloping or refurbishing 144,000 m² 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. €1.2 Bn 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).

DEVELOPMENT PIPELINE BY PHASE

- Secured exclusivity Projects **€2,004 Mn/30%**
- Controlled Projects **€2,869 Mn/44%**
- Committee Projects **€1,717 Mn/26%**

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 Süd Centre in Vienna, Austria.
- Two brownfield projects part of the Simon-Ivanhoe acquisition: Portes de Gascogne (U-R share: 50% of the 50,936 m²) 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 74,249 m².
- The 3 Pays Project, a 90,000 m² 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 46,000 m² GLA office building close to the 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.

(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.

5. Deliveries in 2010

The main deliveries in 2010 were:

- La Part-Dieu extension in Lyon, France, with 14,956 m² 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 16,141 m² 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, 25,876 m² 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 29,421 m² 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 Täby 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. Project overview

Development 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	

Development 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 (%)
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 additional area		1,092,830 m²				
				Of which redeveloped 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.

(22) Source: Jones Lang LaSalle.

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 centre 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).
- 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 programmes.

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 Decembe 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 programmes.

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] Dec. 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 -€132 Mn (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 m² 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.

(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, 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	
Like for Like revaluation	€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).

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 December 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 December 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.

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

The exercise of stock-options whose price was below share price at December 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.

As at December 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 December 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 December 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 December 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 December 31, 2009 to December 31, 2010 is also presented.

EPRA NNNAV calculation (all figures are group share, in €Mn)	Dec. 31, 2009		June 30, 2010		Dec. 31, 2010	
	€Mn	€/share	€Mn	€/share	€Mn	€/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 optimisation	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 taxes. It corresponds to the amount of equity needed to replicate the Group's portfolio with its current financial structure - on 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 December 31, 2010 is reconciled with EPRA NNNAV as at December 31, 2009 in the following table:

Evolution of EPRA NNNAV December 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**

FINANCIAL RESOURCES

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 Mn 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 Mn of 8-year fixed rate bonds swapped back to 3-month Euribor (margin of 104.5 bps after swaps);
  - A €41 Mn 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.

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

(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.

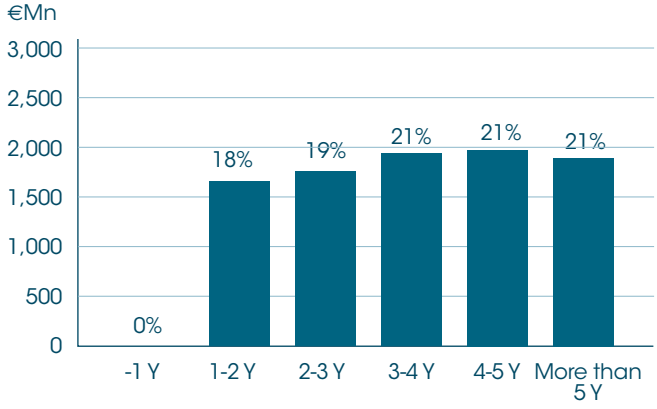
6 bps above Eonia and Euro Commercial Paper at an average margin of 1 bp below Euribor.

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).

Liquidity needs

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.

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.

(30) Excluding Commercial Paper's 2011 repayment amounting to €654 Mn.

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 Eurozone. 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

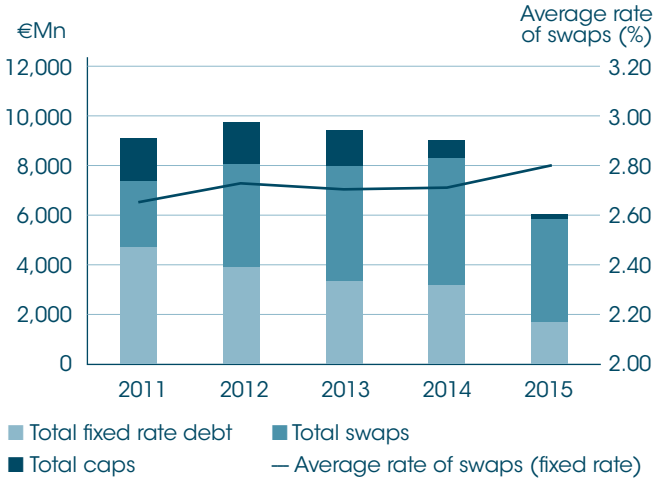
During 2010, Unibail-Rodamco took the opportunity of the low interest rate environment to reinforce its existing hedging portfolio, in particular in view of the debt raised to finance the €1.8 Bn distribution, and to manage its overall exposure in the medium to long term.

- 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 Eurozone, 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 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 Instru-ments	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**

(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%.

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 programmes.

(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].

POST ACCOUNTING DATE EVENTS AND OUTLOOK

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 March 2nd 2011, Unibail-Radamco acquired from Eurohypo AG a 7.25% stake in Société Foncière Lyonnaise (SFL) for a total amount of €106.5 million corresponding to €31.59 per share. The acquisition has been made for investment purposes.

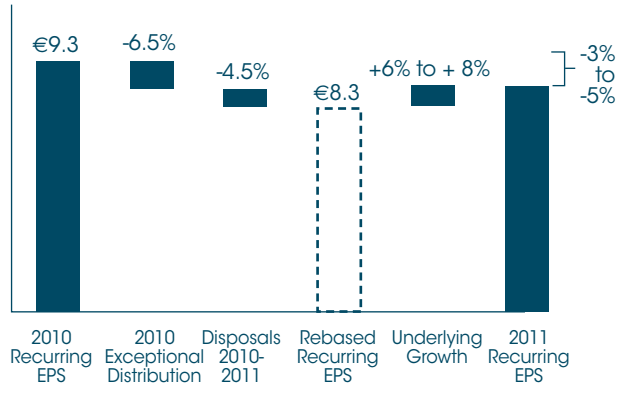
On the balance sheet as at Dec 31, 2010, assets for sale represented €980 Mn, out of which the Solna Hotel in Sweden sold on January 28, 2011 (€22.5 Mn), the Etrembières shopping centre in France sold on Feb 4, 2011 (€36.3 Mn for Unibail-Rodamco 50% share), Arkad shopping centre in Budapest sold on February 9, 2011 (€56.8Mn for the 33% Group's share), Tyresö shopping centre in Sweden sold by parts on the 11th and 18th of February 2011 (€94.5Mn), while a further €153 Mn of preliminary sale and purchase agreements have been signed.

On February 1, 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%.

CORPORATE SUSTAINABILITY

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CORPORATE SUSTAINABILITY

Environmental sustainability and social fairness have a central role to play in constructing and consolidating long-term economic success. Unibail-Rodamco takes its social and environmental responsibilities seriously and has, since 2007, published an annual corporate sustainability report which aims to provide a clear, objective picture of the Group's goals and results. This year, the corporate sustainability report has been integrated into the annual report to reflect the fact that sustainable practices are now fully integrated into the Group's everyday operations.

I. STRATEGY AND ORGANISATION

Strategy

Unibail-Rodamco's sustainability strategy is designed to return reliable, quantifiable improvements in performance over the long term. Matters which are the sole responsibility of the Group are managed through a system of in-house targets and key performance indicators. When responsibility for obtaining results is shared with other partners, the Group seeks to cooperate with those partners in order to identify and work towards common goals. In situations where results depend on factors that cannot be controlled, such as weather conditions, the Group works both to leverage opportunities and to identify and mitigate risks.

Organisation and target-setting

The organisation that has been introduced to manage sustainability issues is designed to:

- drive performance improvements from the top down and the bottom up,
- ensure that this strategy is informed by the needs and expectations of stakeholders.

Targets are set by the Corporate Sustainability Committee (CSC), which develops the Group's sustainability strategy and monitors results. The CSC meets four times a year and provides regular feedback on its activities and the Group's results to the Management Board and the Supervisory Board. All but one of its members are direct reports of the CEO.

Economic and social targets are identified and implemented in close cooperation with the finance, leasing, operating, marketing and human resources departments.

A dedicated environmental sustainability structure deals specifically with the setting and monitoring of environmental targets and their integration into day-to-day operations. Overall performance is monitored and managed by a dedicated corporate team. Regional managers are responsible for implementing corporate policies and ensuring that local and regional objectives are achieved. The shopping centre management team and asset managers at each site are responsible for building relationships with tenants, suppliers and local communities and ensuring that day-to-day operations are as efficient and sustainable as possible. The International Environmental Performance Committee (IEPC), which meets by video or conference call every two months, brings together corporate and regional managers to share information, identify best practices and monitor progress.

In 2010, representatives from all regions participated in a sustainability seminar and training course in Paris. Training sessions were held to inform leasing teams about 'green leases'. Courses on environmental design guidelines and BREEAM assessment were held for corporate development and works teams in Paris and additional sessions were held for local teams in all regions.

Participation in external organisations

As Europe's leading listed commercial real estate company, Unibail-Rodamco has an opportunity and a responsibility to encourage the industry as a whole to adopt more sustainable operating practices. In 2009, the Group became a founding member of the International Sustainability Alliance (ISA). ISA, in partnership with the BRE Trust, is bringing together a global network of leading real estate organisations dedicated to achieving a more sustainable built environment by measuring the performance and environmental impact of existing commercial buildings. In France, Unibail-Rodamco played an active role in the government's "Grenelle 2" consultation process to develop a set of national environmental regulations.

Within the European Public Real Estate Association (EPRA), Unibail-Rodamco has made a significant contribution to the definition of consistent, shared key performance indicators for the industry. The indicators reported in the 2010 Annual and Sustainable Development Report comply with the draft Best Practice Recommendations that were issued by EPRA in late 2010 and are now being finalised. The Group is active in the EU Public Affairs Committee (EPAC) of the International Council of Shopping Centers (ICSC) and the sustainability committees of the French Council of Shopping Centres (CNCC) and the French Property Real Estate Association (FSIF).

II. CORPORATE GOVERNANCE AND RISK MANAGEMENT

Unibail-Rodamco's corporate governance and risk management policies provide the stability and reliability that are necessary for sustainable growth and performance.

The Unibail-Rodamco Compliance Book sets out the Group's operating and management rules and includes the Group Code of Ethics. The Code is published on the corporate internet and intranet sites and is distributed to all employees, who are asked to confirm their acceptance of its terms. A total of 885 hours of training in compliance and ethical business behaviour was provided in 2010. 282 employees participated in these sessions. An e-learning course on the contents of the Code of Ethics has been developed and is being rolled out to ensure that all employees in all regions understand how the Code should be applied during day-to-day business operations.

Employees with concerns about compliance or ethics are invited to contact the Group Compliance Officer, who reports directly to the Chairmen of the Management and Supervisory Boards. The Code of Ethics guarantees the confidentiality of employees reporting possible compliance breaches. The Group respects national and European regulations on the reporting of compliance breaches to financial authorities.

Additional information on Unibail-Rodamco's governance structure and risk management systems is provided in the Report of the Chairman of the Supervisory Board (pages 236-247).

III. ENVIRONMENT

During 2010, Unibail-Rodamco consolidated the considerable performance improvements it has made in recent years. Energy consumption in managed shopping centres in 2010 was stable year-on-year due to a particularly long, cold winter which increased heating requirements. Since 2006, energy consumption has fallen by 12%. CO_2 emissions per visit were reduced by 7%[1] in 2010 (-32% since 2006). Programmes to measure, control and reduce the environmental impact of existing assets and new developments continued to progress and return positive results.

1. Reporting methodology for environmental data

The Group uses a variety of tools, processes and indicators to monitor the performance of the assets that it owns and manages. They serve to structure the Group's environmental management approach, track results, and inform third-parties about performance.

Unibail-Rodamco continuously improves its environmental reporting tools and processes in order to fine-tune the quality and accuracy of its consolidated data. This enables the Group to manage its data collection processes more efficiently, track and analyse performance at all levels (site, regional, Group) on a regular basis, assess results against objectives, and implement suitable corrective measures.

Description of environmental key performance indicators

Fifteen environmental Key Performance Indicators (KPIs) covering climate change and resource use are tracked for all of the Group's managed assets. Definitions of each KPI are provided alongside the relevant data tables on the following pages.

Reporting values

Data is reported using absolute values (energy and water consumption, CO_2 emissions, quantities of waste) or normalised values (to show efficiency).

Reporting scope

The Group reports on the environmental performance of assets that are under its operational management, where data on energy efficiency and resource use can be measured and verified. In 2010, Unibail-Rodamco reported energy data for 100% of its managed assets (all sectors combined), water data for 99% of its shopping centres and offices, and waste data for 95% of its shopping centres.

Environmental KPIs are reported using one of two scopes:

- 'All assets', used to report the value of an indicator for the year in question. This scope includes all assets that were managed by the Group for the whole of the year in question. Assets which enter the managed portfolio during a given year through acquisition, construction or the delivery of a management mandate are included in the scope the following year on a full-year basis.
- 'Like-for-like', used to show the change in an indicator over time at a constant portfolio scope (notably in terms of the assets which are monitored). This scope includes assets that were managed by Unibail-Rodamco over the whole of the two-year comparison period. Assets that underwent major refurbishment and/or extension during that two-year period are excluded.

Tenants' water consumption was excluded from the data reported in 2009 to provide a clearer picture of the water purchased by Unibail-Rodamco for use in common areas. In 2010, tenants' water consumption has been reintegrated into the reporting scope to reduce the margin of error and provide a data set which can be more easily verified and audited.

(1) Verified by Ernst & Young.

Assets included in 2010 reporting scope for environmental KPIs

	Assets	Gross Lettable Area (**)	Visits/year
Austria	Donau Zentrum, Shopping City Süd, Sudpark	334,287 m²	42,400,000
Central Europe	Centrum Cerný Most, Centrum Chodov, Galeria Mokotów, Zlote Tarasy	263,281 m²	56,202,000
France	BAB 2, Bonneveine, Carré Sénart, Carrousel du Louvre, Cité Europe, Côté Seine, Docks 76(*), Docks Vauban(*), Etrembières, Euralille, Gaîté Montparnasse, La Part-Dieu, Labège 2, Le Forum des Halles, Les Quatre Temps, L'Usine Côte d'Opale, L'Usine Roubaix, Centre Meriadeck, Passages Meriadeck, Nice Etoile, Parly 2, Place d'Arc, Rennes Alma, Rivétoile, Rosny 2, Saint-Sever, Saint Martial, Toison d'Or, Ulis 2, Vélizy 2, Vélizy Usines Center, Villeneuve 2	1,602,411 m²	333,699,000
Netherlands	De Bossche Boulevard, Vier Meren, Leidsenhage, Piazza Center, Citymall Almere, Stadshart Amstelveen, Stadshart Zoetermeer	472,573 m²	47,900,000
Nordic Countries	Arninge Centrum, Bålsta Centrum, Eurostop Arlandastad, Eurostop Halmstad, Eurostop Jönköping, Eurostop Örebro, Fisketorvet, Nacka Forum, Haninge Centrum, Nova Lund, Solna Centrum, Täby Centrum, Tyresö Centrum, Väsby Centrum	443,900 m²	66,130,000
Spain	Albacenter, Los Arcos, Bahía Sur, Barnasud, Bonaire, Equinoccio, Garbera, Glòries, Habaneras, La Maquinista, Parquesur, Sevilla Factory, La Vaguada, Vallsur	837,756 m²	119,808,000
Offices	40 ter Suffren, 7 Adenauer, 11-15 St Georges, 5 Malesherbes, 2-8 Ancelle, Courcellor 1, 70-80 Wilson, Capital 8, Espace 21, Issy Guynemer, Tour Ariane, Sextant(*)	320,070 m²	n/a
Convention & Exhibition	Cnit, Espace Champerret, Espace Grande Arche, Carrousel du Louvre, Palais des Congrès de Paris, Palais des Congrès de Versailles, Paris Nord Villepinte, Paris Nord Le Bourget, Porte de Versailles		

(*) Added to the scope in 2010.
(**) GLA of the whole complex

Reporting system

Each region is responsible for collecting, checking and consolidating the data for its assets. At corporate level, data is reported:

- quarterly for the consumption of each energy source used. Regular, detailed monitoring of this indicator ensures that performance issues are identified and corrected swiftly at asset level. This indicator is reported monthly as a minimum requirement and is also sometimes measured on a real-time basis.
- annually for water, waste and transport and for supplementary data that is necessary for some calculations (e.g. conversion factors for CO_2 emissions).

This system has been applied across the whole of the reporting scope.

Reporting period

In preparation for the extra-financial reporting obligations which are due to be introduced under the Grenelle II laws in France (Article 225), the Group has decided to integrate the corporate sustainability report into the annual report. As a result, the Group has adapted its reporting methodology to report its environmental data for a 12-month rolling period (Q4 previous year plus Q1, Q2 and Q3 for the reporting year) rather than for the financial year, as was the case in previous years.

Continuous improvement of definitions and data quality

Unibail-Rodamco continues to improve the quality and comparability of its environmental data, develop internal benchmarks, and introduce sub-metering to collect information for data which is currently estimated.

Third-party independent verification

In 2010, Ernst & Young performed a detailed review of 10 relevant performance objectives, including the carbon intensity KPI, which was also verified in 2009 (see page 136-137). This verification included a detailed review of some of the Group's largest assets.

2. Environmental Management Systems

The Group's environmental strategy is based on two separate but complementary Environmental Management Systems (EMS): the Sustainable Attitude, for existing assets, and the Design Guidelines, for development projects.

These management systems make use of a number of levers to achieve medium- and long-term objectives in the most efficient way. They enable the Group to make more accurate, confident predictions about future performance and focus its time, energy and investments on the areas which provide the highest returns. In addition, they drive continuous improvement by obliging operating teams to review their assumptions and assess results on a regular basis.

Operational experience acquired through the Sustainable Attitude is fed into the Design Guidelines and vice versa. This helps the Group to capitalise on experience, structure processes, save time and money, and ensure that decisions are informed by and in compliance with the latest in-house best practices.

Unibail-Rodamco also relies on external certification to validate the performance of new and existing assets. BREEAM certification is sought for all new developments of more than 10,000 m^2 and €10 million. In Europe, BREEAM (Building Research Establishment, Environmental Assessment Method) is widely seen as the best assessment methodology for sustainable office and retail developments. The assessment is broken down into nine sections, covering topics such as energy, transport, water, waste, management and biodiversity, which are weighted to take account of the importance of that topic in the local region. Credits are given for each section. The sum of all weighted credits gives a total score of 100 and differentiates 5 levels of performance: pass, good, very good, excellent and outstanding. Unibail-Rodamco's target is a score of '**very good**' or better for all major developments.

Environmental management and certification of managed assets

	Existing assets	New developments & extensions
Internal EMS	Sustainable Attitude	Design Guidelines
External certification	ISO 14001 or third party audit on Sustainable Attitude	>10,000 m^2: BREEAM "Very Good" at least, plus local certification if relevant <10,000 m^2: n/a

Four development projects received BREEAM design stage certificate (1 office and 3 retail) and a further 9 assets are currently undergoing certification (3 offices and 6 retail). Four office projects are being developed in line with the French HQE certification methodology. Two office projects – Majunga and Courcellor II – received HQE design stage certification in 2010. All 14 of the Group's managed shopping centres in Spain have ISO 14001 certification.

	2009	2010
Managed assets monitored for environmental performance	98%	100%
Average BREEAM score for certified development projects*	47.26% (Rating: Good)	63.46% (Rating: Very Good)

*The average score of the BREEAM grading system is calculated for all of the assets certified during the year. The scores in each section are totalled to provide a single rating for the "average" asset certified in that year.

3. Climate change

The effects on Unibail-Rodamco's portfolio of climatic changes that could occur in the coming years will vary by region and by asset. The scale and severity of any changes will determine the extent of the impact, as will factors such as the age, location, construction method and operational efficiency of the asset and the quality and capacity of local infrastructure. Risks to the Group's activities that could result from climate change include higher insurance premiums, higher operating costs for energy, water and maintenance, a greater likelihood of flooding, and increased potential for disruption to commercial activity from extreme weather events.

As well as preparing its assets to face the potential effects of climate change, Unibail-Rodamco is working to limit the impact of its activities on the climate. The Group's CO_2-reduction strategy is based on energy efficient behaviours and equipment and an increasing reliance on low-carbon and renewable energies.

CO_2 emissions

On a like-for-like basis, total CO_2 emissions from shopping centres fell by -6% (6,101 tonnes) year on year.

Changes in visitor numbers and energy consumption were negligible and did not have a noticeable impact. The reduction is primarily due to changes in the energy mix and the purchase of 'green' electricity in Shopping City Süd (Austria).

KPI: CO_2 emissions ($kgCO_2$)

CO_2 emissions related to energy consumption considered in absolute Energy Consumption KPI. The CO_2 figures are calculated with local emission factors for each source of energy consumption. These factors depend on source of energy (electricity, gas, etc), country and energy supplier.

All assets	Scope	Shopping centres	Austria	Central Europe	France	Netherlands	Nordics	Spain	Scope	Offices	Scope	Convention & Exhibition
2008	67/70	108,869,161	3,824,208	54,954,707	12,156,040	11,051,365	6,070,085	20,812,756	18/18	6,258,726	5/5	7,136,159,
2009	72/75	99,733,057	11,254,212	46,804,306	11,576,072	2,610,260	5,055,125	22,433,082	19/19	6,617,371	9/9	15,867,647
2010	74/74	94,209,900	7,446,938	48,375,883	12,027,597	2,953,000	5,037,696	18,368,786	17/17	5,835,670	9/9	17,230,534
Like-for-like		Shopping centres	Austria	Central Europe	France	Netherlands	Nordics	Spain		Offices		Convention & Exhibition
2010/2006		-31%	-34%	-17%	-16%	-76%	-17%	-36%		-2%		2%
2010/2009	67/74	-6%	-34%	3%	2%	1%	0%	-18%	16/17	-7%	9/9	9%

KPI: carbon intensity (gCO_2/visit for shopping centres, $kgCO_2$/occupant for offices)

Numerator: definition of CO_2 Emissions KPI. Denominator: for shopping centres, the number of annual visits is obtained by combining data from traffic counting systems and estimates obtained by market research and random counts. For offices, the figure is based on an estimate of the number of occupants.

All assets	Scope	Shopping centres	Austria	Central Europe	France	Netherlands	Nordics	Spain	Scope	Offices
2008	66/70	182	168	1,009	38	256	96	201	17/18	250
2009	72/75	152	244	852	36	55	79	185	18/19	254
2010	73/74	141	176	861	36	62	76	153	15/17	232
Like-for-like		Shopping centres	Austria	Central Europe	France	Netherlands	Nordics	Spain		Offices
2010/2006		-32%	-28%	-25%	-19%	-79%	-20%	-34%		-2%
2010/2009	69/74	-7%	-28%	1%	1%	-2%	-3%	-17%	15/17	-7%

KPI: Carbon intensity per square metre ($kgCO_2/m^2$/year)

Numerator: CO_2 emissions related to energy consumption considered in absolute Energy Consumption KPI. Denominator: square metres of mall and GLA for which common energy is provided. For offices, this refers to the total floor area.

All assets	Scope	Shopping centres	Austria	Central Europe	France	Netherlands	Nordics	Spain	Scope	Offices
2008	66/70	42	26	196	10	82	13	57	17/18	19.3
2009	72/75	35	41	167	9	19	11	50	18/19	19.7
2010	73/74	33	27	173	10	25	11	41	16/17	18.2
Like-for-like		Shopping centres	Austria	Central Europe	France	Netherlands	Nordics	Spain		Offices
2010/2006		-31%	-34%	-17%	-17%	-76%	-17%	-36%		-2%
2010/2009	69/74	-6%	-34%	3%	2%	1%	0%	-18%	15/17	-7%

Energy consumption

Energy efficiency measures are applied in every asset that the Group manages. Energy efficiency is a determining factor in the choice of technical equipment, notably for lighting, heating, cooling and ventilation, and during the design of new developments and extension/renovation projects. Increased energy efficiency limits Unibail-Rodamco's exposure to rising, increasingly volatile energy prices and cushions it against possible supply shocks in the future. This is particularly important in France, where energy prices are currently below European market rates.

The Group's ability to achieve energy savings in existing assets is often compromised by technical and architectural decisions that were taken during design and construction. It is also subject to the need to provide comfortable conditions for customers and tenants.

For shopping centres, absolute energy consumption and energy efficiency were stable in 2010 on both an 'all assets' and a like-for-like basis as tough climatic conditions in Q1 2010 increased energy requirements in most regions. As a consequence, the Group's energy efficiency improvement since 2006 remains stable at 13%.

KPI: Energy consumption (kWh)

For shopping centres, final energy purchased for use in common areas including car parks and by common equipment (heating & cooling, distribution power, ventilation, vertical transportation, lighting) and energy provided to tenants for heating and/or cooling. Electricity purchased by tenants is not included. For offices and convention & exhibition centres, this KPI refers to final energy purchased.

All assets	Scope	Shopping centres	Austria	Central Europe	France	Netherlands	Nordics	Spain	Scope	Offices	Scope	Convention & Exhibition
2008	67/70	426,441,761	22,772,115	75,766,034	160,764,820	24,145,824	83,830,937	59,162,031	18/18	56,061,173	5/5	81,098,573
2009	72/75	458,453,259	61,278,672	76,965,442	155,667,401	23,216,465	80,616,248	60,709,031	19/19	60,407,137	9/9	165,265,407
2010	74/74	459,677,119	59,863,429	75,491,541	159,455,833	21,824,906	83,260,526	59,780,884	17/17	52,941,093	9/9	175,901,651
Like-for-like		Shopping centres	Austria	Central Europe	France	Netherlands	Nordics	Spain		Offices		Convention & Exhibition
2010/2006		-12%	6%	-12%	-12%	-4%	-7%	-23%		-10%		-9%
2010/2009	67/74	0%	-2%	-2%	0%	-2%	3%	-2%	16/17	-5%	9/9	6%

KPI: Energy efficiency per visit (kWh/visit for shopping centres, kWh/occupant for offices)

Numerator: definition of Energy Consumption KPI. Denominator: for shopping centres, the number of annual visits is obtained by combining data from traffic counting systems and estimates obtained by market research and random counts. For offices, the figure is based on an estimate of the number of occupants.

All assets	Scope	Shopping centres	Austria	Central Europe	France	Netherlands	Nordics	Spain	Scope	Offices
2008	66/70	0.71	1.00	1.39	0.51	0.56	1.33	0.57	17/18	2,243
2009	72/75	0.70	1.33	1.40	0.48	0.49	1.26	0.50	18/19	2,325
2010	73/74	0.69	1.41	1.34	0.48	0.45	1.26	0.50	15/17	2,113
Like-for-like		Shopping centres	Austria	Central Europe	France	Netherlands	Nordics	Spain		Offices
2010/2006		-13%	16%	-20%	-14%	-16%	-3%	-21%		-10%
2010/2009	69/74	-1%	6%	-4%	-1%	-5%	0%	-1%	15/17	-5%

KPI: Energy consumption per square metre (kWh/m²)

Numerator: definition of Energy Consumption KPI. Denominator: square metres of mall and GLA for which common energy is provided. For offices, this refers to the total floor area.

All assets	Scope	Shopping centres	Austria	Central Europe	France	Netherlands	Nordics	Spain	Scope	Offices
2008	66/70	164	158	270	132	179	181	162	17/18	172
2009	72/75	161	224	275	124	173	174	137	18/19	179
2010	73/74	162	219	269	127	185	180	135	16/17	164
Like-for-like		Shopping centres	Austria	Central Europe	France	Netherlands	Nordics	Spain		Offices
2010/2006		-12%	6%	-12%	-13%	-4%	-7%	-23%		-10%
2010/2009	69/74	0%	-2%	-2%	0%	-2%	3%	-2%	15/17	-5%

Energy mix

Unibail-Rodamco aims to reduce the carbon weight of its energy mix by using increasing amounts of energy from low-carbon and renewable sources. When possible, the Group purchases low-carbon energy from suppliers. The energy mix is a key focus in regions such as Central Europe, where the Group's performance is being weighed down by a carbon-intensive national energy infrastructure. Any improvement in the energy mix in these regions will have an immediate and marked effect on Unibail-Rodamco's total CO_2 emissions.

KPI: Carbon weight of energy mix (gCO_2/kWh)

CO_2 Emissions KPI divided by Energy Consumption KPI.

All assets	Scope	Shopping centres	Austria	Central Europe	France	Netherlands	Nordics	Spain	Scope	Offices	Scope	Convention & Exhibition
2008	67/70	255	168	725	76	458	72	352	18/18	112	5/5	88
2009	72/75	218	184	608	74	112	63	370	19/19	110	9/9	96
2010	74/74	205	124	641	75	135	61	307	17/17	110	9/9	98
Like-for-like		**Shopping centres**	**Austria**	**Central Europe**	**France**	**Netherlands**	**Nordics**	**Spain**		**Offices**		**Convention & Exhibition**
2010/2006		-21%	-38%	-6%	-4%	-75%	-11%	-17%		8%		12%
2010/2009	67/74	-6%	-32%	5%	2%	4%	-4%	-17%	16/17	-2%	9/9	2%

KPI: Direct and indirect final energy consumption by primary energy source (kWh)

Direct energy refers to primary source energy which is purchased and consumed on site (e.g. gas). Indirect energy refers to energy which was generated by and purchased from a third-party in the form of electricity, heat or steam.

2010	Shopping centres	Austria	Central Europe	France	Netherlands	Nordics	Spain	Offices	Convention & Exhibition
Nuclear	132,767,792	267,290	1,786,361	103,412,837	-	17,741,179	9,560,126	30,174,144	105,134,066
Natural gas	49,889,481	11,518,477	1,601,934	10,559,644	4,273,198	1,466,433	20,469,794	7,797,483	8,003,134
of which direct	60,044,225	21,664,792	-	23,754,214	6,262,590	-	8,362,629	1,822,180	39,029,601
Fuel	10,421,441	-	140,355	2,351,631	-	5,011,147	2,918,308	7,370,014	6,703,387
Coal	80,538,814	-	63,164,793	4,900,016	-	4,576,968	7,897,037	1,572,683	4,481,964
Other fossil products	5,685,365	625,673	4,615,281	377,879	-	16,602	49,930	110,259	384,168
Non-renewable energy sub-total	**279,302,892**	**12,411,440**	**71,308,724**	**121,602,007**	**4,273,198**	**28,812,328**	**40,895,195**	**47,024,583**	**124,706,720**
Hydro power	66,347,529	22,071,366	11,437	8,943,132	11,289,118	19,799,454	4,233,022	2,609,457	9,091,984
Wind power	1,914,235	491,923	3,812	-	-	1,418,500	-	-	-
Other renewable sources	52,068,239	3,223,908	4,167,568	5,156,480	-	33,230,244	6,290,038	1,484,873	3,073,347
Renewable energy sub-total	**120,330,002**	**25,787,197**	**4,182,817**	**14,099,612**	**11,289,118**	**54,448,198**	**10,523,060**	**4,094,330**	**12,165,330**
Total final energy consumption	**459,677,119**	**59,863,429**	**75,491,541**	**159,455,833**	**21,824,906**	**83,260,526**	**59,780,884**	**52,941,093**	**175,901,651**
of which direct energy	60,044,225	21,664,792	-	23,754,214	6,262,590	-	8,362,629	1,822,180	39,029,601
of which indirect energy	399,632,895	38,198,637	75,491,541	135,701,619	15,562,316	83,260,526	51,418,255	51,118,913	136,872,050

Scope: 74 shopping centres out of 74; 17 offices out of 17; 9 Convention & Exhibition centres out of 9.
Figures may not add up due to rounding.

In Spain, 20,300 m^2 of solar panels which are installed at 9 assets produce renewable energy for re-sale to the national grid. In 2010, a tri-generation system went into operation at Los Arcos shopping centre.

A number of solar panel projects that were in the design phase in France have been cancelled or postponed due to ongoing changes in French regulations governing feed-in rates. Other solutions which make more sense from an economic standpoint are being studied.

	2008	2009	2010
Renewable energy produced on site (kWh)	318,961	1,202,384	1,355,534
CO_2 emissions saved ($kgCO_2$)	103,942	391,830	441,739

Production from photovoltaic technology implemented at 9 assets

Transport

CO_2 emissions from visitor transport significantly outweigh the CO_2 emissions generated by energy consumed by the asset itself. In general, car transport generates much higher levels of CO_2 emissions than public transport. The relative impact of visitor transport on overall CO_2 emissions will continue to rise as buildings become more energy efficient.
In 2010, 53% of visits to the Group's shopping centres were made by sustainable forms of transport. As a new survey methodology was used to collect customer travel information in 2010, the figures obtained in 2009 and 2010 are not comparable.

KPI: Split of visits by mode of transport

Percentage split of visits by mode of transport. The split of transport modes is based on data collected for 2010.

All assets	Shopping centres	Austria	Central Europe	France	Netherlands	Nordics	Spain
Public transport	42%	45%	54%	54%	54%	20%	47%
Car/taxi	45%	40%	26%	32%	26%	43%	27%
Foot/bicycle	11%	12%	18%	11%	18%	35%	21%
Other (motorbikes, etc.)	2%	2%	2%	2%	2%	1%	4%

Scope: 68 shopping centres out of 74.
Figures may not add up due to rounding.

In 2010, Unibail-Rodamco collected CO_2 emissions data relating to employees' business trips made by air and by train in all regions. An action plan and performance targets will be defined in 2011 with a view to reducing the environmental impact of employees' business travel.

CO_2 emissions from employees' business travel by train and plane (tonnes CO_2)

Group	Austria	Central Europe	France	Netherlands	Nordics	Spain
1,374	31	318	520	102	184	219

4. Resource use

Unibail-Rodamco's resource use policy covers materials, water, waste and biodiversity.

Materials

An in-house materials policy ensures that materials are fit for purpose, that opportunities to reuse existing materials and structures are systematically reviewed, and that materials with a low environmental impact and recycled products and materials are preferred. Wood must come from certified, managed forests (i.e. with FSC or PEFC labels). Materials must not exceed the European Union's Volatile Organic Compounds (VOC) thresholds.

Water

In line with environmental best practice, the Group is taking active steps to cut water consumption, reduce wastage and maintain water quality. In particular, efforts are made to install water-efficient equipment, optimise operating practices, and ensure that leaks are detected and repaired rapidly. Run-off water collected from car parks is treated before being disposed of through municipal networks. Closed-circuit systems are being introduced to re-use water during tests of sprinkler equipment. Climate change impact assessments are helping the Group to identify regions and assets that are particularly susceptible to water shortages and find appropriate solutions.

Water efficiency at shopping centres improved by 4% in 2010 on a like-for-like basis, which corresponds to a saving of 96,448 m^3.

KPI: Water consumption (m^3)

Water purchased for private and common use (heating & cooling systems, cleaning, sprinkler systems, restrooms, etc.).

All assets	Scope	Shopping centres	Austria	Central Europe	France	Netherlands	Nordics	Spain	Scope	Offices
2008	65/70	2,338,180	113,212	94,780	1,229,591	45,767	339,832	514,997	16/17	181,859
2009	72/75	2,603,656	251,786	231,551	1,212,110	35,287	321,911	551,011	17/18	179,119
2010	73/74	2,310,539	250,836	232,412	1,188,843	25,234	326,888	286,326	16/16	168,249
Like-for-like		**Shopping centres**	**Austria**	**Central Europe**	**France**	**Netherlands**	**Nordics**	**Spain**		**Offices**
2010/2006		-13%	8%	-26%	-13%	-22%	-8%	-27%		-8%
2010/2009	66/74	-4%	0%	-6%	-4%	6%	0%	-15%	15/16	-2%

KPI: Water consumption per visit (litre/visit for shopping centres, m^3/occupant for offices)

Denominator: Water Consumption KPI. Numerator: for shopping centres, the number of annual visits is obtained by combining data from traffic counting systems and estimates obtained by market research and random counts. For offices, the figure is based on an estimate of the number of occupants.

All assets	Scope	Shopping centres	Austria	Central Europe	France	Netherlands	Nordics	Spain	Scope	Offices
2008	64/70	3.89	4.97	2.62	3.91	1.23	7.99	2.51	16/17	7.35
2009	70/75	3.74	5.47	3.28	3.84	0.79	7.25	2.30	17/18	6.96
2010	72/74	3.54	5.92	3.02	3.63	0.53	7.01	1.99	16/16	6.74
Like-for-like		**Shopping centres**	**Austria**	**Central Europe**	**France**	**Netherlands**	**Nordics**	**Spain**		**Offices**
2010/2006		-15%	18%	-33%	-15%	-31%	-5%	-25%		-8%
2010/2009	66/74	-4%	8%	-8%	-4%	1%	-3%	-13%	15/16	-2%

Waste

Unibail-Rodamco's waste management approach is designed to maximise recycling and minimise disposal to landfill. Tenants are regularly informed about on-site waste management systems. Both supplier purchasing contracts and tenant green leases establish the minimum requirements for waste sorting and recycling that must be respected. Suitable waste segregation facilities are in place in all assets.

Unibail-Rodamco's waste management responsibilities and reporting scopes vary by region. In some assets, local authorities are responsible for managing waste. The Group does not control the final destination of waste produced at these assets.

In 2010, 36% of waste was recycled and 24% was sent to landfill.

KPI: Total waste (tonnes)

Total waste collected on site

All assets	Scope	Shopping centres	Austria	Central Europe	France	Netherlands	Nordics	Spain
2008	61/70	48,827	1,819	4,294	22,926	1,120	5,655	13,013
2009	66/75	49,165	4,594	4,744	21,877	1,327	5,773	10,849
2010	70/74	55,637	4,575	4,901	25,336	1,622	5,836	13,367

Figures may not add up due to rounding.

KPI: Percentage of waste recycled

Tonnes of waste recycled divided by tonnes of waste collected

All assets	Scope	Shopping centres	Austria	Central Europe	France	Netherlands	Nordics	Spain
2008	61/70	30%	65%	30%	24%	56%	65%	18%
2009	66/75	33%	53%	31%	25%	44%	61%	23%
2010	70/74	35%	53%	38%	30%	41%	50%	32%

KPI: Split of total non-hazardous waste by final disposal (2010 only)

All assets	Shopping centres	Austria	Central Europe	France	Netherlands	Nordics	Spain
Total non-hazardous waste (in tonnes)	55,615	4,575	4,891	25,331	1,654	5,827	13,336
Recycling/Reuse/Composting	36%	53%	38%	30%	40%	52%	35%
Incineration (or use as fuel)	30%	47%	0%	40%	60%	47%	6%
Landfill	24%	0%	61%	30%	0%	1%	21%
Managed by municipality	9%	0%	0%	0%	0%	0%	38%
Other	0%	0%	1%	0%	0%	0%	0%

Scope: 70 shopping centres out of 74.
Figures may not add up due to rounding.

KPI: Split of recycled waste by type of waste (in tonnes, 2010 only)

All assets	Shopping centres	Austria	Central Europe	France	Netherlands	Nordics	Spain
Cardboard	14,955	1,589	1,801	5,896	528	2,285	2,856
Paper	248	-	-	2	121	119	6
Plastics	737	186	20	49	3	21	457
Glass	539	341	19	46	10	23	100
Wood	413	90	-	50	-	-	272
Metals	55	37	-	1	-	14	2
All other recycled waste	2,432	187	0	1,509*	-	446	289

Scope: 69 shopping centres out of 74.
Figures may not add up due to rounding.
* Waste sorted for recycling offsite - no split available.

Biodiversity

Unibail-Rodamco has developed a clear strategy and methodology for integrating biodiversity and ecology into all of its activities. The Group worked closely with a biodiversity expert to define and implement its approach to these important issues.

For all development projects involved in a BREEAM certification process (i.e. projects over 10,000 m²), an ecologist forms part of the design team. The ecologist advises the architects and designers on the most appropriate species to choose for the development, taking into account their relevance to local habitats and their potential to create a positive ecological impact by enhancing and/or conserving local fauna and flora. For all other development projects, the site is analysed to estimate its potential and ensure that all opportunities to foster biodiversity are exploited.

An equally pragmatic approach is taken to biodiversity and ecology at existing assets. The Group undertakes a biodiversity study prior to renovations or investments. Gap analysis methodology is used to measure the site's ecological potential against its initial status and a standard tool kit is used to respond to challenges ranging from habitat creation to public education.

Health & safety and environmental risks

The Group complies with all applicable health and safety legislation as a matter of course. It often exceeds minimum requirements to ensure a higher standard of service and safety for its tenants and customers. The main subjects covered by the Group's in-house risk management process are air quality, water quality, asbestos, legionella, electromagnetic radiation, and technical equipment such as lifts and escalators. The risk management process also provides a framework for responding to exceptional risks and crises. The Group does its best to ensure that the same rigorous processes are in place at all of its assets.

IV. STAKEHOLDERS

Unibail-Rodamco holds a central position at the heart of communities across Europe. The Group takes its social and economic responsibilities seriously and is committed to creating value for all of its stakeholders.

1. Customers

The quality of the customer experience is central to the economic sustainability of Unibail-Rodamco's business. It is the result of intensive work in subjects as diverse as leasing, maintenance, health and safety, marketing and customer research. The Group continuously improves the Welcome Attitude, its customer service strategy for retail assets.

Customer satisfaction surveys were conducted in 61 assets in 2010. The number of participants increased to 28,127 (+6% year-on-year) and the average score across the Group was 7.5/10. As a new survey methodology was used by the Group's marketing teams in 2010, the scores obtained in 2009 and 2010 are not comparable. Internal quality audits were used to assess 240 service and comfort criteria. The average quality score increased to 72/100 (+16% year-on-year).

	2009	2010
Increase in average score in internal quality audit	14%	16%

2. Tenants

Strong, mutually beneficial relationships with tenants are fundamental to the Group's long-term success and sustainability. Unibail-Rodamco devotes considerable energy to attracting top-flight retailers and supporting their national and international expansion via its extensive network of well-located, prime shopping centres. The Group is also committed to leasing space and providing support to entrepreneurs and smaller national and local retailers.

Tenants are the Group's most important partner when it comes to reducing the global environmental footprint of its assets. A proactive green lease policy, launched in late 2009 and founded on dialogue, information and the sharing of best practices, is encouraging tenants to play an active role in on-site environmental management. As well as contributing to lower common and private service charges, these efforts are helping all parties to prepare for a tougher regulatory environment in the future.

Since January 1, 2010, the Group has been working to convince its retail and office tenants to sign leases containing environmental clauses. These 'green' leases cover the issues

that are most relevant to improving environmental awareness and performance among tenants, such as the sharing of energy consumption data, specifications for fit-out projects, and measures for saving energy and water and reducing waste. 1,180 of these 'green' leases were signed in 2010. In addition, tenant-landlord sustainability committees have now been set up in 40% of the Group's managed shopping centres.

	2009	2010
Number of 'green' leases signed	42	1,180
Number of 'green' leases as a percentage of all new office/retail leases	2%	79%

3. Suppliers and contractors

Unibail-Rodamco works with a large network of third-party suppliers and contractors. They provide the Group with everything from legal advice and architectural designs to cleaning staff for shopping centres and technical installation teams for the convention and exhibition activity. At present, suppliers are mainly selected according to technical and financial criteria, but the Group is working to incorporate structural sustainability criteria into its selection process.

The Group's social and economic relationships with its suppliers are governed by internal rules and compliance regulations as well as by strict local and national laws and regulations. Internal compliance rules state that the suppliers of all goods and services must be selected equitably on the basis of objective, comparable criteria and, when relevant, according to procedures applying to invitations to tender.

To encourage existing suppliers and contractors to adopt sustainable operating practices and use environmentally sustainable materials, Unibail-Rodamco is communicating with key suppliers about its environmental and social objectives and asking them to share their sustainability policies and practices. Service providers in existing assets, primarily cleaning, facilities management and security agencies, are also being asked to sign a contract addendum. The addendum covers a range of issues, including energy efficiency, waste, the use of environmentally-sound products and materials, and social and ethical behaviour (notably an engagement to comply with International Labour Organisation (ILO) conventions and local labour laws and regulations). A framework has been drawn up to monitor and assess suppliers' compliance with these engagements.

4. Investors and shareholders

Unibail-Rodamco is listed on a number of prestigious SRI (socially responsible investment) indexes: the FTSE4Good, the Dow Jones Sustainability (World) and Sustainability (Europe), the ASPI (Europe), and the NYSE Euronext Low Carbon 100 Europe® Index. In February 2011, Unibail-Rodamco was selected for inclusion in the Ethibel EXCELLENCE Investment Register. The Group also entered the Corporate Knights Global 100 list of the world's most sustainable companies at number 47. Unibail-Rodamco is one of 4 real estate companies in the 2011 Global 100 and one of only 5 French companies selected.

The Group shares its sustainability strategy and achievements with investors at dedicated sessions. In 2010, sessions were held in Paris, Amsterdam and London. These meetings also enable Unibail-Rodamco to learn more about its investors' vision of sustainability in the real estate sector. Unibail-Rodamco participates in the Carbon Disclosure Project and is a signatory of the UN Global Compact.

5. Communities and local authorities

Unibail-Rodamco's assets play an important social role in the community and contribute to economic growth, job creation and urban renewal. To ensure that its investments, developments and operations benefit the communities where it is present and reflect their needs and expectations, the Group works to build and maintain strong relationships with local residents and public authorities. Extensive public consultations are held for all development and extension projects.

V. CORPORATE PHILANTHROPY

Unibail-Rodamco donated a total of €3.75 million in cash and in kind to educational, cultural, entrepreneurial and social initiatives during 2010. The Group offers space in its shopping centres for charities to hold fundraising and awareness events and waives the commercial fees which would usually be applied.

Since 2007, Unibail-Rodamco has organised the annual Grand Prize for Young Retail Entrepreneurs, which is the largest single endowment supporting the creation of new businesses in France.

The Group supports the Ecole de la Deuxième Chance (E2C, School of the Second Chance), a French initiative which provides 18- to 25-year olds with few or no qualifications with the training and support they require to access further education or employment. In 2010, the Group contributed €80,000 to support the day-to-day operations of the E2C and help participants obtain work or work experience in its shopping centres.

Unibail-Rodamco is a corporate partner of CEMS, a strategic network of international business schools. As part of the Group's sponsorship of the Real Estate Chair at HEC, in partnership with Morgan Stanley, Unibail-Rodamco executives lecture in subjects such as real estate finance, sustainability, investment, development and asset management.

VI. HUMAN RESOURCES

Unibail-Rodamco aims to offer a working environment that promotes equality and diversity, and provide its employees with the skills and opportunities they require to build exciting and rewarding careers. Recruitment and human resources policies are designed to attract and retain the best talent on the market.

1. Reporting methodology

Corporate and regional human resources teams are responsible for collecting and compiling employment data and trends. Some indicators (namely headcount and wage level comparisons) show average figures over the whole year. Others, such as the number of people movements or number of training hours per employee show the situation as it stood on December 31, 2010. In 2010, the Group finalised the deployment of a new human resources tool in France which facilitates the collection and comparison of HR data. This system will begin to be leveraged across the Group in 2011.

2. Employment and diversity

In 2010, average headcount for the Group was 1,616 employees. The Group has a positive track record for gender and age diversity: the workforce is split almost equally between men and women and the age pyramid is well balanced. Job candidates are asked to submit anonymous CVs to ensure that academic profile and proven achievements are the sole criteria for selection.

The Group participates in the voluntary, non-profit BoardWomen Partners programme, which aims to improve the corporate governance of European listed companies by increasing the number of women present on their supervisory boards. In France, Unibail-Rodamco is a signatory of the Diversity Charter and the Disability in the Workplace Charter. The Group aims to ensure that the standards set out in these charters are respected in its other regions.

Employment by country (1)	Average headcount	%
Austria	91	5.6%
Czech Republic	44	2.7%
Denmark	16	1.0%
France (2)	1,050	65.0%
Netherlands	93	5.8%
Poland	56	3.5%
Spain	148	9.1%
Sweden	118	7.3%
Total	**1,616**	**100%**

(1) Average headcount in 2010.
(2) This figure includes 100% of VIPARIS employees (405)

Employment by activity	Average Headcount
Offices	17
Shopping Centres	667
Convention & Exhibition(1)	405
Development(2)	63
Shared Services	273
Headquarters	191
TOTAL	**1,616**

(1) This figure includes 100% of VIPARIS employees.
(2) Office and shopping centre development.

Employees by age(1)	2009	2010
< 30 years old	23.1%	21.7%
30 - 50 years old	61.4%	62.1%
> 50 years old	15.5%	16.2%

(1) On 31st December.

Employees by gender(1)	2009	2010
Women	49.0%	49.1%
Men	51.0%	50.9%

(1) On 31st December.

3. Career management

Employees receive regular support and advice on career development. All employees meet with their manager at least once a year to discuss performance objectives and career progression, review achievements and identify training needs. A 360° review process is held annually to provide employees with comprehensive feedback on their strengths and points of development. 100% of employees receive regular performance reviews.

Performance management	2009	2010
Employees receiving regular performance reviews	100.0%	100.0%

Internal mobility between core disciplines is strongly promoted. This approach provides employees with an in-depth understanding of technical processes and business priorities at different stages in the asset lifecycle and helps to build networks and share best practices between regions. In 2010, 25 people worked abroad on an international mobility assignment. During the year, 129 employees made a lateral career shift within the Group and 115 employees were promoted.

4. Training

Unibail-Rodamco's recruitment, training and mobility policies are designed to ensure that employees have the skills, experience and confidence that is required to take sound decisions in complex situations involving major assets and large sums of money. Corporate training is delivered through the Unibail-Rodamco Academy. General business and management skills are taught by external experts, but subjects relating to the Group's core functions and expertise are taught by senior managers. The content of this extensive professional training syllabus is regularly reviewed and updated. Targeted training is backed by on-the-job experience and mentoring to accelerate skills acquisition for new recruits, enable career progression and support transitions to new positions, functions and/or countries.

Training	2009	2010
Total number of hours provided	32,982	30,332
Average number of hours per employee (1)	20.1	20.3

(1) Based on effective headcount at the end of the year.

5. Employee movements

The Group recruits 'best in class' talent from leading business and engineering schools across Europe. In 2010, 26 young graduates from eight different countries were recruited through the European Graduate Programme (EGP).

Absenteeism and departures are closely tracked in each region and data is regularly reported to management. An exit interview is systematically conducted when there is a departure. Employee turnover, as measured by the number of resignations, dismissals, mutual agreements, retirements and departures during probationary periods over effective headcount at the end of 2009, stood at 18.2% in 2010 (versus 16.0% in 2009 on the same basis)(1). The causes of work-related injuries are studied, and measures are taken to reduce the likelihood that they will reoccur.

(1) This slight increase can be attributed to higher divestment activity in the Netherlands and to the change of head office location in Sweden.

Recruitments	2009	2010
Permanent contracts	248	163
Fixed-term contracts	95	58
Apprenticeships(1)	9	7
Total	**352**	**228**

(1) Excluding internships (32 in 2010).

Reasons for departures in 2010	Departures	%
Resignations	144	38%
Dismissals	40	10%
Mutual Agreements	82	21%
Retirements	21	5%
Departures during probationary periods	14	4%
Expiry of temporary contracts	45	12%
Outsourcing	36	9%
Death	2	1%
Total	**384**	**100%**

6. Organisation of working time

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

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

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

In 2010, sickness absences totalled 12,677 working days (3.2% of total working days) and lost days for injuries and occupational diseases represented 731 days (0.2%).

Absenteeism	N° of incidents	Ratio
Injuries	25	1.7%
Work related fatalities	0	0.0%
	N° of days	Ratio
Lost days for injuries	874	0.2%
Lost days for sick leave	12,677	3.2%
Other paid absence days (excluding vacation)	731	0.2%
Other unpaid absence days	3,532	0.9%
Total	**17,814**	**4,5%**

In 2010, maternity/paternity leave represented 9,940 working days (2.5% of total working days).

Employees by contract type	2009	2010
Permanent contract	94.7%	96.8%
Fixed-term contract	5.3%	3.2%

Employees by contracted hours	2009	2010
Full-time contract	95.2%	94.7%
Part-time contract(1)	4.8%	5.3%

(1) Corresponding to between 40% and 90% of a full-time activity rate.

7. Remuneration

Unibail-Rodamco works to ensure that there is no difference between the remuneration of men and women who do the same job and have similar responsibilities. All young graduates in a given country are recruited at the same base salary, regardless of gender or age. Remuneration policy is designed to encourage individual achievement and support the long-term growth of the Group. On a like-for-like headcount basis, total salaries increased by an average of 4.1% in 2010.

Comparison of remuneration (in euros) for similar positions across the Group in 2010 (1)	Women		Men	
	% per category	Average gross monthly salary(2)	% per category	Average gross monthly salary(2)
Accountants	77%	2,847	23%	3,083
Analysts(3)	44%	3,485	56%	3,566
Assistants	95%	2,743	5%	2,537
Controllers	25%	5,562	75%	5,141
Development/Investment	37%	5,139	63%	5,254
IT managers & project heads	37%	5,528	63%	5,466
Leasing	61%	5,204	39%	5,582
Legal managers	69%	4,634	31%	4,525
Marketing managers (shopping centres)	84%	3,496	16%	3,659
Operating managers	18%	6,460	82%	6,246
Property Maintenance & Purchasing (PMP)	13%	3,400	87%	3,883
Shopping centre managers	44%	5,656	56%	5,924

(1) Positions composed of more than 12 staff in the Group, excluding VIPARIS.
(2) Average gross monthly salary equals annual fixed salary plus individual bonus divided by twelve.
(3) "Analyst" category encompasses all employees graded "Analyst" in the new job grading system.

Total remuneration(1)	2009	2010
Annual increase in average salary, including bonus	2.5%	4.1%

(1) Based on like-for-like headcount

Variable remuneration	2009	2010
Received an individual merit-based bonus	65.0%	64.1%
Received stock options	18.0%	18.6%

In March 2010, 778,800 options were granted to 18.6% of total employees and MB members, at no discount to the share price at the time of allocation, with a price of €148.32 per share, for a total economic value (IFRS valuation, adjusted for staff turnover and before straightlining over the vesting period) of €5.0 million. These options were all subject to conditions based on Unibail-Rodamco's share price performance compared with that of the EPRA Euro zone index, which is a benchmark for the sector's performance.

In 2010, the Group supported the voluntary savings contributions of its staff by making a total employer contribution of €0.4 million. On December 31, 2010, more than 82% of eligible employees (excluding VIPARIS) were shareholders of Unibail-Rodamco through the Group's savings plan.

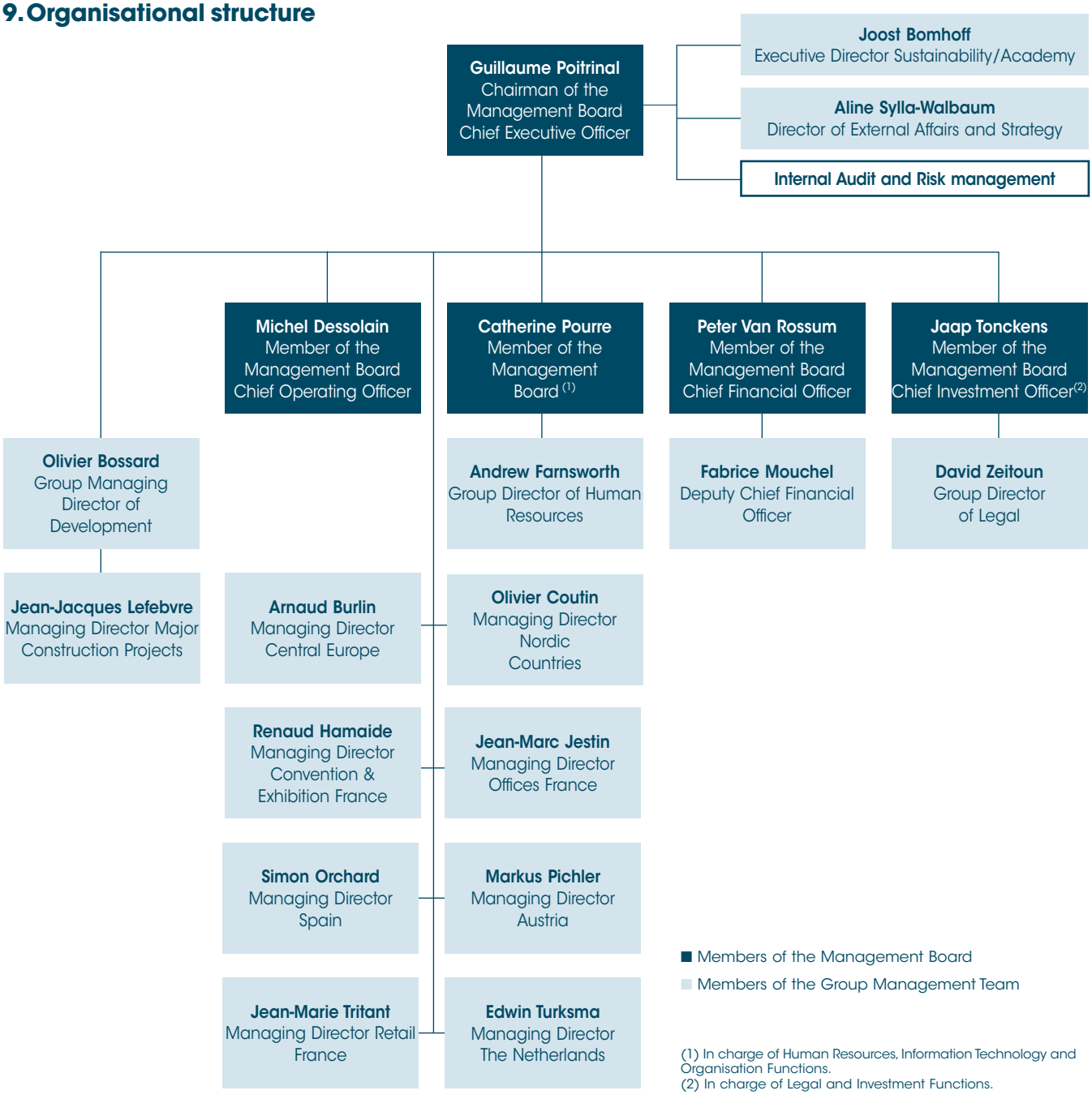
8. Employee relations

Unibail-Rodamco works closely with employee representative bodies in compliance with the local labour laws of the various European countries where the Group is present. The Group chose to become a European Company in April 2009. As part of this transformation, a European Employees' Committee (EEC) was created. Each European country within the Group is entitled to have at least one representative on the EEC.

On December 31, 2010, 90% of employees were covered by collective bargaining agreements.

Labour relations	2009	2010
Employees covered by collective bargaining agreements	87.3%	90.0%

9. Organisational structure



(1) In charge of Human Resources, Information Technology and Organisation Functions.
(2) In charge of Legal and Investment Functions.

VII. OBJECTIVES AND ACHIEVEMENTS

Each year, Unibail-Rodamco reviews its sustainability performance and identifies areas where the Group can make further improvements. The results of this analysis are used to set challenging operational and strategic objectives which reflect the Group's priorities and responsibilities, inform its actions, and drive continued progress. These sustainability objectives are reviewed, validated and endorsed by the Management Board.

2010 achievements		Status/ target date	Scope [1]	Comment
Environmental management systems				
Existing assets	Ensure that 75% of managed assets have an externally-certified environmental management system in place[3]	Target: 2011	ROC	With regard to the Group's policy and priorities, it was decided to adapt this target for 2011 by obtaining an external assessment of the implementation of the Group's environmental management system, the 'Sustainable Attitude'. In France, Bureau Veritas delivered an independent assessment of the 'Sustainable Attitude'. All shopping centres in Spain have ISO 14001 certification.
	Obtain ISO 14001 certification for at least 10 more managed shopping centres	○	R	Priority was given to reinforcing the implementation of the 'Sustainable Attitude' environmental management system.
New developments	Achieve a BREEAM rating of 'Very Good' or better for all new developments of more than 10,000 m² that will be delivered from 2011 onwards[3]	Ongoing target ●	ROC	All major projects that were in progress in 2010 underwent BREEAM assessment. Details are provided on page 54.
	Roll out the newest edition of the Design Guidelines and carry out at least five training sessions for regional development teams on the use of the Design Guidelines	●	ROC	The updated Design Guidelines are being applied to major development projects. Dedicated training sessions were held for regional development teams in France, the Czech Republic, the Nordic Countries, Austria, the Netherlands and Spain.
Resource use and health & safety				
Tenants	Conduct a tenant satisfaction survey in at least 60 shopping centres in 8 different countries	●	R	A tenant satisfaction survey was conducted in 60 shopping centres.
	Ensure that at least 60% of new retail and office tenants sign a green lease[3]	●	RO	1,180 green leases were signed (79% of office and retail leases signed in 2010).
	Set up dedicated asset-level sustainability committees in at least 50% of managed shopping centres by end-2010 and achieve 100% coverage by end-2012	◐	R	Sustainability committees are in place at 40% of managed shopping centres.
Suppliers and contractors	Introduce updated environmental and labour clauses to new supplier contracts in all regions[3]	●	R	Environmental and labour clauses were rolled out in all regions (target relates to opex for existing assets, capex excluded). New waste requirements were introduced in 2010.
	Develop a Group-wide framework to assess suppliers' compliance with environmental clauses	●	R	The Group developed a methodology to assess suppliers' compliance with environmental clauses covering maintenance, cleaning, security and safety.
Customers	Develop a communication strategy to highlight asset-specific sustainability initiatives in at least 75% of managed shopping centres	Target: 2011	R	A pilot was rolled out at Vélizy 2 (France).
	Increase average quality audit scores by 25% between 2009 and 2013	Target: 2012	R	Quality scores increased from 72 in 2009 to 84 in 2010. This increase of 16% is in line with the long-term target.
	Increase the average customer satisfaction survey score from 8.1/10 in 2009 to 8.5/10 in 2012	Target: 2011	R	Due to a change of methodology, 2009 and 2010 scores are not comparable. A new customer satisfaction target has been set for 2011.
Shareholders and investors	Cover at least 75% of the top 50% of investors by value in meetings with management	●	G	Meetings were held with 75% of the top 50% investors by value.
	Organise a road show focused on Asian investors in at least two Asian financial centres	●	G	A roadshow focused on Asian investors was held in Hong Kong and Singapore.
	Organise investor sessions on Group governance and sustainable development in three European financial centres	●	G	Meetings took place in Paris, London and Amsterdam.
Communities and local authorities	Ensure that local community commitment plans are introduced or updated for all major shopping centres	●	R	The 'PAR' relationship action plan was implemented and reviewed for all major shopping centres.
	Deploy at least 10 initiatives to make the Group's shopping centres more welcoming and more accessible to visitors with disabilities	◐	R	Unibail-Rodamco headquarters hosted training sessions delivered by the UNAPEI to 6 regional associations as part of the S3A labelling process underway at 10 shopping centres (see page 70). The results of accessibility audits conducted at all French managed assets were studied to identify improvement targets.
Environmental responsibility				
Climate change adaptation and mitigation	Conduct a study to improve the Group's understanding of the potential impact of climate change on its assets and activities	◐	ROC	Initial research was performed. Unibail-Rodamco understands the importance of tracking the potential impact of climate change on its assets and activities and will continue to study the effects of climate change in the coming years.
	Launch new initiatives to generate renewable or low-carbon energy on site	●	R	Several initiatives were launched. In France, photovoltaic studies were conducted at Labège 2, BAB2, Porte de Versailles and Rennes Alma, and a study into geothermal energy was conducted for the Aéroville development project. In Spain, a trigeneration unit went into operation at Los Arcos.
	Reduce CO_2 emissions per visit at managed shopping centres by at least 40% in 2016 relative to 2006[2]	Target: 2016	R	On track to achieve target in 2016.
	Increase energy efficiency at major managed shopping centres by 20% in 2012 relative to 2006[2]	Target: 2012	R	On track to achieve target in 2012.
	Develop green travel plans for at least 10 assets	○	ROC	Green travel plans have been implemented for new developments and are being developed for existing assets.
	Set up a system to monitor the business travel of all Unibail-Rodamco employees	●	G	Business travel data was collected.
	Install charging points for electric vehicles at 20 assets[3]	●	ROC	Dedicated charging points were installed at 21 managed assets.
	Develop a CO_2 calculator to enable convention and exhibition clients to assess the carbon footprint of their events	●	C	The CO_2 calculator was developed and rolled out to clients.

2010 achievements		Status/ target date	Scope (1)	Comment
Environmental responsibility (continued)				
Resource use and health & safety	Increase water efficiency (litres/visit) in managed shopping centres by 20% in 2016 relative to 2006	Target: 2016	R	On track to achieve target in 2016.
	Monitor the final destination of waste collected in 89% of managed shopping centres and set targets for reducing the amount of waste sent directly to landfill(3)	●	R	The final destination of waste that is collected by Unibail-Rodamco was monitored at 92% of managed shopping centres. Specific long-term targets have been set.
	Develop a corporate policy on biodiversity for new developments and existing assets	●	ROC	A corporate biodiversity policy was developed for new developments and existing assets.
	Conduct a study of a representative sample of existing assets to identify opportunities to improve biodiversity	●	ROC	A biodiversity study was conducted at 14 shopping centres.
	Carry out systematic risk assessments at all shopping centres with refrigeration equipment	◐	R	Methodological Risk Assessment (MRA) have been implemented at all French and Spanish shopping centres with refrigeration equipment. MRA requirements and recommendations were distributed to all regions.
	Carry out systematic mapping of remaining asbestos at all shopping centres built before asbestos was banned locally	◐	R	Formal asbestos maps have been established for all French and Spanish shopping centres. Asbestos map requirements and recommendations were distributed to all regions.
Employment and diversity				
Diversity and ethical behaviour	Launch a programme to train managers and employees in all regions about diversity, non discrimination, the Code of Ethics and compliance rules	●	G	885 hours of training in compliance and ethical business behaviour was provided in 2010 to a total of 282 employees. An e-learning training programme was also launched.
	Create a positive working environment for employees with disabilities by providing training sessions for all HR and communication staff who will be responsible for implementing and communicating policies internally	●	G	Training sessions were held. A booklet explaining the Group's policies regarding employees with disabilities was distributed in electronic and paper format to all employees in France.
	Implement the Senior Employees Agreement that was signed in France in 2009 and support older employees by providing targeted training and skills assessments	●	G	The Senior Employees Agreement has been implemented. Skills assessments and training sessions were launched. Follow-up sessions with senior employees have started.
	Identify potential psycho-social risks in the workplace and take corrective action if necessary, in partnership with the French work council	●	G	5 half-day training sessions were conducted by an external legal specialist in France (3 for senior managers and 1 each for the French and Corporate HR teams).
Environmental responsibility	Continue to organise meetings with employees in all regions to increase awareness of sustainability policies and objectives	●	G	Meetings were organised in all regions.
Training and career management	Maintain the number of hours of training provided through the Unibail-Rodamco Academy and offer new courses in management skills(2)	●	G	The number of hours of training, including induction seminar, increased by 1.2% compared to 2009. The inclusion of the induction seminar constitutes a change of scope relative to 2009.
	Introduce a new software application to improve the performance review process	●	G	The R'Flex application was fully implemented.
	Introduce a Group-wide job grading system to facilitate mobility and career development(3)	●	G	A Group-wide job grading system was implemented.
Mobility and recruitment	Increase the number of employees working for the Group outside their home region	●	G	9 new international mobilities were initiated in 2010 compared to 8 during 2009.
	Expand recruitment through the European Graduate Programme by hiring at least 25 EGP participants in 2011	●	G	26 EGP participants were recruited in 2010.
Performance management	Continue to apply a remuneration policy that rewards and encourages individual achievement	●	G	The format of the Group's annual performance assessments was amended to better reflect employees' objectives and results. A new performance assessment system for leasing was developed and will be implemented in 2011.
	Continue efforts to reduce the risks of injury in the workplace	●	G	Specific KPIs are used to monitor this issue.
	Improve the processes used to collect and analyse data on absenteeism and departures in all regions	●	G	A new, more structured system for analysing departures was introduced. Data have been collected and analysed in all regions.
Internal communication	Launch a Group intranet portal that gives all employees access to the latest local, corporate and professional information and business tools	○	G	The portal project was cancelled in favour of a project to harmonise existing local sites, which will be launched in 2011.

(1)Targets are established for specific scopes: R=Retail, O=Offices, C=Convention & Exhibition, G=Group.
(2) Indicators for which a limited assurance has been delivered by Ernst & Young. The statutory auditor's report on the review of selected environmental and human resources information and indicators is available on pages 136-137 and on the Group website: www.unibail-rodamco.com
(3) Informations for which a qualitative review has been performed by Ernst & Young. The statutory auditor's report on the review of selected environmental and human resources information and indicators is available on pages 136-137 and on the Group website: www.unibail-rodamco.com
78% of targets for 2010 were achieved, 14% were partially achieved, and 8% were not achieved.

● Achieved = target 100% complete ◐ Partially achieved = 26-99% complete ○ Not achieved = 0-25% complete

Targets for 2011 and beyond		Scope[1]	Target date
Environmental Management Systems			
Existing assets	Obtain an external assessment of the Unibail-Rodamco's 'Sustainable Attitude' environmental management system in each region	ROC	2011
New developments	Achieve a BREEAM rating of 'Very Good' for all new developments of more than 10,000 m²	RO	Ongoing target
	Conduct training sessions for the development teams in each region on the use of the updated Design Guidelines	RO	2011
	Formalise the terms of the Group's 'Considerate Construction Charter' to reduce the social and environmental impacts of construction (e.g. noise, dust, traffic) for all new development projects	R	2011
Stakeholder involvement			
Tenants	Increase the response rate of the tenant satisfaction survey to 50%	R	2011
	Ensure that at least 85% of new retail and office tenants sign a green lease	RO	2011
	Set up sustainability committees in each 'jumbo' shopping centre	R	2011
Suppliers and contractors	Assess suppliers' compliance with environmental clauses at each 'jumbo' shopping centre (target relates to security, cleaning and maintenance contracts)	R	2011
Customers	Develop a communication strategy to highlight asset-specific sustainability or disability initiatives at 10 'jumbo' shopping centres	R	2011
	Increase average score in the internal quality audit by 25% between 2009 and 2012	R	2012
	Increase the average customer satisfaction survey score from 7.5/10 in 2010 to 8/10 in 2011	R	2011
Shareholders and investors	Combine the Corporate Sustainability Report and the Annual Report to provide a coherent overview of the Group's financial, social and environmental performance for the investment community and other stakeholders	G	2011
	Organise meetings on corporate governance with 5 of the Group's top 10 investors	G	2011
	Cover at least 90% of the top 50% of investors by value in meetings with management	G	2011
Communities and local authorities	Cooperate with local authorities to launch specific sustainability initiatives for at least 10 'jumbo' shopping centres, including at least 1 asset per region	R	2011
	Obtain S3A label for at least 10 French shopping centres to show their commitment to welcoming and supporting people with mental disabilities	R	2011
Environmental responsibility			
Climate change adaptation and mitigation	Introduce climate change risk criteria into investment activity (acquisition process)	ROC	2011
	Reduce CO_2 emissions per visit at managed shopping centres by at least 40% in 2016 relative to 2006	R	2016
	Increase energy efficiency at major managed shopping centres by 20% in 2012 relative to 2006	R	2012
	Extend the monitoring of CO_2 emissions arising from employees' business travel and define targets for 2012	G	2011
	Install additional charging points for electric vehicles at 15 managed assets	ROC	2011
	Monitor and improve the implementation and uptake of the VIPARIS CO_2 calculator	G	2011
Resource use	Increase water efficiency (litres/visit) in managed shopping centres by 20% in 2016 relative to 2006	R	2016
	Reduce the proportion of waste sent to landfill by 50% in 2016 relative to 2009 (target relates to waste managed by Unibail-Rodamco)	R	2016
	Obtain a waste recycling rate of at least 50% at managed shopping centres by 2016 (target relates to waste managed by Unibail-Rodamco)	R	2016

Targets for 2011 and beyond		Scope[1]	Target date
Employment and diversity			
Diversity and ethical behaviour	Increase employees' awareness of diversity, non-discrimination and the Code of Ethics via e-learning courses and regional training programmes	G	2011
	Continue to implement the terms of the 3-year Senior Employees Agreement in France	G	2011
	Roll out training programme on psycho-social risks in the workplace to managers in France	G	2011
Environmental responsibility	Continue to increase awareness of sustainable behaviour by providing a yearly training session for all employees in each region	G	2011
Training	Develop management and leadership across the Group by delivering specific training courses for managers with a level of Principal and above in the job grading framework	G	2011
Mobility and recruitment	Maintain the number of employees working for the Group outside their home region	G	2011
	Organise a 10-day induction programme for all new recruits to the European Graduate Programme	G	2011
Performance management	Introduce a Group-wide performance measurement system for leasing managers	G	2011
	Develop and launch a Group-wide employee health and safety policy to promote a safe working environment	G	2011
Social reporting	Launch an electronic suggestion box to collect employees' ideas and proposals on efficiency and other topics	G	2011
	Launch a pilot employee survey in the Group	G	2011

(1) Targets are established for specific scopes: R=Retail, O=Offices, C=Convention & Exhibition, G=Group.

Disclaimer

Certain statements contained in this document are statements of future expectations and other forward-looking statements. These expectations are based on the management's current views and assumptions and involve known risks and uncertainties that could cause actual results and/or data to differ materially from those expressed or implied in these statements. Statements are based on the current property portfolio and disregard the potential effects of external factors including, but not limited to, climate change, local energy policy or regulatory or legal developments.

The 2006-2008 data that is provided in this report, particularly that which appears on pages 117-127, was collected and consolidated for the first time in 2008. The data provided for 2009 and 2010 was collected using internal management tools on a quarterly and/or annual basis. The accuracy of this data may be affected by a number of variables, including but not limited to the heterogeneity of the assets in Unibail-Rodamco's portfolio, the specific characteristics of certain assets, and the differences in data collection systems and perimeters at different assets.

Readers should not place undue reliance on forward-looking statements. Unibail-Rodamco assumes no obligation to update any forward-looking information contained in this document subject to legal requirement. Data is subject to change without notice.

STATUTORY AUDITOR'S REPORT ON THE REVIEW OF SELECTED ENVIRONMENTAL AND HUMAN RESOURCES INFORMATION AND INDICATORS

FINANCIAL YEAR ENDED DECEMBER 31, 2010

Further to your request and in our capacity as the Statutory auditor of Unibail-Rodamco, we have performed a limited review on 3 environmental and human resources indicators[1] (the "Indicators") identified with the footnote "(2)" on pages 132-133 of the annual report, as well as the procedures agreed with you on selected sustainability information (the "Information") identified with the footnote "(3)" on pages 132-133 of the annual report, all published in the group's 2010 annual report. These Indicators were prepared under the responsibility of the management of Unibail-Rodamco, in accordance with the reporting criteria applicable in 2010 (the "Reporting Criteria"), a summary of which is provided on pages 118-119 of this annual report. It is also the responsibility of Unibail-Rodamco to update and internally disseminate this reporting criteria.

It is our responsibility to express a conclusion on these Indicators on the basis of our review and to report our findings and observations on the selected Information. Our review was conducted in compliance with the French professional norms and the international standard ISAE 3000 (International Standard on Assurance Engagement, December 2003) of IFAC. Our independence is defined by legal and regulatory texts as well as by our professional code of ethics. The conclusions and findings expressed below relate solely to these Indicators and Information reviewed and not to the entire sustainability information published in the 2010 annual report. A higher level of assurance would have required more extensive work.

Nature and scope of our work

Regarding the 3 selected indicators

We performed the following review to obtain limited assurance that the Indicators presented on pages 50 to 71 and 117 to 133 of the annual report are free of material misstatements.

- We have assessed the Reporting Criteria with respect to its reliability, understandability, neutrality, completeness and relevance.
- At Group level, we have conducted interviews with the persons responsible for consolidating the Indicators. We have assessed the risk of misstatement, implemented analytical procedures and verified, on a test basis, the calculations (CO_2 emissions between 2006 and 2010 in each country, training hours of the Unibail-Rodamco Academy in 2009 and 2010) as well as the consolidation of the Indicators.
- We have selected a sample of 4 operational entities[2] that are representative of the activities and the locations, on the basis of their size and contribution to the Group's consolidated data as well as of the results of the risk review performed previously. The selected operational entities represent in average 26%[3] of the total value of the Indicators. At this level, we have verified the understanding and application of the Reporting Criteria, and verified, on a test basis, calculations and reconciliation with supporting documents.
- We have also reviewed the presentation of the Indicators in the annual report.

Regarding the selected Information

On the environmental and human resources Information, we have performed the procedures agreed with the sustainability department of Unibail-Rodamco. We have conducted interviews with the Sustainability and Human Resources persons in charge of the rolling-out of the sustainability program in order to gather underlying evidence of the progress made in the implementation of the sustainability program and review the presentation of the information in the annual report.

Comments about the Reporting Criteria

With respect to the Criteria defined by Unibail-Rodamco for the selected data, we wish to make the following comments:

Relevance:

- The Indicators addressing the energy efficiency and climate change issues on the "all assets" scope are relevant to reflect the environmental impacts of the operations as well as the actions undertaken by the Group. They are also consistent with the industry sustainability issues and the European and French regulatory requirements and objectives.

(1) Energy efficiency per visit of the shopping centres, Carbon intensity per visit of the shopping centres, Number of training hours given under the "Unibail-Rodamco Academy".

(2) France: shopping centres Le Forum des Halles and Les Quatre Temps; Poland: shopping centres Galeria Mokotów and Zlote Tarasy.
(3) 20% of the energy consumptions; 41% of the CO_2 emissions; 17% of the number of visits.

Completeness:

- The indicators Energy efficiency per visit and Carbon intensity per visit cover shopping centres managed by Unibail-Rodamco that represent 83% of the shopping centres portfolio's gross market value, i.e. 63% of the total gross market value of the asset portfolio aggregated as at December 31, 2010.
- The Reporting Criteria for the energy efficiency and carbon intensity indicators does not take into account the impact of certain actions on the assets portfolio performance and generate uncertainties when assessing its evolution:
  - Rules regarding the "like-for-like" scope lead to the exclusion of the assets that have been refurbished, extended, sold, or that entered the managed portfolio through acquisition or construction.
  - The calculation methodology for the indicators evolution, based on the aggregation of the annual percentage, leads to the addition of the annual uncertainties, which might generate a high level of uncertainty in the long term.

Reliability:

- The reporting criteria should define the rules for the selection of the emissions factors as well as for the calculation of the number of visits (particularly when estimated) for the regions.
- Rules, methodologies, roles and responsibilities for the internal controls should be described in the Reporting Criteria.

Findings and observations regarding the Information

- The Group has implemented and disseminated tools and good practices regarding the following environmental and human resources subjects: BREEAM certification, green leases, responsible purchasing requirements in the facilities management contracts, electric vehicles charging points, waste management and carrier development for the employees. The action plans are designed with the involvement of the people in the regions and their progress are specifically and adequately reviewed.
- At Group level, the reporting of the achievements relating to responsible purchasing requirements for the facilities management contracts and electric vehicles charging points should be better formalised outside France region. The monitoring of the progress of the actions towards the Group's objectives could be improved by the implementation of a dedicated IT reporting tool.
- Based on our work related to the Information selected and on our overall reading of the Sustainability part of the annual report, particularly the objectives presented on pages 132-133, we have not identified any obvious inconsistency and any misleading assertions.

Conclusion on the 3 indicators reviewed

Based on our review, nothing has come to our attention that causes us to believe that the Indicators were not established, in all material respects, in accordance with the Reporting Criteria.

Neuilly-sur-Seine on March 11, 2011

The Statutory Auditor

Bernard Heller
Ernst & Young Audit

Assisted by Eric Duvaud
Climate Change and Sustainability Services
Ernst & Young

CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2010

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STATUTORY AUDITORS' REPORT ON THE 2010 CONSOLIDATED FINANCIAL STATEMENTS 194

Consolidated Statement of comprehensive income

CONSOLIDATED INCOME STATEMENT Presented under EPRA [1] format (in €Mn)	Notes	2010	2009
Gross rental income	18	1,484.5	1,472.9
Ground rents paid	19	-22.4	-20.8
Net service charge expenses	20	-14.1	-12.3
Property operating expenses	21	-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	22	**-104.7**	**-104.1**
Acquisition and related costs	23	**-15.8**	**-**
Revenues from other activities		160.1	155.2
Other expenses		-116.3	-114.4
Net other income	24	**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	25	**113.7**	**-40.2**
Valuation gains		1,838.6	86.0
Valuation losses		-136.2	-2,278.1
Valuation movements	26	**1,702.3**	**-2,192.1**
Impairment of goodwill	27	**-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	28	-268.9	-282.1
Bonds redeemable for shares	28	-	-6.3
Fair value adjustment of net share settled bonds convertible into new and/or existing shares (ORNANE)	11	-23.8	-188.9
Fair value adjustments of derivatives and debt	29	-104.6	-117.3
Debt discounting	30	-0.9	0.6
Share of the result of associates	31	3.5	-22.3
Income on financial assets	31	6.2	8.9
Result before tax		**2,606.5**	**-1,681.1**
Income tax expenses	32	-121.0	114.5
Net result for the period		**2,485.5**	**-1,566.5**
Non-controlling interests	33	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 [2] (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) Presentation complying with European Public Real Estate Association best practice recommendations.
(2)The impact of the fair value of the "ORNANE" is restated from the net result of the period (see "Accounting principles and consolidation methods" §1.13).

NET COMPREHENSIVE INCOME (in €Mn)	Notes	2010	2009
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	34	**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**

For the presentation of the income statement by division, please refer to the "notes to the consolidated financial statements" section 2 "Business segment report".

Consolidated statement of financial position

(in €Mn)	Notes	Dec. 31, 2010	Dec. 31, 2009
Non current assets		**23,177.3**	**21,363.9**
Investment properties	1	**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	2	199.8	185.6
Goodwill	3	265.6	220.4
Intangible assets	4	170.8	197.4
Loans and receivables	5	251.4	244.9
Deferred tax assets (1)	13	10.0	11.9
Derivatives at fair value	12	89.9	81.5
Shares and investments in companies consolidated under the equity method	6	201.4	269.6
Current assets		**1,799.8**	**1,281.8**
Properties under promise or mandate of sale	1	**979.7**	**396.4**
Trade receivables from activity	7	**306.6**	**323.1**
Property portfolio		283.2	287.8
Other activities		23.4	35.3
Other trade receivables	8	**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	9	**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**
Long term commitment to purchase non-controlling interests	10	10.4	40.7
Net share settled bonds convertible into new and/or existing shares (ORNANE)	11	780.0	754.4
Long term bonds and borrowings	11	7,256.9	6,371.7
Long term financial leases	11	59.0	-
Derivatives at fair value	12	278.1	267.6
Deferred tax liabilities (1)	13	850.5	639.2
Long term provisions	14	24.9	18.9
Employee benefits	14	13.6	10.3
Guarantee deposits		180.8	171.1
Tax liabilities		0.5	3.4
Amounts due on investments	15	154.4	11.6
Current liabilities		**2,997.4**	**1,921.1**
Current commitment to purchase non-controlling interests	10	**35.6**	**-**
Amounts due to suppliers and other current debt	16	**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	11	**2,102.3**	**1,125.9**
Current financial leases	11	**3.3**	**-**
Tax and social security liabilities	17	**123.6**	**108.0**
Short term provisions	14	**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. The figures for 2009 have been restated accordingly.

Consolidated statement of cash flows

(in €Mn)	Notes	2010	2009
Operating activities			
Net result		**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	35	-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
Repayment of property financing		2.1	4.0
Increase of property financing		-1.7	-
Disposal of subsidiaries	35	-	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**
Disposal of financial assets		0.4	0.7
Change in financial assets		-1.1	16.8
Total cash flow from investment activities		**148.1**	**-130.1**
Financing activities			
Capital increase		38.3	30.0
Distribution paid 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 period		**-184.5**	**132.9**
Cash at the beginning of the year		**256.4**	**123.7**
Effect of exchange rate fluctuations on cash held		**-1.0**	**-0.2**
Cash at period-end (3)	36	**70.9**	**256.4**

(1) Includes capital gains/losses on property sales, disposal of short term investment properties, disposals of finance 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". The figures for 2009 have been restated accordingly.
(3) Cash and cash equivalents include bank accounts and current accounts with terms of less than three months.

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

Consolidated statement of changes in equity

(in €Mn)	Share capital	Additional paid-in capital	Bonds Redeemable for Shares	Consolidated reserves	Consolidated net result	Hedging & foreign currency translation reserves[1]	Total Owners of the parent	Non-controlling interests	Total shareholder's equity
Balance as at December 31, 2008	**407.3**	**6,786.4**	**1,566.5**	**5,292.7**	**-1,116.0**	**-51.8**	**12,885.1**	**1,264.6**	**14,149.7**
Profit or loss of the period	-	-	-	-	-1,467.8	-	-1,467.8	-98.8	-1,566.6
Other comprehensive income	-	-	-	-	-	-24.8	-24.8	-0.4	-25.1
Net comprehensive income	**-**	**-**	**-**	**-**	**-1,467.8**	**-24.8**	**-1,492.6**	**-99.2**	**-1,591.7**
Earnings appropriation	-	-	-	-1,116.0	1,116.0	-	-	-	-
Dividends related to 2008	-	-110.1	-	-224.0	-	-	-334.1	-48.1	-382.2
Stock options and Company Savings Plan	2.0	24.8	-	-	-	-	26.8	-	26.8
Conversion of Bonds Redeemable for Shares	47.1	1,771.6	-1,563.1	-38.8	-	-	216.8	-	216.8
Distribution related to the Bonds Redeemable for Shares	-	-	-	-5.4	-	-	-5.4	-	-5.4
Share based payment	-	-	-	4.7	-	-	4.7	-	4.7
Changes in scope of consolidation and other movements	-	3.0	-	11.2	-	-	14.2	-1.0	13.2
Reclassification of non-controlling interests	-	-	-	0.7	-	-	0.7	3.0	3.7
Balance as at December 31, 2009	**456.4**	**8,475.7**	**3.4**	**3,925.1**	**-1,467.8**	**-76.6**	**11,316.3**	**1,119.3**	**12,435.6**
Profit or loss of the period	-	-	-	-	2,187.6	-	2,187.6	297.9	2,485.5
Other comprehensive income	-	-	-	-	-	40.4	40.4	0.2	40.6
Net comprehensive income	**-**	**-**	**-**	**-**	**2,187.6**	**40.4**	**2,228.0**	**298.1**	**2,526.1**
Earnings appropriation	-	-	-	-1,467.8	1,467.8	-	-	-	-
Dividends related to 2009	-	- 731.3	-	-	-	-	-731.3	-50.7	-782.0
Exceptional distribution	-	-1,834.3	-	-	-	-	-1,834.3	-	-1,834.3
Stock options and Company Savings Plan	2.2	36.2	-	-	-	-	38.4	-	38.4
Conversion of Bonds Redeemable for Shares	0.1	1.9	-1.6	-	-	-	0.4	-	0.4
Share based payment	-	-	-	7.4	-	-	7.4	-	7.4
Changes in scope of consolidation and other movements	-	-	-	0.5	-	-	0.5	-13.2[2]	-12.8
Reclassification of non-controlling interests	-	-	-	-	-	-	-	-8.1	-8.1
Balance as at December 31, 2010	**458.7**	**5,948.2**	**1.8**	**2,465.1**	**2,187.6**	**-36.2**	**11,025.2**	**1,345.4**	**12,370.6**

(1) The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries. It is also used to record the effect of hedging net investments in foreign operations.
(2) The change relates mainly to the purchase of non-controlling interests in Rodamco Europe NV.

Changes in share capital

	Total number of shares
As at January 1, 2009	**81,444,653**
Capital increase reserved for employees under Company Savings Plan	25,919
Exercise of stock options	370,695
Bonds redeemable for shares	9,423,282
As at December 31, 2009	**91,264,549**
Capital increase reserved for employees under Company Savings Plan	30,579
Exercise of stock options	438,753
Bonds redeemable for shares	12,043
As at December 31, 2010	**91,745,924**

Shares in the parent company (Unibail-Rodamco SE) pledged by third parties

At year-end 2010, 270,984 shares held in a registered custodian account were pledged, while no standard registered shares were pledged.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Accounting principles and consolidation methods

In accordance with EC regulation no. 1606/2002 of July 19, 2002, on the application of international accounting standards, Unibail-Rodamco has prepared its consolidated financial statements for the financial year ending December 31, 2010 under International Financial Reporting Standards (IFRS) as adopted in the European Union and applicable at this date.

These can be consulted on the website http://ec.europa.eu/internal_market/accounting/ias/index_en.htm

The accounting principles and methods used are consistent with those applied for the preparation of the annual consolidated financial statements as at December 31, 2009, except for the application of the following new obligatory standards and interpretations:

- IAS 27 A: Consolidated and Separate Financial Statements
- IAS 39 A: Financial Instruments: Recognition and Measurement - Eligible Hedged Items
- IFRS 2 A: Group Cash Settled – Share Based Payment Transactions
- IFRS 3 R: Business Combinations
- IFRS 5 A: Non Current Assets Held For Sale and Discontinued Operations
- IFRIC 9 & IAS 39 A: Reassessment of Embedded Derivatives
- IFRIC 12: Service Concession Arrangements
- IFRIC 15: Agreements for the Construction of Real Estate
- IFRIC 16: Hedges of a Net Investment in a Foreign Operation
- IFRIC 17: Distributions of Non-Cash Assets to Owners
- IFRIC 18: Transfers of Assets from Customers
- Improvements of IFRS (April 2009)

These standards, amendments and interpretations do not have a significant impact on the Group's accounts, except for the amendment of IAS 27 and IFRS 3 Revised, that change in a prospective way the accounting terms of business combinations.

The amendment of IAS 27 requires that a change in the ownership interest in a subsidiary (without loss of control) be accounted only for as an equity transaction. Under the previous standard, this principle already applied.

IFRS 3 Revised introduces a number of changes in the accounting for business combinations that will impact the amount of goodwill recognised, the reported results in the period in which an acquisition occurs, and future reported results (see § 1.3 "Business combinations"). The acquisition costs incurred are now booked as expenses. This revised standard was applied for the accounting of the acquisition in 2010 of Simon Ivanhoe's portfolio in Poland and France (See section 4 "Highlights and comparability of the last two years – In 2010" § 3 for details of the acquisition).

The following norms, interpretations, and amendments have been adopted by the European Union as at December 31, 2010 but with a later effective date of application and were not applied in advance:

- IAS 32 A: Classification of Rights Issues
- IFRIC 14 A: Prepayments of a Minimum Funding Requirement
- IFRIC 19: Extinguishing Financial Liabilities with Equity Instruments
- IAS 24 R: Related Party Disclosures
- IFRS 1A: Limited Exemption from Comparative IFRS 7 Disclosures for First-Time Adopters

The following texts were published by the IASB but have not yet been adopted by the European Union:

- Improvements of IFRS (May 2010)
- IFRS 7 A: Disclosures – Transfers of Financial Assets
- IFRS 1 A: Severe Hyperinflation and Removal of Fixed Dates for First Time Adopters
- IAS 12 A: Deferred Tax - Recovery of Underlying Assets
- IFRS 9: Financial instruments

Improvements of IFRS:

The IASB published in May 2010 "Improvements of IFRS", the final version of the second annual IFRS improvement project. Unless a specific measure plans another date, amendments will come into force for the financial years opening on or after January 1, 2011, earlier application also being authorised. This project has not yet been approved by the European Union. The measurement of the potential impacts on the consolidated accounts of Unibail-Rodamco is ongoing.

Estimations and assumptions

Certain amounts recorded in the consolidated financial statements reflect estimates and assumptions made by management, particularly with regards to the fair value of investment properties and financial instruments as well as the valuation of goodwill and intangible assets.

The most significant estimates are set out in the notes to the consolidated financial statements: for the valuation of investment properties in § 1.5 "Asset valuation methods" and section 5 note 1 "Investment properties", for the goodwill and intangible assets, respectively in § 1.3 "Business combinations" and § 1.5 "Asset valuation methods" and, for fair value of financial instruments, in section 5 note 12 "Hedging instruments". Actual future results or outcomes may differ from these estimates. The property portfolio and intangible assets used by the Retail, Offices and Convention-Exhibition segments are valued by independent appraisals.

The consolidated financial statements concern the financial years ending December 31, 2010 and December 31, 2009.

1.1. Options selected under IFRS 1

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

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

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

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

1.2. Scope and methods of consolidation

The scope of consolidation includes all companies controlled by Unibail-Rodamco and all companies in which the Group exercises joint control or significant influence.

The method of consolidation is determined by the type of control exercised:

- Control: fully consolidated. Control is presumed if Unibail-Rodamco, directly or indirectly, holds an interest of more than 50%, unless there is clear evidence that this shareholding does not provide control. Full control also exists when the parent company holds 50% or less of the voting rights in a company and has authority regarding the company's financial and operational strategies and to appoint or dismiss the majority of members of the Board of Directors or an equivalent decision-making body.
- Joint control: proportionally consolidated. This is demonstrated by the sharing of control of an economic activity under a contractual agreement. It requires the unanimous agreement of partners for operating, strategic and financial decisions.
- Significant influence: consolidated under the equity method. Significant influence is identified when there is authority to contribute to financial and operational decision-making of the company concerned, but without exercising control over its policies. Significant influence is assumed where the Group directly or indirectly holds more than 20% of voting rights in a company.

The consolidated financial statements are established by integrating the individual financial statements of Unibail-Rodamco SE with all relevant subsidiaries over which Unibail-Rodamco exercises control. Subsidiaries closing their accounts more than three months before or after that of Unibail-Rodamco prepare pro forma interim statements to December 31, determined on a 12-month basis.

1.3. Business combinations

From January 2010

Business combinations are accounted for using the acquisition method. The acquisition is recognised at the aggregate of the consideration transferred, measured at acquisition date fair value, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. The Group continues to measure the non-controlling interest at the proportionate share of the acquiree's identifiable net assets.

Acquisition costs incurred are booked as expenses.

At the date of acquisition and in accordance with IFRS 3 Revised, identifiable assets, liabilities, off-balance sheet items and contingent liabilities of the acquired company are valued individually at their market value regardless of their purpose. The analysis and appraisals required for the initial valuation of these items, as well as any corrections based on new information, may be carried out within 12 months of the date of acquisition.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit and loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Subsequent changes to the fair value of any contingent consideration classified as liability will be recognised in profit and loss.

Prior to January 2010

In comparison with the above policy, the following differences applied:

- Transaction costs directly attributable to the acquisition formed part of the acquisition costs.
- Contingent consideration was recognised if, and only if, i) the Group had a present obligation, ii) an economic outflow was more likely than not and iii) a reliable estimate was determinable. Subsequent adjustments to the contingent consideration were recognised as part of goodwill.

Goodwill

Goodwill only arises upon a business combination and is initially measured as the residual cost of the business combination after recognising the acquiree's identifiable assets, liabilities, and contingent liabilities. Subsequently the goodwill is carried at cost and is subject to regular reviews by the Group and impairment tests at least once per year or whenever there is an

indication of impairment. At the date of acquisition, goodwill is allocated to one or more cash-generating units expected to benefit from the acquisition. The recoverable amount of a cash-generating unit is determined using the most appropriate method, most commonly the discounted cash flows method, and is applied to the full cash-generating unit rather than each legal entity.

Goodwill may be created by the recognition, on the acquisition of the business, of deferred tax liabilities based on the value of the asset, in excess of the effective amount of taxes. Therefore, this goodwill is justified by the tax optimisation (income tax and transfer tax) expected on these assets. The impairment of this goodwill is calculated according to the amounts of tax optimisation existing at the date of reporting.

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

Under IFRS 3 Revised, acquisition of additional shares from non-controlling shareholders are regarded as equity transactions and therefore no additional goodwill is recognised. This method was already applied by the Group.

Consequently, when non-controlling shareholders have an agreement to sell, non-controlling interests are reclassified as debt at the present value of the exercise price. The difference between the latest value and the net carrying value of the non-controlling interests is recognised as equity – owners of the parent. Any subsequent change in debt is also accounted for as equity – owners of the parent. Income from non-controlling interests and dividends are booked in equity – owners of the parent.

1.4. Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). Consideration in determining the functional currency is given to the denomination of the major cash flows of the entity e.g. revenues and financing. As a consequence, the Group uses the functional currency rather than the local currency for the following entities:

- euro for the property companies in Czech Republic, Hungary, Slovakia and Poland (in 2010),
- US dollar for Poland (in 2009).

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

Foreign currency transactions and balances

Transactions in foreign currencies are translated into euros at the spot foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the accounting date are translated into euros at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit and loss account. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currency are translated using the exchange rate at the date of transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into euros at foreign exchange rates ruling at the dates the fair value was determined.

Exchange differences arising on the settlement of currency transactions or on translating monetary items at rates different from those at which they were translated on initial recognition during the year or in previous financial statements are recognised in the profit and loss account in the year in which they arise. Translation differences on non-monetary financial assets and liabilities that are stated at fair value are reported as part of the fair value gain or loss.

Foreign currency transactions are translated into the functional currency of the Group using the exchange rates at the date of transactions. Foreign exchange gains and losses resulting from settlement of these transactions are recognised in the income statement. Foreign exchange gains and losses resulting from the retranslation of monetary assets and liabilities denominated in foreign currencies are also recognised in the income statement with the exception of:

- unrealised translation results on net investments,
- unrealised translation results on intercompany loans that, in substance, form part of the net investment.

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instruments relating to the effective portion of the hedge are recognised directly in equity, whereas those relating to the ineffective portion are recognised in the profit and loss account.

Group companies with a functional currency different from the presentation currency

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- the assets and liabilities, including goodwill and fair value adjustments arising on consolidation, are translated into euros at foreign exchange rates ruling at the accounting date,
- income and expenses are translated into euros at rates approximating the foreign exchange rates ruling at the dates of the transactions,
- all resulting exchange rate differences are recognised as a separate component of equity (currency translation reserve),
- when a Group company is sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

1.5. Asset valuation methods

Investment properties (IAS 40)

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

Since January 1, 2009, Investment Properties Under Construction (IPUC) are covered by IAS 40 and are eligible to be measured at fair value. In accordance with the Group's investment properties valuation method, they are valued at fair value by an external appraiser. Those for which the fair value is not reliably determinable are still valued at cost until such time as a fair value valuation becomes reliable, or until one year before the construction completion.

The development project is eligible for a fair value measurement once all three following criteria are fulfilled:

- All administrative authorisations needed to complete the project are obtained.
- The construction has started and costs are committed toward the constructor.
- Substantial uncertainty in future rental income has been eliminated.

If the time to delivery is less than one year, the project has to be taken at fair value.

For the Investment Properties Under Construction whose fair value could be reliably measured, the difference between market value and cost value was entirely recognised in the income statement.

The buildings under construction valued at cost are shopping centres under development, notably Les Portes de Gascogne in Toulouse-France, Benidorm in Spain and Täby extension in Stockholm-Sweden, and offices developments such as Phare and Majunga in La Défense-France and Courcellor in Levallois-Perret-France.

Properties under construction are subject to impairment tests, determined on the basis of the estimated fair value of the project. The fair value of a project is assessed by the Development & Investment teams through a market-fair exit capitalisation rate and the targeted net rents at completion. When the fair value is lower than net book value, an impairment provision is booked.

For properties measured at fair value, the market value adopted by Unibail-Rodamco is determined on the basis of appraisals by independent external experts, who value the Group's portfolio as at June 30 and December 31 of each year. A discount is applied to the gross value in order to reflect disposal costs and transfer taxes[1], depending on the country and on the tax situation of the property.

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

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

For the Shopping Centre and Offices portfolios, 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 per square metre established through actual market transactions.

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

The income statement for a given year (Y) records the change in value for each property, which is determined as follows:

market value Y – [market value Y-1 + amount of works and other costs capitalisable in year Y].

Capital gains on disposals of investment properties are calculated by comparison with their latest market value recorded in the closing statement of financial position for the previous financial year.

Properties under promise or mandate of sale are identified separately in the statement of financial position.

Tangible assets (IAS 16)

Under the preferential method proposed by IAS 16, operating assets are valued at their historic cost, less cumulative depreciation and any decrease in value. Depreciation is calculated using the "component accounting" method, where each asset is broken down into major components based on their useful life. The four components of a property are the main structure, the facade, technical equipment and finishing fixtures and fittings, depreciated respectively over 60, 30, 20 and 15 years for offices properties and 35, 25, 20 and 15 years for retail outlets.

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

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

Borrowing costs generated by construction projects (IAS 23)

Borrowing costs directly attributable to the acquisition or construction of an asset are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interests capitalised are calculated using the Group's weighted average costs of borrowing applied to the average value of the work completed during each quarter, unless specific financing exists for the project. In this case, the specific interest costs are capitalised.

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

An intangible asset is recognised when it is identifiable and separable and can be sold, transferred, licensed, rented, or exchanged, either individually or as part of a contract with an attached asset or a liability, or which arises from contractual or other legal rights regardless of whether those rights are transferable or separable. After initial recognition, intangible assets are recognised at cost less any amortisation charges and impairment losses.

Intangible assets with a finite life are amortised on a linear basis over the life of the asset. The useful life of an asset is reviewed each year and an impairment test is carried out whenever there is an indication of impairment.

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

The intangible assets on Viparis entites are valued by external appraisers. If the appraisal value of an intangible asset is lower than net book value, an impairment provision is booked.

1.6. Leasing

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

- The Group's remaining finance leasing activity as lessor represents a residual outstanding amount of €0.6 Mn as at December 31, 2010.
- **Ground leaseholds**: based on the analysis of existing contracts, IAS 17 and IAS 40, a leasehold may be classified as either an operating lease or a finance lease. The classification is made on a contract-by-contract basis and depending on the risks and rewards transferred to the Group.

  For the leaseholds recognised as operating leases, rental payments are recognised as expenses in the income statement. Rental payments made at the beginning of the contract are classified as prepaid expenses and expensed over the life of the contract.

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

Accounting treatment of investment properties leases

Assets leased as operating leases are recorded on the statement of financial position as investment property assets. Rental revenue is recorded on a straight-line basis over the firm duration of the lease.

Rents and key money

Under IAS 17 and SIC 15, the financial impacts of terms set out in the lease agreement are spread over the fixed duration of the lease starting from the date the premises are made available to the tenant. This applies to rent-free periods, step rents and key money.

Eviction costs

Compensation payments to evicted tenants may be capitalised, in view of the securing of higher rentals through new lease agreements on improved terms and which ultimately enhance or at least maintain asset performance.

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

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

a) Classification and measurement of non-derivative financial assets and liabilities

- **Loans and receivables**

Loans and receivables, acquired or granted, not held for the purpose of trading or sale, are recorded on the statement of financial position as "Loans and receivables". After initial recording, they are measured at amortised cost based on the effective interest rate. They may be subject to impairment when necessary.

- **Available-for-sale securities**

These are non-derivative financial assets held for an undetermined period that may be sold by the Group at any time. They are measured at their fair value at the accounting date and recorded as financial assets under "cash and cash equivalents". Interest accrued or received on fixed-income securities is recorded as income based on the effective interest rate. Changes in market value other than income are recorded

in shareholders' equity. Fair value variations are recorded on the income statement if the asset is sold or significantly impaired.

- **Non-derivative financial liabilities**

Non-derivative financial liabilities are measured after initial booking at amortised cost using the effective interest rate. In certain cases, IAS 39 permits financial liabilities to be designated at fair value upon initial recording.

b) Classification and measurement of financial derivatives and hedge accounting

The Group uses derivative financial instruments to hedge its exposure to movements in interest and currency exchange rates.

All financial derivatives are recorded as financial assets or liabilities at fair value on the statement of financial position. Fair value variations of financial derivatives, apart from those designated as cash flow hedges or as net investment hedges (see below), are recognised in the income statement for the period.

Unibail-Rodamco has a macro-hedging strategy for its debt. Except for currency derivatives, it has chosen not to use the hedge accounting proposed by IAS 39. All such derivatives are therefore measured at their market value and any fair value variations are recorded in the income statement.

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

Regarding the currency derivatives, they aim at hedging the investments made in countries outside of the Eurozone. Therefore the majority of currency swaps and forward contracts are designated as a net investment hedge. The portion of the gain or loss on these instruments that is determined to be an effective hedge is recognised directly in equity (currency translation reserve). The ineffective portion is recognised directly in the profit and loss account, as fair value changes derivative financial instruments.

Changes in the fair value of forward exchange contracts that economically hedge monetary assets and liabilities in foreign currencies and for which no hedge accounting is applied are recognised in the profit and loss account. Both the changes in fair value of the forward contracts and the foreign exchange gains and losses relating to the monetary items are recognised as part of "financing result" as these instruments are designated as hedging instruments.

1.8. Discounting of deferred payments

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

- The exit tax liability payable over a four-year period (to qualify for the SIIC tax regime) has been discounted.
- Guarantee deposits received from tenants have not been discounted given the negligible impact of discounting.
- Provisions for material liabilities taken under IAS 37 are discounted over the estimated duration of the disputes they cover.
- Deferred payments on acquisitions of land, ground leases or assets have been discounted up to the payment date.

1.9. Taxes

The Group companies are taxable according to the tax rules of their country. In some countries, special tax regimes for public property companies exist.

French SIIC status (Société d'Investissement Immobilier Cotée)

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

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

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

Dutch FBI regime

Rodamco Europe NV had FBI (Fiscale Beleggings Instelling) status for the year 2009. Consequently the property companies in The Netherlands did benefit from a 0% tax rate. FBI companies are required to distribute all the taxable result, except capital gains which can be added to a reinvestment reserve.

The requirements for FBI companies are partly related to their activities and their shareholding base. According to the Dutch Ministry of Finance, Unibail-Rodamco itself does not qualify as an FBI, as it is deemed not to meet the activity test. Therefore, as reported in its press release of December 11, 2009, Unibail-Rodamco expects that the Dutch tax authorities will deny the status of FBI in The Netherlands for Unibail-Rodamco's Dutch activities for 2010 onwards. 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.

Income tax and deferred tax

• Corporate income tax

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

In France, the companies which pay income tax are mainly the Viparis entities and some property services companies. The other companies which are not eligible for SIIC tax status are grouped under tax consolidation sub-groups, which have opted for the tax consolidation scheme.

• Deferred tax

Deferred taxes are recognised in respect of all temporary differences between the carrying amount and tax base of assets and liabilities at each financial year-end.

Deferred tax assets or liabilities are calculated based on total temporary differences and on tax losses carried forward, using the local tax rate that will apply on the expected reversal date of the concerned differences, if this rate has been set. Otherwise, they are calculated using the applicable tax rate in effect at the financial year-end date. Within a given fiscal entity or group and for a given tax rate, debit balances are booked to assets for the amount expected to be recoverable over a foreseeable period. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

The main deferred tax liabilities relate to:

- the mark-to-market of investment properties, resulting in the recognition of a deferred tax liability for non tax-exempt assets,
- the recognition of intangible assets identified on Viparis entities, particularly Viparis Porte de Versailles and Viparis Nord Villepinte.

1.10. Share-based payments

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

Stock options granted to employees are stated at their fair value on the date of allocation. As the transaction are equity-settled share-based payment, this value remains unchanged, even if the options are never exercised. This value applied to the number of options finally acquired at the end of the vesting period (estimation of the turnover) is booked as an expense, with a corresponding increase in equity which is spread over the vesting period (i.e. the period during which employees must work for the company before they can exercise the options granted to them).

The stock options have been valued using a binomial model for those with no performance criteria and using a Monte Carlo model for those subject to performance criteria.

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

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

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

1.11. Employee benefits

Under IAS 19, a company must recognise all commitments made to its employees (i.e. current or future, formal or informal, cash payments or payments in kind). The cost of employee benefits must be recorded during the vesting period.

Post-employment benefits

Pension schemes may be defined contribution or defined benefit schemes.

Under defined contribution schemes, the employer only pays a contribution, with no commitment from the Group regarding the level of benefits to be provided. The contributions paid are booked as expenses for the year.

Under defined benefit schemes, the employer makes a formal or implied commitment to an amount or level of benefits and therefore carries the medium or long term risk. A provision is booked to liabilities to cover all of these pension commitments. This provision is assessed regularly by independent actuaries using the projected unit credit method, which takes into account demographic assumptions, early retirements, salary increases and discount and inflation rates.

In the majority of the Group's companies, pensions due under the various compulsory retirement schemes to which employers contribute are managed by specialist external organisations. Defined contributions paid into these various compulsory retirement schemes are recognised in the income statement for the period.

The Dutch companies have pension plans with both defined contribution as well as defined benefit components. For the latter, commitments are recorded as a provision.

Provisions are booked for retirement allowances relating to defined benefit schemes based on the net present value of these future allowances.

Long term benefits

These are benefits paid to employees more than 12 months after the end of the financial year during which the corresponding service was provided. The same valuation method is used as for post-employment benefits.

Except for the provision for retirement allowances, no commitments relating to long term or post-employment benefits need to be accrued.

1.12. Business segment reporting

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

Business segments

The Group presents its result by division: Retail, Offices, Convention-Exhibition and Property services.

The Convention-Exhibition division comprises management of exhibition venues (Viparis), leasing and lease management of respectively the Méridien Montparnasse and Cnit Hilton hotels, and the organisation of exhibitions (Comexposium), this latter consolidated under the equity method.

Geographical segments

Geographical segments are determined on the basis of the Group's definition of a home region. A home region is defined as a region with more than €1 billion in property investment and a local organisation dedicated to all three business lines: the "owner function" (asset selection and management including pipeline), retail management, and the finance function.

The following are considered home regions based on specific operational and strategic factors:

- France,
- The Netherlands,
- Nordic Countries managed from Sweden, including Sweden, Denmark and Finland,
- Spain,
- Central Europe managed from the Czech Republic, including the Czech Republic, Germany, Hungary, Poland and Slovakia,
- Austria.

1.13. Earnings per share

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

To calculate diluted earnings per share, the average number of shares in circulation is adjusted to take into account the conversion of all potentially dilutive ordinary shares, in particular stock options and bonus shares during the vesting period, as well as the bonds redeemable for shares (*ORA*) and the net share settled bonds convertible into new and/or existing shares (*ORNANE*).

The dilutive impact is determined using the treasury stock method, which assumes that proceeds from the exercise of warrants or options are used to repurchase company shares at their market value. The market value corresponds to the average monthly share price weighted by trading volumes. The theoretical number of shares that may be purchased at the market value is deducted from the total number of shares resulting from the exercise of rights. This number is then added to the average number of shares in circulation and hence constitutes the denominator.

The ORNANE being accounted as a debt at fair value, the impact of the variation of their fair value is restated from the net result when taking into account the dilutive impact.

1.14. Current and non-current assets and liabilities

In accordance with IAS 1 "Presentation of Financial Statements", assets and liabilities other than consolidated shareholders' equity are classified in the statement of financial position as "current" when they are due or payable within twelve months of the accounting date.

2. Business segment report

Consolidated income statement by division

(in €Mn)			2010			2009		
			Recurring activities	Valuation movements and disposals	Result	Recurring activities	Valuation movements and disposals	Result
RETAIL	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**
		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 The 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
		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**

(in €Mn)		2010			2009		
		Recurring activities	Valuation movements and disposals	Result	Recurring activities	Valuation movements and disposals	Result
CONVENTION-EXHIBITION / FRANCE	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 organising	**15.3**	**-12.7**	**2.6**	**7.0**	**-5.4**	**1.7**
	Valuation movements, depreciation, capital gains	-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 profit	13.3	-	13.3	8.4	-	8.4
	Other net 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
Result before tax		**945.8**	**1,660.7**	**2,606.5**	**923.6**	**-2,604.6**	**-1,681.1**
	Income tax expenses	-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**
Average number of shares and ORA (million)		91.5			91.0		
Recurring earnings per share (€)		**9.27**			**9.19**		
Recurring earnings per share growth		**0.87%**			**7.11%**		

The income statement by division is split between recurring and non-recurring result. The non-recurring result before tax is made up of the valuation movements on investment properties, fair value adjustments on derivatives and debts, the net result on disposals, impairment of goodwill, as well as costs directly incurred during a business combination.

The income tax is also split between recurring taxes and non-recurring taxes.

Recurring tax is the outcome of:

- the amount of income tax effectively due on recurring income, after deduction of any tax losses,
- plus/minus changes in a deferred tax asset recognised on tax losses stemming from recurring income (excluding those caused by a change in tax rate and/or those caused by a use of such deferred tax asset by non-recurring profits),
- plus/minus changes in deferred tax assets not related to tax losses and deferred tax liabilities relating to recurring result (excluding those caused by a change in tax rate and/or those caused by a use of such deferred tax asset by non-recurring profits).

Reconciliation between the results by division and the consolidated income statement (EPRA format) for 2010

(in €Mn)	Retail							Offices			C.E.[1]	Not allocated	TOTAL 2010
	France	The Netherlands	Nordic	Spain	Central Europe	Austria	Total Retail	France	Others	Total Offices	France		
Gross rental income	529.9	118.2	127.7	132.2	95.1	70.3	1,073.5	181.3	39.4	220.7	190.2	-	1,484.5
Net rental income	**480.5**	**104.8**	**95.0**	**123.2**	**90.3**	**67.3**	**961.1**	**173.5**	**32.6**	**206.1**	**90.3**	**-**	**1,257.4**
Administrative expenses	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-104.7**	**-104.7**
Acquisition and related costs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-15.8**	**-15.8**
Revenues from other activities	-	-	-	-	-	-	-	-	-	-	108.9	51.2	160.1
Net other income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**30.6**	**13.3**	**43.8**
Result on disposal of investment properties	**9.7**	**68.1**	**-0.4**	**-**	**-0.3**	**-**	**77.1**	**35.1**	**1.5**	**36.5**	**0.1**	**-**	**113.7**
Valuation movements	**938.7**	**61.3**	**98.8**	**92.3**	**81.8**	**117.8**	**1,390.7**	**193.4**	**8.3**	**201.7**	**109.9**	**-**	**1,702.3**
Impairment of goodwill	**-2.1**	**-**	**-**	**-**	**-**	**-**	**-2.1**	**-**	**-**	**-**	**-**	**-**	**-2.1**
Net operating result before financing cost	**1,426.8**	**234.2**	**193.4**	**215.5**	**171.8**	**185.1**	**2,426.8**	**402.0**	**42.3**	**444.3**	**230.8**	**-107.2**	**2,994.6**
Share of the result of associates & income on financial assets	7.1	-	-	-	-	-	7.1	-	-	-	2.6	-	9.7
Net financing costs												-268.9	-268.9
Fair value adjustment of net share settled bonds convertible into new and/or existing shares (ORNANE)												-23.8	-23.8
Fair value adjustment of derivatives and debt & debt discounting												-105.5	-105.5
Result & dividends from non-consolidated companies												0.4	0.4
Result before tax												**-**	**2,606.5**
Income tax expenses												-121.0	-121.0
Net result													**2,485.5**

(1) Convention-Exhibition division.

Reconciliation between the Results by division and the consolidated income statement (EPRA format) for 2009

(in €Mn)	Retail							Offices			C.E.[1]	Not allocated	TOTAL 2009
	France	The Netherlands	Nordic	Spain	Central Europe	Austria	Total Retail	France	Others	Total Offices	France		
Gross rental income	503.3	157.5	118.9	130.3	76.2	67.2	1,053.4	183.9	48.1	232.0	187.5	-	1,472.9
Net rental income	**453.9**	**142.5**	**90.2**	**119.8**	**73.1**	**62.1**	**941.6**	**178.7**	**40.9**	**219.6**	**96.1**	**-**	**1,257.3**
Administrative expenses	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-104.1**	**-104.1**
Revenues from other activities	-	-	-	-	-	-	-	-	-	-	97.8	57.4	155.2
Net other income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**22.8**	**18.0**	**40.8**
Result on disposal of investment properties	**0.1**	**5.3**	**1.1**	**-2.9**	**-29.7**	**-**	**-26.0**	**-7.7**	**-6.8**	**-14.6**	**0.4**	**-**	**-40.2**
Valuation movements	**-821.9**	**-102.1**	**-235.4**	**-287.5**	**-99.6**	**-41.8**	**-1,588.4**	**-318.3**	**-67.3**	**-385.6**	**-218.1**	**-**	**-2,192.1**
Impairment of goodwill	**-**	**-**	**-**	**-**	**-35.1**	**-**	**-35.1**	**-**	**-**	**-**	**-**	**-**	**-35.1**
Net operating result before financing cost	**-367.8**	**45.7**	**-144.1**	**-170.7**	**-91.3**	**20.3**	**-708.0**	**-147.3**	**-33.2**	**-180.5**	**-98.8**	**-86.2**	**-1,073.5**
Share of the result of associates & income on financial assets	-15.1	-	-	-	-	-	-15.1	-	-	-	1.7	-	-13.4
Net financing costs												-282.1	-282.1
Bonds redeemable for shares												-6.3	-6.3
Fair value adjustment of net share settled bonds convertible into new and/or existing shares (ORNANE)												-188.8	-188.8
Fair value adjustment of derivatives and debt & debt discounting												-116.8	-116.8
Result & dividends from non-consolidated companies												-0.1	-0.1
Result before tax												**-**	**-1,681.1**
Income tax expenses												114.5	114.5
Net result													**-1,566.5**

(1) Convention-Exhibition division. Including hotels.
(2) Refers to structure properties, furniture and equipment items.

December 31, 2010
Statement of financial position by division

(in €Mn)	Retail							Offices			Convention-Exhibition [1]	Not allocated [2]	Dec. 31, 2010
	France	The Netherlands	Nordic	Spain	Central Europe	Austria	Total Retail	France	Others	Total Offices	France		
Investment properties at fair value	9,149.3	1,322.3	1,523.9	1,947.5	1,572.9	1,320.9	16,836.9	2,907.7	383.0	3,290.7	1,518.9	-	21,646.5
Investment properties at cost	60.8	-	38.9	15.0	24.3	-	139.0	202.4	-	202.4	0.5	-	341.9
Properties under promise or mandate of sale	444.3	98.1	302.0	-	54.6	25.3	924.3	-	55.4	55.4	-	-	979.7
Other tangible assets	-	-	-	-	-	-	-	150.4	-	150.4	-	49.4	199.8
Goodwill	38.4	-	59.1	-	56.7	72.9	227.2	-	-	-	28.2	10.2	265.6
Intangible assets	-	-	-	-	-	-	-	-	-	-	166.0	4.8	170.8
Shares and investments in companies consolidated under the equity method	-	-	-	-	-	-	-	-	-	-	201.4	-	201.4
	9,692.9	**1,420.4**	**1,924.0**	**1,962.5**	**1,708.5**	**1,419.1**	**18,127.4**	**3,260.5**	**438.4**	**3,698.9**	**1,915.1**	**64.4**	**23,805.7**
Other assets	282.3	82.8	19.0	66.6	216.4	8.2	675.4	133.6	-	133.6	95.7	266.7	1,171.4
Total Assets	**9,975.2**	**1,503.2**	**1,943.0**	**2,029.0**	**1,924.9**	**1,427.3**	**18,802.8**	**3,394.1**	**438.4**	**3,832.5**	**2,010.8**	**331.1**	**24,977.1**
Total Liabilities excluding shareholders' equity	**649.1**	**39.3**	**308.3**	**188.4**	**170.0**	**182.3**	**1,537.5**	**157.8**	**1.4**	**159.2**	**255.8**	**10,654.1**	**12,606.5**

(1) Including hotels.
(2) Refers to structure properties, furniture and equipments items.

Investment by division

(in €Mn)	Retail							Offices			C.E[1]	Not allocated [2]	Dec. 31, 2010
	France	The Netherlands	Nordic	Spain	Central Europe	Austria	Total Retail	France	Others	Total Offices	France		
Investments in investment properties at fair value	741.3	13.0	28.5	39.3	519.8	98.0	1,440.0	39.3	5.1	44.4	82.6	-	1,566.9
Investment in tangible assets at cost	275.6	3.4	15.5	-9.3	5.3	-	290.5	123.0	-	123.0	8.9	13.6	436.0
Total investments	**1,016.9**	**16.5**	**44.1**	**30.1**	**525.1**	**98.0**	**1,730.5**	**162.3**	**5.1**	**167.4**	**91.4**	**13.6**	**2,002.9**

(1) Convention-Exhibition division. Including hotels.
(2) Refers to structure properties, furniture and equipment items.

December 31, 2009
Statement of financial position by division

(in €Mn)	Retail							Offices			Convention-Exhibition (1)	Not allocated (2)	Dec. 31, 2009
	France	The Netherlands	Nordic	Spain	Central Europe	Austria	Total Retail	France	Others	Total Offices	France		
Investment properties at fair value	7,751.9	1,823.2	1,546.8	1,779.2	1,002.8	1,099.6	15,003.5	2,867.7	414.9	3,282.6	1,294.9	-	19,581.0
Investment properties at cost	184.5	1.7	22.2	103.2	36.2	30.7	378.5	189.9	-	189.9	3.2	-	571.6
Properties under promise or mandate of sale	-	332.3	-	-	-	-	332.3	39.2	24.9	64.1	-	-	396.4
Other tangible assets	-	-	-	-	-	-	-	135.9	-	135.9	-	49.7	185.6
Goodwill	9.0	-	59.1	-	39.7	74.0	181.9	-	-	-	28.2	10.3	220.4
Intangible assets	-	-	-	-	-	-	-	-	-	-	190.7	6.7	197.4
Shares and investments in companies consolidated under the equity method	66.1	-	-	-	-	-	66.1	-	-	-	203.4	-	269.6
	8,011.6	**2,157.2**	**1,628.1**	**1,882.4**	**1,078.7**	**1,204.4**	**15,962.4**	**3,232.6**	**439.8**	**3,672.5**	**1,720.5**	**66.7**	**21,422.0**
Other assets	248.8	22.9	19.4	43.5	215.9	8.3	558.9	129.4	0.6	129.9	94.1	440.8	1,223.7
Total Assets	**8,260.3**	**2,180.1**	**1,647.5**	**1,925.9**	**1,294.6**	**1,212.7**	**16,521.3**	**3,362.0**	**440.4**	**3,802.4**	**1,814.6**	**507.5**	**22,645.7**
Total Liabilities excluding shareholders' equity	**430.7**	**60.7**	**272.5**	**161.7**	**119.5**	**141.5**	**1,186.6**	**127.7**	**2.0**	**129.8**	**258.1**	**8,635.6**	**10,210.1**

(1) Including hotels.
(2) Refers to structure properties, furniture and equipments items.

Investment by division

(in €Mn)	Retail							Offices			C.E (1)	Not allocated (2)	Dec. 31, 2009
	France	The Netherlands	Nordic	Spain	Central Europe	Austria	Total Retail	France	Others	Total Offices	France		
Investments in investment properties at fair value	223.8	10.2	15.1	18.4	3.9	104.7	376.1	150.3	9.2	159.5	38.9	-	574.5
Investment in tangible assets at cost	83.4	5.2	9.2	45.0	5.3	1.3	149.4	95.4	7.6	103.0	15.7	5.7	273.9
Total investments	**307.2**	**15.4**	**24.3**	**63.4**	**9.2**	**106.0**	**525.5**	**245.7**	**16.8**	**262.5**	**54.6**	**5.7**	**848.4**

(1) Convention-Exhibition division. Including hotels.
(2) Refers to structure properties, furniture and equipment items.

3. Scope of consolidation

List of consolidated companies	Country	Method (1)	% interest Dec. 31, 2010	% control Dec. 31, 2010	% interest Dec. 31, 2009
SE Unibail-Rodamco	France	FC	100.00	100.00	100.00
SHOPPING CENTRES					
"ANDRAKA" Beteiligungsverwaltungs GmbH	Austria	-	Liquidated	Liquidated	98.52
Donauzentrum Besitz- u. Vermietungs GmbH	Austria	FC	89.25	90.00	88.67
SCS Infrastruktur GmbH	Austria	-	Liquidated	Liquidated	98.52
SCS Liegenschaftsverwertung GmbH	Austria	FC	99.17	100.00	98.52
SCS Motor City Süd Errichtungsges.mbH	Austria	FC	99.17	100.00	98.52
Shopping Center Planungs- und Entwicklungsgesellschaft mbH	Austria	FC	99.17	100.00	98.52
Shopping Center Planungs- und Entwicklungsgesellschaft mbH & Co. Werbeberatung KG	Austria	FC	99.17	100.00	98.52
Shopping City Süd Erweiterungsbau Gesellschaft mbH & Co Anlagenvermietung KG	Austria	FC	99.17	100.00	98.52
Südpark Betriebs und Verwaltungs GmbH	Austria	PC	49.59	50.00	49.26
Centrum Cerny Most as	Czech Republic	FC	99.17	100.00	98.52
Centrum Praha Jih-Chodov sro	Czech Republic	FC	99.17	100.00	98.52
Pankrac Shopping Center ks	Czech Republic	PC	74.38	75.00	73.89
Autopaikat Oy	Finland	PC	34.01	34.29	33.78
Kiinteistö Oy Vantaanportin Liikekeskus	Finland	PC	21.22	21.40	21.08
Kiinteistö Oy Vantaanportin Liiketilat	Finland	PC	59.50	60.00	59.11
SA SFLA	France	FC	100.00	100.00	100.00
SA Société d'Exploitation des Parkings et du Forum des Halles de Paris	France	FC	65.00	65.00	65.00
SARL Bay 1 Bay 2	France	FC	100.00	100.00	-
SARL BEG Investissements	France	FC	100.00	100.00	-
SARL Foncière d'Investissement	France	FC	100.00	100.00	-
SARL Immo-Limo	France	-	Liquidated	Liquidated	100.00
SAS Aquarissimo	France	FC	100.00	100.00	-
SAS Askela	France	FC	100.00	100.00	100.00
SAS Cipcom	France	FC	50.00	100.00	50.00
SAS des Grandes Bruyères	France	EM	10.00	10.00	10.00
SAS La Toison d'Or	France	FC	100.00	100.00	100.00
SAS Le Cannet Développement	France	PC	50.00	50.00	-
SAS Le Carrousel du Louvre	France	FC	100.00	100.00	100.00
SAS Monpar	France	FC	100.00	100.00	100.00
SAS Nice Etoile	France	FC	100.00	100.00	100.00
SAS Parimall-Bobigny 2	France	FC	99.17	100.00	98.52
SAS Parimall-Parly 2	France	FC	99.17	100.00	98.52
SAS Parimall-Ulis 2	France	FC	99.17	100.00	98.52
SAS Parimall-Vélizy 2	France	FC	99.17	100.00	98.52
SAS Parimmo-58 Marceau	France	FC	99.17	100.00	98.52
SAS Parly 2 Avenir	France	FC	77.75	78.40	77.24
SAS PCE	France	PC	50.00	50.00	-
SAS SALG	France	FC	99.17	100.00	98.52
SAS SFAM	France	FC	100.00	100.00	100.00
SAS Société de Lancement de Magasins à l'Usine	France	FC	100.00	100.00	100.00
SAS SP Poissy	France	PC	50.00	50.00	-
SAS Spring Alma	France	FC	100.00	100.00	100.00
SAS Spring Valentine	France	FC	100.00	100.00	100.00
SAS Spring Vélizy	France	FC	100.00	100.00	100.00
SAS Uni-commerces	France	FC	100.00	100.00	100.00

List of consolidated companies	Country	Method (1)	% interest Dec. 31, 2010	% control Dec. 31, 2010	% interest Dec. 31, 2009
SAS Uniwater	France	FC	100.00	100.00	100.00
SAS Villeneuve 2	France	FC	99.17	100.00	98.52
SCI 3borders	France	FC	100.00	100.00	100.00
SCI Aéroville	France	FC	100.00	100.00	100.00
SCI Berri Washington	France	FC	99.17	100.00	98.52
SCI Bordeaux-Bonnac	France	FC	100.00	100.00	100.00
SCI Channel City	France	FC	100.00	100.00	100.00
SCI Coquelles et Coquelles	France	FC	100.00	100.00	100.00
SCI du CC de Bordeaux Préfecture	France	FC	61.00	61.00	61.00
SCI du CC de Lyon La Part Dieu	France	FC	99.17	100.00	98.52
SCI du CC de Rouen St Sever	France	FC	99.17	100.00	98.52
SCI du CC des Pontôts	France	FC	100.00	100.00	100.00
SCI du Forum des Halles de Paris	France	FC	65.00	65.00	65.00
SCI du Petit Parly 2	France	FC	99.17	100.00	98.52
SCI Eiffel Levallois Commerces	France	FC	100.00	100.00	100.00
SCI Elysées Châlons	France	FC	99.17	100.00	98.52
SCI Elysées Parly 2	France	FC	99.17	100.00	98.52
SCI Elysées Vauban	France	FC	99.17	100.00	98.52
SCI Elysées Vélizy 2	France	FC	99.17	100.00	98.52
SCI Espace Commerce Europe	France	PC	50.00	50.00	50.00
SCI Evry Expansion	France	FC	100.00	100.00	100.00
SCI Extension Villeneuve 2	France	FC	99.17	100.00	98.52
SCI Foncière Marceau Saint Sever	France	FC	99.17	100.00	98.52
SCI Grand Magasin Sud LPD	France	FC	99.17	100.00	98.52
SCI Grigny Gare	France	FC	100.00	100.00	100.00
SCI Labex	France	FC	100.00	100.00	100.00
SCI Lyon Kléber	France	FC	99.17	100.00	98.52
SCI Lyon Les Brotteaux	France	FC	99.17	100.00	98.52
SCI Marceau Bussy-Sud	France	FC	99.17	100.00	98.52
SCI Marceau Côté Seine	France	FC	99.17	100.00	98.52
SCI Marceau Parly 2	France	FC	99.17	100.00	98.52
SCI Marceau Plaisir	France	FC	99.17	100.00	98.52
SCI Parlunic 2	France	FC	99.17	100.00	98.52
SCI Pégase	France	FC	53.30	53.30	53.30
SCI Rosny Beauséjour	France	PC	50.00	50.00	50.00
SCI Rosvil	France	-	Liquidated	Liquidated	60.00
SCI Rouen Bretagne	France	FC	99.17	100.00	98.52
SCI Rouen Verrerie	France	FC	99.17	100.00	98.52
SCI SCC de la Défense	France	FC	53.30	53.30	53.30
SCI SCC du Triangle des Gares	France	FC	76.00	100.00	40.00
SCI Sicor	France	FC	73.00	73.00	73.00
SCI Sirmione	France	FC	100.00	100.00	100.00
SCI Sogep	France	PC	9.98	9.98	-
SCI Val Commerces	France	FC	50.02	50.02	50.02
SCI Vendôme Boisseuil	France	FC	100.00	100.00	100.00
SCI Vendôme Boissy 2	France	FC	100.00	100.00	100.00
SCI Vendôme Saint Genis	France	FC	100.00	100.00	100.00
SCI Vendôme Villeneuve 2	France	FC	99.17	100.00	98.52
SCI VRG 1	France	-	Liquidated	Liquidated	100.00
SCI VRG 3	France	-	Liquidated	Liquidated	100.00

List of consolidated companies	Country	Method (1)	% interest Dec. 31, 2010	% control Dec. 31, 2010	% interest Dec. 31, 2009
SCI VRG 4	France	-	Liquidated	Liquidated	100.00
SCI Waskim	France	FC	100.00	100.00	-
SCI Winter	France	FC	50.02	50.02	50.02
SEP Bagnolet	France	PC	35.22	35.22	-
SEP du CC d'Evry 2	France	PC	7.50	7.50	7.50
SEP du CC de Rosny 2	France	PC	26.00	26.00	26.00
SEP Extension Evry 2	France	PC	7.50	7.50	7.50
SEP Galerie Villabé	France	PC	15.00	15.00	-
SEP Première Extension Evry 2	France	PC	7.50	7.50	7.50
SEP Valorisation CC LPD	France	PC	62.02	62.51	61.63
SEP Valorisation CC Parly 2	France	PC	47.45	48.47	47.14
SEP Valorisation CC Saint Sever	France	PC	75.91	76.55	75.42
SEP Valorisation CC Ulis 2	France	PC	38.77	38.92	38.65
SEP Valorisation CC Villeneuve 2	France	PC	52.13	52.57	51.79
SNC Almacie	France	FC	100.00	100.00	100.00
SNC CC Francilia	France	FC	100.00	100.00	100.00
SNC Cegep et Cie	France	FC	99.17	100.00	98.52
SNC de Bures-Palaiseau	France	FC	100.00	100.00	100.00
SNC de l'Extension de Rosny	France	FC	100.00	100.00	100.00
SNC du CC de Labège	France	FC	100.00	100.00	100.00
SNC Les Docks de Rouen	France	FC	100.00	100.00	100.00
SNC Les Passages de l'Etoile	France	FC	100.00	100.00	100.00
SNC Maltèse	France	FC	100.00	100.00	100.00
SNC Randoli	France	FC	100.00	100.00	100.00
SNC Saint Genis Laval	France	FC	100.00	100.00	100.00
SNC Vélizy Petit-Clamart	France	FC	100.00	100.00	100.00
SNC Vuc	France	FC	100.00	100.00	100.00
Immobilienkommanditgesellschaft Dr. Mühlhäuser & Co Einkaufscenter Magdeburg	Germany	PC	49.59	50.00	49.26
KG Schliebe & Co Geschäftszentrum Frankfurter Allee	Germany	PC	66.12	66.67	65.68
EKZ 6 ÖVT-E Kft	Hungary	PC	32.73	33.00	32.51
Euromall Kft	Hungary	FC	99.17	100.00	98.52
Vezer Center Kft	Hungary	FC	99.17	100.00	98.52
Arkadia Centrum Handlowe	Poland	FC	100.00	100.00	-
Rodamco CH1 Sp zoo	Poland	PC	49.59	50.00	49.26
Wilenska Centrum Handlowe	Poland	FC	100.00	100.00	-
Aupark as	Slovakia	PC	49.59	50.00	49.26
Essential Whites SLU	Spain	FC	52.34	100.00	52.00
Promociones Immobiliarias Gardiner SLU	Spain	FC	52.34	100.00	52.00
Proyectos Immobiliarios Time Blue SLU	Spain	FC	50.69	100.00	50.35
Unibail-Rodamco Benidorm SL	Spain	PC	49.59	50.00	86.98
Unibail-Rodamco Garbera SL	Spain	FC	99.17	100.00	98.52
Unibail-Rodamco Inversiones SLU	Spain	FC	99.17	100.00	98.52
Unibail-Rodamco Ocio SLU	Spain	FC	99.17	100.00	98.52
Unibail-Rodamco Proyecto Badajoz SLU	Spain	FC	99.17	100.00	98.52
Unibail-Rodamco Steam SLU	Spain	FC	50.69	100.00	50.35
Unibail-Rodamco Vallsur SL	Spain	FC	99.17	100.00	98.52
Eurostop KB	Sweden	FC	99.17	100.00	98.52
Rodamco Arninge Centrum KB	Sweden	FC	99.17	100.00	98.52
Rodamco Centerpool AB	Sweden	FC	99.17	100.00	98.52

List of consolidated companies	Country	Method (1)	% interest Dec. 31, 2010	% control Dec. 31, 2010	% interest Dec. 31, 2009
Rodamco Eneby AB	Sweden	FC	99.17	100.00	98.52
Rodamco Fisketorvet AB	Sweden	FC	99.17	100.00	98.52
Rodamco Forum Nacka KB	Sweden	FC	99.17	100.00	98.52
Rodamco Garage AB	Sweden	FC	99.17	100.00	98.52
Rodamco Helsingborg KB	Sweden	FC	99.17	100.00	98.52
Rodamco Nova Lund KB	Sweden	FC	99.17	100.00	98.52
Rodamco Nova Lund 2 AB	Sweden	FC	99.17	100.00	98.52
Rodamco Nova Lund 3 AB	Sweden	FC	99.17	100.00	98.52
Rodamco Parkering AB	Sweden	FC	99.17	100.00	98.52
Rodamco Solna Centrum AB	Sweden	FC	99.17	100.00	98.52
Rodamco Täby Centrum KB	Sweden	FC	99.17	100.00	98.52
Rodamco Tyresö Centrum AB	Sweden	FC	99.17	100.00	98.52
Rodamco Väsby Centrum AB	Sweden	FC	99.17	100.00	98.52
Oranjevast/Amvest CV	The Netherlands	EM	9.92	10.00	9.85
Unibail-Rodamco Nederland Winkels BV	The Netherlands	FC	99.17	100.00	98.52
OFFICES					
SA Rodamco France	France	FC	99.17	100.00	98.52
SAS Alba	France	FC	100.00	100.00	100.00
SAS Aquabon	France	FC	100.00	100.00	-
SAS Immobilière Château Garnier	France	-	Liquidated	Liquidated	100.00
SAS Immobilière Louvre	France	FC	100.00	100.00	100.00
SAS Iseult	France	FC	100.00	100.00	100.00
SAS Parimmo-18 Bis Hoche	France	-	Liquidated	Liquidated	98.52
SAS Parimmo-20 Hoche	France	-	Liquidated	Liquidated	98.52
SAS Unibail Investissements II	France	FC	100.00	100.00	100.00
SCI 3-5 Malesherbes	France	FC	100.00	100.00	100.00
SCI Ariane-Défense	France	FC	100.00	100.00	100.00
SCI Bureaux Tour Crédit Lyonnais	France	FC	99.17	100.00	98.52
SCI Cnit Développement	France	FC	100.00	100.00	100.00
SCI Eiffel Levallois Bureaux	France	FC	100.00	100.00	100.00
SCI Gaîté Bureaux	France	FC	100.00	100.00	100.00
SCI Galilée-Défense	France	FC	100.00	100.00	100.00
SCI Le Sextant	France	FC	100.00	100.00	100.00
SCI Marceau Part Dieu	France	FC	99.17	100.00	98.52
SCI Ostraca	France	FC	100.00	100.00	100.00
SCI Sept Adenauer	France	FC	100.00	100.00	100.00
SCI Tour Triangle	France	FC	50.00	100.00	50.00
SCI Trinity Défense	France	FC	100.00	100.00	-
SCI Village 3 Défense	France	FC	100.00	100.00	100.00
SCI Village 4 Défense	France	FC	100.00	100.00	100.00
SCI Village 5 Défense	France	FC	100.00	100.00	100.00
SCI Village 6 Défense	France	FC	100.00	100.00	100.00
SCI Village 7 Défense	France	FC	100.00	100.00	100.00
SCI Village 8 Défense	France	FC	100.00	100.00	100.00
SCI VRG 2	France	-	Liquidated	Liquidated	100.00
SCI Wilson (Puteaux)	France	FC	100.00	100.00	100.00
SNC Capital 8	France	FC	100.00	100.00	100.00
SNC Gaîté Parkings	France	FC	100.00	100.00	100.00
SNC Lefoullon	France	FC	100.00	100.00	100.00
Akvest Kantoren CV	The Netherlands	FC	89.25	90.00	88.67

List of consolidated companies	Country	Method (1)	% interest Dec. 31, 2010	% control Dec. 31, 2010	% interest Dec. 31, 2009
CONVENTION-EXHIBITION					
SA Comexposium (subgroup)	France	EM	50.00	50.00	50.00
SA Viparis - Le Palais des Congrès d'Issy	France	FC	47.56	95.12	47.56
SARL Pandore	France	FC	50.00	100.00	50.00
SAS Paris Expo Services	France	FC	50.00	100.00	50.00
SAS Société d'Exploitation du Palais des Sports	France	PC	50.00	50.00	50.00
SAS Viparis	France	FC	50.00	100.00	50.00
SAS Viparis - Le Bourget	France	FC	50.00	100.00	50.00
SAS Viparis - Le Palais des Congrès de Paris	France	FC	50.00	100.00	50.00
SAS Viparis - Nord Villepinte	France	FC	50.00	100.00	50.00
SAS Viparis - Palais des Congrès de Versailles	France	FC	45.00	90.00	45.00
SAS Viparis - Porte de Versailles	France	FC	50.00	100.00	50.00
SCI Propexpo	France	FC	50.00	50.00	50.00
SERVICES					
Donauzentrum Betriebsführungsges.mbH	Austria	FC	99.17	100.00	88.67
DX Donauplex Betriebsges.mbH	Austria	-	Liquidated	Liquidated	88.67
SCS Immobilienverwaltungs GmbH	Austria	-	Liquidated	Liquidated	98.52
Shopping Center Vösendorf Verwaltungsgesellschaft mbH	Austria	FC	99.17	100.00	98.52
Südpark Holding GmbH	Austria	FC	99.17	100.00	98.52
Unibail-Rodamco Beteiligungsverwaltung GmbH	Austria	FC	99.17	100.00	98.52
Unibail-Rodamco Invest GmbH	Austria	FC	99.17	100.00	98.52
EKZ 11 sro	Czech Republic	PC	74.38	75.00	-
Rodamco Ceska Republica sro	Czech Republic	FC	99.17	100.00	98.52
SARL Cefic Gestion	France	FC	100.00	100.00	-
SARL Sogefic	France	FC	100.00	100.00	-
SARL Sovalec	France	FC	99.59	100.00	99.26
SARL SPSP	France	FC	100.00	100.00	100.00
SARL TC Design	France	FC	100.00	100.00	-
SAS Cnit Restauration	France	FC	100.00	100.00	100.00
SAS Espace Expansion	France	FC	100.00	100.00	100.00
SAS Rodamco France Management	France	FC	99.17	100.00	98.52
SAS Rodamco Gestion	France	FC	99.17	100.00	98.52
SAS S2B	France	-	Liquidated	Liquidated	100.00
SAS Société d'Exploitation Hôtelière du Cnit	France	FC	100.00	100.00	100.00
SAS Unibail Management	France	FC	100.00	100.00	100.00
SAS Unibail Marketing & Multimédia	France	FC	100.00	100.00	100.00
SAS Unibail-Rodamco Développement	France	FC	100.00	100.00	100.00
PFAB GmbH	Germany	EM	22.04	22.22	21.89
Cefic Polska	Poland	FC	100.00	100.00	-
Rodamco Europe Sp zoo	Poland	FC	99.17	100.00	98.52
Rodamco Metropolis Management LLC	Russia	FC	99.17	100.00	98.52
RF Property Management spol, sro	Slovakia	PC	49.59	50.00	49.26
Unibail-Rodamco Spain SAU	Spain	FC	99.17	100.00	98.52
Rodamco Management AB	Sweden	FC	99.17	100.00	98.52
Rodamco Projekt AB	Sweden	FC	99.17	100.00	98.52
Rodamco Sverige AB	Sweden	FC	99.17	100.00	98.52
Rodamco Europe Beheer BV	The Netherlands	FC	99.17	100.00	98.52
Rodamco Nederland BV	The Netherlands	FC	99.17	100.00	98.52
Unibail-Rodamco Development Nederland BV	The Netherlands	FC	99.17	100.00	98.52
Unibail-Rodamco Management BV	The Netherlands	FC	100.00	100.00	100.00

List of consolidated companies	Country	Method (1)	% interest Dec. 31, 2010	% control Dec. 31, 2010	% interest Dec. 31, 2009
HOLDINGS AND OTHER					
SCS Werbegesellschaft mbH	Austria	-	Liquidated	Liquidated	98.52
Unibail-Rodamco Liegenschaftserwerbs GmbH	Austria	FC	99.17	100.00	98.52
Moravska Obchodni as	Czech Republic	FC	64.46	65.00	64.04
Rodamco Pankrac as	Czech Republic	FC	99.17	100.00	98.52
Rodareal Oy	Finland	FC	99.17	100.00	98.52
SA Société de Tayninh	France	FC	97.68	97.68	97.68
SA Uni-Expos	France	FC	100.00	100.00	100.00
SA Union Internationale Immobilière	France	FC	99.17	100.00	98.52
SA Viparis Holding	France	FC	50.00	50.00	50.00
SARL Espace Expansion Immobilière	France	FC	100.00	100.00	100.00
SARL Foncière Immobilière	France	FC	100.00	100.00	-
SARL Groupe BEG	France	FC	100.00	100.00	-
SARL Unibail-Rodamco SIF France	France	FC	100.00	100.00	-
SARL Unibail-Rodamco SIF Services	France	FC	100.00	100.00	-
SAS Doria	France	FC	100.00	100.00	100.00
SAS Frankvink Investissements	France	FC	99.17	100.00	98.52
SAS Hoche Poincaré	France	FC	99.17	100.00	98.52
SAS R.E. France Financing	France	FC	99.17	100.00	-
SAS Unibail-Rodamco Participations	France	FC	100.00	100.00	100.00
SAS UR-SIF	France	FC	100.00	100.00	-
SAS Valorexpo	France	FC	100.00	100.00	100.00
SCI 39/41 rue Cambon	France	-	Liquidated	Liquidated	100.00
SCI Arali	France	-	Liquidated	Liquidated	100.00
SCI du CC d'Euralille S3C Lille	France	FC	60.00	60.00	-
SCI Tayak	France	FC	100.00	100.00	100.00
SNC Financière 5 Malesherbes	France	FC	100.00	100.00	100.00
SNC Foncière Richelieu Commerce	France	-	Liquidated	Liquidated	100.00
Rodamco Deutschland GmbH	Germany	FC	99.17	100.00	98.52
Rodamco Deutschland GmbH & Co Süd Liegenschafts KG	Germany	FC	99.17	100.00	98.52
Zeilgalerie Gbr	Germany	FC	99.17	100.00	98.52
SARL GSSM Luxembourg Holding	Luxembourg	FC	100.00	100.00	-
SARL WSSM Luxembourg Holding	Luxembourg	FC	100.00	100.00	-
Gdansk Station SM	Poland	FC	100.00	100.00	-
Lodz Nord SM	Poland	FC	100.00	100.00	-
Polska SM	Poland	FC	100.00	100.00	-
Szczecin SM	Poland	FC	100.00	100.00	-
Wilenska Station SM	Poland	FC	100.00	100.00	-
Arrendamientos Vaguada CB	Spain	PC	61.95	62.47	61.55
Promociones Unibail-Rodamco Generales SLU	Spain	FC	99.17	100.00	98.52
Proyectos Immobiliarios New Visions SLU	Spain	FC	99.17	100.00	98.52
Unibail-Rodamco Levante SLU	Spain	FC	99.17	100.00	98.52
Unibail-Rodamco Parques Comerciales SLU	Spain	FC	99.17	100.00	98.52
Eurostop AB	Sweden	FC	99.17	100.00	98.52
Eurostop Holding AB	Sweden	FC	99.17	100.00	98.52
Fastighetsbolaget Älvringen AB	Sweden	FC	99.17	100.00	-
Fastighetsbolaget Grindtorp AB	Sweden	FC	99.17	100.00	-
Fastighetsbolaget Helsingborg Östra AB	Sweden	FC	99.17	100.00	98.52
Fastighetsbolaget Helsingborg Västra AB	Sweden	FC	99.17	100.00	98.52
Fjärilen Bostads AB	Sweden	-	Sold	Sold	98.52

List of consolidated companies	Country	Method (1)	% interest Dec. 31, 2010	% control Dec. 31, 2010	% interest Dec. 31, 2009
Haninge Handel Fastighets AB	Sweden	FC	99.17	100.00	-
Knölsvanen Bostads AB	Sweden	FC	99.17	100.00	-
Piren AB	Sweden	FC	99.17	100.00	98.52
Rodamco AB	Sweden	FC	99.17	100.00	98.52
Rodamco Expand AB	Sweden	FC	99.17	100.00	98.52
Rodamco Hallunda Centrum HB	Sweden	FC	99.17	100.00	98.52
Rodamco Holding AB	Sweden	FC	99.17	100.00	98.52
Rodamco Invest AB	Sweden	FC	99.17	100.00	98.52
Rodamco Nacka AB	Sweden	FC	99.17	100.00	98.52
Rodamco Northern Europe AB	Sweden	FC	99.17	100.00	98.52
Rodamco Täby AB	Sweden	FC	99.17	100.00	98.52
Rodamco Tumlaren AB	Sweden	FC	99.17	100.00	98.52
Solna Torg Fastighets AB	Sweden	FC	99.17	100.00	-
Trumpetsvanen Bostads AB	Sweden	FC	99.17	100.00	-
Tyresö Hus Fastighets AB	Sweden	FC	99.17	100.00	-
Väsby Handel Fastighets AB	Sweden	FC	99.17	100.00	-
Väsby Hus Fastighets AB	Sweden	FC	99.17	100.00	-
Belindam BV	The Netherlands	FC	99.17	100.00	98.52
Cijferzwaan BV	The Netherlands	FC	99.17	100.00	98.52
Deenvink BV	The Netherlands	FC	99.17	100.00	98.52
Dotterzwaan BV	The Netherlands	FC	99.17	100.00	98.52
Feldkirchen BV	The Netherlands	FC	99.17	100.00	98.52
New Tower Real Estate BV	The Netherlands	FC	50.69	51.11	50.35
Old Tower Real Estate BV	The Netherlands	FC	52.34	52.78	52.00
Rodamco Austria BV	The Netherlands	FC	99.17	100.00	98.52
Rodamco Central Europe BV	The Netherlands	FC	99.17	100.00	98.52
Rodamco Czech BV	The Netherlands	FC	99.17	100.00	98.52
Rodamco Deutschland BV	The Netherlands	FC	99.17	100.00	98.52
Rodamco España BV	The Netherlands	FC	99.17	100.00	98.52
Rodamco Europe Finance BV	The Netherlands	FC	99.17	100.00	98.52
Rodamco Europe Finance II BV	The Netherlands	FC	99.17	100.00	98.52
Rodamco Europe NV	The Netherlands	FC	99.17	99.17	98.52
Rodamco Europe Properties BV	The Netherlands	FC	99.17	100.00	98.52
Rodamco Hungary BV	The Netherlands	FC	99.17	100.00	98.52
Rodamco Nederland Winkels BV	The Netherlands	FC	99.17	100.00	98.52
Rodamco Project I BV	The Netherlands	FC	99.17	100.00	98.52
Rodamco Retail Deutschland BV	The Netherlands	FC	99.17	100.00	98.52
Rodamco Russia BV	The Netherlands	FC	99.17	100.00	98.52
Rodamco Turkey BV	The Netherlands	FC	99.17	100.00	98.52
Romanoff Eastern Europe Property BV	The Netherlands	FC	79.34	80.00	78.82
Unibail-Rodamco Poland 1 BV	The Netherlands	FC	99.17	100.00	98.52
Unibail-Rodamco Poland 2 BV	The Netherlands	FC	99.17	100.00	98.52
Unibail-Rodamco SI BV	The Netherlands	FC	100.00	100.00	-
Vuurvink BV	The Netherlands	FC	99.17	100.00	98.52

(1) FC: full consolidation method, PC: proportional consolidation method, EM: equity method.

4. Highlights and comparability of the last two years

In 2009

1. Acquisitions

As at October 30, 2009, Unibail-Rodamco completed the acquisition, for a total net amount of €59 Mn, of the shares of SCI Le Sextant, company owning the office building Le Sextant, located in Paris on top of the Aquaboulevard asset held by the Group.

2. Disposals

- **Disposals of offices**

Four buildings were sold in France in 2009 for a total net disposal price of €288.6 Mn at an average buyer's net initial yield of 6.15%. Two of them (34-36 rue Cambon-Paris and the Clichy building) representing 89% of the proceeds were sold in December 2009.

Three buildings in The Netherlands and one in Sweden were sold for a total net disposal price of €109.1 Mn.

- **Disposals of shopping centres**

The Group divested €324.2 Mn from its Retail portfolio in 2009, 99% of which came from Dutch high street retail assets, pursuant to the Group's strategy to concentrate on large shopping centres.

3. Issuance of net share settled bonds convertible into new and/or existing shares (ORNANE)

Unibail-Rodamco announced on April 29, 2009 the settlement-delivery of 3,928,670 net share settled bonds convertible into new and/or existing shares (ORNANE) at a nominal value of €146.36 per unit (including a premium of 30% compared to the reference price of the Unibail-Rodamco share) for a total amount of €575 Mn.

The public offer was open from April 22, 2009 to April 24, 2009 included, based on a prospectus approved by the French securities regulator, *Autorité des marchés financiers* (the "AMF") under No. 09-104 on April 21, 2009. The prospectus constituted of the annual report, *document de référence*, filed with the AMF on March 18, 2009 under the No. D.09-0129 and a securities note, *note d'opération* (which includes a summary of the prospectus).

These bonds are listed on the Euronext Paris market of NYSE Euronext.

Main characteristics of the ORNANE (for more details, refer to the above mentioned *"note d'opération"*)

- Bonds issued at par and bearing interest of 3.50% per year, applied to its nominal value, payable annually in arrears on January 1 of each year from January 1, 2010.
- Bonds redeemable in full at par and without premium on January 1, 2015.
- In case of early redemption, the bondholders will have the right to receive for one bond an allocation of:
  (a) an amount in cash equal to the lesser of (i) the nominal value of the bonds and (ii) the conversion value (adjusted arithmetic mean of the volume-weighted average trading price of Unibail-Rodamco shares over a period of 10 consecutive trading days beginning from the exercise date inclusive of the conversion right),

  (b) if the conversion value is greater than the nominal value of the bond, an amount payable in new or existing Unibail-Rodamco shares or a combination of the two, at the option of Unibail-Rodamco, corresponding to the difference between the conversion value and the nominal value of the bond.

Being a financial debt with an embedded derivative, and in accordance with IAS 39, the ORNANE are accounted for fully, right from the start, at fair value, on a separate line in the statement of financial position, with subsequent changes recorded on a separate line in the income statement. The accrued interests are classified in the consolidated statement of financial position on the line "Current borrowings and amounts due to credit institutions". The interest expenses are classified in the statement of comprehensive income on the line "Net financing costs".

4. Conversion into a European Company

The General Meeting of shareholders held on May 14, 2009 approved the conversion of the Company into a European Company with a Management Board and a Supervisory Board under the provisions of the Council Regulation 2001/2157/EC and article L. 225-245-1 of the French Commercial Code.

5. Bonds Redeemable for Shares conversion

During the year 2009, 9,297,338 bonds redeemable for shares were exercised. At the end of December 2009, there remained 19,684 bonds redeemable for shares not exercised, giving rights to 20,077 shares.

6. Leave the Dutch FBI regime

As reported in its press release of December 11, 2009, Unibail-Rodamco expects to lose its status as FBI (Fiscale Beleggings Instelling) in The Netherlands for its Dutch activities in 2010. 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.

7. Disposal of Russian activity

The Group exited from the Metropolis shopping centre project in Moscow, in line with the strategy to concentrate investments on cities where the Group already has a presence. All the costs related to this discontinued operation were recorded in the result for the period on the line "result on disposal of investment properties" for an amount of €30.4 Mn.

8. Impairment of the Shopping City Süd goodwill

A fiscal group was created in 2009 for Shopping City Süd in Austria, leading to the recognition of deferred tax assets of €70.5 Mn. The goodwill recorded at the acquisition was impaired for the same amount. Both amounts were recorded on the line "income tax expenses" of the statement of comprehensive income.

In 2010

1. Disposals

• Offices

The Group sold 8 office buildings in 2010 for a total net disposal proceeds of €462.0 Mn and a net profit of €36.5 Mn:

- Capital 8-Messine in Paris, sold in Q2 for a net disposal price of €242.1 Mn at a net initial yield of 5.6%,
- 18-20 avenue Hoche in Paris, sold in Q1 for a net disposal price of €40.0 Mn and a net initial yield of 5.3%,
- 168 avenue Charles de Gaulle- Neuilly, 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, sold at the end of the year for a net disposal price of €74.6 Mn and a net initial yield of 4.7%,
- One logistic building in Madrid for €27.5 Mn,
- Small assets in Sweden, France and The Netherlands for €15.3 Mn.

• Shopping centres

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 were sold and in France, Saint Martial shopping centre in Limoges was sold during the second half-year. Disposals amounted to €1,065.8 Mn (net disposal proceeds) and generated a net result of €77.1 Mn.

2. Acquisitions

• Shopping centres

On July 1, 2010, the Group increased its stake in SCI du Triangle des Gares (Euralille shopping centre) in Lille, France, from 40% to 76% for an underlying asset value of €65.5 Mn for the acquired part. This entity, previously consolidated under the equity method, has been fully consolidated as from this date.

The Group invested in several plots notably in Garbera and Parquesur in Spain and Rosny 2 in France for €39 Mn.

In the context of the large project of restructuration of Forum des Halles in Paris, the Group acquired from the City of Paris the land of the existing ground leasehold for an amount of €106.6 Mn. It will be paid in several instalments until 2019. The debt value was discounted in counterpart of the asset value.

• Offices

The Group acquired an office building in Nanterre - France for an amount of €2.8 Mn.

• Convention-Exhibition

In Parc des expositions Paris – Nord Villepinte, the new hall 7 was delivered in July 2010. This new hall has been let to VIPARIS for 97 years. This lease contract meets the criteria to be accounted for as a financial lease. Consequently an asset classified in investment property was booked for an amount of €58.6 Mn against a same amount of financial liability.

3. Acquisition of Simon Ivanhoe's portfolio

On July 15, 2010, the Group acquired Simon Ivanhoe's portfolio in Poland and in France, composed of 2 shopping centres in Poland, Arkadia and Wilenska in Warsaw and Bay1 / Bay2 shopping centre in France, east of Paris. This portfolio also includes stakes in 3 other shopping centres in France, Bel-Est, Villabé and Wasquehal and 5 projects, including Les Portes de Gascogne in Toulouse.

The acquisition was treated as a business combination.

The fair value of the identifiable assets and liabilities of Simon Ivanhoe's portfolio as at the date of acquisition were:

(in €Mn)	Fair value recognised on acquisition
Investment properties	779.4
Tangible and intangible assets	0.9
Other financial assets	11.7
Deferred tax assets	1.5
Other current assets	32.7
Cash and cash equivalents	82.6
	908.8
Bonds and borrowings	325.3
Other financial liabilities	21.6
Deferred tax liabilities	88.8
Other non current liabilities	7.1
Other current liabilities	42.7
	485.6
Total identifiable net assets at fair value	**423.2**
Goodwill arising on acquisition	46.4
Total consideration	**469.6**

The total consideration of €469.6 Mn booked for the 100% share acquired consists of €464.6 Mn cash and a contingent amount of €5.0 Mn related to the development activity on Les Portes de Gascogne, in Toulouse, France. This latter amount will be paid if planning permission is obtained in the 3 years from July 15, 2010.

The incidental costs of €7.2 Mn incurred in connection with the acquisition have been expensed and are included in the operating result on the line "acquisition and related costs".

From the date of acquisition, Simon Ivanhoe's portfolio has contributed €24.8 Mn to the gross rental income , €6.3 Mn to the recurring result for the Group and -€10.4 Mn to the non recurring result.

If the combination had taken place at the beginning of the year, the impact for the Group would have been:

- Gross rental income: €53.1 Mn,
- Recurring result: +€10.6 Mn.

The goodwill of €46.4 Mn is justified by tax optimisation expected on the assets both in France and in Poland.

None of the goodwill is expected to be deductible for tax purposes.

The values recognised in the consolidated financial position as at December 31, 2010 are based upon current best estimates. It is possible that further adjustments may be recognised within twelve months of the acquisition in accordance with IFRS rules.

4. Change in stake on Benidorm project

According to the partners' agreement, as all of the authorisations had not been obtained in September 2010, the Group's interest in Unibail Rodamco Benidorm SL, which owns the Benidorm project in Spain, changed from 89% to 50%.

5. Rodamco Europe squeeze out proceedings

Non-controlling shareholders still own 0.83% of Rodamco Europe NV at December 31, 2010. The buyout proceedings under Dutch law, initiated on December 14, 2007 before the Enterprise Chamber of the Amsterdam Court of Appeal, are still ongoing.

On March 9, 2010, the Dutch Enterprise Chamber rendered an interim judgment. The Court rejected the demands by the plaintiffs to set the squeeze out price at the June 2007 cash value. The Court appointed three independent experts and asked them to give a value to Rodamco Europe as a stand-alone entity as per the present moment. The report was transmitted in July 2010. No decision has been rendered in 2010. (See section 12 "Post closing events").

Unibail-Rodamco SE has accepted an unsolicited offer to purchase 579,420 shares in Rodamco Europe NV for a price of €70.65 per share ex-dividend, effective June 11, 2010. An additional offer to purchase 7,300 shares was concluded on June 15, 2010. These transactions represent 43.7% of the remaining Rodamco Europe NV shares held by third parties. On December 31, 2010, Unibail-Rodamco SE holds 99.17% of the Rodamco Europe NV shares.

If any further unsolicited offers are made to purchase shares of Rodamco Europe NV, Unibail-Rodamco SE reserves its right to accept such offers at terms and conditions which it will deem appropriate.

6. Capital reimbursement

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.

7. Financing

During 2010, the Group issued 2 public EMTN bonds for a total amount of €1,135 Mn and signed €650 Mn medium to long term credit facilities or bank loans with an average maturity of 4.4 years (see note 11).

5. Notes and comments

5.1. Notes to the consolidated assets

Note 1 – Investment properties

In accordance with the preferred method provided under IAS 40, investment properties are stated at their market value as determined by independent appraisers.

The recovery of European investment volume 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 offices), Austria/Germany, Poland and Sweden.

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, especially the large centres for which demand from national and international retailers increases.

Investment Properties Under Construction (IPUC) are covered by IAS 40 since January 1, 2009 and hence are eligible for revaluation except for those for which the fair value is not reliably determinable.

IPUC 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 Group uses generic guidelines to establish the remaining level of risk, focusing notably on uncertainty remaining in construction and leasing.

IPUC at fair value were valued using a discounted cash flow or yield method approach (in accordance with RICS[1] and IVSC[2] standards) as deemed appropriate by the independent appraiser. In some cases, both methods were combined to validate and cross-check critical valuation parameters.

Six IPUC were assessed at fair value as at December 31, 2010:

- three shopping centre projects: in Spain, the Faro del Guadiana project, and in France Lyon Confluence in Lyon and So Ouest Shopping Centre in Levallois-Perret,
- So Ouest Offices in Levallois-Perret, France,
- Hotel Lyon Confluence in Lyon, France,
- the Alma shopping centre extension in Rennes, France.

These projects represented a total amount of €641.3 Mn in the consolidated statement of financial position at December 31, 2010, of which €431.3 Mn for Retail, €197.6 Mn for Offices, and €12.4 Mn for Convention-Exhibition. The total impact of the revaluation of these assets in the income statement for 2010 is a gain of €17.3 Mn.

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

As at December 31, 2010, the IPUC still stated at cost are mainly, in Spain, Benidorm; in France, Les Portes de Gascogne, Aéroville, Tour Phare, Majunga and Courcellor projects; in the Czech Republic, the extensions of Centrum Chodov and Centrum Cerny Most and in Sweden, the Täby extension and the Mall of Scandinavia.

Assets still stated at cost were subject to an impairment test at December 31, 2010. A reversal was booked for €12.4 Mn (of which €7.9 Mn related to disposals in The Netherlands) and an allowance for -€2.3 Mn.

As mentioned in section 1 "Accounting principles and consolidation methods" § 1.5 "Asset valuation methods", for the Shopping Centre and Offices portfolios, the valuation principles adopted are based on the discounted cash flow and yield methodologies. For the Convention-Exhibition portfolio, the valuation methodology adopted is mainly based on a discounted cash flow model applied to total net income projected over the life of the concession or leasehold, if it exists, 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.

(1) RICS: Royal Institute of Chartered Surveyors.
(2) IVSC: International Valuation Standards Committee.

- **Shopping Centre portfolio**

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

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

- **Offices portfolio**

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

Based on the year-end yield of 6.6%, a change of +25 basis points would result in an adjustment of -€132 Mn (-3.4%) of the portfolio value (occupied and vacant space, including transfer taxes and disposal costs).

- **Convention-Exhibition portfolio**

Based on the 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%, 80 basis points lower than December 31, 2009.

For further information on the parameters used for the investment properties valuation, please refer to the note on the Net Asset Value as at December 31, 2010.

As at December 31, 2010, the outstanding balances of deferred lease incentives and key monies amortised over the firm term of the lease and deducted from the appraisal value represented €33.9 Mn.

Changes in investment properties at fair value

2010 Change

(in €Mn)	Dec. 31, 2009	Acquisitions[1]	Changes in the scope of consolidation[2]	Capitalised expenses[3]	Disposals[4]	Reclassification and transfer of category[5]	Discounting impact[6]	Valuation movements	Currency translation	Dec. 31, 2010
Retail	15,003.5	178.8	918.6	342.6	-653.2	-455.9	-22.7	1,388.2	156.5	16,856.6
Offices	3,282.6	13.6	-	30.8	-338.0	74.9	-	177.2	29.9	3,271.1
Convention-Exhibition centres	1,294.8	58.6	-	24.0	-0.2	12.1	-	129.6	-	1,518.8
Total investment properties	**19,581.0**	**250.9**	**918.6**	**397.4**	**-991.3**	**-368.8**	**-22.7**	**1,695.0**	**186.4**	**21,646.5**
Properties under promise or mandate of sale	396.4	-	-	-	-396.4	975.4	-	-	-	975.4 [7]
Total	**19,977.4**	**250.9**	**918.6**	**397.4**	**-1,387.7**	**606.6**	**-22.7**	**1,695.0**	**186.4**	**22,622.0**

(1) Acquisitions were : in France, the ground lease of Forum des Halles in Paris (€106.6 Mn), the recognition of the financial lease of the hall 7 in Paris Nord Villepinte (€58.6 Mn), a forward purchase agreement for Tour Oxygène (€10.8 Mn) and Cours Oxygène (€33.4 Mn) in Lyon and some additional plots in Rosny-sous-Bois (€26.2 Mn) ; in Spain, Parquesur (€8.3 Mn) and San Sebastian Garbera (€3.6 Mn) ; and an office building in Nanterre, France (€2.8 Mn).
(2) The entry into the scope of consolidation relates to the acquisition of the Simon Ivanhoe portfolio (€766.4 Mn) and the full consolidation of Euralille in Lille, France, following the further acquisition of 36%.
(3) Major works related to:
- shopping centres: in France (€172.1 Mn), mainly for Les Quatre Temps in Paris La Défense (€34.0 Mn), Lyon Part Dieu (€27.3 Mn), Vélizy 2 in Vélizy Villacoublay (€14.4 Mn), Parly 2 in Le Chesnay (€11.9 Mn) and Le Forum des Halles in Paris (€11.3 Mn); in Austria for Donau Zentrum (€82.5 Mn) and Shopping City Süd (€14.7 Mn) in Vienna; in Spain La Maquinista in Barcelona (€11.3 Mn) and in Sweden Solna Centrum (€7.9 Mn),
- offices mainly the Cnit – Paris La Défense (€6.9 Mn), Tour Galilée Paris La Défense (€5.3 Mn), Issy Guynemer (€2.8 Mn), Tour Oxygène (€2.1 Mn) in Lyon, all in France and Solna Centrum offices (€2.3 Mn) in Sweden,
- Convention-Exhibition centres in France Parc des Expositions de la Porte de Versailles (€15.3 Mn) and Palais des Congrès de Paris (€4.5 Mn).

(4) Refers mainly to the disposal of small shopping centres in The Netherlands (€814.8 Mn) and in France (€170.4 Mn) and disposal of office properties in France (€364.9 Mn), in Spain (€25.3 Mn), in The Netherlands (€7.7 Mn) and in Sweden (€4.1 Mn) (see section 4 "Highlights and comparability of the last two years").
(5) The Faro del Guadiana project in Spain, the last part of the Almere Buitenmere extension in The Netherlands, and, in France, the So Ouest shopping centre and offices in Levallois-Perret and Lyon Confluence projects, were transferred from IPUC at cost to Investment Properties at fair value.
(6) As €106.6 Mn to be paid for the acquisition of the ground lease of Forum des Halles in Paris have been deferred to 2013 and 2019, the debt value was discounted in counterpart of the asset value.
(7) Sales commitments for retail properties in France, Sweden, Austria, Hungary and The Netherlands amount to €900.4 Mn, and for offices properties in Sweden and The Netherlands, the amount is €75.0 Mn.

2009 Change

(in €Mn)	Dec. 31, 2008	Acquisitions	Changes in the scope of consolidation	Capitalised expenses	Disposals	Reclassification and transfer of category	Valuation movements	Currency translation	Dec. 31, 2009
Retail	16,337.5	53.5	-	322.5	-92.7	-59.8	-1,537.9	-19.7	15,003.5
Offices	3,871.2	40.2	59.2	60.2	-391.2	6.5	-365.0	1.6	3,282.6
Convention-Exhibition centres	1,493.9	7.5	-	31.4	-2.5	-0.1	-235.4	-	1,294.8
Total investment properties	**21,702.7**	**101.2**	**59.2**	**414.1**	**-486.4**	**-53.4**	**-2,138.3**	**-18.2**	**19,581.0**
Properties under promise or mandate of sale	215.3	-	-	-	-215.3	396.4	-	-	396.4
Total	**21,918.0**	**101.2**	**59.2**	**414.1**	**-701.8**	**343.0**	**-2,138.3**	**-18.2**	**19,977.4**

Changes in investment properties at cost

2010 Change

(in €Mn)	Dec. 31, 2009	Acquisitions[1]	Changes in the scope of consolidation[2]	Capitalised expenses[3]	Disposals[4]	Reclassification and transfer of category[5]	Discounting impact[6]	Impairment[7]	Currency translation	Dec. 31, 2010
Gross value	614.2	199.1	-31.7	212.7	-9.6	-613.4	-3.8	-	3.5	371.0
Amortisation	-42.6	-	-	-	-	3.4	-	10.1	-	-29.1
Total Investment properties at cost	**571.6**	**199.1**	**-31.7**	**212.7**	**-9.6**	**-610.0**	**-3.8**	**10.1**	**3.5**	**341.9**
Properties under promise or mandate of sale	-	-	-	-	-	4.3	-	-	-	4.3 [8]
Total	**571.6**	**199.1**	**-31.7**	**212.7**	**-9.6**	**-605.7**	**-3.8**	**10.1**	**3.5**	**346.2**

(1) Relates to the acquisition of building rights for the So Ouest shopping centre and offices at Levallois-Perret in France for €175.0 Mn, land for the Majunga project for €34.5 Mn and to the repayment by the vendor of the land acquisition cost of the Benidorm project in Spain for -€12.0 Mn.
(2) Due to the entry of the Simon Ivanhoe projects in France for €12.9 Mn and to the change of interest from 89% to 50% in the proportionally consolidated subsidiary Unibail-Rodamco Benidorm SL, owner of the Benidorm project in Spain for -€42.3 Mn.
(3) Major works related to the shopping centres Lyon Confluence (€66.1 Mn), Roissy CDG Aéroville (€6.2 Mn) and So Ouest in Levallois-Perret (€8.8 Mn) in France and Täby Centrum (€13.6 Mn) in Sweden, to the office projects Majunga (€22.1 Mn) and Phare (€5.1 Mn) in Paris-La Défense and So Ouest in Levallois-Perret (€59.2 Mn) in France and to Lyon Confluence Hotel (€8.5 Mn) in France for convention-exhibition centres.
(4) Relates to an office building in The Netherlands.
(5) Corresponds for the most part to the transfer of assets to the category "Investment properties at fair value". See "Changes in investment properties at fair value" footnote (5) for more details.
(6) Relates mainly to deferred payments on projects So Ouest in Levallois-Perret and Majunga in France which were discounted in counterpart of the asset value.
(7) A reversal was booked for €12.4 Mn and an allowance for -€2.3 Mn.
(8) Sales commitments for retail properties in Hungary.

2009 Change

(in €Mn)	Dec. 31, 2008	Acquisitions	Capitalised expenses	Disposals	Reclassification and transfer of category	Impairment	Currency translation	Dec. 31, 2009
Gross value	760.9	87.4	166.4	-24.8	-341.2	-34.7	0.3	614.2
Amortisation	-23.4	-	-	-	-	-19.2	-	-42.6
Total	**737.5**	**87.4**	**166.4**	**-24.8**	**-341.2**	**-53.9**	**0.3**	**571.6**

Note 2 – Other tangible assets

2010 Change

Gross value (in €Mn)	Dec. 31, 2009	Acquisitions and capitalised expenses [1]	Changes in the scope of consolidation [2]	Disposals [3]	Amortisation	Other movements	Dec. 31, 2010
Operating assets	168.3	-	-	-	-	-	168.3
Furniture and equipment	86.6	11.7	1.9	-5.7	-	-0.5	94.0
Total	**254.9**	**11.7**	**1.9**	**-5.7**	**-**	**-0.5**	**262.3**

Depreciation / Impairment (in €Mn)	Dec. 31, 2009	Charges	Changes in the scope of consolidation	Reversals	Amortisation	Other movements	Dec. 31, 2010
Operating assets	32.4	2.3	-	-16.8 [4]	-	-	18.0
Furniture and equipment	36.9	11.2	1.2	-5.2	-	0.4	44.5
Total	**69.3**	**13.5**	**1.2**	**-22.0**	**-**	**0.4**	**62.5**

(1) Major works relate to Viparis entities for €9.3 Mn.
(2) Due to the entry of the Simon Ivanhoe property services entities.
(3) Main disposals refer to technical equipments which were scrapped (€1.5 Mn) or sold (€4.2 Mn).
(4) Relates to the Head Quarters of the Group located at 7 Place Adenauer Paris 16th – France, for which a reversal of impairment was booked for €16.8 Mn according to the appraisal value.

Net value (in €Mn)	Dec. 31, 2009	Acquisitions and capitalised expenses	Changes in the scope of consolidation	Disposals	Amortisation	Other movements	Dec. 31, 2010
Operating assets	135.9	-	-	-	14.5	-	150.3
Furniture and equipment	49.7	11.7	0.7	-0.5	-11.2	-0.9	49.4
Total	**185.6**	**11.7**	**0.7**	**-0.5**	**3.3**	**-0.9**	**199.8**

2009 Change

Net value (in €Mn)	Dec. 31, 2008	Acquisitions and capitalised expenses	Change in the scope of consolidation	Disposals	Amortisation	Other movements	Dec. 31, 2009
Operating assets	155.9	-	-	-	-20.0	-	135.9
Furniture and equipment	43.8	18.2	1.9	-3.5	-9.8	-0.9	49.7
Total	**199.7**	**18.2**	**1.9**	**-3.5**	**-29.8**	**-0.9**	**185.6**

Note 3 – Goodwill

2010 Change

(in €Mn)	Dec. 31, 2009	Entries into the scope of consolidation (1)	Increase (2)	Decrease (3)	Impairment (2)	Dec. 31, 2010
Gross value	1,820.3	46.4	2.1	-1.2	-	1,867.6
Impairment	-1,599.9	-	-	-	-2.1	-1,602.0
Total	**220.4**	**46.4**	**2.1**	**-1.2**	**-2.1**	**265.6**

(1) The entry into the scope of consolidation refers to the Simon Ivanhoe portfolio acquisition, justified by tax optimisation on assets in both France and Poland.
(2) Following the acquisition of a further stake of 36% in SCI du Triangle des Gares, a goodwill of €2.1 Mn was recognised and immediately fully impaired.
(3) On May 14, 2010, €1.2 Mn was received as a purchase price adjustment for Shopping City Süd in Vienna, Austria.

The goodwill at December 31, 2010 breaks down as follows:

- €141.8 Mn correspond to the value of tax optimisation on Rodamco assets at the date of the combination adjusted for the cumulative impairments through to year-end 2010,
- €46.4 Mn represent the tax optimisation on the Simon Ivanhoe assets,
- the remaining amount corresponds mainly to the goodwill booked on the acquisition of Shopping City Süd in Vienna, Austria and on the creation of Viparis. These goodwill are justified by the tax optimisation expected on these assets.

An impairment test of these goodwill was made based on the amounts of tax optimisation determined at the date of reporting. For 2010, no impairment was booked on these goodwill relating to tax optimisation.

2009 Change

(in €Mn)	Dec. 31, 2008	Entries into the scope of consolidation	Increase	Impairment	Dec. 31, 2009
Gross value	1,784.9	0.3	35.1	-	1,820.3
Impairment	-1,462.1	-	-	-137.8	-1,599.9
Total	**322.8**	**0.3**	**35.1**	**-137.8**	**220.4**

Note 4 – Intangible assets

2010 Change

Gross value (in €Mn)	Dec. 31, 2009	Acquisitions	Entries into the scope of consolidation	Disposals	Reclassification and other movements	Dec. 31, 2010
Rights and exhibitions	286.6	-	-	-	-	286.6
Other intangible assets	33.8	1.4	0.7	-2.8	0.7	33.8
Total	**320.4**	**1.4**	**0.7**	**-2.8**	**0.7**	**320.4**

Amortisation (in €Mn)	Dec. 31, 2009	Charges	Entries into the scope of consolidation	Reversals	Reclassification and other movements	Dec. 31, 2010
Rights and exhibitions	96.4	24.6	-	-	-	121.0
Other intangible assets	26.5	4.1	0.5	-2.5	0.1	28.6
Total	**122.9**	**28.7**	**0.5**	**-2.5**	**0.1**	**149.6**

Net value (in €Mn)	Dec. 31, 2009	Acquisitions	Entries into the scope of consolidation	Disposals and reversals	Reclassification and amortisation	Dec. 31, 2010
Rights and exhibitions	190.2	-	-	-	-24.6	165.6
Other intangible assets	7.2	1.4	0.2	-0.2	-3.4	5.2
Total	**197.4**	**1.4**	**0.2**	**-0.2**	**-28.0**	**170.8**

The main changes relate to:

- an impairment of the Paris-Nord Villepinte exhibition site intangible asset (-€19.7 Mn), according to the external appraisal,
- the amortisation of the Convention-Exhibition intangible assets (-€4.9 Mn).

2009 Change

Net value (in €Mn)	Dec. 31, 2008	Acquisitions	Entries into the scope of consolidation	Disposals and reversals	Reclassification and amortisation	Dec. 31, 2009
Rights and exhibitions	177.1	-	0.9	17.3	-5.0	190.2
Other intangible assets	9.1	1.4	-	-0.5	-2.8	7.2
Total	**186.2**	**1.4**	**0.9**	**16.8**	**-7.8**	**197.4**

Note 5 – Loans and receivables

(in €Mn)	Dec. 31, 2010			Dec. 31, 2009		
	Gross	Provision	Net	Gross	Provision	Net
Outstanding finance leasing (1)	0.6	-	0.6	2.8	-	2.8
Finance leasing receivables	1.0	-0.7	0.3	1.5	-0.8	0.7
Advances to companies consolidated under the proportional method	33.5	-	33.5	32.2	-	32.2
Non-consolidated interests	9.4	-0.2	9.1	2.8	-0.2	2.6
Deposits paid	9.1	-	9.1	7.7	-	7.7
Prepayments (2)	198.3	-	198.3	198.4	-	198.4
Other financial assets (3)	9.6	-9.2	0.4	9.6	-9.2	0.4
Total	**261.6**	**-10.2**	**251.4**	**255.1**	**-10.2**	**244.9**

(1) No new finance leasing contracts have been entered into since 1991. As a result, outstanding financing is decreasing as contracts terminate (at maturity or due to early exercise of purchase options or cancellations).
(2) Refers to the prepayment done to ING in 2007 for the acquisition of 50% of the company owning the shopping centre Zlote Tarasy located in Warsaw, Poland. As at December 31, 2010, the shares have not yet been delivered.
(3) Concerns mainly loans to property developers granted by Omnifinance (liquidated) and fully impaired.

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

(in €Mn)	Dec. 31, 2010	Dec. 31, 2009
Share in Comexposium Group consolidated under the equity method	51.7	54.7
Loan granted to Comexposium Group	149.6	148.7
Sub-total Comexposium Group investment	201.4	203.4
Share in SCI du Triangle des Gares consolidated under the equity method	-	49.6
Loan granted to SCI du Triangle des Gares	-	16.5
Sub-total SCI du Triangle des Gares investment	-	66.1
Total shares and investments in companies consolidated under the equity method	**201.4**	**269.6**

Following the acquisition of a further stake of 36% of the SCI du Triangle des Gares on July 1, 2010, the Group now has a 76% interest in Euralille shopping centre. The consolidation method of SCI du Triangle des Gares changed from equity method to full consolidation.

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

The main items of the statements of financial position of companies consolidated under the equity method are presented in the tables below. These items are stated on a 100% basis including restatements for consolidation purposes.

The result of the impairment test on intangible assets booked within the Comexposium Group led to the impairment of intangible assets for €9.1 Mn and the impairment of the goodwill for €20.5 Mn.

Comexposium Group

(in €Mn)	Dec. 31, 2010	Dec. 31, 2009
Intangible assets (1)	330.1	338.1
Goodwill (1)	191.0	211.5
Other non current assets	10.2	12.9
Current assets	124.8	73.7
Total assets	**656.1**	**636.1**
Restated shareholders' equity	127.5	132.6
Deferred tax liabilities	92.9	96.6
External borrowings and debts to partners	301.8	302.9
Other non current liabilities	5.3	6.2
Current liabilities	128.7	97.9
Total liabilities	**656.1**	**636.1**

(1) Intangible assets and goodwill are presented net of amortisation and impairment.

SCI du Triangle des Gares

(in €Mn)	Dec. 31, 2010	Dec. 31, 2009
Investment property	-	138.7
Current assets	-	31.9
Total assets	**-**	**170.7**
Restated shareholders' equity	-	124.2
External borrowings and debts to partners	-	41.4
Other non-current liabilities	-	4.1
Current liabilities	-	1.1
Total liabilities	**-**	**170.7**

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

Comexposium Group

(in €Mn)	2010	2009
Revenues from other activities	208.0	195.7
Net operating profit before financing cost	5.2	2.8
Net income	**-3.4**	**-9.8**

SCI du Triangle des Gares

(in €Mn)	2010 (1)	2009
Rental revenues	7.2	14.3
Change in fair value of investment property	11.9	-50.0
Net income	**17.0**	**-39.8**

(1) Corresponds to a 6-month period.

Note 7 – Trade receivables from activity

All of these receivables are due within one year, except rent-free periods and step rents amortised over the firm term of the lease.

Trade related receivables (in €Mn)	Dec. 31, 2010	Dec. 31, 2009
Trade receivables	195.5	205.6
Doubtful accounts	52.1	39.9
Rent-free periods and step rents	99.3	109.5
Gross value	**346.9**	**355.0**
Provisions for doubtful accounts	-40.4	-31.9
Net	**306.6**	**323.1**

Breakdown of trade receivables by business line (in €Mn)	Dec. 31, 2010	Dec. 31, 2009
Retail	151.0	155.2
Offices	83.1	97.8
Convention-Exhibition	61.1	47.8
Property services	10.0	11.7
Other	1.5	10.7
Total	**306.6**	**323.1**

Changes in provisions for doubtful accounts (in €Mn)	2010	2009
As of January 1	**-31.9**	**-29.5**
Currency translation adjustments	-0.7	-
Change in scope of consolidation	-1.6	-0.3
Reclassifications	-0.1	2.2
Additions	-13.9	-18.9
Use and reversal	7.8	14.6
As of December 31	**-40.4**	**-31.9**

Note 8 – Other trade receivables

All of these receivables are due within one year, except leaseholds.

Tax receivables (in €Mn)	Dec. 31, 2010	Dec. 31, 2009
Value-Added Tax and other	124.6	130.3
Corporate income tax	6.4	8.4
Total	**131.0**	**138.7**

Receivables on sales of property (in €Mn)	Dec. 31, 2010	Dec. 31, 2009
Receivables on sales of property (1)	78.6	-
Total	**78.6**	**-**

Other receivables (in €Mn)	Dec. 31, 2010	Dec. 31, 2009
Receivables from suppliers	9.4	18.0
Service charges due	32.1	26.7
Other debtors (2)	94.3	79.7
Receivables from partners (3)	17.6	0.6
Accrued income receivable on caps and swaps	1.1	-
Gross value	**154.5**	**125.0**
Provisions	-1.8	-1.8
Net	**152.7**	**123.2**

Prepaid expenses (in €Mn)	Dec. 31, 2010	Dec. 31, 2009
Leaseholds: payments made at the beginning of the contract (4)	42.2	17.2
Prepaid expenses	24.9	18.4
Total	**67.2**	**35.6**

(1) Relates mainly to two disposals in The Netherlands, which took place on December 31, 2010 and for which cash was received early in January 2011.
(2) Change relates mainly to a receivable on Benidorm land and a payment in advance related to a new project in Valencia, both in Spain.
(3) Mainly due to a receivable from the Forum des Halles non-controlling shareholders and to 50% of the current account with Les Portes de Gascogne, consolidated under the proportional method, both in France.
(4) Straight-line depreciation over the life of the contracts. The balance of these prepaid expenses is deducted from the appraisal value of investment properties to determine their fair value in the statement of financial position. Main change comes from the full consolidation of Eurallile.

Note 9 – Cash and cash equivalents

(in €Mn)	Dec. 31, 2010	Dec. 31, 2009
Available-for-sale investments (1)	10.1	195.8
Cash	72.3	67.9
Current account to balance out cash flow	1.6	1.1
Total	**84.0**	**264.8**

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

The cash surpluses were limited to €84.0 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.

At the end of December 2009, the high cash position was mainly due to the property sales finalised late December.

5.2. Notes to the consolidated liabilities

Note 10 – Commitment to purchase non-controlling interests

Unibail-Rodamco has given commitments to purchase the non-controlling interests in the shopping centres Donau Zentrum in Vienna, Austria and Val Commerces in Etrembières, France. For the latter, the commitment has been classified in current liabilities as the asset is classified in "Properties under promise or mandate of sale".

Note 11 – Current and non current financial liabilities

• Net share settled bonds convertible into new and/or existing shares (ORNANE)

In accordance with IAS 39, net share settled bonds convertible into new and/or existing shares (ORNANE) of Unibail-Rodamco are stated at fair value.

The ORNANE are valued for an amount of €780.0 Mn at December 31, 2010, after deduction of €7.8 Mn issuing charges. The valuation at fair value (quoted price) generated a loss of €23.8 Mn at December 31, 2010, accounted for in the result of the period.

No loans were subject to prepayment clauses linked to the Group's ratings, barring exceptional circumstances such as change in control.

A significant part of bank loans and credit facilities contains financial covenants such as LTV (Loan To Value) and ICR (Interest Coverage Ratio) ratios.

Current levels of ratios show ample headroom vis-à-vis those bank covenants (see financial resources note).

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 of convertible bonds (ORNANE),
- €654 Mn short term issues of commercial paper (*billets de trésorerie* and Euro Commercial Paper),
- €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.

• Debt breakdown (including ORNANE)

Borrowings and other financial liabilities (in €Mn)	Dec. 31, 2010	Dec. 31, 2009
Net share settled bonds convertible into new and/or existing shares (ORNANE)	**800.0**	**768.0**
Debt at fair value	780.0	754.4
Accrued interest	20.0	13.6
Bonds and EMTNs	**4,337.7**	**3,429.4**
Principal debt	4,311.0	3,425.0
Accrued interest	61.7	32.5
Charges and premiums on issues of borrowings	-19.8	-10.9
Mark-to-market of debt (1)	-18.2	-26.8
Mark-to-market of debt (fair value hedge)	3.0	9.6
Bank borrowings	**3,709.4**	**2,814.0**
Principal debt	3,699.0	2,796.5
Accrued interest on borrowings	4.3	17.0
Charges and premiums on issues of borrowings	-8.5	-10.9
Bank overdrafts	11.2	6.8
Accrued interest on bank overdrafts	2.0	1.6
Current accounts to balance out cash flow	1.9	1.7
Mark-to-market of debt (1)	-0.5	1.3
Bonds redeemable for shares (2)	**0.2**	**0.4**
Other financial liabilities	**1,291.9**	**1,240.2**
Interbank market instruments and negotiable instruments	653.5	560.0
Accrued interest on interbank market instruments and negotiable instruments	0.2	0.2
Current accounts with non-controlling interests	638.2	680.0
Financial leases	**62.3**	**-**
Total	**10,201.5**	**8,252.0**

(1) Rodamco fixed-rate debt has been marked-to-market at the date of its first consolidation.
(2) In 2010, 10,007 bonds redeemable for shares (ORA) have been exercised. At year-end 2010, there remained 9,677 ORA not exercised and convertible into 11,902 shares.

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

Outstanding duration to maturity (in €Mn)	Current	Non current		Total
	Less than 1 year	1 year to 5 years	More than 5 years	Dec. 31, 2010
Net share settled bonds convertible into new and/or existing shares (ORNANE)	**20.0**	**780.0**	**-**	**800.0**
Debt at fair value	-	780.0	-	780.0
Accrued interest	20.0	-	-	20.0
Bonds and EMTNs	**1,038.6**	**1,728.1**	**1,571.0**	**4,337.7**
Principal debt	1,000.0	1,740.0	1,571.0	4,311.0
Accrued interest	61.7	-	-	61.7
Charges and premiums on issues of borrowings	-19.8	-	-	-19.8
Mark-to-market of debt	-6.3	-11.9	-	-18.2
Mark-to-market of debt (fair value hedge)	3.0	-	-	3.0
Bank borrowings	**389.8**	**2,990.7**	**328.9**	**3,709.4**
Principal debt	378.3	2,991.8	328.9	3,699.0
Accrued interest on borrowings	4.3	-	-	4.3
Charges and premiums on issues of borrowings	-8.5	-	-	-8.5
Bank overdrafts	11.2	-	-	11.2
Accrued interest on bank overdrafts	2.0	-	-	2.0
Current accounts to balance out cash flow	1.9	-	-	1.9
Mark-to-market of debt	0.6	-1.1	-	-0.5
Bonds redeemable for shares	**0.2**	**-**	**-**	**0.2**
Other financial liabilities	**653.7**	**387.1**	**251.1**	**1,291.9**
Interbank market instruments and negotiable instruments	653.5	-	-	653.5
Accrued interest on interbank market instruments and negotiable instruments	0.2	-	-	0.2
Current accounts with non-controlling interests	-	387.1	251.1	638.2
Financial leases	**3.3**	**13.5**	**45.5**	**62.3**
Total	**2,105.6**	**5,899.4**	**2,196.5**	**10,201.5**

Unibail-Rodamco's main refinancing operations over 2010 were as follows:

- €650 Mn medium to long term credit facilities or bank loans with an average maturity of 4.4 years.
- The issue of 2 public EMTN bonds for a total amount of €1,135 Mn with the following features:
  (i). in March 2010: issue of a €500 Mn bond, increased to €635 Mn in April 2010 with a 3.375% coupon and a duration of 5 years at issuance,
  (ii). in November 2010: issue of a €500 Mn bond with a 3.875% coupon and a duration of 10 years at issuance.
- Five private placements amounting to a total of €251 Mn.
- 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 (maturity of up to 3 months), including €434.1 Mn of *Billets de Trésorerie* and €27.4 Mn of Euro Commercial Paper.

Maturity of current principal debt

(in €Mn)	Current			Total
	Less than 1 month	1 month to 3 months	More than 3 months	Dec. 31, 2010
Bonds and EMTNs	-	-	1,000.0	1,000.0
Bank borrowings	1.1	62.9	314.3	378.3
Other financial liabilities	467.0	186.5	-	653.5
Financial leases liabilities	-	-	3.3	3.3
Total	**468.1**	**249.4**	**1,317.6**	**2,035.1**

As at December 31, 2010, Unibail-Rodamco's average debt maturity was 4.3 years (4.5 years as of December 31, 2009), after taking into account the confirmed unused credit lines.

Unibail-Rodamco's immediate debt repayment needs, excluding 2011 repayment of Commercial Paper amounting to €654 Mn, 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 Mn of undrawn credit lines outstanding as at December 31, 2010.

- **Characteristics of bonds and EMTN's (excluding ORNANE)**

Issue date	Rate	Amount at December 31, 2010 (€Mn)	Maturity
October 2004	Fixed rate 4.375%	500	October 2014
October 2004	Fixed rate 4%	500	October 2011
December 2005	Fixed rate 3.75%	500	December 2012
April 2006	Fixed rate 4.125%	500	April 2011
July 2008	Constant Maturity Swap 10 years Euro +0.74%	105	July 2013
July 2009	Fixed rate 4.22% (2 years) then linked to European inflation (floored at 3.2%, capped at 3.2% + inflation)	70	July 2019
August 2009	Fixed rate 5% (3 years) then Constant Maturity Swap 10 years (floored at 5%, capped at 7.5%)	50	August 2019
August 2009		50	August 2019
September 2009	Fixed rate 4.8%	150	November 2017
September 2009	Fixed rate 4.625%	500	September 2016
March-May 2010	Fixed rate 3.375%	635	March 2015
May 2010	Structured coupon linked to CMS 10 years	50	May 2020
June 2010	Structured coupon linked to CMS 10 years	50	June 2020
September 2010	Fixed rate 3.35%	50	September 2018
September 2010	Fixed rate 3.35%	60	September 2018
November 2010	Fixed rate 4.17%	41	September 2030
November 2010	Fixed rate 3.875%	500	November 2020
Total		**4,311**	

Bonds issued are not restricted by any covenant based on financial ratios which can lead to early repayment of the debt.

The €500 Mn bond issue launched by Unibail in October 2004 included an early redemption clause in the event of a change in ownership.

The bonds issued by Rodamco under the EMTN program and maturing in 2011, 2012, and 2014 (€1,500 Mn as at December 31, 2010) include a restriction of the amount of indebtedness at subsidiary level, which cannot exceed in aggregate 30% of Total Group Assets. At December 31, 2010, this threshold is observed.

The market value of Unibail-Rodamco's fixed-rate and index-linked debt is presented in the table below. The remainder of the Group's outstanding debt is variable-rate debt, which has its carrying value on the statement of financial position as the sum of the nominal amount and coupon accruals.

(in €Mn)	December 31, 2010		December 31, 2009	
	Carrying value	Market value	Carrying value	Market value
Long term debt				
Fixed-rate & index-linked borrowings, interbank instruments and negotiable market instruments	5,812.0 (1)	5,959.7	4,803.5	4,933.3

(1) ORNANE included, at market value (see paragraph above on ORNANE).

Note 12 – Hedging instruments

Derivative instruments owned by the Group are stated at their fair values and are recorded in the statement of financial position as at December 31, 2010 for €89.9 Mn as assets and €278.1 Mn as liabilities.

Derivatives are valued by discounting estimated future cash flows based on the interest rate curve at the end of December 2010. The valuation has been cross-checked against valuations by banks.

The mark-to-market of derivatives generated a net loss of €99.8 Mn in 2010, including €51.6 Mn of cancellation of swaps and collars.

Regarding fair value hedge derivatives, a gain of €41.2 Mn has been recorded in other financial interest and a loss for the same amount has been recognised on the same line in the income statement for the hedged item.

Net investment hedge generated a loss of €53.6 Mn which has been accounted for in equity.

Cash flow hedge generated a gain of €4.2 Mn in the statement of comprehensive income and a gain of €2.8 Mn in equity.

Note 13 – Deferred tax

2010 Change

(in €Mn)	Dec. 31, 2009 (restated) [1]	Increase	Decrease	Reclassifi-cations	Currency translation	Changes in the scope of consolidation	Dec. 31, 2010
Deferred tax liabilities	**-704.9**	**-126.7**	**8.6**	**2.9**	**-21.6**	**-99.2**	**-940.9**
Deferred tax on investment properties	-639.5	-126.7	0.1	2.9	-21.6	-99.2	-884.0
Deferred tax on intangible assets	-65.4	-	8.5	-	-	-	-56.9
Other deferred tax liabilities	**65.7**	**18.9**	**-6.4**	**0.4**	**1.4**	**10.4**	**90.4**
Tax loss carry-forward[1]	64.9	17.0	-6.0	-	1.4	-	77.3
Others	0.8	1.9	-0.4	0.4	-	10.4	13.1
Total Deferred tax liabilities	**-639.2**	**-107.8**	**2.2**	**3.3**	**-20.2**	**-88.8**	**-850.5**
Deferred tax assets							
Other deferred tax assets	-	-	-0.9	-	-	1.2	0.3
Tax loss carry-forward	11.9	0.8	-	-3.3	-	0.3	9.7
Total Deferred tax assets	**11.9**	**0.8**	**-0.9**	**-3.3**	**-**	**1.5**	**10.0**

(1) In 2010, deferred tax assets and deferred tax liabilities within a same fiscal group are offset. The figures for 2009 have been restated accordingly.

Deferred tax liabilities on properties refer to those countries where there is no tax efficient status comparable to that of France (SIIC), providing a tax exemption on recurring income and capital gains on property sales. The increase of deferred tax liabilities on investment properties is mainly due to the increase of the valuation of the assets outside France.

The entry into the scope of consolidation refers to the deferred taxes recognised at the date of entry of the Simon Ivanhoe entities.

2009 Change

(in €Mn)	Dec. 31, 2008	Increase	Decrease	Reclassifi-cations	Currency translation	Changes in the scope of consolidation	Dec. 31, 2009
Deferred tax liabilities	**-909.6**	**-10.7**	**210.0**	**2.4**	**3.3**	**-0.3**	**-704.9**
Deferred tax on investment properties	-848.7	-4.8	208.3	2.4	3.3	-	-639.5
Deferred tax on intangible assets	-60.9	-5.9	1.7	-	-	-0.3	-65.4
Other deferred tax liabilities	**1.2**	**-**	**22.0**	**7.8**	**-**	**0.1**	**31.1**
Tax loss carry-forward	3.7	-	18.6	8.0	-	-	30.3
Others	-2.5	-	3.4	-0.2	-	0.1	0.8
Total Deferred tax liabilities	**-908.4**	**-10.7**	**232.0**	**10.2**	**3.3**	**-0.2**	**-673.8**
Deferred tax assets							
Other deferred tax assets	-	5.8	-	-2.9	-	-	2.9
Tax loss carry-forward	52.4	5.0	-6.7	-7.3	0.2	-	43.6
Total Deferred tax assets	**52.4**	**10.8**	**-6.7**	**-10.2**	**0.2**	**-**	**46.5**

Unrecognised deferred tax assets

(in €Mn)	Dec. 31, 2010	Dec. 31, 2009
Temporary differences investment properties	44.1	85.0
Tax loss carry-forwards not recognised[1]	192.0	105.3
Total unrecognised assets	**236.1**	**190.3**

(1) This amount does not include Dutch tax losses.

The temporary differences and tax losses are mainly related to real estate operations in Germany (€63.9 Mn) and in Spain (€63.2 Mn) and to negative financial result on French SIIC entities (€65.3 Mn). Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available to be offset against these assets.

It is expected that the Dutch tax authorities will deny the FBI status for Unibail-Rodamco's Dutch activities for 2010 onwards (see section 1 § 1.9 "Taxes"). The Group does not agree with this position. As at December 2010, a deferred tax liability of €5.1 Mn was booked on the Dutch investment properties. A deferred tax asset for the same amount based on tax losses was recognised. Both amounts were netted. In this context of uncertainty, no other deferred tax asset has been recognised for significant Dutch tax-loss carry forwards.

Note 14 – Provisions

2010 Change

(in €Mn)	Dec. 31, 2009	Allocations	Reversals used	Reversals not used	Discount	Other movements (3)	Dec. 31, 2010
Long term provisions	**18.9**	**5.5**	**-6.7**	**-1.6**	**0.3**	**8.4**	**24.9**
Provisions for charges	0.7	-	-0.2	-0.4	-	-0.1	-
Provisions for litigation (1)	16.3	4.9	-6.0	-0.2	0.3	5.1	20.4
Other provisions	2.0	0.6	-0.4	-1.0	-	3.4	4.5
Provisions for pension liabilities	**10.3**	**3.4**	**-0.1**	**-**	**-**	**0.1**	**13.6**
Short term provisions	**15.8**	**15.2**	**-3.5**	**-3.4**	**-**	**-4.1**	**20.1**
Provisions for litigation (2)	8.8	10.8	-1.6	-1.6	-	-1.6	15.0
Other provisions	7.0	4.4	-1.9	-1.8	-	-2.5	5.1
Total	**45.0**	**24.1**	**-10.3**	**-5.0**	**0.3**	**4.4**	**58.6**

(1) Long term provisions were booked for new litigation identified on two abandoned development projects for €2.5 Mn and on taxes for €1.5 Mn. Existing provisions were used for a tax claim for €2.8 Mn and for a rental dispute for €2.7 Mn.
(2) Short term provisions were made for rent indexation disputes in France for €6.6 Mn and for disputed service charges for €2.4 Mn.
(3) Other movements relate principally to the reclassification of various provisions between long term and short term, depending on the current estimate of when they will be settled, as well as the reclassification to provisions of amounts which were booked as accruals at December 31, 2009.

The Group is involved in legal proceedings in Austria where a tenant has obtained a court judgment limiting the amount of square meters a certain category of retailers in the Shopping Center may operate without its consent. The related risks have been taken into account in the fair value calculation of the investment property.

2009 Change

(in €Mn)	Dec. 31, 2008	Allocations	Reversals used	Reversals not used	Discount	Other movements	Dec. 31, 2009
Long term provisions	**38.4**	**2.9**	**-5.5**	**-14.8**	**-0.9**	**-1.1**	**18.9**
Provisions for charges	0.8	-	-	-	-	-0.2	0.7
Provisions for litigation	31.1	0.9	-4.9	-9.3	-0.9	-0.6	16.3
Other provisions	6.5	2.0	-0.6	-5.5	-	-0.4	2.0
Provisions for pension liabilities	**9.4**	**0.4**	**-0.6**	**-0.1**	**-**	**1.2**	**10.3**
Short term provisions	**13.2**	**4.8**	**-2.7**	**-0.2**	**-**	**0.8**	**15.8**
Provisions for litigation	3.9	3.4	-0.1	-	-	1.6	8.8
Other provisions	9.3	1.3	-2.6	-0.2	-	-0.9	7.0
Total	**61.0**	**8.1**	**-8.8**	**-15.1**	**-0.9**	**0.8**	**45.0**

Note 15 – Amounts due on investments

As at December 31, 2010, the non current amounts due on investments mainly comprised:

- the buyout of the ground lease of Le Forum des Halles in Paris, France for a discounted amount of €83.4 Mn,
- the non-current part of the deferred payment for an amount of €35.9 Mn relating to the acquisition in April 2010 of building rights for the So Ouest projects at Levallois-Perret in France,
- the deferred payment of €22.4 Mn on part of the acquisition price of the land for the Majunga project in La Défense in France.

Note 16 – Amounts due to suppliers and other current debt

Trade payables by division (in €Mn)	Dec. 31, 2010	Dec. 31, 2009
Retail	44.4	32.7
Offices	5.3	5.5
Convention-Exhibition	54.2	41.5
Property services	2.8	3.3
Others	12.0	11.6
Total	**118.7**	**94.5**

Sundry creditors (in €Mn)	Dec. 31, 2010	Dec. 31, 2009
Due to customers (1)	43.3	48.1
Due to partners	4.3	1.0
Other creditors	133.8	125.8
Total	**181.3**	**174.9**

Other liabilities (in €Mn)	Dec. 31, 2010	Dec. 31, 2009
Prepaid income (2)	170.9	193.1
Total	**170.9**	**193.1**

(1) This item includes eviction costs.
(2) Mainly rents received in advance.

Note 17 – Tax and social security liabilities

(in €Mn)	Dec. 31, 2010	Dec. 31, 2009
Tax liabilities	0.5	3.4
Total non current	**0.5**	**3.4**
Social security liabilities	36.6	34.2
Value-added tax	72.7	67.7
Income tax due	7.5	3.8
Other tax liabilities	6.8	2.3
Total current	**123.6**	**108.0**

5.3. Notes to the consolidated statement of comprehensive income

Note 18 – Gross rental income

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

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

Charges invoiced to tenants are not included in rental income but deducted from net service charge expenses.

Note 19 – Ground rents paid

Ground rents correspond to lease payments (or depreciation of initial payments) for properties built on land subject to a leasehold or operated under an operating contract (concession). This item mainly applies to Shopping Centres, in particular Forum des Halles and Carrousel du Louvre in France, and to the French exposition venues of Le Bourget and Porte de Versailles.

Note 20 – Net service charge expenses

These expenses are net of charges re-invoiced to tenants and relate mainly to vacant premises.

Note 21 – Property operating expenses

These expenses comprise service charges borne by the owner, works-related expenses, litigation expenses, charges relating to doubtful accounts and expenses relating to property management.

Note 22 – Administrative expenses

This item comprises head office and Group administrative expenses, expenses relating to development projects and depreciation charges for Unibail-Rodamco's headquarters.

Note 23 – Acquisition and related costs

These are costs incurred for business combinations which are expensed beginning January 1, 2010.

In 2010, they represent:

- for the acquisition of the Simon Ivanhoe portfolio:
  - costs incurred (€7.2 Mn),
  - restructuring costs (€6.2 Mn),
- the costs incurred for the additional stake in Euralille (€2.4 Mn).

Note 24 – Net other income

Revenues from other activities cover:

- fees for property services received by companies in the Convention-Exhibition division,
- fees for property management and maintenance services provided to offices and shopping centres. These fees are invoiced by property service companies for their property management activities on behalf of owners outside the Unibail-Rodamco Group,
- fees invoiced for leasing activity and for project development and consulting services. These fees are capitalised by the company owning the asset. The internal margins generated on these leasing, construction and renovation operations are eliminated,
- revenues from other property services, mainly invoiced by Unibail Marketing & Multimedia in France,
- revenues from residual financing leases, which comprise lease payments net of related amortisation costs.

Other expenses comprise charges relating to property services, general costs and depreciation charges for related fixed assets.

Note 25 – Result on disposal of investment properties

Proceeds from the disposal of investment properties correspond to the disposal price received net of disposal costs. The carrying value of disposed assets corresponds to the market valuation recorded on the closing statement of financial position for the previous financial year, plus works costs and capitalised expenses for the period and adjusted for reversals of remaining amounts of rent-free periods and step rents straightlined. See section 4 "Highlights and comparability of the last two years – In 2010" § 1 for details of the main assets disposals.

Note 26 – Valuation movements

This item reflects changes in market valuation of investment properties and impairment on intangible assets.

(in €Mn)	2010	2009
Retail	1,390.7	-1,588.4
Offices	201.7	-385.6
Convention-Exhibition	110.0	-218.1
Total	**1,702.3**	**-2,192.1**

Note 27 – Impairment of goodwill

Following the acquisition of a further stake of 36% in the SCI du Triangle des Gares, a goodwill of €2.1 Mn was recognised and immediately fully impaired.

Note 28 – Net financing costs

(in €Mn)	2010	2009
Security transactions	0.6	0.7
Other financial interest [1]	18.2	20.5
Interest income on caps and swaps	60.3	57.1
Currency gains	2.2	-
Total financial income	**81.2**	**78.4**
Security transactions	-2.4	-5.2
Interest on bonds	-186.5	-138.9
Interest and expenses on borrowings	-63.1	-93.5
Interest on partners' advances	-24.8	-30.1
Other financial interest	-5.6	-4.5
Interest expenses on caps and swaps	-102.8	-119.2
Currency losses	-	-0.1
Sub-total financial expenses	**-385.2**	**-391.5**
Capitalised financial expenses	35.1	31.0
Total financial expenses	**-350.1**	**-360.5**
Bonds redeemable for shares	-	-6.3
Net financial expenses	**-268.9**	**-288.4**

(1) Other financial interest includes financial interest on the prepayment for the acquisition of 50% of the company owning the shopping centre Zlote Tarasy and the adjacent office building in Warsaw, Poland (see note 5 "Loans and receivables").

Note 29 – Fair value adjustments of derivatives and debt

During 2010, changes in fair value of derivatives (caps and swaps) was a loss of €48.2 Mn.

The amortisation of the hedging reserve generated a profit of €2.1 Mn.

The amortisation of the fair value of the debt recognised at the entry of Rodamco amounted to €6.9 Mn.

The derivatives cancellation in 2010 generated a loss of €51.6 Mn.

In 2009, changes in fair value of derivatives (caps and swaps) generated a loss of €96.2 Mn.

The amortisation of the hedging reserve generated a profit of €1.6 Mn.

The amortisation of the fair value of the debt recognised at the entry of Rodamco amounted to €10.5 Mn.

The derivatives cancellation in 2009 generated a loss of €12.1 Mn.

Note 30 – Debt discounting

This item records the discounting of long term provisions and liabilities, according to their scheduled term.

Note 31 – Share of the result of associates and income on financial assets

This item breaks down as follows:

(in €Mn)	Recurring activities	Valuation movements and disposals	Result
Income from stake in SCI du Triangle des Gares consolidated under equity method [1]	2.0	4.8	6.8
Income from stake in Comexposium Group consolidated under equity method	9.4	-12.7	-3.3
Total share of income from companies consolidated under the equity method	**11.4**	**-7.9**	**3.5**
Interest on the loan granted to SCI du Triangle des Gares [1]	0.4	-	0.4
Interest on the loan granted to Comexposium Group	5.9	-	5.9
Total interest on receivables	**6.2**	**-**	**6.2**

(1) Corresponds to a 6-month period.

Note 32 – Income tax expenses

(in €Mn)	2010	2009
Deferred tax on:		
- Change in fair value of investment properties and impairment of intangible assets	-118.1	199.3
- Impairment of goodwill justified by taxes	-	-102.7
- Non-recurring income	8.6	17.4
- Recurring income	-13.7	-3.2
Allocation / reversal of provision concerning tax issues	2.2	3.7
Total tax	**-121.0**	**114.5**
Total tax due	**-17.4**	**-12.0**

Reconciliation of effective tax rate	%	2010
Profit before tax, impairment of goodwill and result of associates		2,605.1
Income tax using the average tax rate	31.4%	-818.0
Tax exempt profits (SIIC)	-23.4%	610.2
Tax exempt costs	-	-1.2
Effect of tax provisions	-	-0.5
Effect of non-recognised tax losses [2]	-3.2%	83.5
Effect of currency translation in tax	-0.1%	2.4
Other	-0.1%	2.6
	4.6%[1]	**-121.0**

(1) The very low tax rate of 4.6% is mainly due to tax exempt profits in France according to SIIC regime.
(2) Relates to a large extent to the effect of non recognised tax losses in The Netherlands (see note 13 "Deferred tax").

Note 33 – Non-controlling interests

For 2010 this item mainly comprised non-controlling interests in the following entities:

i) Rodamco Europe's Group (€10.2 Mn),

ii) Shopping centres in Spain, La Maquinista and Habaneras (€22.8 Mn),

iii) several shopping centres in France (€191.2 Mn, mainly Les Quatre Temps for €125.3 Mn, Forum des Halles for €44.0 Mn and Val Commerce for €8.1 Mn),

iv) and Convention-Exhibition entities (€73.7 Mn). This amount takes into account a dividend contractually defined between the partners of €4.4 Mn attributed to Unibail-Rodamco, over and above its percentage of interest.

Note 34 – Other comprehensive income

For 2010, other comprehensive income comprised:

i) €27.0 Mn of foreign currency differences on translation of financial statements of subsidiaries related mainly to Sweden and Denmark,

ii) €12.6 Mn of Net Investment Hedge which comprises the fair value adjustments of derivatives and the impact of foreign currency translation on loans qualified as Net Investment Hedge,

iii) €0.8 Mn of depreciation of hedging reserve related to derivatives qualified as Cash Flow Hedge.

5.4. Notes to the consolidated statement of cash flows

The tax charge is classified under cash flow from operating activities.

Net financial interest payments as well as cash flow relating to the purchase or sale of derivative instruments are classified as cash flow from financing activities. The cash flow impact of the cancellation of swaps is on the line "other financing activities".

Interest received on loans granted to associates is classified as cash flow from operating activities.

On May 10, 2010, a distribution of €731.2 Mn was paid (€8 per share) regarding the 2009 financial year (April 28, 2010 AGM's approval). This distribution was deducted from the additional paid-in capital accounts.

On October 12, 2010, an exceptional distribution of €1,834.3 Mn (€20 per share) was paid from the "contribution premium account", in accordance with the Unibail-Rodamco SE Ordinary General Meeting of September 8, 2010 extraordinarily convened (see section 4 "Highlights and comparability of the last two years – In 2010" § 6).

In 2009, €318.1 Mn were paid in January and April as interim dividends on shares and on Bonds Redeemable for Shares (ORA) regarding the 2008 financial year. As at July 15, 2009, in accordance with the Annual General Meeting of May 14, 2009, a final dividend of €193.1 Mn was paid for the shares and the ORA issued as at June 30, 2009.

Note 35 – Breakdown of acquisitions and disposals of consolidated subsidiaries

(in €Mn)	2010	2009
Acquisition price of shares	-545.8	-88.5
Cash and current accounts acquired	68.0	0.2
Acquisitions net of cash acquired (1)	**-477.9**	**-88.3**
Net price of shares sold	-	1.0
Cash and current accounts sold	-	-
Sales net of cash sold	**-**	**1.0**

(1) For 2010 this item refers to the acquisition of part of the shares of non-controlling shareholders of Rodamco Europe NV for €41.5 Mn, the shares of the Simon Ivanhoe portfolio for a net amount of cash of €377 Mn, the further stake of 36% in Euralille in Lille, France for €60.5 Mn and a purchase price adjustment received for Shopping City Süd for €1.2 Mn.

Note 36 – Reconciliation of cash at period-end on the statement of cash flows and cash on the statement of financial position

(in €Mn)	2010	2009
Available-for-sale investments	10.1	195.8
Cash	73.9	69.0
Current accounts to balance out cash flow	-1.9	-1.7
Bank overdrafts	-11.2	-6.8
Cash at period-end	**70.9**	**256.4**

6. Financial instruments

Carrying value of financial instruments per category in accordance with IAS 39

L&R: Loans and Receivables
AfS: Available for Sale financial assets
FAHfT: Financial Assets Held for Trade
FLAC: Financial Liabilities measured At Cost
FLHfT: Financial Liabilities Held for Trade

Year-end 2010

(in €Mn)	Categories in accordance with IAS 39	Carrying Amount Dec. 31, 2010	Amounts recognised in statement of financial position according to IAS39			Fair value
			Amortised Cost	Fair value recognised in equity	Fair value recognised in profit & loss	
Assets						
Loans	L&R	251.4	251.4	-	-	295.8
Derivatives at fair value	FAHfT	89.9	-	-1.2	91.1	89.9
Trade receivables from activity(1)	L&R	207.3	207.3	-	-	207.3
Receivable on sale of property	L&R	78.6	78.6	-	-	78.6
Other receivables(2)	L&R	120.5	120.5	-	-	120.5
Cash and cash equivalents	AfS	84.0	-	10.1	73.9	84.0
		831.7	**657.8**	**8.9**	**165.0**	**876.1**
Liabilities						
Financial debts (excluding ORNANE)	FLAC	9,359.2	9,070.2	-	289.0	9,506.9
Net share settled bonds convertible into new and/or existing shares (ORNANE)	FLAC	780.0	-	-	780.0	780.0
Derivatives at fair value	FLHfT	278.1	-	72.9	205.2	278.1
Guarantee deposits	FLAC	180.8	180.8	-	-	180.8
Non current amounts due on investments	FLAC	154.4	154.4	-	-	154.4
Amounts due to suppliers and other current debt (3)	FLAC	530.6	530.6	-	-	530.6
		11,283.1	**9,936.0**	**72.9**	**1,274.2**	**11,430.8**

Year-end 2009

(in €Mn)	Categories in accordance with IAS 39	Carrying Amount Dec. 31, 2009	Amounts recognised in statement of financial position according to IAS39			Fair value
			Amortised Cost	Fair value recognised in equity	Fair value recognised in profit & loss	
Assets						
Loans	L&R	244.9	244.9	-	-	270.6
Derivatives at fair value	FAHfT	81.5	-	-4.3	85.8	81.5
Trade receivables from activity(1)	L&R	213.6	213.6	-	-	213.6
Other receivables(2)	L&R	96.5	96.5	-	-	96.5
Cash and cash equivalents	AfS	264.8	-	195.8	69.0	264.8
		901.3	**555.0**	**191.5**	**154.8**	**927.0**
Liabilities						
Financial debts (excluding ORNANE)	FLAC	7,497.6	7,202.0	-	295.6	7,627.3
Net share settled bonds convertible into new and/or existing shares (ORNANE)	FLAC	754.4	-	-	754.4	754.4
Derivatives at fair value	FLHfT	267.6	-	19.1	248.5	267.6
Guarantee deposits	FLAC	171.1	171.1	-	-	171.1
Amounts due to suppliers and other current debt(3)	FLAC	466.2	466.2	-	-	466.2
		9,157.0	**7,839.4**	**19.1**	**1,298.5**	**9,286.8**

(1) Excluding rent-free periods and step rents.
(2) Excluding prepaid expenses, service charges due and tax receivables.
(3) Excluding prepaid income, service charges billed and tax liabilities.

"Trade receivables from activity", "Other receivables", "Cash and cash equivalents" and "Amounts due to suppliers and other current debt" mainly have short term maturity; their carrying amounts at the reporting date approximate the fair value.

Fair value hierarchy of financial instruments

This table splits the financial instruments in assets or liabilities into three levels:

- level 1: financial instruments quoted in an active market,
- level 2: financial instruments whose fair value is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets,
- level 3: financial instruments whose fair value is determined in whole or in part using a valuation technique based on assumptions that are not supported by prices from observable current market transactions in the same instrument (i.e. without modification or repackaging) and not based on available observable market data.

(in €Mn)	Fair value measurement at Dec. 31, 2010			
	Total	Level 1	Level 2	Level 3
Assets				
Fair value through profit or loss				
Derivatives	91.1	-	91.1	-
Fair value through equity				
Derivatives	-1.2	-	-1.2	-
Available-for-sale investments	10.1	10.1	-	-
Total	**100.0**	**10.1**	**89.9**	**-**
Liabilities				
Fair value through profit or loss				
Financial debts (excluding ORNANE)	289.0	-	289.0	-
ORNANE	780.0	780.0	-	-
Derivatives	205.2	-	205.2	-
Fair value through equity				
Derivatives	72.9	-	72.9	-
Total	**1,347.1**	**780.0**	**567.1**	**-**

Net gain/loss by category

2010 (in €Mn)	From interest	From trading	From subsequent measurement			Net gain/ loss
			at fair value	currency translation	impairment/ reversal of impairment	
Loans & receivables	16.4	-	-	-	-	16.4
Available for sale financial assets	-	-	0.6	-	-	0.6
Financial instruments held for trading	-	-42.5	-	-	-	-42.5
Financial liabilities at amortised cost	-280.8	-	-	-	-	-280.8
	-264.3	**-42.5**	**0.6**	**-**	**-**	**-306.2**
Capitalised expenses						35.1
Other						2.2
Net financial expenses						**-268.9**

2009 (in €Mn)	From interest	From trading	From subsequent measurement			Net gain/ loss
			at fair value	currency translation	impairment/ reversal of impairment	
Loans & receivables	15.6	-	-	-	-	15.6
Available for sale financial assets	-	-	0.7	-	-	0.7
Financial instruments held for trading	-	-62.1	-	-	-	-62.1
Financial liabilities at amortised cost	-273.5	-	-	-	-	-273.5
	-258.0	**-62.1**	**0.7**	**-**	**-**	**-319.3**
Capitalised expenses						31.0
Other						-0.1
Net financial expenses						**-288.4**

Unibail-Rodamco closely monitors its financial risk linked to its activity and the financial instruments it uses. The Group identifies and evaluates regularly its different risk exposures (liquidity, interest rates, currency exchange rates) in order to implement the adapted strategy when necessary.

Credit risk

Credit risk arises from cash and cash equivalents as well as credit exposures with respect to rental customers. Credit risk is managed on a Group level. The Group structures the level of credit risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparties, and to geographical and industry segments. Such risks are subject to at least an annual review, and often more frequently. The Group has policies in place to ensure that rental contracts are made with customers with an appropriate credit history.

The main tenants of Unibail-Rodamco's office properties in France are blue-chip companies. The tenants profile minimises insolvency risks.

In the Retail division, the risk of insolvency is spread widely across a large number of tenants.

When tenants sign their leasing agreements, they are required to provide financial guarantees, such as a deposit, first-demand guarantee or surety bond amounting to between three and six months' rent.

Payments for ancillary services provided by the Convention-Exhibition division are generally received in advance, thereby reducing the risk of unpaid debt.

Late payment reminders are automatically issued in respect of late payments and penalties are applied. Such late payments are monitored by a special "default" committee in each business division which decides on the pre-litigious or litigious action to be taken.

The Group applies the following rules to calculate the provision for doubtful accounts:

- 50% of receivables due for more than 3 months (calculation after preliminary deduction of deposits and bank guarantee),
- 100% of receivables due for more than 6 months.

Market risk

a/ Liquidity risk

The following table shows the Group's contractually agreed interest payments and repayments of the non derivative financial liabilities and the derivatives with positive and negative fair values. Amounts in foreign currency were translated at the closing rate at the reporting date. The payments of the floating-rate interests have been calculated on the basis of the last interests rates published on December 31, 2010. Lines drawn as at December 31, 2010 are considered as drawn until maturity.

Commercial papers have been allocated at the earliest period of redemption even if they are rolled over. All other borrowings have been allocated by date of maturity.

(in €Mn)	Carrying amount[1]	Less than 1 year		1 year to 5 years		More than 5 years	
	Dec. 31, 2010	Interest	Redemption	Interest	Redemption	Interest	Redemption
Bonds, borrowings and amounts due to credit institutions:							
Bonds and EMTN's	-4,886.0	-195.5	-1,000.0	-531.2	-2,315.0	-226.9	-1,571.0
Bank borrowings and other financial liabilities	-4,990.7	-96.1	-1,031.6	-174.8	-3,378.9	-915.9[2]	-580.1
Financial derivatives:							
Derivative financial liabilities:							
Currency and interest rate derivatives in connection with net investment hedges	-72.7	-0.2	-73.7	-	-	-	-
Interest rate derivatives without a hedging relationship	-201.8	-74.5	-	-215.2	-	-27.3	-
Currency and interest rate derivatives in connection with fair value and cash flow hedges	-3.6	11.4	-6.5	-	-	-	-
Derivative financial assets:							
Currency derivatives in connection with cash flow hedges	16.3	-0.3	-	-0.2	17.5	-	-
Interest rate derivatives without a hedging relationship	73.6	13.3	-	-104.9	-	-10.7	-

(1) Corresponds to the amount of principal debt (see note 11 "Current and non current financial liabilities").
(2) Includes an amount of €882.1 Mn interests on current accounts with non-controlling interests of Viparis entities, whose term is in 2107.

Unibail-Rodamco's long term refinancing policy consists of diversifying the Group's expiry schedules and financial resources. Accordingly, bonds & EMTN issues represented 47% of financial nominal debt at December 31, 2010, bank loans and overdrafts 40%, commercial papers & "billets de trésorerie" 7% and convertible bonds 6%.

The commercial paper programmes are backed by confirmed credit lines. These credit lines protect Unibail-Rodamco against the risk of a temporary or more sustained absence of lenders in the short or medium term debt markets and were provided by leading international banks.

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

b/ Counterparty risk

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

c/ Interest rate risk management

Unibail-Rodamco is exposed to interest rate fluctuations on its variable rate loans, which fund its investment policy and secure the cash position required. Unibail-Rodamco's strategy regarding interest rate risk is to minimise the impact that changes in rates could have on earnings and cash flow and minimise the overall cost of financing. In order to implement this strategy, Unibail-Rodamco borrows at variable rates and uses derivatives (mainly caps and swaps) to hedge its interest rate exposure. The Group's market transactions are confined exclusively to those interest hedging activities. All transactions are managed centrally and independently by the Group.

• 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.

• 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 June 30, 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).

• Measuring interest rate risk

(in €Mn)	Outstanding total at Dec. 31, 2010	
	Fixed rate	Variable rate[1]
Financial liabilities	-5,448.4	-3,803.1
Financial assets	73.5	10.6
Net financial liabilities before hedging programme	**-5,374.9**	**-3,792.6**
Hedging	1,288.7	-1,295.0
Net financial liabilities after micro-hedging[2]	**-4,086.2**	**-5,087.6**
Swap rate hedging[3]	-	1,469.8
Net debt not covered by swaps	**-**	**-3,617.8**
Cap and floor hedging	-	1,506.0
Hedging balance	**-**	**-2,111.8**

(1) Including index-linked debt.
(2) Partners' current accounts are not included in variable-rate debt.
(3) Forward hedging instruments are not accounted for in this table.

As at December 31, 2010, net financial nominal debt stood at €9,167.5 Mn, excluding partners' current accounts and after taking cash surpluses into account (€84.0 Mn).

The outstanding nominal net 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.

	Financial assets		Financial liabilities		Net exposure	
	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate
Less than 1 year	73.5	10.6	-1,308.1	-736.7	-1,234.6	-726.1
1 year to 2 years	-	-	-784.5	-1,319.3	-784.5	-1,319.3
2 years to 3 years	-	-	-20.6	-1,044.2	-20.6	-1,044.2
3 years to 4 years	-	-	-589.8	-174.9	-589.8	-174.9
4 years to 5 years	-	-	-1,262.1	-111.4	-1,262.1	-111.4
More than 5 years	-	-	-1,483.3	-416.7	-1,483.3	-416.7
Total	**73.5**	**10.6**	**-5,448.4**	**-3,803.1**	**-5,374.9**	**-3,792.6**

The Group doesn't have a micro-hedging strategy, which enables it not to correlate its liquidity risk and interest rate risk management. Consequently, the maturities of the debts and hedging instruments can be dissociated and the outstanding derivatives instruments can hedge a part of the fixed rate debt maturing in the following years.

Based on Unibail-Rodamco's debt situation as at December 31, 2010 (and taking into account some hedges restructuring that took place early in January 2011), if interest rates (Euribor, Stibor or Libor) were to rise by 0.5% (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.

d/ Currency exchange rate risk management

Regarding exchange rate risk, the Group aims to limit its net exposure to an acceptable level by taking up debt in the same currency, by using derivatives and by buying or selling foreign currencies at spot or forward rates.

• Measuring currency exchange rate exposure

The Group has activities and investments in countries outside the Eurozone, 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 development activities investments is covered as early as possible after signing of the actual building contract. Other monetary assets and liabilities held in currencies other than the euro are managed by ensuring that net exposure is kept to an acceptable level by buying or selling foreign currencies at spot or forward rates where necessary to address short term balances.

• Main foreign currency positions at December 31, 2010 (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	-	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 (SEK). 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[1] to a 10% depreciation in the SEK/EUR exchange rate is limited to €1.2 Mn following the implementation of forward exchange rate transactions in January 2011.

7. Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may issue new debt or buy back existing outstanding debt, adjust the amount of dividends paid to shareholders (subject to the Group's fiscal status under the SIIC regime in France), return capital to shareholders, issue new shares or buy back outstanding shares or sell assets to reduce debt.

The Group has disclosed the debt ratio "Loan-to-value" (LTV) which is calculated as the net financial nominal debt expressed as a percentage of the portfolio valuation (including transfer taxes). 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 portfolio valuation (including transfer taxes) of the Group at the same date amounted to €24,532 Mn. As at December 31, 2010, the calculated ratio stood at 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.

(1) 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.

8. Financial commitments and guarantees

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

Commitments given

Commitments given (in €Mn)	Description	Maturities	Dec. 31, 2010	Dec. 31, 2009
1) Commitments related to the scope of the consolidated Group			**94.0**	**103.5**
Commitments for acquisitions	- purchase undertakings and earn-out (1)	2011+	94.0	101.5
Commitments given as part of specific operations	- liability warranties		-	2.0
2) Commitments related to Group financing			**1,139.4**	**880.9**
Financial guarantees given	- mortgages and first lien lenders (2)	2011 to 2023	1,139.4	880.9
3) Commitments related to Group operational activities			**1,058.3**	**725.1**
Commitments related to development activities	- properties under construction: residual commitments for works contracts and forward purchase agreements(3)	2011 to 2016	737.8	484.4
	- residual commitments for other works contracts	2011 and 2012	23.1	34.4
	- commitments with suspensive conditions(4)	2011 to 2014	104.5	-
Commitments related to operating contracts	- commitments for construction works(5)	2011 to 2026	166.8	177.6
	- rental of premises and equipment	2011 to 2048	15.1	17.9
	- other		11.0	10.8
Total commitments given			**2,291.7**	**1,709.6**

(1) €82.8 Mn concern the Aupark shopping and entertainment centre in Bratislava, Slovakia. Further to the Group's acquisition in 2006 of a 50% stake in this centre, the vendor has options to sell an additional 40% plus 10% to the Group. The same vendor also has an option to sell to the Group land for development at Aupark Bratislava, estimated at €3.1 Mn.
The Group has a commitment to purchase additional retail property at La Défense in France for €8,1 Mn.
(2) Discloses the outstanding balances at the reporting date of the debts and credit lines which are guaranteed by mortgages. The gross amount of mortgages contracted, before taking into account subsequent debt reimbursement and unused credit lines, was €1,438.9 Mn at December 31, 2010 (€1,255.5 Mn at December 31, 2009).
(3) Concerns commitments linked to the building of new or extension of existing shopping centres and offices, particularly the Majunga offices in La Défense, So Ouest offices and retail in Levallois-Perret, Forum des Halles retail in Paris and Confluence retail and hotel in Lyon, all in France, as well as Mall of Scandinavia in Stockholm (negotiation ongoing for the renewal of the previous commitment) and Täby Centrum in Täby, Sweden.
The increase in the commitments on projects under construction results from the new Forum des Halles project and the increase of the Majunga and Täby Centrum projects, partially compensated by the completion in 2010 of the Cours and Tour Oxygène projects in Lyon, France, by the advancement of several others, such as Lyon Confluence and So Ouest offices, and by the disposal of the projects for Buitenmere at Almere and for Markthal at Rotterdam in The Netherlands.
(4) Mainly commitments for land purchases for the Fuente de San Luis project at Valence in Spain and the Majunga project at La Défense in France.
(5) Concerns the commitment to carry out maintenance and refurbishment works under the contract of the exhibition site Porte de Versailles in Paris, France.

Other unquantifiable commitments given related to the scope of the consolidated Group

- Commitment to purchase non-controlling interests in Rodamco Europe NV
  Non-controlling shareholders still own 0.83% of Rodamco Europe NV. The buyout proceedings under Dutch law, initiated on December 14, 2007 before the Enterprise Chamber of the Amsterdam Court of Appeal, are still ongoing. On February 1, 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 increases in the Net Asset Value per share over 2010. A final decision is now expected in the second quarter of 2011.
- As part of the acquisition in 2006 of 50.02% of Val Commerces (a shopping centre at Etrembières, France), Unibail-Rodamco SE granted a call option to the non-controlling partner to sell to him one share of SCI Val Commerces, if the non-controlling partner's put option on his 49.98% share were to be null and void, cancelled or terminated(1). If this call option were to be exercised, each partner would then own 50.00% of Val Commerces.
  However, in December 2010, Unibail-Rodamco SE informed the non-controlling partner of its intention to divest all of its interests in the SCI Val Commerces and SCI Winter companies. As the non-controlling partner has indicated that it will exercise its right of first choice, this divestment should take place in the first half of 2011.
- Unibail-Rodamco SE gave an earn-out commitment in the event that an extension permit is obtained for the Chelles 2, France shopping centre before 2012. The maximum amount of this payment is €121.96 per square metre of contractual Gross Leasable Area (GLA), indexed according to the Construction Cost Index.
- For a number of recent acquisitions of properties in France, Unibail-Rodamco has committed to the French tax authorities to retain these interests during at least five years, in accordance with the SIIC tax regime.

(1) The Group's commitment relating to the non-controlling partner's put option is included in the liabilities of the consolidated statement of financial position.

- As part of the agreements between the CCIP and Unibail-Rodamco to create Viparis and Comexposium, Unibail-Rodamco has committed to retain its interests in shared subsidiaries until 2013. The CCIP has a right of first choice and a right of joint sale.

Other unquantifiable commitments given related to Group operational activities

- The Group's subsidiary SCI Aéroville has committed to sign a building lease with the Aéroports de Paris, France, contingent upon certain conditions.
- As part of the Forum des Halles retail project, the Group's 65% subsidiary SCI du Forum des Halles de Paris has committed to pay to the City of Paris a conditional earn-out in 2019.
- The Group's 50% subsidiary SCI Propexpo has committed that the Espace Champerret venue in Paris, France will continue to be used as an exhibition hall through to 2066.
- The Group has committed until 2028 to purchase from management and employees of the Comexposium Group, which is consolidated under the Equity Method, preferred shares which they may hold in Comexposium SA as a result of the Comexposium Group's stock option plan. The CCIP is also a party to this commitment.

Commitments received

Commitments received (in €Mn)	Description	Maturities	Dec. 31, 2010	Dec. 31, 2009
1) Commitments related to the scope of the consolidated Group			**78.9**	**343.2**
Commitments for acquisitions of companies	- sales undertakings(1)	2013+	69.4	80.6
Commitments received as part of specific operations	- liability warranties (2)	2010 to 2016	9.6	262.6
2) Commitments related to Group financing			**2,983.0**	**3,478.0**
Financial guarantees received	- refinancing agreements obtained but not used(3)	2011 to 2015	2,983.0	3,478.0
3) Commitments related to Group operational activities			**408.7**	**375.8**
Other contractual commitments received related to operations	- bank guarantees on works and others	2013	21.1	27.3
	- others	2011 to 2026	48.4	11.7
Assets received as security, mortgage or pledge, as well as guarantees received	- guarantees received relating to Hoguet regulation	2010	73.2	69.8
	- guarantees received from tenants	2010 to 2022	241.8	249.9
	- guarantees received from contractors on works	2011 to 2014	24.2	17.1
Total commitments received			**3,470.6**	**4,196.9**

(1) Further to the vendor's options to sell a further 40% plus 10% in the Aupark shopping and entertainment centre in Bratislava, Slovakia, as described above in the "Commitments given related to the scope of the consolidated Group", the Group has an option to buy an additional 40% from 2013 onwards, thereby extending its stake to 90%. This commitment received amounts to €66.3 Mn. The Group also has an option to purchase from the same vendor land for development at Aupark Bratislava, estimated at €3.1 Mn.
(2) The liability warranties of €250.0 Mn which the Group had received on acquisition in 1999 of companies from the Vivendi Group expired at December 31, 2010.
(3) These agreements are usually accompanied by a requirement to meet specific target ratios based on revalued shareholders' equity, Group portfolio valuation and debt. Certain credit lines are also subject to an early prepayment clause (in full or in part) in the event of a change in ownership or a series of disposals reducing portfolio assets below a given threshold. Based on current forecasts, excluding exceptional circumstances, these thresholds on target ratios are not expected to be attained during the current year.

Other unquantifiable commitments received related to the scope of the consolidated Group

- As part of the agreements between the CCIP and Unibail-Rodamco to create Viparis and Comexposium, the CCIP has committed to retain its interests in shared subsidiaries until 2013. Unibail-Rodamco has a right of first choice and a right of joint sale. Finally, the CCIP accords to the SCI Propexpo, a 50% subsidiary of the Group, a right of preferential purchase on its property rights in the areas of the Palais des Congrès de Paris and the Parc des Expositions de Paris-Nord Villepinte in France.

Commitments relating to operating leases

General overview of the main provisions of lease agreements

In France, commercial lease agreements are covered by articles L. 145-1 to L. 145-60 of the French Commercial Code. The minimum term of the lease is nine years and the tenant has the exclusive right to terminate the agreement at the end of each optional three-year break period subject to giving six months' notice by extrajudicial agreement. However, lease contracts can provide for waiving of this three-year break provision.

Rents are usually received quarterly in advance and are annually indexed to the INSEE retail rental index (ILC) or construction cost index (ICC). Rents may be stepped or constant and can include rent-free periods or step rents. The level of rent is determined at the time the lease agreement is signed and remains in force for the term of the lease. All charges, including land duties and office tax, are usually paid by the tenant, unless stated otherwise in the lease agreement. In the case of shopping centres, rent is based on a minimum guaranteed rent, indexed and established so that the variable turnover based part of rents represents a small part of total rents. In 2010, variable rents accounted for just 1.8 % of total rents.

In other countries, the period varies greatly by region, most often varying from 3 to 10 years. In general, agreed rental levels are indexed with inflation during the lease agreement.

Minimum guaranteed rents under leases

As at December 31, 2010, minimum future rents due under leases until the next possible termination date break down as follows:

Minimum future rents per year (in €Mn)			
Year	Retail	Offices	Total
2011	931.9	185.1	1,117.0
2012	709.0	160.3	869.4
2013	535.5	129.5	665.0
2014	362.6	103.3	465.9
2015	258.8	88.7	347.5
2016	179.5	59.1	238.6
2017	134.9	49.6	184.5
2018	107.8	41.2	149.0
2019	80.2	19.8	99.9
2020	57.3	4.9	62.2
2021	40.9	3.8	44.7
Beyond	209.5	14.6	224.1
Total	**3,607.8**	**859.9**	**4,467.7**

In the Convention portfolio, minimum future rents due within one year amounted to €86.8 Mn and those due in more than one year to €9.0 Mn.

9. Employee remuneration and benefits

9.1. Personnel costs

(in €Mn)	2010	2009
Head office personnel costs	90.7	94.2
Personnel costs for property services activities	21.3	23.6
Personnel costs for Convention-Exhibition centre management activities	30.6	30.8
Employee benefits [1]	7.4	5.9
Total	**150.0**	**154.4**

[1] Expenses relating to the Company Savings Plan, stock options and bonus share awards, recognised with an equivalent increase in equity.

Employee profit sharing

Employees belonging to the UES (*Unité Économique et Sociale* - Social and Economic Group) comprising Unibail Management, Espace Expansion and Unibail Marketing & Multimedia, employees of Unibail-Rodamco SE, as well as employees belonging to the UES comprising Rodamco France Management and Rodamco Gestion, benefit from a common employee profit-sharing plan and a common profit-sharing agreement introduced in 2002 and renewed in 2008. The profit-sharing agreement is based on the annual growth of the net recurring result, weighted for the activity in France and adjusted for indexation.

Employees belonging to the UES Viparis benefit from an employee profit-sharing plan and a profit-sharing agreement renewed in 2008 based on growth in net operating income.

The following amounts were allocated to these schemes:

(in €Mn)	2010	2009
Regulated employee profit-sharing plan	2.0	1.2
Employee profit-sharing agreement	-	1.5

9.2. Number of employees

The average number of employees of the Group's companies breaks down as follows:

Regions	2010	2009
France[1]	1,050	1,080
The Netherlands	93	119
Nordic	134	172
Spain	148	135
Central Europe	100	107
Austria	91	105
Total	**1,616**	**1,717**

[1] Of which Viparis: 404 / 432

9.3. Employee benefits

Pension Plan

The majority of the Group's pension schemes are defined contribution plans. The Dutch group companies have pension plans with both defined benefit as well as defined contribution components.

(in €Mn)	Dec. 31, 2010	Dec. 31, 2009
Benefit obligations	40.5	36.5
Fair value of plan assets	-30.1	-29.1
Funded status of the plans	**10.4**	**7.4**

(in €Mn)	2010	2009
Net liabilities at the beginning of the year	7.4	6.5
Employer contributions	-0.8	0.9
Expenses recognised in the result of the period	3.8	-
Actuarial gains / losses	*3.1*	*-1.3*
Current service costs	*0.7*	*1.0*
Interest costs	*1.8*	*1.6*
Expected return on plan assets	*-1.3*	*-1.2*
Settlement	*-0.5*	*-*
Net liabilities at year-end	**10.4**	**7.4**

Principal actuarial assumptions used:

	Dec. 31, 2010	Dec. 31, 2009
Discount rate	4.60%	5.00%
Expected return on plan assets	4.25%	4.30%
Future salary increase	3.25%	3.25%
Future inflation	2.25%	2.25%
Future pension increase	2.25% / 3.25%	2.25% / 3.25%

Company Savings Plan

Subscription to the Company Savings Plan is offered to employees in France who have been with the Group for more than three months. The subscription period is opened once per year after the share capital increase reserved to employees has been authorised by the Management Board, which also sets the subscription price. The subscription price is equal to the average of the opening share prices on the Eurolist of Euronext Paris over the 20 trading days preceding the decision of the Management Board, less a 20% discount. The Group also makes a top-up contribution applied exclusively to voluntary contributions, including profit-sharing, made by employees to the Group E Fund (fund fully vested in Unibail-Rodamco shares). These voluntary contributions are limited to a maximum of one quarter of the annual salary.

The total cost of subscriptions to the Company Savings Plan (employer contribution and difference between the subscription price and the share price on the date of the capital increase) amounted to €1.5 Mn in 2010 compared with €0.7 Mn in 2009.

Stock option plans

There are currently four stock option plans granted to directors and employees of the Group. The main characteristics are as follows:

- Plan authorised in 2003 (plan no. 3), relating to options allocated in 2003, 2004 and 2005. These stock options have a duration of 7 years and may be exercised at any time, in one or more instalments, as from the 4th anniversary of the date of allocation by the Board of Directors. Two stock option schemes have been adopted: one scheme is unconditional and the other is subject to performance criteria. The latter scheme is intended mainly for the company's responsible officers and members of the Executive Committee. The right to exercise stock options is subject to Unibail-Rodamco stock performance being higher in percentage terms than that of the EPRA benchmark index over the reference period. As at December 31, 2010, unexercised options totalled 128,002 under the unconditional plan and 72,961 under the performance-related plan.
- Plan authorised in 2006 (plan no. 4), relating to options allocated in 2006, all subject to performance criteria. These stock options have a duration of 7 years and may be exercised at any time, in one or more instalments, as from the 4th anniversary of the date of their allocation. The performance criteria are identical to those of the 2003 plan. As at December 31, 2010, a total of 372,471 options allocated had not been exercised.
- Plan authorised in 2007 (plan no. 5), relating to options allocated in 2007, 2008 and 2009, all subject to performance criteria. These stock options have a duration of 7 years and may be exercised at any time, in one or more instalments, as from the 4th anniversary of the date of their allocation. The performance criteria are identical to those of the 2003 plan. As at December 31, 2010, a total of 2,213,477 options allocated had not been exercised.
- Plan authorised in 2010 (plan no. 6): 778,800 shares have been allocated on March 10, 2010, all subject to performance criteria. These stock options have a duration of 7 years and may be exercised at any time, in one or more instalments, as from the 4th anniversary of the date of their allocation. The performance criteria are identical to those of the 2003 plan. As at December 31, 2010, a total of 862,760 options allocated had not been exercised.

The table below shows allocated stock options that had not been exercised at the period-end:

Plan		Exercise period	Adjusted subscription price (€)[1]	Number of options granted	Adjustments in number of options[1]	Number of options cancelled	Number of options exercised	Potential additional number of shares	Unconditional scheme	Performance-related scheme
2000 plan (no. 2)	2002	from 09/10/2004 to 08/10/2010	37.82	394,000	90,303	4,074	480,229	-	-	-
2003 plan (no. 3)	2003	from 15/10/2007 to 14/10/2010	43.71	434,500	123,349	-	557,849	-	-	-
	2004	from 13/10/2008 to 12/10/2011	62.39	308,000	99,522	16,865	361,916	28,741	28,741	-
	2005	from 14/12/2009 to 13/12/2012	88.10	404,500	44,552	80,800	196,030	172,222	99,261	72,961
2006 plan (no. 4)	2006	from 11/10/2010 to 10/10/2013	131.03	365,500	71,518	60,697	3,850	372,471	-	372,471
2007 plan (no. 5)	2007	from 11/10/2011 to 11/10/2014	146.32	653,700	114,689	188,727	-	579,662	-	579,662
	2008	from 23/10/2012 to 23/10/2015	105.69	860,450	168,327	175,394	-	853,383	-	853,383
	2009	from 13/03/2013 to 12/03/2016	80.66	735,450	154,703	109,721	-	780,432	-	780,432
2010 plan (no. 6)	2010	from 10/03/2014 to 09/03/2017	122.74	778,800	153,428	69,468	-	862,760	-	862,760
Total				**4,934,900**	**1,020,391**	**705,746**	**1,599,874**	**3,649,671**	**128,002**	**3,521,669**

(1) Adjustments reflect distribution paid from retained earnings.

The table below shows the number and weighted average exercise prices of stock options:

	2010		2009	
	Number	Weighted average price (€)	Number	Weighted average price (€)
Outstanding at beginning of period	2,982,831	124.94	2,673,220	127.06
Allocated over the period	778,800	122.74	735,450	97.47
Adjusted over the period	667,990	111.05	61,716	123.03
Cancelled over the period	-341,197	111.94	-116,860	133.54
Exercised over the period	-438,753	79.80	-370,695	65.62
Average share price on date of exercise	-	136.39	-	117.94
Outstanding at end of period	3,649,671	112.24	2,982,831	124.94
Of which exercisable at end of period	573,434 [1]	114.70	582,720	88.32

(1) For 445,432 options, the right to exercise is subject to meeting the following performance condition: the overall market performance of Unibail-Rodamco must be higher in percentage terms than the performance of the EPRA reference index over the reference period.

Stock options are accounted for in accordance with IFRS 2 (see section 1 "Accounting principles and consolidation methods" § 1.10). The expense recorded on the income statement in relation to stock options came to €6.5 Mn in 2010 and €4.3 Mn in 2009.

The performance-related stock options allocated in 2010 were valued at €8.67 using a Monte Carlo model. This valuation is based on an initial exercise price of €148.32, a share price at the date of allocation of €154.10, a vesting period of four years, an estimated duration of 4.7 years, a market volatility of 24.2%, a dividend representing 6.4% of the share value, a risk-free interest rate of 1.8% and a volatility of EPRA index of 31.0% with a correlation EPRA / Unibail-Rodamco of 85.9%.

The performance-related stock options allocated in 2009 were valued at €6.50 using a Monte Carlo model. This valuation is based on an initial exercise price of €99.42, a share price at the date of allocation of €98.79, a vesting period of four years, an estimated duration of 4.7 years, a market volatility of 23.3%, a dividend representing 8% of the share value, a risk-free interest rate of 2.8% and a volatility of EPRA index of 18.5% with a correlation EPRA / Unibail-Rodamco of 84.5%.

The performance-related stock options allocated in 2008 were valued at €8.50 using a Monte Carlo model. This valuation is based on an initial exercise price of €130.27, a share price at the date of allocation of €113.88, a vesting period of four years, an estimated duration of 4.7 years, a market volatility of 22.4%, a dividend of €7, plus year-growth of 8% in 2009 and 10% the following years, a risk-free interest rate of 3.5% and a volatility of EPRA index of 17.6% with a correlation EPRA / Unibail-Rodamco of 86.2%.

The performance-related stock options allocated in 2007 were valued at €14.70 using a Monte Carlo model. This valuation is based on an initial exercise price of €180.36, a share price at the date of allocation of €184.60, a vesting period of four years, an estimated duration of 4.7 years, a market volatility of 21%, a dividend of €7, plus year-growth of 10%, a risk-free interest rate of 4.29% and a volatility of EPRA index of 12.5% with a correlation EPRA / Unibail-Rodamco of 98.2%.

The performance-related stock options allocated in 2006 were valued at €11.70 using a Monte Carlo model. This valuation is based on an initial exercise price of €161.50, a share price at the date of allocation of €167.40, a vesting period of four years, an estimated duration of 4.7 years, a market volatility of 19.6%, a dividend of 3.85% of the value of the share, a risk-free interest rate of 3.72% and a volatility of EPRA index of 12.3% with a correlation EPRA / Unibail-Rodamco of 98.2%.

Stock options allocated in 2005 were valued at €13.90 using a binomial model for the unconditional scheme and €6.90 using a Monte Carlo model for performance-related options.

Stock options allocated in 2004 were valued at €12.90 using a binomial model for the unconditional scheme and €7.10 using a Monte Carlo model for performance-related options.

10. Related party disclosures

The consolidated financial statements include all of the companies in the Group's scope of consolidation (see section 3 "Scope of consolidation").

The parent company is Unibail-Rodamco SE.

To the Group's knowledge, there are no shareholders' pacts nor persons or groups of persons exercising or who could exercise control over the Group.

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

(in €Mn)	Dec. 31, 2010	Dec. 31, 2009
Comexposium Group		
Loan	149.6	148.7
Recognised interest	5.9	8.0
Rents and fees invoiced(1)	52.8	49.3
SCI du Triangle des Gares		
Loan	-	16.5
Recognised interest	0.4(3)	0.9
Fees invoiced(2)	0.4(3)	0.8

(1) Correspond mainly to rents and fees invoiced by Viparis entities to Comexposium and to rent invoiced by the SCI Wilson for the head office of Comexposium.
(2) Correspond to asset management and property management fees invoiced by the Group.
(3) Correspond to a 6-month period.

All of these transactions are based on market prices.

No transactions with related parties have influenced significantly the consolidated financial statements.

Transactions with other related parties

- **Remuneration of the Management Board:**

(in €) Paid in:	2010	2009
Fixed income	2,909,174	2,610,109
Short term incentive	1,284,426	1,297,595
Other benefits(1)	421,585	416,225
Total(2)	**4,615,185**	**4,323,929**

(1) Mainly pension and company car.
(2) The amounts indicated correspond to the periods during which the beneficiaries were members of the Management Board.

In 2010, members of the Management Board were allocated a total of 165,000 stock options, all of which are subject to performance criteria.

Regarding the 2010 results, the Management Board members will receive in 2011 a total variable remuneration of €2,586,524.

- **Remuneration of the Supervisory Board: €809,961.**

Loans or guarantees granted to directors: None.

Transactions involving directors: None.

11. Relationship with statutory auditors

Statutory auditors are:

- Ernst & Young Audit

Commencement date of first term of office: AGM of May 13, 1975

Person responsible: Bernard Heller designated in April 2005

- Deloitte Marque & Gendrot

Commencement date of first term of office: AGM of April 28, 2005

Person responsible: Joël Assayah designated in April 2005

Expiry of term of office for both auditors at the AGM held for the purpose of closing the 2010 accounts.

Fees of statutory auditors and other professionals in their networks for the 2010 and 2009 fiscal years, for the parent company and fully-consolidated subsidiaries:

(in €Mn)	Ernst &Young				Deloitte Marque & Gendrot				Others			
	amount		%		amount		%		amount		%	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Audit												
Statutory audit, certification, review of company and consolidated financial statements												
Issuer [1]	0.4	0.5	18%	19%	0.4	0.4	41%	33%	-	-	-	-
Fully consolidated subsidiaries	1.8	1.8	72%	72%	0.6	0.7	56%	56%	-	0.1	-	69%
Other assignments and services directly related to the statutory audit assignment												
Issuer [1]	0.1	0.1	4%	5%	0.0	0.1	3%	5%	-	-	-	-
Fully consolidated subsidiaries	0.2	0.1	7%	3%	-	0.1	-	6%	-	-	-	-
Subtotal	**2.5**	**2.4**	**100%**	**100%**	**1.0**	**1.3**	**100%**	**100%**	**-**	**0.1**	**-**	**69%**
Other services rendered by the network to fully consolidated subsidiaries												
Others	-	-	-	-	-	-	-	-	-	0.0	-	31%
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.0**	**-**	**31%**
Total	**2.5**	**2.4**	**100%**	**100%**	**1.0**	**1.3**	**100%**	**100%**	**-**	**0.1**	**-**	**100%**

(1) The issuer is the parent company.

Concerning the subsidiaries consolidated by the proportional or equity methods, the fees of statutory auditors and other professionals in their networks for the 2010 fiscal year for the statutory audit, certification and review of company financial statements amount to €0.6 Mn, of which €0.3 Mn for Ernst & Young, €0.2 Mn for Deloitte Marque & Gendrot and €0.1 Mn for Others.

12. Post closing events

Acquisition

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 manages the hotel since this date.

Disposals

The Solna Hotel in Sweden was sold on January 28, 2011 for €22.5 Mn.

On February 4, 2011, the 50% stake in Etrembières shopping centre (19,000 m²) in France was sold for a net disposal price of €36.3 Mn.

Rodamco Europe squeeze out proceedings

On February 1, 2011 the Enterprise Chamber of the Amsterdam Court of Appeal 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 increases in the Net Asset Value per share over 2010. A final decision is now expected in the second quarter of 2011.

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2010

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholder's General Meeting, we hereby report to you, for the year ended December 31, 2010, on:

- the audit of the accompanying consolidated financial statements of Unibail-Rodamco;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Management Board. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2010 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to note 1 to the consolidated financial statements that describes the changes in accounting standards applied by the Group starting 2010, and in particular the application of revised IFRS 3 – Business combinations and revised IAS 27 – Consolidated and separate financial statements.

II. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code (code de commerce) relating to the justification of our assessment we bring to your attention the following matters:

Accountings estimates

- As stated in note 1.5 to the consolidated financial statements, the real estate portfolio is subject to valuation procedures carried out by independent real estate appraisers. We ensured that the fair value of investment properties as stated in the consolidated statement of financial position and in note 5.1 to the consolidated financial statements was determined in accordance with the valuations carried out by the aforementioned appraisers. Moreover, for investment properties under construction for which the fair value could not be reliably determined, we have assessed the reasonableness of the data and assumptions used by your company to carry out the impairment tests of these assets maintained at cost. We have ensured that necessary depreciations have been booked following these impairment tests.
- As indicated in note 1.5 to the consolidated financial statements, the Group carries out on an annual basis impairment tests for its intangible assets, most of them based on external appraisals. We have notably assessed the reasonableness of the data and assumptions used by your company to carry out these tests, and have checked the accuracy of the calculations. We have ensured that necessary depreciations required by these test had been booked.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verification

As required by law we have also verified in accordance with professional standards applicable in France the information presented in the Group's Management Board report.

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

Neuilly-Sur-Seine and Paris-La Défense, March 11, 2011

The Statutory Auditors French Original signed by

DELOITTE MARQUE & GENDROT
represented by Joël Assayah

ERNST & YOUNG AUDIT
represented by Bernard Heller

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LEGAL INFORMATION

I. GENERAL INFORMATION

Company name

Unibail-Rodamco SE[1]

Registered office and place of business

7, place du Chancelier Adenauer – 75016 Paris (France)

Tel: +33 (0)1 53 43 74 37

Legal form

Unibail-Rodamco SE is a public limited-liability company (société européenne / European Company) with a two-tier governance system (Management Board and Supervisory Board), governed by: (i) the provisions of the European Council Regulation 2001/2157/EC of October 8, 2001, applicable to European companies; (ii) the current laws and regulations of France (including the applicable specific legislation described below); and (iii) its Articles of Association[2].

Specific applicable legislation

SIIC requirements

In 2003, the Company and its eligible subsidiaries opted for the tax regime applicable to Listed Property Investment Companies (SIIC) introduced by the 2003 French Finance Act (Article 208 C of the French General Tax Code, Code Général des Impôts) and implemented by decree no.2003-645 dated July 11, 2003. This regime is based on the principle of fiscal transparency. The tax is borne at the shareholder level and not at the company level. This taxation transfer is made possible as a result of the obligation on SIIC companies to distribute 85% of their net recurrent results for eligible activities and 50% of their capital gains on divestments.

Pursuant to the 2006 Corrected Finance Law and the 2009 French Finance Act, in order to qualify as a SIIC company, amongst other requirements, with effect January 1, 2010, no shareholder (or group of shareholders acting in concert) may hold more than 60% of the capital and voting rights in the company. As at the date of filing of this Registration Document, to the Company's best knowledge, no shareholder or group of shareholders of Unibail-Rodamco SE holds 60% or more of the capital and voting rights in the Company.

Sicomi regulations

Prior to July 1, 1991, the Company was approved as a Sicomi (commercial and industrial property finance leasing company). As a result, all finance leasing agreements signed by Unibail prior to January 1, 1991 are governed by the applicable Sicomi regulations.

French Monetary and Financial Code (Code Monétaire et Financier)

Until November 28, 2002, the Company was considered a "finance company"[3] and governed by the French Monetary and Financial Code (Code Monétaire et Financier).

Term of the Company

99 years from July 23, 1968, to expire on July 22, 2067, except in the event of early winding-up or extension pursuant to a resolution validly adopted by an extraordinary meeting of shareholders.

Corporate purpose

In accordance with Article 2 of the Articles of Association[4], the corporate purpose of the Company in France and abroad is:

- investment through the acquisition, development, construction and ownership of land, buildings, property assets and rights, and the fitting out of property complexes, with a view to renting them out;
- the management, rental, leasing, divestment or exchange of the above assets, either directly, or through taking investments or interest ownerships, or by creating partnerships, companies or consortia;
- more generally, any financial, securities or property transactions directly or indirectly connected with the foregoing purpose or likely to facilitate its achievement;
- the acquisition, ownership or divestment of assets in any French or foreign legal entities with an activity directly or indirectly linked to the corporate purpose of the Company or which would favour its development.

Trade and Companies Register

682 024 096 RCS Paris – SIRET 682 024 096 00054 –
APE code: 6420Z
Documents and information relating to the Company may be consulted at the registered office: 7, place du Chancelier Adenauer – 75016 Paris (France)
Tel: +33 (0)1 53 43 74 37
www.Unibail-Rodamco.com

Financial year

The financial year runs from January 1 to December 31.

(1) Effective on May 15, 2009 upon registration of the Company in the form of a European Company with the Trade and Companies Register of Paris.
(2) Available on the Company's website and at the Company's registered office.
(3) After running down its outstanding loans to zero, the Company requested that the French banking regulator (CECEI) withdraw Unibail-Rodamco SE's "finance company" status. In accordance with this request, on November 28, 2000, the CECEI officially withdrew Unibail-Rodamco SE's "finance company" status from November 28, 2002.
(4) Ibid no.2.

Distribution of profits

Distribution obligations under the Articles of Association

The distributable profits in any given year is equal to the sum of the net profits for the year and any retained earnings minus losses from previous years and amounts transferred to reserves ("Distributable Profits"). In addition to the Distributable Profits, the shareholders may expressly resolve to distribute sums from other distributable reserves and the contribution premium however dividends must be paid from the Distributable Profits prior to any distribution from other reserve accounts and the contribution premium.

The amount available for distribution is equal to the sum of the Distributable Profits and any other reserves and/or deduction from the contribution premium that the shareholders expressly resolve to distribute (in that order). The dividend amount and/or reimbursement of capital distribution is determined by shareholders following their approval of the financial statements and the due identification of the amount, if any, available for distribution.

Pursuant to Article 21 of the Articles of Association, on the distribution of profits, if a Shareholder Concerned[5] causes the Company to incur tax under Article 208-C-II-ter of the French General Tax Code[6], the relevant amount will be deducted from the Shareholder Concerned's dividend ("Deduction Shareholder"). For more details, please refer to Article 21 of the Articles of Association and page 199 of this report dealing with shareholding declaration thresholds.

The disclosure obligations applicable to Shareholders Concerned and Deduction Shareholders pursuant to Article 21 of the Articles of Association detailed above.

Distribution obligations under the Sicomi regulations

Pursuant to the Sicomi regulations, at least 85% of net income generated from finance leasing contracts and benefiting from a tax exemption pursuant to Article 208-3° quater of the French General Tax Code, must be distributed provided that the distribution sum does not exceed the net income for the fiscal year.

Distribution obligations and other requirements under the SIIC regime[7]

As a result of the Company's adoption of SIIC tax status, recurring income from activities eligible for SIIC status and capital gains on property sales covered by the regime are exempt from tax on the condition that the "dividend rule" is respected. The dividend rule provides that (i) at least 85% of the recurring income of Year N must be paid out in Year N+1 and (ii) 50% of the capital gains realised in Year N and 100% of the dividends received from the affiliates opting for the SIIC tax regime must be distributed no later than Year N+2.

(5) See "Distribution of profits" and "Registration obligation" sections. A "Shareholder Concerned" is any shareholder, other than a natural person, who directly or through entities acting as intermediaries that it controls within the meaning of Article L. 233-3 of the French Commercial Code, comes to own 10% or more of the rights to dividends in the Company or as otherwise prescribed pursuant to Article 208-C-II-ter of the French General Taxation Code.

Corporate governance structure[8]

The Company is managed by a two-tier governance system (Management Board and Supervisory Board).

The Unibail-Rodamco SE Management Board is composed of five members, as at 31 December 2010, appointed by the Supervisory Board. Mr. Guillaume Poitrinal is Chairman of the Management Board and Chief Executive Officer of the Company. His current term expires at the 2013 General Meeting of Shareholders.

The Management Board exercises its functions under the supervision of the Supervisory Board. The Supervisory Board is composed of 10 members, as at 31 December 2010, appointed by the General Meeting of Shareholders. Mr. Robert van Oordt is Chairman of the Supervisory Board. His current term expires at the 2012 General Meeting of Shareholders.

General Meetings of Shareholders

General Meetings of Shareholders must be convened and conducted pursuant to the applicable French and European laws. Any shareholder that has held the status of a shareholder on the third day prior to the General Meeting of Shareholders is eligible to participate in the meeting either in person or through a representative.

A single voting right is attached to each share. There are no preference shares. For detailed information, please refer to Articles 18 and 19 of the Articles of Association.

Registration obligation pursuant to the Articles of Association

Pursuant to Article 9 of the Articles of Association, a Shareholder Concerned[9] must register its shares and/or arrange for the entities it controls within the meaning of Article L. 233-3 of the French Commercial Code to register the shares within five (5) trading days of the acquisition date. The Shareholder Concerned must provide the Company with justification of the registration of its shares (i.e. a copy of the registration application) by registered post within five (5) trading days of the date the threshold is reached.

A Shareholder Concerned that fails to comply with the above requirements will not have the right to participate in General Meetings of Shareholders of the Company and will lose the right to exercise the voting rights attached to the shares.

(6) Refer to page 199. The Company is required to pay a 20% tax on distributions to Shareholders Concerned that are non-French residents for tax purposes and that are taxed less than the equivalent of 2/3rds of the tax payable under the French Tax Regime.
(7) For detailed information on the terms and conditions of the SIIC regime, please refer to page 148 of this report.
(8) For full details refer to the Articles of Association and the Supervisory and Management Board charters available on the Company's website and at the Company's registered office.
(9) Ibid no.5.

Ownership threshold disclosure obligations pursuant to Article 9b of the Articles of Association:

- If a shareholder comes to hold a threshold of two percent or any further multiple thereof (e.g. 4, 6, 8) of the total number of issued shares in the Company, the shareholder must, within ten (10) trading days of the said threshold being reached, serve the Company with written notification of the total number of shares held by registered post to the Company's registered office.
- Article 208-C-II-ter of the French Tax Code ("SIIC4") imposes a 20% tax on the Company for distributions to a Shareholder Concerned[10] that is: (i) a non-French resident for tax purposes; and (ii) taxed less than the equivalent of 2/3rds of the French Tax Regime in the Shareholder Concerned's country of residence ("Deduction Shareholder"). As stated at page 198 (above), pursuant to Article 21 of the Articles of Association, a Shareholder Concerned is liable for the deduction of any liability incurred by the Company pursuant to SIIC4 from the Shareholder Concerned's dividend ("Deduction Shareholder"). Further, pursuant to Article 21 of the Articles of Association, a Shareholder Concerned must declare whether or not it is a Deduction Shareholder and, if the declaration is negative, provide evidence to the Company to this effect. Any change in the Shareholder Concerned's Deduction Shareholder declaration must be communicated to the Company within ten (10) trading days prior to the date fixed for the distribution of profits.
- On the request of one or more shareholders (separately or together) holding at least two percent of the Company's share capital, a Shareholder that fails to comply with the above ownership threshold disclosure requirements will be disqualified from exercising the voting rights pertaining to those shares exceeding the said threshold, either in person or by proxy, at General Meetings for a period of two years from the date the non-disclosure is rectified.

(10) Ibid no.5.

II. GENERAL INFORMATION ABOUT THE SHARE CAPITAL

Conditions imposed by the Articles of Association on changes to the share capital and the respective rights attached to the various share categories

None.

Authorised share capital – Form of shares

The share capital at December 31, 2010, amounted to €458,729,620 divided into 91,745,924 fully paid-up shares with a nominal value of €5 each. At the shareholder's discretion, the shares may be registered or bearer shares. The only exception to this applies to Shareholders Concerned who are obliged to register their shares pursuant to Article 9 of the Articles of Association.

Table summarising authorisations to increase the share capital (as at December 31, 2010):

Pursuant to the Article L. 225.100 of the French Commercial Code, the following table summarises current authorisations to increase the share capital during the 2010 financial year as well as previous authorisations which still have effects on the share capital.

Type of authorisation	Amount authorised[1]	Date of General meeting	Authorisation expiry date	Beneficiaries	Issue terms and conditions*	Amount of authorisation used:number of shares or bonds issued/ subscribed for or permanently allocated[2]	Outstanding amount of authorisation: potential options/ Shares/ bonds as of 31/12/2010[2]
Increase in the share capital by the issue of ordinary shares to be subscribed in cash, or of any negotiable securities with PSR[3]	€75,000,000 nominal value of ordinary shares and/ or securities giving access to the share capital + €1,000,000,000 nominal amount of securities representative of claims	May 14, 2009	July 13, 2011	Shareholders	Power delegated to the Management Board to set terms and conditions.	0	Not used
Increase in the share capital by the issue of ordinary shares to be subscribed in cash, or of any other securities without PSR[3]	€47,000,000 nominal value of ordinary shares and/ or securities giving access to the share capital + €1,000,000,000 nominal amount of securities representative of claims	May 14, 2009	July 13, 2011	Certain shareholders and/or third parties	Powers delegated to the Management Board to set terms and conditions: removal of the preferential subscription right with the possibility of a priority subscription right. If the subscription exceeds 10% of the share capital, priority subscription period for the shareholders is mandatory.	0	Not used
Increase of the number of shares or securities to be issued in the case of an increase in the share capital with or without PSR[3]	Maximum of 15% of the initial issue and in the limit of the maximum threshold as set for the initial issue of shares or securities	May 14, 2009	July 13, 2011	Beneficiaries of the transaction	Powers delegated to Management Board to increase the number of shares or securities at the same terms and conditions as set for the initial issue.	0	Not used

Type of authorisation	Amount authorised[1]	Date of General meeting	Authorisation expiry date	Beneficiaries	Issue terms and conditions*	Amount of authorisation used:number of shares or bonds issued/ subscribed for or permanently allocated[2]	Outstanding amount of authorisation: potential options/ Shares/ bonds as of 31/12/2010[2]
Increase in the share capital without PSR[3] by the issue of ordinary shares to be subscribed in cash, or of any negotiable securities as consideration for capital contributions in the form of securities	Capital contributions in form of securities: 10% of the authorised share capital on the date of the transaction	May 14, 2009	July 13, 2011	Beneficiaries of the transaction	Powers delegated to Management Board to set terms and conditions: removal of the preferential subscription right.	0	Not used
Increase in the share capital by the issue of ordinary shares to be subscribed in cash, or of any other securities without PSR[3]	€47,000,000 nominal value of ordinary shares, possibly adjusted to preserve the rights of holders of negotiable securities giving access to shares + €1,000,000,000 nominal amount of securities representative of claims	May 21, 2007*	July 20, 2009	Certain shareholders and/or third parties	Powers delegated to the Management Board to set terms and conditions: removal of the preferential subscription right with the possibility of a priority right. If the subscription exceeds 10% of the share capital, priority subscription period for the shareholders is mandatory.	3,928,670 Net share settled bonds convertible into new and/or existing shares (ORNANE)	3,928,670 ORNANE The unused part of part of this authorisation has been revoked by the AGM of May, 14, 2009
Increase in the share capital without PSR[3], in the context of the combination with Rodamco Europe NV, to issue ordinary shares and/or securities giving immediate or future access to the share capital	€240,000,000 nominal value of ordinary shares + €2,300,000,000 nominal amount of securities representative of claims (Oras)	May 21, 2007*	July 20, 2009	Beneficiaries of the transaction	Powers delegated to Management Board to pay for securities transferred in the context of the PEO on Rodamco Europe NV.	35,460,833 shares at the end of the PEO 9,363,708 ORA	9,677 ORA Validity period expired
Increases in the share capital by capitalisation of premiums, reserves, profits	€100,000,000 nominal value of ordinary shares	May 14, 2009	July 13, 2011	Shareholders	Powers delegated to Management Board to set terms and conditions: bonus shares or increase in nominal value.	0	Not used

Type of authorisation	Amount authorised[1]	Date of General meeting	Authorisation expiry date	Beneficiaries	Issue terms and conditions*	Amount of authorisation used:number of shares or bonds issued/ subscribed for or permanently allocated[2]	Outstanding amount of authorisation: potential options/ Shares/ bonds as of 31/12/2010[2]
Increases in the share capital reserved for Directors and employees, Stock Option Plan (Plan no.2)[4]	2.5% of the fully diluted share capital	May 12, 2000	May 11, 2005	Group managers and employees	Powers delegated to Management Board to set terms and conditions. No discount.	1,285,820 shares	0 stock options The unused part of this authorisation has been revoked by the authorisation gtanted by the AGM of June 17, 2003
Increases in the share capital reserved for Directors and employees, Stock Option Plan (Plan no.3 and Plan no.3 Performance)[4]	3% of the fully diluted share capital	June 17, 2003	August 16, 2006	Group managers and employees	Powers delegated to Management Board to set terms and conditions. No discount.	1,115,795 shares	200,963 stock options which Plan no.3: 128,002 which Plan no.3 Performance: 72,961 The unused part of this authorisation has been revoked by the authorisation granted by the AGM of April 27, 2006
Increase in the share capital reserved for managers and employees, Stock Option Plan (Plan no.4 Performance)[4]	3% of the fully diluted share capital	April 27, 2006	June 26, 2009	Group managers and employees	Powers delegated to Management Board to set terms and conditions. No discount.	3,850 shares	372,471 stock options subject to performance condition. (Plan no.4 Performance) The unused part of this autorisation has been revoked by the autorisation granted by the AGM of May 21, 2007
Increase in the share capital reserved for managers and employees, Stock Option Plan (Plan no.5 Performance)[4]**	3% of the fully diluted share capital	May 21, 2007*	July 20, 2010	Group managers and employees	Powers delegated to Management Board to set terms and conditions. No discount.	0	2,213,477 stock options subject to performance condition. The unused part of this authorisation has been revoked by authorisation granted by the AGM of May 14, 2009

Type of authorisation	Amount authorised[1]	Date of General meeting	Authorisation expiry date	Beneficiaries	Issue terms and conditions*	Amount of authorisation used:number of shares or bonds issued/ subscribed for or permanently allocated[2]	Outstanding amount of authorisation: potential options/ Shares/ bonds as of 31/12/2010[2]
Increase in the share capital reserved for Group salaried staff and company officers, Stock Option Plan (Plan no.6 Performance)[4]	3% of the fully diluted share capital, but the total number of options open pursuant to this authority plus the amount of options open and not yet exerciced, plus the performance shares granted, under the previous authorities cannot give rise to a number of shares exceeding 5% of the authorised share capital on a fully-diluated basis	May 14, 2009	July 13, 2012	Group salaried staff and company officers	Powers delegated to Management Board only within the 120-day period following the date of the publication of the annual account of the Company to set terms and conditions. No discount. Supervisory Board prior approval for the Management Board grants.	0	862,760 stock options subject to performance conditions
Increases in the share capital reserved for participants of employees savings plan	maximum nominal amount of €2,000,000 carried out pursuant to the both delegated powers	May 14, 2009	July 13, 2011	Subscribers to Company Savings Plan	Powers delegated to Management Board to set terms and conditions. 20% discount to average share price during last 20 trading days.	56,498 shares	343,502 shares
Increases in the share capital reserved for employees and executive managers of the subsidiaries of the Company with registered offices outside of France		May 14, 2009	November 13, 2010	Employees or executive managers of the subsidiaries of the Company with registered office outside of France	Powers delegated to Management Board to set terms and conditions. 20% discount to average share price during last 20 trading days.	0	Not used

(1) For more details, refer to the exact text of the resolutions.
(2) After adjustments if applicable.
(3) Preferential subscription rights.
(4) The conditions of allocation, retention and, if applicable, performance are set by the Board for each allocation.
(*) Pursuant to French law, the CGM held on May 21, 2007 had to fix a total maximum amount for all the authorisations to increase share capital: €400 million nominal amount of share capital and €3.3 billion nominal amount of debt securities.
(**) Pursuant to a decision by the General Meeting of Shareholders held on May 21, 2007, all the delegations of power granted to the Board of Directors of Unibail Holding have been transferred to the Management Board of Unibail-Rodamco SE.

Table summarising new authorisations to increase the share capital subject to the approval of the Annual General Meeting of Shareholders of April 27, 2011:

Type of authorisation[1]	Amount[2]	Date of General Meeting	Authorisation expiry date	Beneficiaries	Issue terms and conditions	Effect on the previous authorisation
Increase in the share capital by the issue of ordinary shares to be subscribed in cash, or of any negotiable securities with PSR[3]. Resolution #17	€75,000,000 nominal value of ordinary shares and/or securities giving access to the share capital + €1,000,000,000 nominal amount for debt securities issues	April 27, 2011	October 27, 2012	Shareholders	Power delegated to the Management Board to set terms and conditions.	The approval of this authorisation would revoke the unused part of that of May 14, 2009
Increase in the share capital by the issue of ordinary shares to be subscribed in cash, or of any other securities without PSR[3]. Resolution #18	€45,000,000 nominal value of ordinary shares and/or securities giving access to the share capital + €1,000,000,000 nominal amount for debt securities issues	April 27, 2011	October 27, 2012	Certain shareholders and/or third parties	Power delegated to the Management Board to set terms and conditions: removal of the preferential subscription right with the possibility of a priority right. If the subscription exceeds 10% of the share capital, priority subscription period for the shareholders is mandatory.	The approval of this authorisation would revoke the unused part of that of May 14, 2009
Increase of the number of shares or securities to be issued in the case of an increase in the share capital with or without PSR[3]. Resolution #19	Maximum of 15% of the initial issue and in the limit of the maximum threshold as set for the initial issue of shares or debt securities	April 27, 2011	October 27, 2012	Beneficiaries of the transaction	Power delegated to Management Board to increase the number of shares or securities at the same terms and conditions as set for the initial issue.	The approval of this authorisation would revoke the unused part of that of May 14, 2009
Increase in the share capital without PSR[3] by the issue of ordinary shares to be subscribed in cash, or of any negotiable securities as consideration for capital contributions in kind. Resolution #20	Capital contributions in kind: 10% of the authorised share capital on the date of the transaction	April 27, 2011	October 27, 2012	Beneficiaries of the transaction	Power delegated to Management Board to set terms and conditions: removal of the preferential subscription right.	The approval of this authorisation would revoke the unused part of that of May 14, 2009
Increases in the share capital reserved for participants of employees savings plan. Resolution #21	Maximum nominal amount of €2,000,000	April 27, 2011	October 27, 2012	Subscribers to Company Savings Plan	Powers delegated to Management Board to set terms and conditions. 20% discount to average share price during last 20 trading days.	The approval of this authorisation would revoke the delegated powers of May 14, 2009

Type of authorisation[1]	Amount[2]	Date of General Meeting	Authorisation expiry date	Beneficiaries	Issue terms and conditions	Effect on the previous authorisation
Increase in the share capital reserved for Group salaried staff and company officers, Stock Option Plan. Resolution #22	3% of the fully diluted share capital, but the total number of options open pursuant to this authority plus the amount of options opens and not yet exercised, plus the performance shares granted, under previous authorities cannot give rise to a number of shares exceeding 8% of the authorised share capital on a fully-diluted basis	April 27, 2011	June 27, 2014	Group salaried staff and company officers	Powers delegated to Management Board only within the 120-day period following the date of the publication of the annual accounts of the Company to set terms and conditions. No discount. Prior approval from the Supervisory Board for grants to the Management Board.	The approval of this authorisation would revoke the unused part of that of May 14, 2009

(1) For more details, refer to the exact text of the resolutions.
(2) Pursuant to French law, the CGM to be held on April 27, 2011, will be invited to fix a total maximum amount (included in Resolution #17) for all authorisations as follows:
- up to €122 million nominal amount of share capital increase
- and up to €1 billion nominal amount for debt securities issues.
(3) Preferential subscription rights.

Other securities granting access to the share capital

Options to subscribe for and/or purchase shares

Stock options allocated to Group managers and employees in the context of the plans summarised below have been granted for exemplary behaviour, an increase in responsibility or the assumption of key roles within the Group. There is no automatic allocation, in terms of amount or frequency, and, pursuant to Group rules, no discount is applied to stock options.

In line with the then prevailing market practice, the Company stock option plan adopted prior to 2003 (Plan no.2) is not subject to any performance condition. From 2003 to 2005, two stock option plans were introduced: one without any performance condition available to all employees (Plan no.3) and one with a performance condition, available to executives only (Plan no.3 Performance). All Company stock option plans adopted since 2006 (Plans no.4, no.5 and no.6) are subject to performance conditions. For more details with respect to the specific plans, see below.

- **Plan no.2**

In accordance with the authorisation granted by the Combined General Meeting held on May 12, 2000, the Board of Directors was authorised to grant the Group's managers and employees options to acquire newly-issued and/or existing shares up to a limit of 2.5% of the fully-diluted share capital. Pursuant to this authorisation, in 2003, the Board of Directors introduced Plan no.2. The options have a duration of 8 years and may be exercised as follows: (i) 30% on the expiry of the 2nd anniversary of the allocation date; (ii) 30% on the expiry of the 3rd anniversary of the allocation date; and (iii) the remainder of the options on the expiry of the 4th anniversary of the allocation date. The beneficiaries are prohibited from dealing in their shares until the expiry of the 4th anniversary of the allocation date.

In years 2000, 2001 and 2002, a total of 1,213,500 options were granted under Plan no.2 resulting in 1,387,550 options, after legal adjustments (Article R228-91-3° of the French commercial code), namely: (i) the division of the nominal value by 3 in 2001; (ii) the application of the adjustment ratio of 1.2726 following the exceptional distribution of January 7, 2005; (iii) the application of the adjustment ratio of 1.02 following the exceptional distribution of July 15, 2009 and (iv) the application of the adjustment ratio of 1.06 following the exceptional distribution of May 10, 2010. As at December 31, 2010, 1,285,820 new shares were issued , after cancellations due to staff departures. There are no remaining options to be exercised under Plan no.2.

- **Plan no.3 and Plan no.3 Performance**

In accordance with the authorisation granted by the Combined General Meeting held on June 17, 2003, the Board of Directors was authorised to grant the Group's managers and employees options to acquire newly-issued shares up to a limit of 3% of the fully-diluted share capital. On the recommendation of the Nomination and Remuneration Committee at the time, the Board of Directors, on October 15, 2003, approved the terms of two plans: (i) Plan no.3 – available to Group's executives and employees without performance conditions; and (ii) Plan no.3 Performance – for executives and high level managers only subject to performance conditions. Under both plans, the options have a duration of 7 years and may be exercised at any time on one or more occasions from the 4th anniversary of the allocation date.

Under Plan no.3 Performance, the right to exercise options is conditional on Unibail-Rodamco SE's overall stock price outperforming the European Public Real Estate Association benchmark index (EPRA Index) over the Reference Period (see below for more detail). The Reference Period is the period commencing on the allocation date of the options and expiring on the last trading day before the recipient exercises the option. Options can be exercised on the expiry of the 4th anniversary of the allocation date (at the earliest) and on the expiry of the 7th anniversary of the allocation date (at the latest).

With respect to the Plan no.3 Performance, particular attention is drawn to the following points:

(i) Unibail-Rodamco SE's overall stock market performance is defined as the movement in Unibail-Rodamco SE's share price during the Reference Period taking into account all gross interim and final dividends reinvested on the distribution date.

(ii) The performance of the EPRA Index is defined as the movement in the EPRA Euro Zone Total Return Index during the Reference Period. This Index comprises of the leading property stocks in the Euro Zone and is a 'total return' index (including dividends paid). The gross dividend figures included in the calculation of Unibail-Rodamco SE's overall stock market performance are those published by Bloomberg, which is the basis for the EPRA Euro Zone Total Return index.

A combined total of 1,147,000 options have been granted under the Plan no.3 and Plan no.3 Performance or 1,414,423 options after legal adjustments (Article R228-91-3° of the French commercial code): the application of the adjustment ratio of 1.2726 following the exceptional distribution of January 7, 2005 (for the 2003 and 2004 tranches); the application of the adjustment ratio of 1.02 following the exceptional distribution of July 15, 2009; the application of the adjustment ration of 1.06 following the exceptional distribution of May 10, 2010 and the application of the adjustment ratio of 1.14 following the exceptional distribution of October 12, 2010 (for all tranches under plans no.3 and no.3 Performance). As at March 10, 2011, 822,422 options were exercised under Plan no.3, after the cancellation of options due to staff departures and the potential number of shares under Plan no.3 was 115,987. Under Plan no.3 Performance, as at March 10, 2011 305,388 options were exercised, bringing the potential number of shares to 72,961.

- **Plan no.4 Performance**

In accordance with the authorisation granted by the Combined General Meeting held on April 27, 2006, the Board of Directors was authorised to grant the Group's managers and employees options to acquire newly-issued shares up to a limit of 3% of the fully-diluted share capital. Pursuant to this authorisation, on October 11, 2006, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee at the time, introduced a new plan subject to performance conditions (Plan no.4 Performance). The options under Plan no.4 Performance have a duration of 7 years, and may be exercised at any time, on one or more occasions, after the expiry of the 4th anniversary of the allocation date.

The right to exercise the options is conditional on Unibail-Rodamco SE's overall stock market performance, on the same terms as Plan no.3 Performance (as set out above). A total of 365,500 options have been granted under the Plan no.4 Performance, or 437,018 after the application of legal adjustments (Article R228-91-3° of the French Commercial code): the adjustment ratio of 1.02 following the exceptional distribution of July 15, 2009; the adjustment ratio of 1.06 following the exceptional distribution of May 10, 2010 and the adjustment ratio of 1.14 following the exceptional distribution of October 12, 2010. As at March 10, 2011, the potential number of new shares dependent on Plan no.4 Performance was 369,387, after the cancellation of options due to staff departures.

- **Plan no.5 Performance**

In accordance with the authorisation granted by the Combined General Meeting held on May 21, 2007, the Management Board was authorised to grant the Group's managers and employees options to acquire newly-issued and/or existing shares up to a limit of 3% of the fully-diluted share capital. This authorisation replaced the authorisation granted by the General Meeting on April 27, 2006. In agreement with the Supervisory Board and the Governance, Nomination and Remuneration Committee, the Management Board, on October 11, 2007, approved a stock option plan subject to performance conditions (Plan no.5 Performance). The options have a duration of 7 years, and may be exercised at any time, on one or more occasions, as from the 4th anniversary of the allocation date. In addition, following the merger between Unibail-Holding (the previous corporate name of Unibail-Rodamco SE) and Rodamco Europe NV, the Management Board decided to extend the scope of Plan no.5 Performance to all Unibail-Rodamco SE Group subsidiaries in Europe.

The right to exercise the options is subject to a performance condition depending on Unibail-Rodamco SE's overall stock market performance, on the same terms as Plan no.3 Performance and Plan no.4 Performance (as set out above). In agreement with the Governance, Nomination and Remuneration Committee and the Supervisory Board, the Management Board granted a second allocation on October 23, 2008 and a third allocation on March 13, 2009. A total of 2,249,600 options have been granted under the Plan no.5 Performance comprising of options allocated in years 2007, 2008 and 2009 and resulting in a total of 2,687,319 options after the application of the adjustment ratio of 1.02 following the exceptional distribution of July 15, 2009: the application of the adjustment ratio of 1.06 following the exceptional distribution of May 10, 2010 and the application of the adjustment ratio of 1.14 following the exceptional distribution of October 12, 2010. As at March 10, 2011, the potential number of new shares under Plan no.5 Performance was 2,187,581, after the cancellation of options due to staff departures.

- **Plan no.6 Performance**

In accordance with the authorisation granted by the Combined General Meeting held on May 14, 2009, the Management

Board may grant the Group's managers and employees options to acquire newly-issued and/or existing shares up to a limit of 3% of the fully-diluted share capital on the condition that the total sum of the options granted under this and previous authorities, including performance shares previously granted, do not exceed 5% of the authorised share capital on a fully-diluted basis subject to adjustments under Articles R. 225-137 and R. 225-142 of the French Commercial Code.

In agreement with the Supervisory Board and the Governance, Nomination and Remuneration Committee, the Management Board, on March 10, 2010, approved a stock option plan subject to performance conditions (Plan no.6 Performance). The options have a duration of 7 years, and may be exercised at any time, on one or more occasions, from the 4th anniversary of the allocation date. The right to exercise the options under Plan no.6 Performance is subject to a performance condition depending on Unibail-Rodamco SE's overall stock market performance, on the same terms as Plan no.3 Performance, Plan no.4 Performance and Plan no.5 Performance as set out above.

As recommended by the Governance, Nomination and Remuneration Committee and approved by the Supervisory Board, the Management Board, on March 10, 2010 granted a first allocation of 778,800 options, or 932,228 after the application of legal adjustments (Article R228-91-3° of the French commercial code): the adjustment ratio of 1.06 following the exceptional distribution of May 10, 2010 and the adjustment ratio of 1.14 following the exceptional distribution of October 12, 2010 (contribution premium reimbursement).

As recommended by the Governance, Nomination and Remuneration Committee and approved by the Supervisory Board, the Management Board granted a second allocation on March 10, 2011 of 753,950 options.

As at March 10, 2011, a total of 1,686,178 options have been granted under Plan no.6 Performance. The potential number of new shares dependent on Plan no.6 Performance was 1,605,831, after the application of the March 2010 allocation adjustments and the cancellation of options due to staff departures.

General stock option grant conditions

In addition, the following conditions apply to the grant of all options since March 2009 included:

- The allocation date is fixed in agreement with the Supervisory Board and, in accordance with the Afep-Medef recommendations, must fall within the one-hundred-and-twenty (120) day period following the date of publication of the annual accounts of the Company.
- The performance conditions are fixed in agreement with the Supervisory Board.
- The number of options allocated to individual members of the Management Board must have the prior approval of the Supervisory Board on the recommendation of the Governance, Nomination and Remuneration Committee. In conformity with Afep-Medef recommendations, the Supervisory Board fixes a maximum percentage of the total number of options that can be granted to the Chairman of the Management Board and to the top six beneficiaries under the plans.

Further, pursuant to the Group remuneration policy, the Supervisory Board and Management Board undertake not to grant stock options exceeding 1% of the company's diluted capital per year.

Stock option information as at March 10, 2011 (Table no.8 AMF/Afep-Medef recommendations)

	History of the Share Subcription or Purchase Options' Allocations Information about the Share Subcription or Purchase Options' Allocations							
Date of the plan	Plan no.3	Plan no.3	Plan no.4	Plan no.5	Plan no.5	Plan no.5	Plan no.6	Plan no.6
	Tranche 2004 + Performance(1)	Tranche 2005 + Performance(1)	Tranche 2006 Performance	Tranche 2007 Performance	Tranche 2008 Performance	Tranche 2009 Performance	Tranche 2010 Performance	Tranche 2011 Performance
Date of Board	13/10/04 (2) (3) (4)	14/12/05 (3) (4)	11/10/06 (3) (4)	11/10/07 (3) (4)	23/10/08 (3) (4)	13/03/09 (3) (4)	10/03/10 (4)	10/03/11
Total number of shares that may be acquired through exercising options, of which:	407,522	449,052	437,018	768,389	1,028,777	890,153	932,228	753,950
By responsible officers	59,658	108,677	98,607	141,747	184,889	154,074	199,386	159,000
G. Poitrinal(5)	41,840	73,955	49,303	49,303	73,955	61,629	60,420	55,000
M. Dessolain(5)	17,818	18,504	24,652	24,652	36,978	30,815	30,210	26,000
C. Pourre(5)	-	16,218	24,652	24,652	36,978	30,815	30,210	26,000
P. van Rossum(5)				43,140	36,978	30,815	30,210	26,000
J. Tonckens(6)							48,336	26,000
End of lock-up period	13/10/08	14/12/09	11/10/10	11/10/11	23/10/12	13/03/13	10/03/14	10/03/15
Expiry date	13/10/11	14/12/12	11/10/13	11/10/14	23/10/15	13/03/16	10/03/17	10/03/18
Strike price (€) No discount	62,39	88,10	131,03	146,32	105,69	80,66	122,74	144,37
Exercise terms (if the plan has more than one tranche)	See page 205 of this report	See page 205 of this report	See page 206 of this report	See page 206 of this report	See page 206 of this report	See page 206 of this report	See page 206 of this report	See page 206 of this report
Number of options subscribed as at March 10, 2011	369,674	200,287	5,084	0	0	0	0	0
Number of options cancelled	16,865	80,800	62,547	194,894	184,025	120,819	80,347	0
Outstanding options	20,983	167,965	369,387	573,495	844,752	769,334	851,881	753,950

(1) The valuation of these options took into account the performance conditions applicable to some of these options
(2) After taking into account the adjustment applied on January 7, 2005.
(3) After taking into account the adjustment applied on July 15, 2009.
(4) After taking into account the adjustment applied on May 10, 2010 and on October 12, 2010.
(5) Member of Unibail-Rodamco SE Management Board since June 2007.
(6) Member of Unibail-Rodamco SE Management Board since September 2009.

Bonus shares ("Performance Share")

The last Combined General Meeting authorisation to allocate Performance Shares expired on June 27, 2008. The last allocation pursuant to this authorisation was made in 2007. No performance shares have been allocated since.

Warrants to purchase existing shares and/or subscribe for new shares

Currently, there are no warrants for the purchase of existing shares and/or the subscription for new shares.

ORA (Bond redeemable into shares)

Pursuant to the Rodamco Europe NV Public Exchange Offer, 9,363,708 ORA were issued in part consideration for the shares contributed by Rodamco Europe NV shareholders. As at December 31, 2010, 9,354,031 ORA had been redeemed into shares. The remaining number of ORA, yet to be redeemed, as of December 31, 2010, is 9,677. The potential number of new shares that may be issued on the exercise of the ORA is 11,902[11], based on the redemption ratio of 1.23 following the exceptional distribution of October 12, 2010. For full details on the ORA, please refer to the "Note d'opération" approved by the Autorité des Marchés Financiers (AMF) (French financial markets authority) under visa no.07-104 dated May 18, 2007.[12]

ORNANE (Net share settled bond convertible into new and/or existing shares)

On 29 April 2009, Unibail-Rodamco SE issued 3,928,670 net share settled bonds convertible into new and/or existing shares at a nominal value of €146.36 per share and for a total amount of €575 Mn. As at December 31, 2010, the remaining number of Ornane, yet to be converted as from March 31, 2010, is 3,928,670. Based on the conversion rate of 1.23 subsequent to the exceptional distribution of October 12, 2010, the number of potential shares is 927,896 on December 31, 2010. For full details on the ORNANE, please refer to the "Note d'opération" approved by the Autorité des Marchés Financiers (AMF) (French financial markets authority) under visa no.09-104 dated April 21, 2009.[13]

Share buy-back programme

The Combined General Meeting held on April 28, 2010 (replacing the authority granted on May 14, 2009) authorised the Management Board, pursuant to Article L225-209 seq. of the French Commercial Code and the European Commission Regulation no.2273/2003 of December 22, 2003, for a period of eighteen months, to buy-back Company shares up to the legal limit of 10% of the total number of outstanding shares adjusted for any change in the share capital during the authorisation period, with a view to:

(i) cancelling all or part of the shares purchased to date under Article L. 225-209 of the French Commercial Code, subject to the General Meeting's authorisation to reduce the share capital;

(ii) holding shares that can be allotted to its executive officers and employees and to those of affiliated companies under the terms and conditions provided by law pursuant to stock option schemes, free allotments of existing shares or company or inter-company employee stock purchase plans;

(iii) holding shares that enable it to allot shares upon the exercise of rights attached to negotiable securities giving access to the capital by way of redemption, conversion, exchange, presentation of a warrant, or in any other manner;

(iv) holding shares that can be retained and subsequently used by way of exchange or payment in the context of external growth operations (including the acquisition or increase of interests) without exceeding the limit laid down by Article L. 225-209 of the French Commercial Code in the context of mergers, spin-offs or contributions in kind;

(v) stimulating the market in and the liquidity of the shares through an investment intermediary in the context of a liquidity contract;

(vi) implementing any new market practice which might be approved by the Autorité des Marchés Financiers (AMF) (French financial markets authority) and, more generally, to carry out any transaction permitted under the regulations in force.

The maximum share buy-back purchase price is fixed at €200, excluding costs per share, based on a nominal value of €5/share. The total cost of the share buy-back programme must not exceed €1.6 billion.

The Management Board will propose that the shareholders, during the General Meeting to be held on April 27, 2011, renew this authorisation for a period of eighteen months, up to the legal limit of 10% of the total number of outstanding shares adjusted for any change in the share capital during the authorisation period so as to allow the Company to:

(i) cancel all or part of the shares purchased to date, under Article L. 225-209 of the French Commercial Code and, subject to the General Meeting's authorisation to reduce the share capital;

(ii) hold shares that can be issued to its executive officers and employees and to employees of affiliated companies under the terms and conditions provided by law pursuant to stock option schemes, free allotments of existing shares or company or inter-company employee stock purchase plans;

(iii) hold shares that enable it to allot shares upon the exercise of rights attached to negotiable securities giving access to the capital by way of redemption, conversion, exchange, presentation of a warrant, or in any other manner;

(iv) hold shares that can be retained and subsequently used by way of exchange or payment in the context of external growth operations (including the acquisition or increase of interests) without exceeding the limit laid down by Article L. 225-209 of the French Commercial Code in the context of mergers, spin-offs or contributions in kind;

(v) stimulate the market in and liquidity of the shares through an investment intermediary in the context of a liquidity contract; and

(vi) implement any new market practice which might be approved by the Autorité des Marchés Financiers (AMF) (French financial markets authority) and, more generally, to carry out any transaction permitted under the regulations in force.

The purchase, sale or transfer of shares may be effected at any time (except during the period of a public offering of the Company's shares for settlement entirely in cash) and by any means, on the market or over the counter on market terms.

(11) Depending on ORA holder entitlement to round up fractional shareholdings.
(12) Available for free on the company's website or on request.
(13) Ibid no.12.

The maximum purchase price is fixed at €200 excluding costs per share, based on a nominal value of €5/share. The total cost of this share buy-back programme must not exceed 1,83 billion euros.

This new authorisation, subject to the Annual General Meeting approval, would replace the authorisation granted on April 28, 2010.

Review of share buy-back programme running from April 28, 2010, until March 10, 2011.

As at March 10, 2011, the company does not hold any of its own shares.

Under the share buy-back programme authorised by the General Meeting held on May 14, 2009, no shares were acquired by the Company.

Situation as at March 10, 2011 (since April 28, 2010)

% of the treasury shares held directly or indirectly on the date of the publication of the programme:	0%
Number of cancelled shares during the last 24 months:	0
Number of shares held in the portfolio as at March 10, 2011:	0
Accountant value of the portfolio:	€0
Market value of the portfolio:	€0

Information on transactions between the General Meeting held on April 28, 2010 and March 10, 2011

	Gross totals		Open positions on prospectus filing date			
	Buy	Sales/ Transfers	Buy		Sell	
Number of shares	–	–	Purchased call options	Forward buy	Sales call options	Forward sale
			–	–	–	–
Average maximum maturity	–	–	–	–	–	–
Average transaction price (€/ share)	–	–	–	–	–	–
Total amount	–	–	–	–	–	–

The Company has not entered into any market-making or liquidity agreements.

The Company has not used any derivative products as part of its share buyback programme.

Pledged Company shares

On March 10, 2011, 449,208 shares were pledged in a registered custodian account (nominatif administré). No standard registered shares (nominatif pur) were pledged.

Escheat shares

Within the framework of the procedure set forth in Article L. 228-6 of the French Commercial Code, Company shares unclaimed by shareholders within a period of two years following the publication of a notice in the newspaper La Tribune on July 8, 2005, were sold. The shareholders whose shares were sold may claim the counter value from Caceis (the Company's share registry).

Other securities granting access to the share capital

None

Dividends/Distribution of profits

Dividends are paid out of profits, retained earnings and, if necessary, distributable reserves. As yet, the Company has not used the authorisation under Article 21 of the Articles of Association to distribute the dividend in the form of new shares.

The General Meeting held on April 28, 2010, approved a distribution of €8.00 per share for the 2009 financial year, deducted from the "contribution premium" account, amounting to €731 Mn paid on May 10, 2010.

The overall distribution in respect of the 2009 financial year amounted to €731,24 Mn after payment of the financial rights due to the shares existing as at May 9, 2010.

The General Meeting held on September 8, 2010, approved an exceptional distribution of €20.00 per share deducted from the "contribution premium" account, amounting to €1,83 Bn paid on October 12, 2010.

Based on the consolidated recurring result of €9.27/share, the Management Board will propose to the General Meeting to approve the accounts for the financial year ending December 31, 2010 and to declare a distribution for 2010 at €8.00/share to be paid out as follows:

- a dividend of €5.30[14] per share;
- a distribution of €2.70[15] per share to be deducted from the "distributable reserves" and the "contribution premium" accounts.

This distribution will be paid on May 10, 2011.

Dividends that remain unclaimed for a period of five years from the date they are made available for payment are paid to the French Treasury, in accordance with Article L. 27 of the French State Property Code *(Code du Domaine de l'État)*.

(14) Split based on the number of existing shares as at December 31, 2010.
(15) Split based on the number of existing shares as at December 31, 2010.

Increases/decreases in Unibail-Rodamco's share capital over the past five years

Date	Movements in the share capital	Number of shares issued	Total number of shares	Total share capital	Premium resulting from transaction
01/02/2006	Exercise of options (1998-2002)	122,490	45,741,054	€228,705,270	€4,757,584.35
27/04/2006	Exercise of options (1998-2002)	113,547	45,854,601	€229,273,005	€4,112,799.29
28/06/2006	Company Savings Plan	31,214	45,885,815	€229,429,075	€3,289,331.32
24/07/2006	Exercise of options (1999-2002)	18,664	45,904,479	€229,522,395	€704,983.80
11/10/2006	Exercise of options (1999-2002)	8,934	45,913,413	€229,567,065	€341,859.29
14/12/2006	Exercise of options (1999-2002)	163,707	46,077,120	€230,385,600	€6,802,258.34
31/01/2007	Exercise of options (1999-2002)	48,373	46,125,493	€230,627,465	€1,937,644.71
27/04/2007	Exercise of options (1999-2002)	20,523	46,146,016	€230,730,080	€832,864.63
25/06/2007	Rodamco Europe NV PEO: 1st issue	27,917,226	74,063,242	€370,316,210	€5,321,646,032.83
27/06/2007	Company Savings Plan	28,668	74,091,910	€370,459,550	€4,567,672.44
11/07/2007	Rodamco Europe NV PEO: 2nd issue	7,543,607	81,635,517	€408,177,585	€1,437,979,771.51
13/07/2007	Exercise of options (1999-2002)	16,089	81,651,606	€408,258,030	€653,419.18
03/10/2007	Exercise of options (2000-2002)	6,420	81,658,026	€408,290,130	€267,200.40
03/10/2007	Reimbursement of ORA	22,563	81,680,589	€408,402,945	€4,323,070.80
05/12/2007	Exercise of options (2000-2003)	152,283	81,832,872	€409,164,360	€7,414,167.78
05/12/2007	Reimbursement of ORA	13,013	81,845,885	€409,229,425	€2,493,290.80
21/12/2007	Cancellation of shares	-173,843	81,672,042	€408,360,210	€23,370,471.03
16/01/2008	Exercise of options (2000-2003)	89,497	81,761,539	€408,807,695	€4,335,840.07
16/01/2008	Reimbursement of ORA	10,954	81,772,493	€408,862,465	€2,098,786.40
10/04/2008	Exercise of options (2000-2003)	67,698	81,840,191	€409,200,955	€3,296,788.54
10/06/2008	Exercise of options (2000-2003)	44,005	81,884,196	€409,420,980	€2,024,676.70
26/06/2008	Company Savings Plan	26,117	81,910,313	€409,551,565	€3,378,072.86
17/07/2008	Exercise of options (2000-2003)	35,160	81,945,473	€409,727,365	€1,620,031.81
17/07/2008	Reimbursement of ORA	156	81,945,629	€409,728,145	€29,889.60
13/10/2008	Exercise of options (2000-2003)	22,554	81,968,183	€409,840,915	€993,532.26
23/11/2008	Exercise of options (2001-2004)	15,851	81,984,034	€409,920,170	€991,716.00
18/12/2008	Cancellation of shares	-553,408	81,430,626	€407,153,130	€54,762,509.87
05/01/2009	Exercise of options (2001-2004)	14,027	81,444,653	€407,223,265	€1,008,681.57
02/03/2009	Reimbursement of ORA	77	81,444,730	€407,223,650	€14,753.20
02/03/2009	Exercise of options (2001-2004)	86,952	81,531,682	€407,658,410	€6,188,602.80
20/04/2009	Exercise of options (2001-2004)	1,698	81,533,380	€407,666,900	€122,103.18
20/04/2009	Reimbursement of ORA	3,000,000	84,533,380	€422,666,900	€574,800,000.00
08/06/2009	Exercise of options (2001-2004)	9,013	84,542,393	€422,711,965	€408,589.94
08/06/2009	Reimbursement of ORA	107	84,542,500	€422,712,500	€20,501.20
25/06/2009	Company Savings Plan	25,919	84,568,419	€422,842,095	€2,302,903.15
22/07/2009	Exercise of options (2001-2004)	164,088	84,732,507	€423,662,535	€8,697,922.37
31/08/2009	Exercise of options (2001-2004)	34,955	84,767,462	€423,837,310	€2,062,070.42
31/08/2009	Reimbursement of ORA	3,570, 003	88,337,465	€441,687,325	€670,250,491.00
30/10/2009	Exercise of options (2001-2004)	45,028	88,382,493	€441,912,465	€2,878,112.75
30/10/2009	Reimbursement of ORA	2,851,513	91,234,006	€456,170,030	€535,357,591.60
31/12/2009	Exercise of options (2002-2005)	28,961	91,262,967	€456,314,835	€2,112,437.94
31/12/2009	Reimbursement of ORA	1,582	91,264,549	€456,322,745	€297,016.60
01/03/2010	Exercise of options (2002-2005)	42,410	91,306,959	€456,534,795	€3,139,535.78
07/05/2010	Exercise of options (2002-2005)	98,719	91,405,678	€457,028,390	€7,596,364.73
24/06/2010	Exercise of options (2002-2005)	7,771	91,413,449	€457,067,245	€494,678.35
24/06/2010	Reimbursement of ORA	4	91,413,453	€457,067,265	€665.60
24/06/2010	Company Savings Plan	30,579	91,444,032	€457,220,160	€3,175,626.15
11/10/2010	Exercise of options (2002-2005)	270 344	91,714,376	€458,571,880	€19,977,434.14
11/10/2010	Reimbursement of ORA	1,907	91,716,283	€458,581,415	€337,618.75
31/12/2010	Exercise of options (2004-2006)	19,509	91,735,792	€458,678,960	€1,608,693.75
31/12/2010	Reimbursement of ORA	10,132	91,745,924	€458,729,620	€1,568,825.35

Note: Increases in the share capital associated with the exercise of options and ORA are taken into account on the date of the first meeting of the Board of Directors (until June 2007) or Management Board following such exercise.

III. SHARE CAPITAL AND VOTING RIGHTS

Ownership of capital and voting rights

The Group's share capital as at March 10, 2011, comprised of 91,762,255 fully paid-up shares with a nominal value of €5 each.

One voting right is attached to each share.

Over 99% of the share capital is free floating.

The Company's shareholding structure has changed as follows over the last three years:

Owner	Year-end 2008			Year-end 2009			Year-end-2010			Statement on March 10, 2011		
	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights
Free float	81,090,117	99.56%	99.57%	90,788,525	99.47%	99.47%	91,161,886	99.36%	99.36%	91,181,958	99.37%	99.37%
Treasury shares	2,666	0.01%	0.00%	0	0.00%	0.00%	0.00%	0.00%	0.00%	0	0.00%	0.00%
Company's responsible officers	126,982	0.15%	0.15%	239,473	0.26%	0.26%	311,811	0.34%	0.34%	311,811	0.34%	0.34%
Group Company Savings Plan	224,888	0.28%	0.28%	236,551	0.26%	0.26%	272,227	0.30%	0.30%	268,486	0.29%	0.29%

Pursuant to Article 13 of the Articles of Association, Supervisory Board members are required to own at least one share each. Article L. 225-109 of the French Commercial Code provides that the shares owned by Supervisory Board and Management Board members must be registered shares.

Ownership threshold disclosures between March 10, 2010 [16] and March 10, 2011

To the best knowledge of the Company, the threshold shareholdings disclosed to the Company and/or the A.M.F. between March 10, 2010 and March 10, 2011 are as follows:

Owner	Number of shares	% of share capital as of March 10, 2011	Number of voting rights	% of voting rights as of March 10, 2011
CREDIT SUISSE (number of shares based on e-mail of May 11, 2010 sent to the Company)	1,381,467	1.50%	1,381,467	1.50%
AMUNDI (number of shares based on a letter of June, 8 2010 sent to the Company by registered mail) on the behalf of 3 Amundi management Companies (Amundi, Société Générale Gestion et Etoile Gestion SNC). Unification of their voting rights: joint statement of threshold crossing	3,588,687	3.91%	3,588,687	3.91%
BNP Asset Management (number of shares based on a letter of June 7, 2010 sent to the Company by registered mail); sigle statement made by BNP Asset Management on behalf of Management Companies BNP PARIBAS	1,907,603	2.08%	1,907,603	2.08%
BlackRock Inc (number of shares based on e-mail of September 13, 12010 sent to the Company)	4,892,280	5.33%	4,892,280	5.33%
UBS (number of shares based on fax of January 12, 2011 sent to the company)	2,055,821	2.24%	2,055,821	2.24%
COHEN & STEERS (number of shares based on a letter on February 18, 2011 sent to the Company)	3,671,829	4.00%	3,671,829	4.00%

As of March 10, 2011, there are 9,677 outstanding redeemable bonds in Unibail-Rodamco SE shares (ORA) and 3,928,670 outstanding net share settled bonds convertible into new and /or existing shares (ORNANE) of Unibail-Rodamco SE.

To the best knowledge of the Company, there is neither a shareholders' agreement, nor any person or group of persons exercising or capable of exercising control over the Company.

Unibail-Rodamco SE's Supervisory Board and Management Board members and all other staff must comply with the Unibail-Rodamco SE Group Compliance Book (including Code of Ethics and Insider Trading Rules) with respect to dealings in the Company's securities carried out in a personal capacity. In particular they must refrain from dealing in Unibail-Rodamco SE shares (or financial instruments associated with such securities) during the 30-day period preceding the publication of the annual and half-year results. The Company's Supervisory Board and Management Board members and certain employees, who by reason of their functions have access to insider information, are classified as permanent or temporary insiders within the meaning of Article 622-2 of the AMF's general rules and regulations.

(16) Threshold disclosures notified prior to March 10, 2010 can be viewed on the A.M.F. website and/or previous Company's annual reports available on its website.

IV. MANAGEMENT BOARD AND SUPERVISORY BOARD

1. Composition of the Management Board as at 31 December 2010

Mr. Guillaume Poitrinal Chairman of the Management Board Chief Executive Officer of Unibail-Rodamco S.E. Born on December 22, 1967 French national First Mandate: June 26, 2007 Renewal of mandate: May 15, 2009 Mandate expires: AGM 2013	**Other current Functions and Mandates (outside of the Unibail-Rodamco Group)** • Chairman of the European Public Real Estate Association (EPRA) and member of the French Fédération des Sociétés Immobilières et Foncières (FSIF) • Member of the Ethics Committee of the MEDEF • Permanent representative of Unibail-Rodamco Participations S.A.S. on the Supervisory Board of SEML Nouvelle du Parc du Futuroscope, Permanent representative of Société Civile du Forum des Halles on the Board of Directors of SEMPARISEINE • Director of Pavillon de l'Arsenal • Representative of Unibail-Rodamco on the Boards of Directors of l'Association pour la Formation Supérieure aux Métiers de l'Immobilier and Société Paris – Ile-de-France Capitale Économique **Other current Functions and Mandates (intra-group)** • Chairman of the Supervisory Board of Rodamco Europe N.V. • Director of U&R Management B.V. • Vice Chairman of the Supervisory Board of Salon International de l'Alimentation (SIAL) S.A. • Director of Comexposium Holding and Viparis Holding **Previous Mandates during the last 5 years** • Chairman and CEO of Unibail S.A. • Chairman of the Board of Directors of Viparis-Porte de Versailles • Chairman of Groupe Exposium Holding S.A.S. and Doria S.A.S. • Director of Viparis – Palais des Congrès Paris • Representative of Unibail-Rodamco as the Chairman of the Comexposium Holding • Representative of Unibail-Rodamco on the Board of Directors of Viparis Holding • Representative of Doria S.A.S. as the manager of Financières 5 Malesherbes • Representative of Groupe Exposium Holding S.A.S. on the Board of Directors of Comexposium **CV** • Graduate from HEC Business School • Started his career at Morgan Stanley in London and Paris with the M&A and Corporate Finance departments • Joined Unibail in 1995
Mrs. Catherine Pourre Member of the Management Board Chief Resources Officer of Unibail-Rodamco S.E. Born on February 2, 1957 French national First Mandate: June 26, 2007 Renewal of mandate: May 15, 2009 Mandate expires: AGM 2013	**Other current Functions and Mandates (outside of the Unibail-Rodamco Group)** • Director and member of the Audit Committee of Neopost S.A. (listed French company) **Other current Functions and Mandates (intra-group)** • Management Board member of Rodamco Europe N.V. • Director of U&R Management B.V. • Chairman and CEO of Société de Tayninh (listed company) • Chairman of Doria S.A.S. and Unibail Management S.A.S. • Director of Comexposium Holding, Unibail-Rodamco Participations and Viparis Holding • Supervisory Board Member of Uni-Expos • Managing Director of Espace Expansion Immobilière **Previous Mandates during the last 5 years** • Executive Vice-President of Unibail S.A. in charge of Finance, Human Resources, IT, Legal and Property Engineering Departments, Member of the Executive Committee • Chairman and CEO of Viparis Holding • Deputy CEO of Société de Tayninh, Doria S.A.S. and Groupe Exposium Holding • Permanent representative of Groupe Exposium Holding on the Supervisory Board of Salon International de l'Alimentation (SIAL) S.A. and on the Board of Directors of Comexposium • Representative of Doria S.A.S. on the Boards of directors of Viparis-Porte de Versailles, Exposima and Intermat • Member of the Supervisory Board of SMP S.E. • Director of Comexposium, of Européenne de Salons, of Expogestion, Viparis-Porte de Versailles, Viparis-Le Palais des Congrès de Paris **CV** • Graduate from ESSEC Business School • CPA (Certified Public Accountant) degree and Masters degree in Law (Université Catholique de Paris) • Started her career at PricewaterhouseCoopers and was a Partner there from 1989 to 1999 • Executive Director of Cap Gemini Ernst & Young France from 1999 until joining Unibail in 2002

Mr. Michel Dessolain Member of the Management Board Chief Operating Officer of Unibail-Rodamco S.E. Born on December 2, 1955 French national First Mandate: June 26, 2007 Renewal of mandate: May 15, 2009 Mandate expires: AGM 2013	**Other current Functions and Mandates (intra-group)** • Chairman of Rodamco España B.V. • Member of the Board of U&R Management B.V., Rodamco Inversiones S.L.U., Rodamco Parques Comerciales S.L. , Rodamco Ocio S.L., Rodamco Levante S.L., Rodamco Vallsur S.L., Rodamco Garbera S.L., Rodamco Proyecto Badajoz S.L., Promociones Generales Rodamco S.L., Proyectos Immobiliaros New Visions S.L., Unibail-Rodamco Steam S.L., Essential Whites S.L., Proyectos Inmobiliarios Time Blue S.L., Promociones Inmobiliarias Gardiner S.L. **Previous Mandates during the last 5 years** • General Manager of the Shopping Centre Division of Unibail Group, Member of the Executive Committee • Chairman and CEO of Société Foncière du 4-6 rue Louis Armand • Deputy CEO of Unibail Management S.A.S. • Chairman of Uni-Commerces S.A.S., of Espace Expansion SAS, Toison d'Or S.A.S. • Managing Director of Espace Coquelles, Immo-Limo and S.A.G.E • Member ot the Boards of Rodamco Benidorm S.L.U., Rodamco Europe España S.A.U. **CV** • Masters Degree in Law and Graduate of Ecole Spéciale des Travaux Publics • Started his career with La Caisse des Dépôts et Consignations, then held international development positions for the retail company Habitat • He joined Unibail in 1997 as Espace Expansion Deputy Managing Director
Mr. Peter van Rossum Member of the Management Board Chief Financial Officer of Unibail-Rodamco S.E. Born on May 31, 1956 Dutch national First Mandate: June 26, 2007 Renewal of mandate: May 15, 2009 Mandate expires: AGM 2013	**Other current Functions and Mandates (intra-group)** • Management Board Member of Rodamco Europe N.V. • Representative of the Unibail-Rodamco S.E. Permanent Establishment in The Netherlands • Chairman of RE FRANCE Financing S.A.S. • Member of the Board of Rodamco Europe Beheer B.V., Rodamco Europe Finance B.V., Rodamco Europe Finance II B.V., Rodamco Central Europe B.V., Rodamco Austria B.V., Rodamco Czech B.V., Rodamco Russia B.V., Rodamco Hungary B.V., Rodamco Deutschland B.V., Rodamco Project I B.V., Dotterzwaan B.V., Cijferzwaan B.V., U&R Management B.V., Rodamco España II B.V. (previously named New Tower Real Estate B.V.), Rodamco Barcelona B.V. (previously named Old Tower Real Estate B.V.), Stichting Rodamco, Rodamco Nederland B.V., Rodamco España B.V., Unibail Rodamco Poland 2 B.V., Rodamco Nederland Winkels B.V., Turbozwaan B.V. **Previous Mandates during the last 5 years** • Member of the Boards of Rodamco Eastern Europe Holding B.V., Rodamco Espana B.V. and Rodamco Nederland B.V. • CFO and Management Board member of Rodamco Europe N.V. • Non-executive member on the Board of Woodside Petroleum in Australia, from 2004 to 2006 **CV** • Masters Degree in Business Economics at the Free University of Amsterdam • Chartered Accountant's degree at the Free University of Amsterdam • Built extensive experience over 24 years in financial positions with Shell in Europe, Middle East, United States and Asia, was Regional Finance Director for Shell's Exploration and Production business in Asia/Pacific • Was CFO at NAM, the Dutch upstream joint venture between Shell and Exxon • Joined Rodamco Europe NV in 2006 as CFO

Mr. Jaap Tonckens Member of the Management Board Chief Investment Officer of Unibail-Rodamco S.E. Born on July 16, 1962 Dual American/Dutch national First Mandate: September 1, 2009 Mandate expires: AGM 2013	**Other current Function and Mandate (intra-group)** • Representative of the Unibail-Rodamco S.E. Permanent Establishment in The Netherlands • Chairman and manager of Unibail-Rodamco SI B.V. • Chairman of Uni-Commerces S.A.S., Immobilière Lidice S.A.S., Rodamco-France • Co-Managing Director of Foncière d'Investissement • Member of the Board of Directors of Unibail-Rodamco Austria Management GmbH, Unibail-Rodamco Austria Verwaltungs GmbH, Shopping Center Planungs- und Entwicklungsgesellschaft mbH, SCS Motor City Süd Errichtungsgesellschaft mbH, SCS Liegenschaftsverwertung GmbH, Shopping City Süd Erweiterungsbau Gesellschaft mbH & Co Anlagenvermietung KG, Shopping Center Planungs- und Entwicklungsgesellschaft mbH & Co. Werbeberatung KG, DZ-Donauzentrum Besitz- und Vermietungs-GmbH, Donauzentrum Betriebsführungsgesellschaft m.b.H • Member of the board of directors of Rodamco Ceská republika, s.r.o., Centrum Praha Jih-Chodov s.r.o., Centrum Cerny Most, a.s., Rodamco Pankrác, a.s.,Moravská Obchodní, a.s., Rodamco Deutschland GmbH, Euro-mall Kft, Vezer Center Kft • Member of the administrative board (Verwaltungsrat) of Kommanditgesellschaft Schliebe & Co. Geschäftzentrum Frankfurter Allee (Friedrichshain), Immobilien-Kommanditgesellschaft Dr. Mühlhäuser & Co. Einkaufs-Center Magdeburg • Member of Supervisory Board of Rodamco CH1 Sp. z o.o. • Member of the Board of GSSM Warsaw Sp. zo.o., WSSM Warsaw Sp. z o.o., Bydgoszcz Shopping Mall Sp. z o.o.,Gdansk Station Shopping Mall Sp. z o.o., Gliwice Shopping Mall Sp. z o.o., Lodz Nord Shopping Mall Sp. z o.o., Polskie Domy Handlowe Sp. z o.o., Wilenska Station Shopping Mall Sp. z o.o., Wroclaw Garage Shopping Mall Sp. z o.o. Arkadia Centrum Handlowe Sp. z o.o., Wilenska Centrum Handlowe Sp. z o.o., • Member of the Board of Rodamco España B.V., Rodamco Europe Beheer B.V., Rodamco Central Europe B.V., Rodamco Russia B.V., Rodamco Austria B.V., Rodamco Hungary B.V., Rodamco Czech B.V., Rodamco Deutschland B.V., Dotterzwaan B.V., Cijferzwaan B.V., Unibail-Rodamco Poland 2 B.V., Rodamco Project I B.V., Rodamco Nederland Winkels B.V., Turbozwaan B.V., Unibail-Rodamco Nederland Winkels B.V. (formerly RRN Monumenten B.V.), Rodamco Nederland B.V. • Member of the Board of Directors and Chairman of Unibail Rodamco Inversiones SLU, Unibail Rodamco Ocio SL, Unibail Rodamco Parques Comerciales SL, Unibail Rodamco Garbera SL, Unibail Rodamco Vallsur SL and Unibail Rodamco Levante SL • Member of the Board and Secretary of Promociones Unibail Rodamco Generales SL, Proyectos Immobiliaros New Visions, S.L., Unibail Rodamco Proyecto Badajoz SL,Essential Whites, S.L., Promociones Immobiliarias Gardiner, S.L.,Unibail Rodamco Steam, S.L, Proyectos Immobiliarios Time Blue, S.L. • Member of the Board of Rodamco Sverige A.B., Rodamco Northern Europe A.B., Fisketorvet Shopping Center, Rodareal OY • Chairman of the Board of Eurostop A.B., Eurostop Holding A.B., Rodamco Management A.B., Fastighetsbolaget Gringtrop A.B., Trumpetsvanen Bostad A.B., Helsingborg Ostra A.B., Rodamco Projekt A.B., Helsingborg Vastra A.B., Rodamco Centerpool A.B., Knölsvanen Bostad A.B., Rodamco Solna Centrum A.B., Piren A.B., Rodamco Tyresö Centrum A.B., Rodamco A.B., Rodamco Väsby Centrum A.B., Rodamco Expand A.B., Rodamco Nova Lund 2 A.B., Rodamco Holding A.B., Rodamco Parkering A.B., Rodamco Invest A.B., Rodamco Fisketorvet A.B., Rodamco Nacka A.B., Rodamco Eneby A.B., Rodamco Täby A.B., Rodamco Nova Lund 3 A.B., Rodamco Tumlaren A.B., Rodamco Garage A.B., Väsby Handel Fastighets A.B., Tyresö Hus Fastighet A.B., Väsby Hus Fastighet A.B., Fastighetsbolaget Älvringen A.B., Haninge Handel Fastighets A.B. **Previous Mandates during the last 5 years** • Manager of Groupe BEG, Unibail-Rodamco SIF France, Unibail-Rodamco SIF Services, TC DESIGN, Sarl Foncière Immobilière and Sarl Foncière d'investissement • Chairman of Solna Torg Fastighets A.B. • Managing Director at Endurance Capital, U.S.A. • Managing Director at Morgan Stanley, Leverage & Acquisition Finance, New York **CV** • Law Degree from Leiden University, The Netherlands • Masters Degree in Law from Emory University, Atlanta, U.S.A. • Started his career as an Associate with Shearman & Sterling L.L.P. in New York and Paris • Associate, Vice-President and Executive Director at Morgan Stanley in London

Mr. Bertrand Julien-Laferrière Member of the Management Board from September 1, 2008 until October 15, 2010 Born on May 17, 1958 French national	**Previous Mandates during the last 5 years** • Chief Development Officer of Unibail-Rodamco SE • Chairman of Unibail-Rodamco Développement • Director of U&R Management B.V. • Deputy CEO of Unibail Management S.A.S. • Representative of Unibail Rodamco Development as Managing Director of SCI Aeroville • Chairman and CEO of CGW Gestion d'Actifs • CEO and Director of Bail Investissement Foncière S.A. • Director of AFILOG • Permanent representative of Bail Investissement Foncière on the board of Primabail S.A. • Permanent representative of Foncière des Régions on the boards of Altarea S.A. and Altapar S.A.S. • Director of private company BJL Investissement SARL • Member of the Board of Directors of Maison des Centraliens **CV** • Engineering degree from Ecole Centrale Paris, a Master of Science from UC Berkeley and a MBA from Insead • He held senior positions at CGW, Bail Investissement/Foncière des Régions, Club Méditerranée, Accor Hotels and Ricardo Bofill Architects

2. Composition of the Supervisory Board as at 31 December 2010

Mr. Robert van Oordt Chairman of the Supervisory Board Chairman of the Governance, Nomination & Remuneration Committee Independent member* Attendance: SB 100% and GN&RC 100% Born on March 26, 1936 Dutch national First Mandate: June 25, 2007 Mandate renewed: May 15, 2009 SB term expires: AGM 2012 Holds 50 U-R shares	**Other current Functions and Mandates** • Member of the Supervisory Board, Chairman of the Audit & Governance Committee and Member of the Nominating & Remuneration Committee of Draka Holding N.V. (listed foreign company) **Previous Mandates during the last 5 years** • Chairman of the Supervisory Board and Chairman of the Nominating & Governance Committee of Rodamco Europe N.V. (2001 until June 2007) • Member of the Board of Directors and Chairman of the Audit Committee of Nokia Corporation • Member Board of Directors and Chairman of the Audit Committee of S.A. Umicore N.V. • Member Board of Directors and Chairman of the Audit Committee of Fortis Bank S.A. / N.V. • Member Board of Directors, Chairman of the Business Practices Oversight Committee and member of the Nominating & Governance, Audit and Executive committees of Schering-Plough Corporation. Lead Director during 2008 **CV** • Masters Degree in Business Economics from the University of Amsterdam
Mr. François Jaclot Vice Chairman of the Supervisory Board Chairman of the Audit Commitee Independent member* Attendance: SB 100% and Audit Committee 100% Born on May 1, 1949 French national First Mandate: June 25, 2007 Mandate renewed: April 28, 2010 SB term expires: AGM 2013 Holds 35 U-R shares	**Other Current Functions and Mandates** • Director and CEO of Addax and Oryx Group (AOG; foreign company) • Chairman of the Board of Directors of Financière du Bois du Roi • Managing Director of FJ Consulting (foreign company) **Previous Mandates during the last 5 years** • Member Board of Directors of Unibail S.A. (2003 until June 2007) • Chairman of the Boards of Directors of FACEO and SEREN • Member of the Board of Directors of Axmin (listed foreign company) **CV** • Graduate of ENA and the Institut d'études Politiques, Masters Degree in mathematics and graduate of the École Nationale de Statistiques et d'Administration Économique (ENSAE) • Inspecteur des Finances

Mr. Frans Cremers Member of the Supervisory Board Member of the Audit Committee Independent member* Attendance: SB 86% and Audit Committee 100% Born on February 7, 1952 Dutch national First Mandate: June 25, 2007 Mandate renewed: April 28, 2010 SB term expires: AGM 2013 Holds 1 U-R share	**Other Current Functions and Mandates** • Vice Chairman of the Supervisory Board of Fugro N.V. (listed foreign company) • Member of the Supervisory Boards of NS N.V. (Dutch Railways; foreign company), Royal Vopak N.V. (listed foreign company), Luchthaven Schiphol N.V. (foreign company), Parcom Capital B.V. (foreign company) and SBM Offshore N.V. (listed foreign company) • Member of the Capital Market Committee of the AFM (The Netherlands Financial Markets Authority) **Previous Mandates during the last 5 years** • Supervisory Board member Rodamco Europe N.V. (end 2004 until June 2007) • Member of the Committee investigating Fortis NV on behalf of the Enterprise Chamber of the Amsterdam Court of appeal (2009-2010) • Member of the Committee investigating Royal Ahold on behalf of the Enterprise Chamber of the Amsterdam Court of appeal (2005-2006) **CV** • Masters Degree in Business Economics and a PhD in Business Finance from the Erasmus University (Rotterdam – NL) • He was active in Royal/Dutch Shell for 21 years in financial and commercial positions all over the world including Finance Director of Shell Expro UK • From 1997 - 2004 he was CFO and member of the Executive Board of VNU N.V.
Mr. Robert ter Haar Member of the Supervisory Board Member of the Audit Committee Independent member* Attendance: SB 100% and Audit Committee 100% Born on February 13, 1950 Dutch national First Mandate: June 25, 2007 Mandate renewed: May 15, 2009 SB term expires: AGM 2011 Holds 50 U-R shares	**Other Current Functions and Mandates** • Chairman of the Supervisory Boards of Parcom Capital B.V. (foreign company) and VVAA Groep B.V. (foreign company) • Supervisory Board member of Royal FrieslandCampina N.V. (foreign company), Maxeda Retail Group B.V. (foreign company) and B.V. Sperwer Holding (foreign company) • Advisory member to the board of Univar Inc. (foreign company) **Previous Mandates during the last 5 years** • Supervisory Board member Rodamco Europe N.V. (end 2004 until June 2007) • Chairman of the Supervisory Board of BGN B.V. • Chairman of the Executive Board of De Boer Unigro N.V. • Board member Household & Personal Care division Sara Lee/Douwe Egberts and General Manager at Molnlycke Nederland **CV** • Masters Degree in Commercial and Corporate Law
Mrs. Mary Harris Member of the Supervisory Board Member of the Governance, Nomination & Remuneration Committee Independent Member* Attendance: SB 100% and GN&RC 100% Born on April 27, 1966 U.K. national First Mandate: April 29, 2008 Mandate renewed: May 15, 2009 SB term expires: AGM 2012 Holds 100 U-R shares	**Other Current Functions and Mandates** • Member of the Supervisory Board and Audit, Remuneration and Nomination committees of TNT N.V. (listed foreign company) • Non-executive director and member of the Audit, Nomination and Corporate Responsibility committeees of J Sainsburys plc (listed foreign company) • Advisory Board member of Irdeto N.V. (foreign company) **Previous Mandates during the last 5 years** • Consultant and Partner at McKinsey & Co in London, Amsterdam, China and South East Asia **CV** • Masters Degree in Politics, Philosophy and Economics from Oxford University and a Masters Degree in Business Administration from Harvard Business School • Formerly, held various positions at Pepsi Beverages, Goldman Sachs and at private equity/venture capital firms

Mr. Jean-Louis Laurens Member of the Supervisory Board Member of the Audit Committee Independent member* Attendance: SB 100% and Audit Committee 100% Born on August 31, 1954 French national First Mandate: June 25, 2007 Mandate renewed: May 15, 2009 SB term expires: AGM 2012 Holds 161 U-R shares	**Other current Functions and Mandates** • General Partner of Rothschild & Cie Gestion Paris **Previous Mandates during the last 5 years** • Member Board of Directors of Unibail S.A. (until 2007) • Chairman and CEO of AXA Investment Managers Paris and Deputy CEO of the AXA Investment Managers Group • Member Board of Directors of AXA France Assurance • CEO of Robeco France and Global Head of Mainstream Investments of the Robeco Group **CV** • Graduate of the École des Hautes Études Commerciales (HEC) • He has a Doctorate in Economics and a Masters Degree in Law
Mr. Yves Lyon-Caen Member of the Supervisory Board Member of the Governance, Nomination & Remuneration Committee as of April 2010 Independent member* Attendance: SB 86% and GN&RC 100% Born on June 29, 1950 French national First Mandate: June 25, 2007 Mandate renewed: May 15, 2009 SB term expires: AGM 2011 Holds 200 U-R shares	**Other Current Functions and Mandates** • Chairman of the Supervisory Board of Bénéteau S.A. (listed) • Chairman of the Supervisory Board of Sucres & Denrées **Previous Mandates during the last 5 years** • Member Board of Directors of Unibail S.A. (2005 until June 2007) • Member Board of Directors of Nexans S.A. (2005 to 2007) **CV** • Law graduate of the Institut d'Études Politiques and former student of the École Nationale d'Administration (ENA)
Mr. Henri Moulard Member of the Supervisory Board Member of the Governance, Nomination & Remuneration Committee Non-independent member* Attendance: SB 100% and GN&RC 100% Born on May 2, 1938 French national First Mandate: June 25, 2007 Mandate renewed: May 15, 2009 SB term expires: AGM 2011 Holds 3 U-R shares	**Other Current Functions and Mandates** • Chairman of Truffle Capital S.A.S. and HM & Associés S.A.S. • Director of Altlamed S.A. (foreign company), Involys S.A. (listed foreign company), Burelle S.A. (listed), Neuflize Vie and Compagnie Financiere Sainte-Colombe S.A.S. • Chairman of the Supervisory Boards of Cie Foncière du St-Gothard (ex. Dixence S.A.S.) and Centuria Capital S.A.S. (also member of the Centuria Capital S.A.S. Audit Committee) • Censor and Chairman of the Remuneration Committee of GFI Informatique S.A. (listed) • Censor and Chairman of the Audit Committees of Amundi Group and Amundi S.A. • Censor for Gerpro S.A.S. and permanent representative for Gerpro S.A.S. in Saproc S.A., Royal Hotel S.A. ,Hoteliere de la Cote d'Azur S.A. and Société Fermière Château Barateau S.A. **Previous Mandates during the last 5 years** • Member Board of Directors of Unibail S.A. (1998 until June 2007) • Within the Crédit Agricole Group: Censor and Chairman of the Audit Committeees of Crédit Agricole S.A., CA-CIB (ex. Calyon S.A.) and Crédit Agricole Asset Management (CAAM) and Censor and Chairman of the Risk Committee of LCL Crédit Lyonnais S.A. (2002 until May 2010) • Director of Elf Aquitaine (2002 until May 2010) • Chairman of the Supervisory Board of AWBank Europe (2005 - 2007) • Member of the Board of Directors and the Audit Committee of Foncia (2003 - 2006) • Member of the Board of Directors of AWBank (Morocco) (1997 - 2007) and Attijari Bank (Tunis) (2006-2007) • Chairman of the Nomination Committee and member of the Governance Committee of Française de Placements Investissements (2003 - 2009) **CV** • Degree in Private Law from Lyon University and post graduate professional degree (DES) in Public Law from the Institut d'Etudes Politiques in Lyon

Mr. Bart Okkens Member of the Supervisory Board Member of the Governance, Nomination & Remuneration Committee Independent member* Attendance: SB 100% and GN&RC 100% Born on July 23, 1941 Dutch national First Mandate: June 25, 2007 Mandate renewed: May 15, 2009 SB term expires: AGM 2011 Holds 1 U-R share	**Other Current Functions and Mandates** • Chairman of the Supervisory Board of Esselink Groep B.V. (foreign company), Bornet Group Rotterdam B.V. (foreign company), Van Hoorn Holding B.V. (foreign company), Bergschenhoek Groep B.V. (foreign company) and the Boijmans van Beuningen Museum (foreign company) • Supervisory Board member of Stichting de Nationale Sporttotalisator (SNS; foreign company), Huisman Equipment Holding B.V. (foreign company) • Board member of Stichting RESERVE 1983 (foreign company), Stichting Continuiteit ICT (foreign company), Stichting Administratiekantoor J. Van Dyk (foreign company) and Stichting Administratiekantoor Golf Team Holland (foreign company) **Previous Mandates during the last 5 years** • Vice Chairman of the Supervisory Board of Rodamco Europe N.V. (April 2001 until June 2007) **CV** • He holds a Masters Degree in Notarial Law from the Rijksuniversiteit in Utrecht • He was an independent legal advisor, former civil law notary in Rotterdam and Managing Partner at De Brauw Blackstone Westbroek N.V. • He held a number of senior professional positions, including Vice Chairman of the Royal Association of Civil Law Notaries and member of the Supervision of Notaries Chamber in Rotterdam
Mr. Alec Pelmore Member of the Supervisory Board Member of the Audit Committee Independent member* Attendance: SB 100% and Audit Committee 100% Born on October 14, 1953 U.K. national First Mandate: April 29, 2008 Mandate renewed: May 15, 2009 SB term expires: AGM 2012 Holds 500 U-R shares	**Other Current Functions and Mandates** • Senior Independent Director and Chairman of the Audit Committee of Metric Property Investments plc (foreign listed company), member of its nomination and remuneration committees **Previous Mandates during the last 5 years** Nil **CV** • Degree in Mathematics from Cambridge University • He held positions as an equity investment analyst specialising in real estate companies mainly at Dresdner Kleinwort Benson and Merrill Lynch. With partner Robert Fowlds, his team was voted no.1 for real estate in Europe for 12 out of 13 years from 1995 to 2007

* For full details concerning Supervisory Board Independance, please refer to the Supervisory Board Charter and the Report of the Chaiman of the Supervisory Board.

3. Corporate Governance

Unibail-Rodamco SE has a two-tier governance structure with a Management Board and a Supervisory Board. There is a clear distinction between the different operational roles, responsibilities and related tasks assumed by the Management Board and the Supervisory Board.

The full details of the Company's corporate governance structure is set out in the Report of the Chairman of the Supervisory Board.

3.1. Supervisory Board and its Committees

As at 31 December 2010, the Supervisory Board has ten members. The Supervisory Board Chairman is Mr Robert van Oordt and the Vice-Chairman is Mr François Jaclot. The composition of the Supervisory Board reflects a strong commitment to the independence, diversity and expertise of its members and to the Company's European profile.

The Supervisory Board's role, responsibilities and related tasks are spelled out in part IV of the Company's Articles of Association and in a separate Supervisory Board Charter.[17]

Unibail-Rodamco SE's Supervisory Board has two sub-committees focusing on specific aspects of its overall responsibility: the Audit Committee and the Governance, Nomination and Remuneration Committee (GN&RC). Each committee performs its duties pursuant to a specific Charter[18], which describes the Committee's role, responsibilities, organisation, and functioning. The Committees make recommendations and advise the Supervisory Board within their scope of responsibility. The Supervisory Board is, however, ultimately responsible for all the decisions and actions taken on the Committees' recommendations.

- **Audit Committee**

The Audit committee, which is chaired by Mr. François Jaclot, was made up of five members in 2010 (the Chairman plus Messrs Cremers, ter Haar, Laurens and Pelmore). All members are independent pursuant to the criteria detailed in the Supervisory Board Charter and have significant financial and accounting expertise.

The Audit Committee specifically focuses on the Company's financial performance-related accounts, financing, auditing and associated risks. It examines and supervises the

(17) Available on the Company's website and the Company's registered office.

(18) Ibid note no. 17.

Company's publication of financial information. It also ensures the relevance and efficiency of the Group's accounting and financial standards, tax and funding policies and internal audit, risk-management and control procedures.

The Audit Committee deals with a number of recurring issues, such as interim and annual financial statements, internal control and risk management relating to liabilities and net asset value. In addition, the Committee may carry out specific examinations on its own initiative or at the request of the Supervisory Board. In addition to the regular contact that the committee has with the Management Board and its Statutory Auditors, it is free to interview experts in particular fields (e.g. accounting, finance and audit managers) without members of the Management Board being present. The Committee has access to valuations carried out by independent appraisers.

- **Governance, Nomination and Remuneration Committee**

The GN&RC, which is chaired by Mr. Robert van Oordt, was made up of five members in 2010 (the Chairman plus Mrs Harris and Messrs Lyon-Caen, Moulard and Okkens)[19]. Four out of five GN&RC members qualify as independent pursuant to the Supervisory Board Charter requirements. Mr Moulard is the sole member who does not qualify as independent as his tenure with the Boards Unibail S.A., Unibail-Rodamco S.A. and Unibail-Rodamco S.E. (combined), as of May 2010, exceeds twelve (12) years (according to the Afep-Medef independence criteria).

The GN&RC examines and advises the Supervisory Board on: (a) the profile and selection criteria for the members of the Management Board and the Supervisory Board; (b) the Company's human resources policies and related remuneration policies; (c) the annual remuneration arrangements (fixed income, short-term incentive, long-term incentive and other benefits) of the CEO and the other members of the Management Board; (d) the scope, composition and functioning of the Management Board and the Supervisory Board; (e) the independence of the Supervisory Board members; (f) the (re) appointment of members of the Management Board and/or the Supervisory Board; (g) the Group's corporate governance pratices and rules.

3.2. Management Board

The Management Board, the Company's collective decision-making body overseen by the Supervisory Board, is chaired by Mr. Guillaume Poitrinal, the Company's CEO. It consists of five (5) members, as at December 31, 2010, appointed by the Supervisory Board for a four-year term.

Management Board members are collectively in charge of and responsible for the day-to-day management of the Company. Fully empowered to act on behalf of the Company by the shareholders and by the Supervisory Board, the Management Board's duties include formulating and carrying out the Company's strategy, effectively structuring and staffing the organisation and achieving and properly reporting on the forecasted financial results.

The Management Board operates under its own Charter, and has assigned responsibilities for particular operational aspects of management to its individual members, based on clearly determined authority limits. The Management Board actively supervises the Company's internal audit program. The internal audit department reports to the CEO and, on a functional basis, to the Chairman of the Audit Committee.

Pursuant to the Afep-Medef Code, the Supervisory Board conducts a yearly assessment of the functioning of the Management Board (carried out in February 2011 for 2010).

3.3. Adhesion to the French Afep-Medef Corporate Governance Code

Under article L. 225-68 of the French Commercial Code, Unibail-Rodamco SE adheres to and enforces the Afep-Medef Code as published in consolidated form by Afep-Medef in December 2008, and adopts this code as its reference for corporate governance matters. As at the date of filing, the Group complies with all the code's principles. In 2007, as an exception the Company decided that the criteria applicable to the assessment of the independence of the ex Supervisory Board members of Rodamco Europe N.V., now presiding on the Unibail-Rodamco Supervisory Board, should not take into account that Rodamco Europe N.V. subsequently became a consolidated subsidiary.

This decision was motivated: (i) by the fact that Rodamco Europe N.V. became a consolidated subsidiary only as a result of a Public Exchange Offer at the initiative of the Company; and (ii) so as not to artificially and unjustifiably distinguish between members of the Supervisory Board according to their previous memberships on the boards of Unibail Holding or Rodamco Europe N.V.

Compliance with the Afep-Medef Code is monitored by the GN&RC. This is discussed in further detail in the Report of the Chairman of the Supervisory Board.

3.4. The Unibail-Rodamco Group's Compliance Book and Code of Ethics

To ensure the highest standards of governance the Group established a comprehensive Compliance Book in 2008, including (amongst other things) a Code of Ethics and insider trading rules. The Compliance Book applies to all the Group's employees and executive officers throughout the regions in which the Group operates.

The Code of Ethics[20] outlines the fundamental principles and values governing the Company and provides employees with rules and guidelines as to the behaviour they should adopt in their working environment, in particular:

(19) Messers Dermagne and Westerburgen's terms with the Supervisory Board expired in April 2010 and, simultaneously, terminated their terms as members of the GN&RC.

(20) Available on the Company's website and at the Company's registered office.

- respect for human dignity, employees' work and non-discrimination,
- respect for law and regulations,
- loyalty, integrity, and avoidance of conflict of interests,
- ethical ways of doing business and anti-corruption measures,
- confidential information,
- operations on Unibail-Rodamco SE securities, including insider trading rules,
- use of Unibail-Rodamco SE's assets and services,
- respect for delegations of authority.

The Group Compliance Officer, appointed in 2008, monitors compliance with the Compliance Book. The Group Compliance Officer has a direct reporting line to the CEO and a functional reporting line to the Chairman of the Governance, Nomination and Remuneration Committee.

The insider trading rules contain procedures that must be followed regarding transactions in Company shares (or related financial instruments) or the shares or related financial instruments of its listed subsidiaries. There are also rules prohibiting trading in shares during closed periods (30-day period prior to the publication of the half-year and annual accounts).

Group employees must disclose details of their official positions (e.g. directorships) and must abstain from holding a position, performing duties or holding a financial interest in any of Unibail-Rodamco SE's competitors, clients, suppliers or business partners. Employees must alert the Company to any conflict of interest (including potential conflicts of interest), due to a direct or indirect personal interest.

As a signatory to the UN Global Compact, Unibail-Rodamco SE undertakes to promote the application of the fundamental values with respect to human rights, labour rights, the environment and anti-corruption.

4. Remuneration of Management Board and Supervisory Board members

4.1. Remuneration policy for members of the Management Board

The Governance, Nomination and Remuneration Committee (GN&RC), a review committee of the Supervisory Board (for more detail, see the Report of the Chairman of the Supervisory Board), held six meetings in 2010. This committee is specifically instructed by the Supervisory Board to examine and report to the Supervisory Board on Management Board member remuneration matters. The GN&RC is also responsible for preparing Management Board member remuneration proposals comprising of Fixed Income (FI) and short term incentive (STI) based on performance in the previous year, long term incentive (LTI) in the form of stock options; the exercice of which is 100% performance based, and other benefits such as a company pension plan, company car, insurance etc. These proposals are reviewed in a totally independent manner by the Supervisory Board, which deliberates and votes on each component.

In 2007, the Supervisory Board, on the recommendation of the GN&RC, established the Management Board remuneration policy with the assistance of Towers Watson (ex Towers Perrin) as independent external advisors. This policy encompasses all components of the remuneration of Management Board members and establishes a balance between these components based on a comparative study of the practices of CAC40, AEX25 companies and major European real estate companies and best corporate governance practices in remuneration matters. Performance criteria were clearly established or reinforced with regard to the determination of the variable part of the remuneration (STI) and the right to exercise granted stock options (LTI). The policy also sets maximum amounts for STI and LTI parts of the remuneration in relation to their fixed income, to ensure the reasonableness of the total compensation package. The Supervisory Board approved this policy.

End 2009, the Supervisory Board and the GN&RC engaged independent external consultants, Towers Watson, to conduct a formal benchmark study of the executive remuneration practises of a panel of CAC40, AEX 25 and major listed European real estate companies (Benchmark). The Benchmark revealed that the maximum annual cash compensation and LTI for Unibail-Rodamco's CEO and other Management Board members are below average against all panels. In addition, Unibail-Rodamco's CEO and other Management Board members' pensions are considerably below average compared to their CAC40 peers. As a result and noting that the CEO and Management Board's fixed income had not been adjusted in 2.5 years, on March 9, 2010, the Supervisory Board, on the recommendation of the GN&RC, adjusted the fixed income component for the CEO and Management Board members, effective January 1, 2010. All other aspects of the Management Board's remuneration remained unchanged with the question of pensions noted as an item to be reviewed in 2011. On March 7, 2011, in light of the Benchmark results and an updated Towers Watson opinion confirming the practice in France for executive pensions in 2010, and after having considered the Company's 2010 full year results and the CEO and Management Board's performance in 2010, the GN&RC made its recommendations to the Supervisory Board on CEO and Management Board remuneration. The full details of the CEO and Management Board's remuneration are provided in the following pages.

Since December 31, 2008, the Company complies with all of the Afep-Medef recommendations on the remuneration of executive officers of French listed companies as confirmed and supplemented by the recommendation of the AMF published shortly thereafter. The application of these recommendations is monitored and evaluated on an on-going basis by the GN&RC and the Supervisory Board in close cooperation with the Management Board. The CEO renounced his employment contract with the Company in accordance with these recommendations on December 31, 2008. All of the other Management Board members with employment contracts voluntarily renounced their contracts in the course of 2009.

a) Details of the remuneration (before income tax and social security charges) of the members of the Management Board

Remuneration, stock options and shares allocated to Management Board members

Table n°1 AMF/ Afep-Medef recommendations (before income tax and social security charges) in respect of the referred years

	G. Poitrinal Chief Executive Officer (since June 26, 2007)				M. Dessolain Chief Operating Officer (since June 26, 2007)				B. Julien-Laferrière (A) Chief Development Officer (Sept.1, 2008 till October 15, 2010)			
	Year 2007	Year 2008	Year 2009	Year 2010	Year 2007	Year 2008	Year 2009	Year 2010	Year 2007	Year 2008	Year 2009	Year 2010
Fixed income	€553,059	€700,000	€700,000	€800,000	€377,367	€400,000	€400,000	€440,000		€390,800	€400,000	€349,174
Short term incentive*	€923,333	€344,595	€320,068	€1,021,514	€335,000	€210,000	€170,621	€317,141		€223,000	€195,621	€286,446
Pension	€35,604	€77,384	€73,415	€73,456	€23,621	€50,679	€47,842	€47,532		€16,957	€48,972	€38,507
Other benefits	€14,541	€16,578	€16,729	€21,771	€7,957	€12,929	€15,025	€19,070		€8,515	€14,520	€17,116
Board fees	€28,125											
Remuneration due in respect of the Financial year	**€1,554,662**	**€1,138,557**	**€1,110,212**	**€1,916,741**	**€743,945**	**€673,608**	**€633,488**	**€823,743**		**€639,272**	**€659,113**	**€691,243**
Evolution year n vs year N-1 in %		-26.8%	-2.5%	72.6%		-9.5%	-6.0%	30.0%			3.1%	4.9%
Options IFRS valuation allocated during the financial year ** **(detailed in table no.4)**	**€538,000**	**€415,000**	**€221,000**	**€318,500**	**€269,000**	**€207,600**	**€110,500**	**€159,250**		**€207,600**	**€110,500**	**€159,250(1)**
Evolution year n vs year N-1 in %		-22.9%	-46.7%	44.1%		-22.8%	-46.8%	44.1%			-46.8%	44.1%
Performance shares IFRS valuation attributed during the financial year	€380,000											
TOTAL	**€2,472,662**	**€1,553,557**	**€1,331,212**	**€2,235,241**	**€1,012,945**	**€881,208**	**€743,988**	**€982,993**		**€846,872**	**€769,613**	**€850,493**
Evolution year n vs year N-1 in %		-37.2%	-14.3%	67.9%		-13.0%	-15.6%	32.1%			-9.1%	10.5%

	C. Pourre Chief Resources Officer (since June 26, 2007)				P. van Rossum Chief Operating Officer (since June 26, 2007)				J.Tonckens Chief Investment Officer (since September 1, 2009)			
	Year 2007	Year 2008	Year 2009	Year 2010	Year 2007	Year 2008	Year 2009	Year 2010	Year 2007	Year 2008	Year 2009	Year 2010
Fixed income	€322,915	€400,000	€400,000	€440,000	€369,342	€400,000	€400,000	€440,000			€172,937	€440,000
Short term incentive*	€330,000	€190,000	€180,621	€317,141	€234,200	€190,000	€185,621	€317,141			€101,874	€327,141
Pension	€24,050	€51,366	€48,031	€47,541	€64,711	€68,131	€66,863	€70,580			€14,688	€43,809
Other benefits	€7,873	€12,845	€13,060	€17,065	€14,964	€15,001	€15,060	€17,505			€630	€7,633
Remuneration due in respect of the Financial year	**€684,838**	**€654,211**	**€641,712**	**€821,747**	**€683,217**	**€673,132**	**€667,544**	**€845,226**			**€290,129**	**€818,583**
Evolution year n vs year N-1 in %		-4.5%	-1.9%	28.1%		-1.5%	-0.8%	26.6%				na
Options IFRS valuation allocated during the financial year ** **(detailed in table no.4)**	**€269,000**	**€207,600**	**€110,500**	**€159,250**	**€470,750**	**€207,600**	**€110,500**	**€159,250**			**€0**	**€254,800**
Evolution year n vs year N-1 in %		-22.8%	-46.8%	44.1%		-55.9%	-46.8%	44.1%				na
Performance shares IFRS valuation attributed during the financial year	€99,900											
TOTAL	**€1,053,738**	**€861,811**	**€752,212**	**€980,997**	**€1,153,967**	**€880,732**	**€778,044**	**€1,004,476**			**€290,129**	**€1,073,383**
Evolution year n vs year N-1 in %		-18.2%	-12.7%	30.4%		-23.7%	-11.7%	29.1%				na

*Short Term incentive indicated in column "Year N" is Short Term incentive due in respect of Year N and paid in Feb/March Year N+1

**The value corresponds to the value of the options and financial instruments at the time they were attributed according to IFRS 2 requirements (based on the evaluation conducted by Towers Watson), notably after taking into account any discount related to performance criteria and the probability of presence in the company after the vesting period, but before taking into account the effect of the spread of the charge during the vesting period according to IFRS 2.

(A) Mr Julien-Laferrière resigned from the Management Board with effect October 15, 2010.

(1) All stock-options were cancelled as of his effective date of resignation, October 15, 2010.

Remuneration of the Chairman of the Management Board and Chief Executive Officer

As indicated in the Company's 2009 Annual Report, on March 9, 2010, the Supervisory Board, on the recommendation of the GN&RC and pursuant to the findings of the 2009 Towers Watson Benchmark, revised the gross fixed annual income of the Chairman of the Management Board to €800,000, effective January 1, 2010. This amount is before income tax and social security charges. This increase was the first in several years and was inferior to the global increase in salaries over the same period on a like-for-like basis across the Group.

On March 7, 2011, the Supervisory Board, on the recommendation of the GN&RC, revised the gross fixed annual income of the Chairman of the Management Board to €821,600, effective January 1, 2011. This amount is before income tax and social security charges. It represents an increase of 2.7% in 2010 fixed remuneration, identical to the increase in fixed salaries on a like-for-like basis across the Group as of January 1, 2011.

According to the Management Board remuneration policy approved by the Supervisory Board on June 26, 2007, the short-term incentive (STI) of the Chairman of the Management Board due in respect of financial year 2010 is determined according to the achievement of quantitative targets in financial year 2010 and calculated according to a formula that takes into consideration the following key performance indicators:

- the recurring net profit and recurring EPS growth above inflation; and
- the value creation during the period, measured by the growth (above inflation) of the net asset value per share plus dividends distributed over the same period.

The STI for the Chairman of the Management Board is capped at 150% of his fixed income.

The application of the formula in respect of the financial year 2010 resulted in an STI for the Chairman of the Management Board of €1,021,514. This represents a substantial increase compared to the STI paid in respect of years 2008 and 2009, these two years being strongly impacted by the sharp decline in net asset value per share over 2008 (one of Unibail-Rodamco SE's two main key performance indicators). The STI paid in respect of year 2010 is more in line with the STI paid in respect of 2007, as a result of the strong growth in rents over the period resulting in increases in net asset value, combined with the recovery of asset yields during 2010 and the strong results of the Group in 2010 despite the accelerated divestment programme of non-core assets realised during the year.

It should be noted that on March 7, 2011 the Supervisory Board decided, upon the recommendation of the GN&RC, to uphold the current STI policy with the exception of the neutralization of the negative impact of the October 2010 €20 exceptional distribution to the Management Board members' quantitative STI formula (in terms of the growth in recurring net results per share) for 2010 and 2011. As the exceptional distribution took place in October 2010, it had a limited effect in the computation of the STI paid in respect of year 2010.

Overall, including LTI the total compensation of the CEO in 2010 has partially recovered after two years of successive sharp decline (-37.2% and – 14.3% respectively for 2008 and 2009) to a level still 9.6% below the 2007 level.

The Chairman of the Management Board benefits from the Company's defined contribution pension scheme with a contribution of €73,456 in 2010. He does not benefit from any defined benefit pension scheme (retraite chapeau Art. 39) (for full details, see page 224). He also benefits from a company car, a health and life mutual insurance and unemployment contribution (GSC type). The Chairman of the Management Board is eligible for the Company Savings Plan without the benefit of the top-up offered to employee participants.

The Chairman of the Management Board does not benefit from the profit-sharing scheme (intéressement et participation). He does not benefit from any contractual severance package or from any contractual indemnification clause in relation to non-competition provisions. In accordance with Afep-Medef recommendations, the Chairman of the Management Board has no employment contract *(contrat de travail)*.

There was no attribution of performance shares *(actions de performance)* in 2010.

Remuneration of the other members of the Management Board

As indicated in the Company's 2009 Annual Report, on March 9, 2010, the Supervisory Board, on the recommendation of the GN&RC and pursuant to the findings of the 2009 Towers Watson Benchmark, revised the gross fixed annual income of the other members of the Management Board to €440,000, effective January 1, 2010. This increase was the first in several years and was inferior to the global increase in salaries over the same period on a like-for-like basis across the Group.

On March 7, 2011, the Supervisory Board upon the recommendation of the GN&RC, decided to maintain the gross fixed income of the non-CEO MB members for 2011 at the same level as in 2010.

According to the Management Board remuneration policy approved by the Supervisory Board on June 26, 2007, the short-term incentive (STI) of the other members of the Management Board due in respect of financial year 2010 is determined according to the achievement of two sets of objectives:

i. Quantitative targets capped at 50% of fixed income and calculated according to a formula that takes into consideration two key performance indicators:

- the recurring net profit and recurring EPS growth above inflation;
- the creation of value during the period, measured by the growth above inflation of the net asset value per share, plus dividends distributed over the same period; and

ii. Qualitative targets capped at 50% of fixed income, which are defined by the GN&RC (based on proposals received from the CEO), discussed with each Management Board member,

approved by the GN&RC/Supervisory Board, and accepted by each Management Board member at the beginning of each calendar year.

In application of this policy, on March 7, 2011, the Supervisory Board fixed the STI of the other Management Board members in respect of the financial year 2010 at the levels indicated in table no. 1 (page 222) on the basis of proposals received from the GN&RC and the Chairman of the Management Board. These figures have increased substantially compared to the STI paid to Management Board members in respect of the financial years 2008 and 2009. These two years having been heavily impacted by the sharp decline in net asset value since 2008 (one of the Unibail-Rodamco SE's two main key performance indicators), combined with the recovery of asset yields during 2010, and the strong results of the Group in 2010 despite the accelerated divestment programme of non-core assets realised during the year.

Overall, including long term incentives, the total compensation of the other Management Board members in 2010 has partially recovered after two years of successive decline (-13% to -23.7% in 2008, then -11.7% to -15.6% in 2009) to a level -3% to –13% still below 2007 levels.

The other members of the Management Board have the benefit of a company car, the Company's health and life mutual insurance as well as an unemployment contribution (GSC type for French members), as well as the benefit of the Company's supplementary pension plan (for details, see pages 224-225). They can subscribe to the Company Savings Plan without the benefit of the top-up contribution offered to the employee participants.

The other members of the Management Board do not benefit from the profit-sharing scheme (intéressement et participation). They do not benefit from any contractual severance package or from any contractual indemnity clause in relation to non-competition provisions. Even though it is not an Afep-Medef Code requirement, the other Management Board members have no employment contracts *(contrats de travail)*.

Pursuant to the AMF recommendations of December 22, 2008 and the Afep-Medef recommendations of November 2008 concerning the compensation of executive officers of listed companies, the tables on pages 222 and 224-225 present:

- gross remuneration received in respect of the financial years 2007, 2008, 2009 and 2010, i.e. including short term incentive due in respect of financial year N and paid in Year N+1 after the publication of the results of financial year N (table no. 1); and
- gross remuneration paid during 2009 and 2010 respectively, i.e. including the short term incentive that was paid in Year N accrued in respect of the previous year (table no. 2).

Details of the remuneration (before income tax and social security charges) of each Management Board member
(Table no.2 of AMF/ Afep-Medef recommendations)

	Financial year 2009		Financial year 2010	
Mr. Guillaume Poitrinal Chairman of the Management Board and Chief Executive Officer	Amount due	Amount paid	Amount due	Amount paid
Fixed income	€700,000	€700,000	€800,000	€800,000
Short term incentive	€320,068	€344,595	€1,021,514	€320,068
Pension	€73,415	€73,415	€73,456	€73,456
Other benefits	€16,729	€16,729	€21,771	€21,771
Total direct cash remuneration	**€1,110,212**	**€1,134,739,**	**€1,916,741**	**€1,215,295**
LTI - stock-options allocated IFRS valuation*	€221,000	€221,000	€318,500	€318,500
TOTAL	**€1,331,212**	**€1,355,739**	**€2,235,241**	**€1,533,795**

	Financial year 2009		Financial year 2010	
Mr. Michel Dessolain Chief Operating Officer	Amount due	Amount paid	Amount due	Amount paid
Fixed income	€400,000	€400,000	€440,000	€440,000
Short term incentive	€170,621	€210,000	€317,141	€170,621
Pension	€47,842	€47,842	€47,532	€47,532
Other benefits	€15,025	€15,025	€19,070	€19,070
Total direct cash remuneration	**€633,488**	**672,867**	**€823,743**	**€677,223**
LTI - stock-options allocated IFRS valuation*	€110,500	€110,500	€159,250	€159,250
TOTAL	**€743,988**	**€783,367**	**€982,993**	**€836,473**

	Financial year 2009		Financial year 2010	
Mrs. Catherine Pourre Chief Ressources Officer	Amount due	Amount paid	Amount due	Amount paid
Fixed income	€400,000	€400,000	€440,000	€440,000
Short term incentive	€180,621	€190,000	€317,141	€180,621
Pension	€48,031	€48,031	€47,541	€47,541
Other benefits	€13,060	€13,060	€17,065	€17,065
Total direct cash remuneration	**641,712**	**651,091**	**€821,747**	**€685,227**
LTI - stock-options allocated IFRS valuation*	€110,500	€110,500	€159,250	€159,250
TOTAL	**€752,212**	**€761,591**	**€980,997**	**€844,477**

	Financial year 2009		Financial year 2010	
Mr. Peter van Rossum Chief Financial Officer	Amount due	Amount paid	Amount due	Amount paid
Fixed income	€400,000	€400,000	€440,000	€440,000
Short term incentive	€185,621	€190,000	€317,141	€185,621
Pension	€66,863	€66,863	€70,580	€70,580
Other benefits	€15,060	€15,060	€17,505	€17,505
Total direct cash remuneration	**667,544**	**671,923**	**€845,226**	**€713,706**
LTI - stock-options allocated IFRS valuation*	€110,500	€110,500	€159,250	€159,250
TOTAL	**€778,044**	**€782,423**	**€1,004,476**	**€872,956**

	Financial year 2009		Financial year 2010	
Mr. Jaap Tonckens Chief Investment Officer	Amount due	Amount paid	Amount due	Amount paid
Fixed income	€172,937	€172,937	€440,000	€440,000
Short term incentive	€101,874	€0	€327,141	€101,874
Pension	€14,688	€14,688	43,809	€43,809
Other benefits	€630	€630	€7,633	€7,633
Total direct cash remuneration	**€290,129**	**188,255**	**€818,583**	**€593,316**
LTI - stock-options allocated IFRS valuation*	€0	€0	€254,800	€254,800
TOTAL	**€290,129**	**€188,255**	**€1,073,383**	**€848,116**

	Financial year 2009		Financial year 2010	
Mr. Bertrand Julien-Laferrière[(A)] Chief Development Officer (till October 15, 2010)	Amount due	Amount paid	Amount due	Amount paid
Fixed income	€400,000	€400,000	€349,174	€349,174
Short term incentive	€195,621	€223,000	€286,446[(1)]	€325,621[(1)]
Pension	€48,972	€48,972	€38,507	€38,507
Other benefits	€14,520	€14,520	€17,116	€17,116
Total direct cash remuneration	**€659,113**	**€686,492**	**€691,243**	**€730,418**
LTI - stock-options allocated IFRS valuation*[(2)]	€110,500	€110,500	€159,250	€159,250
TOTAL	**€769,613**	**€796,992**	**€850,493**	**€889,668**

(A) Mr Julien-Laferrière resigned from the Management Board with effect October 15, 2010.
(1) Including the qualitative component of Mr Julien-Laferrière's STI for 2010 fixed at €130,000 by the Supervisory Board and paid in October 2010 upon his effective date of resignation.
(2) Stock-options cancelled as of date of his resignation, October 15, 2010.

* The value corresponds to the value of the options and financial instruments at the time they were attributed according to IFRS 2 requirements (based on the evaluation conducted by Towers Watson), notably after taking into account any discount related to performance criteria and the probability of presence in the company after the vesting period, but before taking into account the effect of the spread of the charge during the vesting period according to IFRS 2.

b) Details of long term incentive in the form of stock options granted to or exercised by the members of the Management Board

• Details of Long Term Incentive in the form of stock-options granted to the members of the Management Board during the financial year 2010 (Art. L. 225-184 of the French Commercial Code)

On March 10, 2010, a total of 778,800 stock options representing 0.85% of the diluted share capital was allocated. After the application of legal adjustment ratios (Article R.228-91 3° of the French Commercial code): the adjustment ratios of 1.06 and 1.14 following the distribution of May 10, 2010 and the exceptional distribution of October 12, 2010, the number of stock options was brought to 932,228. This allocation was for the benefit of 306 staff members and executive officers, representing 18% of the total staff of the Group. For information, employees of the Group in France also benefit from a profit-sharing scheme and the Company Savings Plan which gives access to shares in the Company at a discount of 20% of the share price as well as a top up contribution from the Company (cf. page 190 of the present annual report).

All stock options granted in 2010 (Plan no.6 Performance) are without any discount and are subject to a performance condition; the right to exercise stock options being conditional on Unibail-Rodamco SE's overall stock market performance outperforming the EPRA benchmark index over the reference period i.e. the period between the grant date and the last trading date before the recipient exercises the options. Stock options may be exercised at the end of the fourth year at the earliest and at the end of the seventh year at the latest. In this regard, the following points should be noted:

(i) Unibail-Rodamco SE's overall stock market performance is defined as the variation in Unibail-Rodamco SE's share price during the reference period, with all gross interim and final distributions reinvested on the date of their payment[21].

(ii) the performance of the European Public Real Estate Association Index (EPRA Index) is defined as the variation in the EPRA Euro Zone Total Return index during the reference period. This index comprises the leading property stocks in the euro zone. This is a "total return" index which includes distributions paid. The gross distribution figures included in the calculation of Unibail-Rodamco SE's overall stock market performance are those published by Bloomberg, which serve as the basis for the EPRA index.

(iii) The economic value (as accounted under IFRS in the Group consolidated accounts) of the total amount of stock options to be granted to Management Board members ranges between 0% and 150% of their fixed income based on a qualitative discretionary evaluation by the GN&RC and the Supervisory Board (based on proposals received from the CEO for the other members of the Management Board).

(iv) For stock options granted in 2007 and thereafter, all Management Board members must keep a personal investment in Unibail-Rodamco SE shares, equivalent to 30% of the capital gain (net of tax) on the date of exercise of the stock options granted, until they leave the Company[22]. This rule applies to Unibail-Rodamco SE shares with a value equivalent to two years' fixed income for other Management Board members and three years' fixed income for the CEO. The rule applies to shares acquired in respect of all Unibail-Rodamco SE stock option plans from which Management Board members have benefited.

On the recommendation of the GN&RC, on March 7, 2011, the Supervisory Board decided that the grant of options to the top six executives, as a whole and including the CEO, must not exceed 25% and the grant of stock options to the CEO alone must not exceed 8% of the total number of options granted. The same thresholds have been in place since 2008.

Management Board members are formally prohibited from using hedging instruments to cover options and shares that are owned as a result of exercising stock options.

The allocation of stock options to Management Board members is detailed in table no. 4 in the format recommended by the AMF and the Afep-Medef. The 2010 grant to Management Board members is the same in number as in 2009 and is 16.7% below the 2008 grant. In IFRS2 value, due to the decline in the Company's share price in 2009, the 2010 grant is 44.1% higher than in 2009 and remains 23.4% below the 2008 grant value.

(21) Including all amounts returned to the shareholders.

(22) Supervisory Board decision pursuant to section L. 225-185 of the French Commercial Code.

Share subscription or purchase stock-options granted during the financial years 2008 to 2010
(Table no.4 of AMF/Afep/Medef recommendations)

Plan Number	Plan n° 5 performance		Plan n° 5 performance			Plan no.6 performance		
Date of grant	October 23, 2008		March 13, 2009			March 10, 2010		
Exercise period	Oct. 23, 2012 to Oct. 23, 2015		March 13, 2013 to March 12, 2016			March 10, 2014 to March 10, 2017		
Exercise Price per stock-option	130,27*		99.42*			€148.32*		
Type of stock-options	Share subscription or purchase stock-options subject to performance conditions and with no discount		Share subscription or purchase stock-options subject to performance conditions and with no discount			Share subscription or purchase stock-options subject to performance conditions and with no discount		
Names of MB member	**Number of stock-options granted***	**IFRS valuation of stock-options granted**	**Number of stock-options granted***	**IFRS valuation of stock-options granted**	**Variation 2009 vs 2008**	**Number of stock-options granted***	**Value of stock-options granted****	**Variation 2010 vs 2009**
Mr. G. Poitrinal Chief Executive Officer	60,000	€415,000	50,000	€221,000	- 46,7%	50,000	€318,500	44.1%
Mr. M. Dessolain Chief Operating Officer	30,000	€207,600	25,000	€110,500	- 46,8%	25,000	€159,250	44.1%
Mrs. C. Pourre Chief Ressources Officer	30,000	€207,600	25,000	€110,500	- 46,8%	25,000	€159,250	44.1%
Mr. P. van Rossum Chief Financial Officer	30,000	€207,600	25,000	€110,500	- 46,8%	25,000	€159,250	44.1%
Mr. J. Tonckens Chief Investment Officer	n.a	n.a	n.a	n.a	n.a	40,000	€254,800	n.a
Mr. B. Julien-Laferrière(1) Chief Development Officer	30,000	€207,600	25,000	€110,500	- 46,8%	25,000	€159,250	44.1%

*At the date of the grant and before taking into account the legal adjustments following distributions.
** The value corresponds to the value of the options and financial instruments at the time they were attributed according to IFRS 2 requirements (based on the evaluation conducted by Towers Watson), notably after taking into account any discount related to performance criteria and the probability of presence in the company after the vesting period, but before taking into account the effect of the spread of the charge during the vesting period according to IFRS 2.
(1) Mr Julien-Laferrière resigned from the Management Board with effect October 15, 2010. All his stock options were cancelled on this date.

• Details of stock options granted to the members of the Management Board during the financial year 2011 (Art. L. 225-184 of the French Commercial Code)

In accordance with Afep-Medef recommendations, on December 11, 2008, the Supervisory Board of Unibail-Rodamco SE, on the recommendation of the GN&RC, decided that, as of 2009, the annual allocation of stock options should be advanced from October to March, shortly after the publication of the financial results for the previous year. For more details, refer to pages 206-207.

On March 10, 2011, a total of 753,950 stock options, representing 0.78% of the fully diluted share capital, was allocated. All stock options granted in 2011 (Plan no.6 Performance – see pages 206-207 for full details) have the same characteristics as the stock options allocated in 2010 i.e. there is no discount on the share price and they are subject to the same performance conditions. Allocations to Management Board members are subject to the same conditions as in 2010 as referred to above and as shown in the following table. On March 7, 2011, the Supervisory Board again acknowledged the Towers Watson external Benchmark finding that the Management Board members' long term incentive remains well below the reference panel medians.

Share subscription or purchase stock-options granted during the financial year 2011
(Table no.4 of AMF/Afep/Medef recommendations)

Plan Number	Plan no.6 performance	
Date of grant	March 10, 2011	
Exercise period	March 10, 2015 to March 10, 2018	
Exercise price per stock-option	€144.37	
Type of stock-options	Share subscription or purchase stock-options subject to performance conditions and with no discount	
Names of MB member	**Number of stock-options granted**	**Value of stock-options granted***
Mr. G. Poitrinal Chief Executive Officer	55,000	€385,550
Mr. M. Dessolain Chief Operating Officer	26,000	€182,260
Mrs. C. Pourre Chief Ressources Officer	26,000	€182,260
Mr. P. van Rossum Chief Financial Officer	26,000	€182,260
Mr. J. Tonckens Chief Investment Officer	26,000	€182,260

* The value corresponds to the value of the options and financial instruments at the time they were attributed according to IFRS 2 requirements (based on the evaluation conducted by Towers Watson), notably after taking into account any discount related to performance criteria and the probability of presence in the company after the vesting period, but before taking into account the effect of the spread of the charge during the vesting period according to IFRS 2.

Details of stock-options exercised by the members of the Management Board during the financial year 2010 (Art. L. 225-184 of the French Commercial Code)
(Table no.5 of AMF/Afep-Medef recommendations)

Stock-options exercised by the Management Board Member	Plan number - Tranche year and date	Number of stock-options exercised for the financial year(1)	Exercise price per option(1)
Mr. G. Poitrinal	Plan no.3 - Tranche 2004 - 13/10/2004	16,640	€71.13
		4,560	€62.39
	Plan Performance no.3 - Tranche 2004 - 13/10/2004	20,640	€71.13
	Plan Performance no.3 - Tranche 2005 - 14/12/2005	994	€88.10
Mr. M. Dessolain	Plan no. 3 - Tranche 2005 - 14/12/2005	9,180	€106.46
	Plan Performance no.3 - Tranche 2005 - 14/12/2005	6,790	€106.46
		2,534	€100.43
Mrs. C. Pourre	Plan no.3 - Tranche 2005 - 14/12/2005	8,109	€100.43
	Plan Performance no.3 - Tranche 2005 - 14/12/2005	8,109	€100.43

(1) After legal adjustment(s), if any

c) Details of performance shares allocated or which become available to each member of the Management Board during the financial year 2010 (Art. L. 225-194-4 of the French Commercial Code)

(Table no.6 of AMF/Afep-Medef recommendations)

Performance shares allocated during the financial year to each Board Members	Plan number and date	Numbers of shares allocated by financial year	Shares valuation according to the reserved method for consolidated financial statements	Acquisition date	Availability date	Performance criteria
NO ALLOCATION						

(Table 7 of AMF/Afep-Medef recommendations)

Performance shares available for the Board Members	Plan number and date	Numbers of shares became available during the financial year	Acquisition criteria
Mr. G. Poitrinal	Plan no.1 - 27/04/2006	2,685	Presence condition
Mr. M. Dessolain	Plan no.1 - 14/12/2006	500	Presence condition
Mrs. C. Pourre	Plan no.1 - 27/04/2006	706	Presence condition

Performance shares become available after a 4-year period (i.e.after a 2 year acquisition period and a 2 year retention period) as from the date of allocation.

d) Number of Unibail-Rodamco SE shares/stock options/performance shares held by members of the Management Board on March 10, 2011 (including stock options granted on March 10, 2011) (Art. 17 of Annex 1 of Regulation EC 809/2004)

Names of MB member	Unibail-Rodamco SE shares owned	Stock options non exercised
Mr. G. Poitrinal	143,995	422,571
Mr. M. Dessolain	89,160	173,307
Mrs. C. Pourre	77,030	173,307
Mr. P. van Rossum	250	167,143
Mr. J. Tonckens	200	74,336

e) Information required by the AMF on the situation of members of the Management Board (Table 10 Recommendation AMF)

The CEO's contract was terminated in accordance with the Afep-Medef recommendations on Dec 31, 2008. Subsequently, the Management Board decided to go beyond the Afep-Medef recommendations by terminating all existing Management Board member employment contracts during the course of 2009.

The supplementary pension plans that are in place for the members of the Management Board reflect the Franco-Dutch character of the Group and the fact that normal practices and standards in The Netherlands can differ from those in France. For this reason, the Management Board benefits from the Dutch supplementary pension plan, in accordance with Dutch practice, connected to their activities in The Netherlands.

	Employment contract		Additionnal pension scheme		Contractual severance package		Severance related to non-competition clause	
	YES	NO	YES	NO	YES	NO	YES	NO
Mr. G. Poitrinal Renewal of mandate: May 15, 2009 End of mandate: AGM 2013		x	x			x		x
Mr. M. Dessolain - Chief Operative Officer Renewal of mandate: May 15, 2009 End of mandate: AGM 2013		x	x			x		x
Mrs. C. Pourre - Chief Resources Officer Renewal of mandate: May 15, 2009 End of mandate: AGM 2013		x	x			x		x
Mr. P. Van Rossum - Chief Financial Officer Renewal of mandate: May 15, 2009 End of mandate: AGM 2013		x	x			x		x
J. Tonckens **Chief Investment Officer** First mandate: September 1, 2009 End of mandate: AGM 2013		x	x			x		x

The CEO benefits from the Company's supplementary pension plan (defined contribution part exclusively). The level of pension contribution for 2010 is included in the "Pension" lines of tables 1 and 2. He does not benefit from any defined benefit pension scheme (retraite chapeau Art. 39).

In respect of the supplementary pension plan, all Management Board members benefit from the defined contributions plan within the framework of the Company's supplementary pension plan.

In common with all Dutch employees, Mr P. van Rossum is also eligible for a defined benefit plan. This defined benefit pension at retirement will be equal to 1.8421% of his last pensionable salary for each year of service with the Company. In 2010, the pensionable salary is the base salary limited to €52,471 minus an offset of €15,084. Mr. Peter van Rossum joined the Company in 2006.

All pension contributions for 2010 are included in "Pension" lines of tables 1 and 2.

All costs related to pension are shown on page 190 of the present Registration Document.

On March 9, 2010 the GN&RC and Supervisory Board noted the finding of the Towers Watson Benchmark that the pension coverage for the Unibail-Rodamco CEO and other Management Board members is well below the CAC40 median.

Upon the recommendation of the GN&RC, the Supervisory Board decided at that time that this question should be addressed in the future to ensure that the Management Board's remuneration remains competitive.

On March 7, 2011, in light of the evolution of the total remuneration for the CEO and Management Board members, and noting that Unibail-Rodamco still falls behind its peers, the Supervisory Board, upon the recommendation of the GN&RC, and in accordance with the Towers Watson Benchmark decided that, effective January 1, 2011, the CEO and other Management Board members will benefit from an additional annual contribution towards their retirement equal to €130,000 for the CEO and €65,000 for each of the other Management Board members. These contributions will be subject to the payment of social contributions and income tax. The contributions will be subject to the condition that the CEO and other Management Board members allocate the funds, net of income tax and social contributions to a long-term savings scheme with a view to financing their retirement (Plan d'Assurance-Vie or PERP for the French members) as long as they remain corporate officers of the Group.

4.2. Remuneration of members of the Supervisory Board

a) Remuneration of the Chairman of the Supervisory Board

On 9 March 2009, taking into account his duties as Chairman of the Supervisory Board and Chairman of the Governance, Nomination and Remuneration Committee, the Supervisory Board fixed his total annual gross remuneration at €130,000 effective from January 1, 2009. This remuneration, all inclusive, has remained unchanged since. It is paid separately and in addition to the general envelope fixed by the General Meeting.

b) Fees of the other members of the Supervisory Board

On May 14, 2009, the General Meeting of Shareholders fixed the total annual amount to be allocated to Supervisory Board member fees, at €875,000 (identical to the amount fixed by the previous General Meeting on May 21, 2007). The fees to be paid to each individual Supervisory Board member were fixed by the Supervisory Board during its May 14, 2009 meeting and amended on February 8, 2010 as detailed below. The fee arrangments have remained unchanged since.

- **Supervisory Board fees for 2010:**

In 2010, the annual Supervisory Board fee remained €52,000 per member (comprising of a fixed portion of 75% and a variable portion of 25%, allocated according to member attendance). The fixed portion was paid quarterly and the variable portion was paid at year-end. The Vice Chairman of the Supervisory Board was paid a supplementary fee of €15,000 for his services. An additional fee of €1,350 per day was paid to Supervisory Board members attending a meeting of the Supervisory Board and/or a Supervisory Board and a committee meeting held outside their country of residence.

- **Supervisory Board Committee fees for 2010:**

In 2010, the annual fee for Audit Committee and GN&RC members was maintained at €10,000. The Chairman of the Audit Committee was paid a supplementary fee of €10,000 for his services. An additional fee of €1,350 was paid to members attending a Supervisory Board committee meeting and/or a Supervisory Board committee meeting and a Supervisory Board meeting held outside their country of residence. As of January 1, 2010, 25% of the annual committee fee is variable and allocated according to attendance at committee meetings at year end.

Annual fees paid in the fiscal years 2009 and 2010[1]

Supervisory Board Members	Fees year 2009	Fees year 2010
Mr. Frans Cremers	€69,825	€69,593
Mr. Jacques Dermagne[2]	€64,700	€15,500
Mr. François Jaclot	€96,175	€99,150
Mr. Robert ter Haar	€72,800	€72,800
Mrs. Mary Harris	€68,950	€74,150
Mr. Jean-Louis Laurens	€57,600	€63,350
Mr. Yves Lyon Caen	€52,600	€59,618
Mr. Henri Moulard	€63,350	€63,350
Mr. Bart Okkens	€74,150	€74,150
Mr. Alec Pelmore	€70,300	€72,800
Mr. Jos Westerburgen[2]	€67,325	€15,500
Total SB members (excluding SB Chairman)	**€757,775**	**€679,961**
Annual remuneration of the Supervisory Board Chairman in the fiscal years 2009 and 2010		
Mr. Robert van Oordt	€130,000	€130,000

(1) Including the out of country fees, if any and before withholding tax (25%) for non French residents, where applicable.
(2) Term expired April 28, 2010.

5. Prospectus regulations – negative declaration

To the best knowledge of the Company, the Management Board and Supervisory Board members are not subject to the situations and restrictions referred to in article 14 of Annex 1 of the Regulation (EC 809/2004).

V. OTHER INFORMATION

1. Details of top ten stock options grants and top ten exercises (excluding Executive Officers) during the Financial year 2010 (Art. L. 225-184 of the French Commercial Code)

(Table 9 of the AMF/Afep-Medef recommendations)

	Top ten of stock-options grants during the 2010 year*	Top ten stock-options exercices during the 2010 year
Number of granted stock-options/ and subscribed or purchased option(1)	117,500	205,447
Weighted average price	€148.32	€75.71
Plan no.2 Tranche 2002(2)	-	6,451
Plan no.3 Tranche 2003(2)	-	63,052
Plan no.3 Tranche 2004(2)	-	56,730
Plan no.5 Tranche 2005(2)	-	79,214
Plan no.6 Tranche 2010(2)	117,500	-

(1) The number may exceed ten in the event more than 10 people own the same number of options. Each year the option holders list may vary.
(2) For all the information about the different plans, see pages 205 to 208.
* At the date of grant and before taking into account adjustments applied on May 10, 2010 and October 12, 2010.

2. Information on share transactions and Permanent Insiders

In accordance with the stringent disclosure requirements of the AMF General Regulations, persons with management responsibilities within the Company have been informed of the disclosure rules that they (and 'individuals with a close personal relationship' with them) must comply with in relation to any dealings with the Company's shares. These obligations are required by the AMF and the Company.

The compliance of the concerned persons with the disclosure rules is monitored by the Group Compliance Officer.

In the same context, and in accordance with the provisions of Article L. 621-18-4 of the French Monetary and Financial Code, the Company has provided the AMF with a list of persons qualified as permanent insiders.

3. Fees of Appraisors

The Group has the assets of each of its three business sectors valued twice a year by external appraisors.

The fees paid are fixed by agreement and for the year 2010 amounted M€1.4 (instead of M€1.8 for 2009). For each appraisor's firm, the invoiced fees represent less than 10% of their turnover.

4. Insurance

Unibail-Rodamco SE is covered by a Group insurance programme, which is underwritten by leading insurance companies. This programme is actively monitored by the Group Insurance Department in liaison with local teams and insurance brokers.

Under the property damage and terrorism programmes, the Group's property assets are insured, for most of them, for their full reconstruction value, which is regularly assessed by external property insurance valuers, and for business interruptions and loss of rents. The Group has also taken out general liability insurances that cover financial damages resulting from third parties' claims.

Construction projects and renovation works on properties are covered by Contractor's All Risks policies. Defects affecting the works are covered by Decennial insurance in France and by Contractors liabilities for works in every Region.

The 2010 premium amounted to €6Mn including Simon-Ivanhoe premiums, except construction insurance premiums. Most of these premiums were invoiced to tenants or to other co-owners in the context of existing contracts and regulations in force.

There were no major or significant losses in 2010.

5. Supplier payment dates for the parent company, Unibail-Rodamco SE

As required by article D. 441-4 of the French Commercial Code, the table below shows the balances of outstanding suppliers accounts at December 31, 2010 by due date. This information is provided with comparative figures with the preceding year.

Balance due by in K€	Already due at year end		Due within 30 days		Due between 30 days and 60 days		Without payment date		Total	
	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010
Suppliers	896	2,517[(a)]	349	6,218[(b)]	358	142	0	0	1,603	8,877
Accruals	0		0		0		36,358	27,430	36,358	27,430
Others	0		0		0		2,334	1,857	2,334	1,857
Total	**896**	**2,517**	**349**	**6,218**	**358**	**142**	**38,692**	**29,287**	**40,295**	**38,164**

(a) Increase partly due to Permanent establishment
(b) GSC Unibail Management at 31/12/2010

"Others" are mainly amounts withheld as contractual guarantees.

VI. RISK FACTORS

Unibail-Rodamco's internal control policies and arrangements, which are based on reference documents, charters, standards, procedures and best practices, aim to create and maintain an organisation that helps to prevent and/or mitigate and manage controllable risk factors, notably operational, financial, tax and legal risks to which Unibail-Rodamco SE and its subsidiaries are or could be exposed, even if these risks can never be totally eliminated.

The relevant monitoring procedures and management components implemented by Unibail-Rodamco group are mainly described in the internal control system section of the Report of the Chairman of the Supervisory Board (see pages 236 to 247).

Investors' attention is drawn to the fact that the risk factors discussed in this section are not exhaustive and that there may be other risks, either wholly or partly unknown and/or of which the occurrence is not considered at the filing date of this Registration Document to be likely to have a material adverse effect on the Unibail-Rodamco Group, its operations, its financial situation and/or its results.

Risks inherent in Unibail-Rodamco SE's business activities

Risks arising from trends in the property market

The Unibail-Rodamco Group is present in various sectors of the commercial property sector, specifically shopping centres, offices, convention-exhibitions and associated services. Apart from risk factors specific to each asset, the Group's activities are exposed to factors beyond its control and to specific systemic risks, such as the cyclical nature of the sectors in which it operates. The Group's strategy and policies aim to curb the negative effects of these risks. Indeed, sudden changes in the economic, financial, currency, regulatory, geopolitical, political, social, health and/or ecological environment may have a significant impact on the Group, the value of its assets, its results, its distribution policy, its development plans and/or its investment/divestment activities.

A long term deterioration in economic conditions with implications for the rental market may have a significant impact on the level of the Group's activities, its results, the value of its assets and its investment and development strategy.

The Group's assets (with the exception of certain development projects) are valued biannually using the fair valuation method. The value of the Group's assets is sensitive to variation according to the valuers' principle assumptions (yield, rental value, occupancy rate) and is, therefore, susceptable to important variations that may impact the Group, its profile and/or its results.

Some of the Company's real estate assets depend on flagship stores to attract customers and could suffer a material adverse impact if one or more of these tenants were to break or fail to renew their lease and/or in the event of consolidation among these retail sector companies.

Risks arising from property asset construction and refurbishment projects

Unibail-Rodamco conducts construction and refurbishment activities in the office, shopping centre and convention-exhibition property segments, the principal risks of which are linked to: 1) securing the requisite legal administrative authorisations (building permits, commercial licences, opening and/or operational licences, etc.); 2) controlling construction costs (staying on time and on budget); and 3) achieving a good letting rate for properties (letting of all surfaces at sufficient rent levels).

Tenant insolvency risks

Unibail-Rodamco's ability to collect rents depends on the solvency of its tenants. Tenants' creditworthiness is taken into consideration by Unibail-Rodamco before it enters into a specific lease. Nevertheless, it is possible that tenants may not pay rent on time or may default on payments, especially in

more difficult economic environments, and this could materially affect Unibail-Rodamco's operating performance and/or its results.

Legal, regulatory, tax, environmental and insurance-related risks

Legal and regulatory risks

Unibail-Rodamco has to comply with a wide variety of laws and regulations, notably: urban planning regulations, construction and operating permits and licences, health and safety regulations (particularly for assets that are open to the public), environmental regulations, lease laws, labour regulations, and corporate and tax laws, notably the provisions of the SIIC[23] regime. Changes in the regulatory framework and/or the loss of benefits associated with a status or an authorisation could require Unibail-Rodamco to adapt its business activities, its assets or its strategy (including geographical presence), possibly leading to a material significantimpact on the value of its property portfolio and/or its results, an increase in its expenses, and/or a slowing or even halting of the development of certain investment or letting activities.

In the normal course of its business activities, the Group could be involved in legal proceedings (for instance, regarding contractual responsibility, employers' liabilities, penal issues) and is subject to tax and administrative audits. Associated risks include reputational damage associated with the company's image, ethics and way of doing business. To the best of company's knowledge, at the filing date of this Registration Document Unibail-Rodamco is not involved in or party to litigation which could have a material adverse effect on the results or financial situation of the Group as reflected in its financial statements.

For additional information relating to the measures taken to mitigate legal risks, please refer to the Report of the Chairman of the Supervisory Board (part IV "Internal Control System"), page 243.

Tax risks linked to special tax regimes

- **General**

Unibail-Rodamco is subject to tax in the countries in which it operates. In some countries, a special tax regime for real estate investors exists, leading to a lower tax burden at the level of the Group, the basic principle being that it distributes most of its income, which subsequently is taxable at the level of the shareholders. If and to the extent Unibail-Rodamco opts to make use of such system, it will be obliged to meet the conditions that are linked to the respective system.

- **France**

In France, Unibail-Rodamco is subject to the SIIC tax regime. If Unibail-Rodamco does not respect the required conditions, it would become liable for standard corporate income tax which would have a negative impact on its business activities and its results. For example, if one or more of Unibail-Rodamco SE's shareholders, acting separately or together, reaches the 60% ownership threshold for voting rights, this would cause Unibail-Rodamco SE to lose its SIIC status.

Unibail-Rodamco SE could be faced with an additional 20% tax charge on any distribution paid to a French tax-exempt shareholder (excluding natural persons) owning 10% or more of Unibail-Rodamco SE's share capital, unless Unibail-Rodamco SE is able to off-set this tax charge to the shareholder in question. For more details, refer to pages 198-199.

- **The Netherlands**

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. In light of the significant Dutch tax loss carry forwards identified by Group's fiscal advisors in the Netherlands, this assumption should have no impact on recurring result for 2010 nor for the following years.

Future changes

In all countries it is active in, Unibail-Rodamco and its subsidiaries remains exposed to changes in the tax rules that are currently in force.

Environmental risks

As a property owner or manager, Unibail-Rodamco has to comply with local environmental regulations in each country where it is active. Failure to comply with these local environmental regulations, or the need to comply with significant new environmental regulations that may be introduced, could lead to higher expenses or hamper the development of the Group's activities and could potentially affect Unibail-Rodamco's results or general liability.

Moreover, each Unibail-Rodamco's real estate assets is vulnerable to natural disasters (climate change, health or ecological crises, etc.) that may have a negative impact on the affected properties.

Unibail-Rodamco SE publishes every year a Corporate Sustainability Report, available on its website. This report deals with environmental group policy, achievements and targets. A specific section is dedicated to the Group policy for Health and Safety risk management on its assets.

(23) Listed Property Investment Companies SIIC (Sociétés d'Investissements Immobiliers Cotées).

Unibail-Rodamco SE was listed in the Dow Jones Sustainability World and Europe Indexes 2010. No guarantee can be given regarding the Company's inclusion in these indexes.

Insurance-related risks

Insurers could face economic difficulties resulting in them being unable to honour claims pursuant to the Group's insurance policies.

Unibail-Rodamco depends on the insurances markets and their financial capacities to cover its risks. It could therefore experience insurance shortfalls or find it impossible to cover all or part of certain risks.

Some of Unibail-Rodamco's potential losses may not be covered, or may be partially covered. In such instances, Unibail-Rodamco could lose all or a portion of the capital invested in an asset, as well as the expected rents from the asset.

Unibail-Rodamco may be exposed to a situation where the value (reconstruction cost) of one or more of its assets is wrongly assessed by its external property insurance valuers.

In respect of assets which are managed by third parties, Unibail-Rodamco may face a situation where insurance policies taken out by these external management Companies, are not anymore in force or provide an insufficient coverage in case of loss.

Risks associated with Unibail-Rodamco's financing policy and financial activities

Market risks

Unibail-Rodamco, through its activities, is exposed to market risks which can generate losses as a result of fluctuations in interest rates and/or currency exchange rates.

Unibail-Rodamco is exposed to interest-rate risks on the loans it has taken out to finance its investments. An increase in interest rates could have a negative impact on Unibail-Rodamco's results. Part of the Group's exposure to variable rates is hedged through derivatives but these hedges could be insufficient to cover these risks. Moreover, changes in interest rates could have a negative impact on Unibail-Rodamco's result by affecting the valuation of contracted derivatives.

Unibail-Rodamco is exposed to foreign exchange risks because it operates in countries outside the euro zone. The value of assets, rents and revenues received in these countries, when translated into euros, may be affected by fluctuations in exchange rates. Additionally, changes in the interest rates of countries outside the euro zone may also impact the results and / or the statement of financial position.

Unibail-Rodamco's foreign exchange risk is managed at a corporate level by the Treasury department which monitors the foreign exchange risk on a regular basis. To hedge part of this risk, the Group uses derivatives and debt in foreign currency. Such instruments may not hedge perfectly the underlying assets or activities, and as a result changes in the currency exchange and/or interest rates may have an impact on the cash flows, the results and/or the statement of financial position.

In addition, committees with several members of the Management Board are held several times a year to decide the appropriate hedging strategy which is then implemented by the Treasury department. Procedures do not allow for speculative positions to be put in place. Hedges processes and the net interest rate and currency positions are described in the paragraph "Market Risk Management" of the Financial Resources in the Business Review section.

Liquidity risks

Unibail-Rodamco's strategy depends on its ability to raise financial resources, either in the form of borrowing or equity capital, so that it can finance its ongoing activities and its investments. It is possible (for example in the event of disruption in the bond or equity markets, a reduction in the lending capacities of banks, changes affecting the property market or investors' appetites for property companies, a downgrade in Unibail-Rodamco SE's credit rating or a change in business activities, financial situation or Unibail-Rodamco SE's ownership structure) that the Group could – at any given point in time – encounter difficulties in raising funds and, as a result, lack the access to liquidity that it needs. These events could also affect the cost of borrowing and lead to an increase of the financial expenses of the Group. In this context, Unibail-Rodamco has put in place undrawn back up facilities for an amount mentioned in the paragraph "Funds raised" of the Financial Resources in the Business Review section.

Additionnally, some of the Group's borrowings are subject to covenants. More details on the Group's covenants and ratios levels can be found in the paragraph "Financial structure" of the Financial Resources in the Business Review section.

Counterparty risks

A large number of major international financial institutions are counterparties to the interest rate derivatives and foreign exchange contracts or deposits contracted by the Group. In the case of default by a counterparty, Unibail-Rodamco could lose all or part of its deposits or may lose the benefit from hedges signed with such counterparties. This could then result in an increase in interest rate or currency exposure. The Group's policy to manage counterparty risks in relation to derivative products is described in the paragraph "Market Risk Management" of the Financial Resources in the Business Review section.

Risks related to Unibail-Rodamco SE securities

Volatility in the price of Unibail-Rodamco SE securities

Stock markets may experience major fluctuations which may or may not be related to the results of the companies whose shares are traded on regulated markets. The price of Unibail-Rodamco SE's securities (including shares, ORA, i.e. bonds redeemable in Unibail-Rodamco SE shares and Ornane, i.e. convertible bonds in Unibail-Rodamco SE shares) could be

volatile and could be affected by events affecting Unibail-Rodamco, its competitors or the financial markets in general.

For instance, the price of Unibail-Rodamco SE's securities could fluctuate significantly in response to various factors and events, which could include changes in the liquidity of the market for Unibail-Rodamco SE shares; changes in the expectations of volatility of shares; variations in the Group's financial results or its competitors from one accounting period to another; differences between Unibail-Rodamco's financial or operating results and those expected by investors and analysts; changes in analysts' recommendations or forecasts; changes in general market conditions or in the economic environment; market fluctuations; the promulgation of new laws or regulations or changes in the interpretation of existing laws and regulations relating to Unibail-Rodamco's business.

Risks linked to key managers

The departure of a top management team member could have a material adverse impact upon the business, financial situation and results of the Group.

Risks related to Unibail-Rodamco's geographic presence

Although Unibail-Rodamco's operations are concentrated in Europe, part of the business is or may be conducted in markets where Unibail-Rodamco may be exposed to social, political, legal, tax and/or economic instability, among other risks.

In relation to the risks related to Unibail-Rodamco's geographic presence, the Group operates in some countries that have not joined the euro zone. A depreciation in the local currency of these countries could have a negative impact on Unibail-Rodamco's cash flows in euros: 1) when rents collected in local currency are translated in euros and where the Group's hedging policy is not sufficient; or 2) when rents are collected in euros and this affects the tenants' ability to pay.

A depreciation of the currency of countries outside the euro zone may also reduce the value of Unibail-Rodamco's portfolio, despite the implementation of hedging policies.

Risks associated with possible conflicts of interest

Risks of conflicts of interest with companies where Unibail-Rodamco SE is the majority shareholder

Unibail-Rodamco SE is the majority shareholder in several companies which have one or more minority shareholders (see pages 157 to 163). In certain circumstances, these situations may raise potential conflicts of interest and/or generate potential claims from the minority shareholders of those subsidiaries.

REPORT OF THE CHAIRMAN OF THE SUPERVISORY BOARD

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REPORT OF THE CHAIRMAN OF THE SUPERVISORY BOARD

On the arrangements for planning and organising the work of the Supervisory Board and on the Group's internal control procedures for the financial year ending December 31, 2010 (Article L. 225-68 of the French Commercial Code).

This report was prepared in close cooperation with Unibail-Rodamco S.E.'s Management Board, the Group Director of Legal and the Group's Director of Internal Audit and Risk Management. In addition, it was discussed with the Group's Statutory Auditors. On February 9, 2011, the Supervisory Board approved this report pursuant to Article L. 225-68 of the French Commercial Code.

I. SUPERVISORY BOARD

1. Functioning of the Supervisory Board

1.1. Purpose and powers

The Supervisory Board exerts permanent oversight and control over the Management Board and the general affairs of the Company. To that end, the Supervisory Board conducts appropriate inspections and reviews and may obtain copies of all documents to fulfil its duties. The Supervisory Board functions under the Company's Articles of Association and a specific Charter[1]. It makes suggestions and formulates recommendations to the Management Board on the following:

- company strategy and financial performance;
- business risks;
- structure and administration of internal risk management and control systems;
- financial reporting procedures and compliance with relevant laws and regulations.

In addition, the Supervisory Board makes decisions concerning the Company's corporate governance and its implementation. It assesses the functioning of the Management Board, the Supervisory Board (including its committees) and their individual members. It handles and settles any conflicts of interest and any discrepancies with respect to the functioning of the Supervisory and/or Management Board.

1.2. Limitation on the powers of the Management Board and the purview of the Supervisory Board

Pursuant to Article 11.5 of the Company's Articles of Association and the thresholds set out in the Supervisory Board Charter, the Supervisory Board's prior approval must be obtained for certain Management Board decisions and operations. The thresholds were amended by the Supervisory Board on February 9, 2011 however, for the financial year ending December 31, 2010, the principle thresholds were as follows:

- acquisitions, investments (including capital expenditures for internal development), interest acquisitions and off-balance sheet commitments exceeding €25 million (consolidated figure) concerning assets or activities located outside European Union Member States or outside the scope of the approved Group strategy. The threshold is raised to €300 million[2] (consolidated figure) for assets or activities located within European Union Member States and within the scope of the Group's strategy;
- asset disposals (including transfers of real property or interest) exceeding €300 million[3] (consolidated figure);
- indebtedness or security interests in excess of €300 million (consolidated figure), threshold raised to €1 Bn for corporate debt refinancing purposes;
- transfers of all or part of the Company's business to third parties in excess of €500 million (consolidated figure);
- any significant changes in the Group's governance and/or organisation, allocation of responsibilities within the Management Board and any action affecting the Company's entitlement to tax regime applicable to Listed Property Investment Company (SIIC) tax treatment or any other real estate tax-exempt status in a foreign country;
- any alterations of the Company's dividend policy and of proposals by the Management Board in the distribution of interim or full dividends.

The Supervisory Board was also, pursuant to its Charter, informed of transactions involving amounts in excess of 100 million but below 300 million. For full details and information concerning the new thresholds, refer to the Supervisory Board Charter.[4]

(1) Available on the Company's website and at the Company's registered office.

(2) This threshold is raised to €500 million (consolidated figure) for urgent operations and decisions; subject to prior dialogue between the CEO, the Chairman and the Vice-Chairman of the Supervisory Board.
(3) Ibid 2.
(4) Available on the Company's website and at the Company's registered office.

1.3. Composition

Pursuant to the Articles of Association, the Supervisory Board can consist of 8 (minimum) to 14 (maximum) members, who are appointed by the Company's shareholders. Supervisory Board members are normally appointed for a three year term and may be re-elected. Under the Supervisory Board's resignation and rotation rules, the resignation and reappointment of members is staggered to prevent, to the greatest extent possible, appointments/resignations occurring simultaneously.

The Supervisory Board was composed of 10 members in 2010.(5) All members qualify as independent members pursuant to the criteria defined in the Supervisory Board Charter based on the French Afep-Medef corporate governance code (December 2008) (Afep-Medef Code) with the exception of Mr. Henri Moulard as his tenure as a member of the Boards of Unibail S.A., Unibail-Rodamco S.A. and Unibail-Rodamco S.E. (combined) exceeds twelve years (as of May 2010). This is the sole independence criterion with which Mr Moulard does not comply.

Each year, the Supervisory Board and its Governance, Nomination and Remuneration Committee reviews individual Supervisory Board member independence. The Supervisory Board profile set out in the Supervisory Charter contains a commitment to diversity in its membership in terms of gender, age and nationality. In 2010, in the context of the French legislative developments on equal representation between men and women on supervisory boards and the new Afep/Medef recommendations on the subject incorporated into the Afep-Medef Code in April 2010, the Supervisory Board conducted a thorough review of its current profile, competencies and composition. As a result of this review, three new members (including one woman) will be proposed for nomination to Unibail-Rodamco shareholders at the company's AGM on April 27, 2011.

At the Company's 2010 Annual General Meeting, in compliance with the Company's rotation rules, the Supervisory Board Vice-Chairman, François Jaclot, and Supervisory Board Member, Frans Cremers, were each reappointed for a 3-year term.

The age limit for the Company's Supervisory Board members is 75 and at all times at least two-third of its members must be 70 or younger.

(5) Messrs Jacques Dermagne & Jos Westerburgen did not stand for re-election at the 2010 Annual General Meeting reducing the number of Supervisory Board members from 12 to 10 as of April 28, 2010.

Members of the Supervisory Board of Unibail-Rodamco S.E. as at 31 December 2010[6]

Name	Age	Main positions in addition to Unibail-Rodamco S.E. Supervisory Board membership	Year appointed to the Unibail-Rodamco S.E. Supervisory Board	AGM at which Supervisory Board term expires
Robert F. W. van Oordt Chairman Independent member Dutch national	74	Member of the Supervisory Board, Chairman of the Audit & Governance Committee and member of the Nominating & Remuneration Committee of Draka Holding N.V.	2007	2012
François Jaclot Vice-Chairman Independent member French national	61	Director and CEO of Addax and Oryx Group	2007	2013
Frans J.G.M. Cremers Independent member Dutch national	58	Vice-Chairman of the Supervisory Board of Fugro N.V. Member of the Supervisory Boards of N.S. N.V. (Dutch Railways), Royal Vopak N.V., Luchthaven Schiphol N.V., Parcom Capital B.V. and SBM Offshore N.V.	2007	2013
Robert ter Haar Independent member Dutch national	60	Chairman of the Supervisory Boards of Parcom Capital B.V. and VVAA Groep B.V. Supervisory Board member of Royal FrieslandCampina N.V., Maxeda Retail Group B.V. and B.V. Sperwer Holding Advisory member to the Board of Univar Inc.	2007	2011*
Mary Harris Independent member U.K. national	44	Member Supervisory Board and Audit, Remuneration and Nomination committees of TNT N.V. Non-Executive Director and member of the Audit, Nomination and Corporate Responsibility committees of Sainsbury plc and Advisory Board member of Irdeto N.V.	2008	2012
Jean-Louis Laurens Independent member French national	56	General Partner of Rothschild & Cie Gestion, Paris	2007	2012
Yves Lyon-Caen Independent member French national	60	Chairman of the Supervisory Boards of Bénéteau S.A. and Sucres & Denrées	2007	2011*
Henri Moulard Non-Independent member French national	72	Chairman of Truffle Capital S.A.S. and HM & Associés S.A.S. Director of Altlamed S.A., Involys S.A., Burelle S.A., Neuflize Vie and Compagnie Financière Sainte-Colombe S.A.S. Chairman of the Supervisory Boards of Cie Foncière du St-Gothard (ex. Dixence S.A.S.) and Centuria Capital S.A.S. (and member of the Centuria Capital S.A.S. Audit Committee) Chairman of the Audit Committees of Amundi Group and Amundi S.A., Chairman of the Remuneration Committeee of GFI Informatique	2007	2011
Bart R. Okkens Independent member Dutch national	69	Chairman of the Supervisory Boards of Esselink Groep B.V., Bornet Group Rotterdam B.V., Van Hoorn Holding B.V., Bergschenhoek Groep B.V. and the Boijmans van Beuningen Museum Member Supervisory Boards of Stichting de Nationale Sporttotalisator and Huisman Equipment Holding B.V.	2007	2011
Alec Pelmore Independent member U.K. national	57	Senior Independent Director on the board of Metric Property Investments plc., Chairman of its Audit Committee and member of its nomination and remuneration committees	2008	2012

(*) To be proposed for re-election at the 2011 Annual General Meeting.

(6) For full information please consult the Legal Information section.

1.4. Meetings, attendance and information

Pursuant to its Charter, the Supervisory Board meets at least five times a year according to a pre-set schedule. Extraordinary meetings may be held for specific reasons at the written request of the Supervisory Board Chairman or one-third of the members of the Supervisory Board or any Management Board member. To encourage attendance at Supervisory Board meetings, attendance of members is taken into consideration for the payment of the variable portion of the annual Supervisory Board member fees. The Statutory Auditors attend the year-end and half-year meetings of the Supervisory Board where the financial statements for those periods are reviewed. A notice of meeting is sent at least three days prior to Supervisory Board meetings (except in unusual circumstances). The notice includes a detailed agenda and comprehensive papers enabling the Supervisory Board members to prepare for the discussion or, if necessary, the approval of the matters on the agenda. Whenever necessary, Supervisory Board members are sent materials prepared by the Company's advisors and/or risk managers. To ensure that Supervisory Board members are fully informed of developments in the respective industry segments and of events taking place within the Group, operational matters and the Group's corporate sustainability performance are regularly discussed during Supervisory Board meetings. Supervisory Board members also receive press reviews and financial reports on Unibail-Rodamco, its competitors and on industry matters. In addition, once a year the Supervisory Board and Management Board take the opportunity to discuss strategic matters and market developments in-depth at a specially tailored strategic retreat.

1.5. Summary of Supervisory Board activities

The Supervisory Board of Unibail-Rodamco S.E. held seven meetings in 2010 (including its meeting at the annual Supervisory Board retreat). Overall attendance at these meetings was 97%. In addition to the items and decisions within its statutory scope, the Supervisory Board was briefed on and discussed all major events in 2010, both internal matters (e.g. organisation matters, key appointments within the Group, internal audits, etc.) and external matters (e.g. acquisitions, disposals, developments in the Group's strategy, development projects, financial policy, etc.). The Supervisory Board in particular approved:

- the 2010 Budget;
- investment, development and divestment projects and operations above its prior approval thresholds in force in 2010; in particular, the acquisition of Simon Ivanhoe's portfolio in Europe announced in February 2010;
- the remuneration of the Management Board members taking into account an external independent benchmark of Management Board remuneration;
- the total allocation of stock options for 2010 including the allocations to Management Board members;
- the consequences of the resignation of Mr Bertrand Julien-Laferrière from the Management Board in October 2010;
- amendments to the Management Board and Supervisory Board Charters;
- the re-allocation of responsibilities amongst Management Board members in October 2010;
- the profile and composition of the Supervisory Board;
- changes in the composition of the GN&RC effective April 2010[7];
- the incorporation of a variable component based on attendance for SB committee fees in accordance with Afep-Medef corporate governance recommendations;
- the resignation & reappointment of Supervisory Board members in April 2010[8];
- the functioning and efficiency of the Supervisory and Management Boards (Annual Self Assessment process);
- the Company distribution payment policy and distribution payment decisions, including the special distribution approved by the extraordinarily convened shareholders meeting on September 8, 2010; and
- regulated agreements pursuant to French law.

In addition, the Supervisory Board examined / was informed of the following matters:

- the quarterly Management Board reports for 2010;
- regular updates on Group's business activities;
- regular updates on Corporate Sustainability initiatives;
- investment, development and divestment projects and operations below its prior approval thresholds in force in 2010;
- internal audit, risk management and compliance matters;
- the working terms and conditions of the Statutory Auditors for the closing of the 2009 annual accounts and planning for the renewal / rotation of the Statutory Auditors in 2011;
- the Company's share buy-back programme;
- the full year 2009 and half year 2010 financial statements;
- the 2010 five-year Group business plan including its financial resources and financing needs;
- the Company's rotation of its credit rating agencies;
- the anticipated loss of Dutch FBI tax status in January 2010;
- the implementation of the Company Savings Plan in 2010 in France;
- updates to the Group's Compliance Book; and
- succession planning.

Supervisory Board members were also informed of the work and recommendations of its specialised committees and the Statutory Auditors. The minutes of all the meetings of the Audit Committee and the Governance, Nomination & Remuneration Committee are systematically distributed to all members of the Supervisory Board.

(7) Mr Yves Lyon-Caen, existing Supervisory Board member, joined the Governance, Nomination & Remuneration Committee in April 2010.
(8) Messrs Dermagne & Westerburgen's terms expired and Messrs Cremers and Jaclot were reappointed for a 3 year term at the 2010 AGM.

The Annual Self Assessment process involved a comprehensive review of the Supervisory Board and its committees' current charters, annual agenda, preparatory material, the frequency, timing and effectiveness of meetings and CAC40 corporate governance practices. 100% of Management Board and Supervisory Board members participated in the process and contributed ideas and feedback pursuant to a formal survey (internally co-ordinated) and a subsequent verbal discussion. The conclusion of the assessment was that the current corporate governance structure is functioning well.

1.6. Supervisory Board Remuneration[9]

The Chairman of the Supervisory Board is paid a total gross annual remuneration of €130,000 for his duties as Chairman of the Supervisory Board and Chairman of the Governance, Nomination and Remuneration Committee. This amount has remained unchanged since January 1, 2009.

The annual fee paid to Supervisory Board members (with the exception of the Supervisory Board Chairman) was maintained at €52,000 per member in 2010. The fee comprises of a 75% fixed portion and a 25% variable portion allocated according to attendance at Supervisory Board meetings. The fixed portion is paid quarterly and the variable portion at year-end. The Vice-Chairman of the Supervisory Board is paid a supplementary annual fixed fee of €15,000.

An additional fee of €1,350 per day is paid to Supervisory Board members (with the exception of the Supervisory Board Chairman) who attend a meeting (or several related meetings) of the Supervisory Board and/or a Supervisory Board committee outside their country of residence.

2. Functioning of the specialised committees of the Supervisory Board

Two specialised committees assist the Supervisory Board: (1) the Audit Committee and (2) the Governance, Nomination and Remuneration Committee. All Supervisory Board members participate in one of theses committees. The committees function under separate Charters.[10]

2.1. Audit Committee

Tasks

The Audit Committee's main role is to oversee financial matters, internal control and risk management. In this context and in accordance with its Charter[11], the Audit Committee examines and reports to the Supervisory Board on the following matters:

- quarterly financial statements and consolidated accounts;
- business information, asset valuations, off-balance sheet commitments and the Group's overall cash position;
- internal management controls, risk control and the implementation of Company-relevant financial legislation;
- the Company's financial policy (accounting methods and developments in the legislation, etc.), finance and tax planning;
- the evaluation and/or adoption of the Statutory Auditors' recommendations;
- the relationship between the Company and its Statutory Auditors.

Composition

The Audit Committee consists of five independent members pursuant to the criteria defined in the Supervisory Board Charter, including the Chairman of the Audit Committee. All Audit Committee members are financially literate and, pursuant to French Commercial Code requirements, at least one member has expertise in financial administration and accounting for listed companies or other large companies exposed to IFRS accounting methods. Typically, the Chairman of the Management Board (CEO), the Group's Chief Financial Officer (CFO) and the Chief Resources Officer (CRO) attend Audit Committee meetings. Other Management Board members may also attend meetings unless decided otherwise by the Committee. The Audit Committee may decide to meet without the Management Board members or to meet only with the CEO, the CFO or the Statutory Auditors. The Deputy CFO, the Group's Director of Consolidation and Accounting, the Group's Controller and the Group's Director of Internal Audit & Risk Management attend Audit Committee meetings at the request of the Audit Committee.

Meetings and information

The Audit Committee meets at least on a quarterly basis and whenever one or more Supervisory Board or Management Board members request a meeting. The Audit Committee meets at least once a year with the Statutory Auditors without the members of the Management Board being present. The Audit Committee may solicit the advice of external advisers as it deems necessary. Members receive notice convening the meetings with an agenda and the meetings' documents at least three days prior to each meeting. To allow for adequate preparation and consideration, the Audit Committee usually meets at least 48 hours prior to the Supervisory Board meeting at which the full year accounts are reviewed. The Supervisory Board is informed of the proceedings and recommendations of the Audit Committee at its meeting directly following that of the Audit Committee.

(9) For full details, refer to the Legal Information section
(10) Available on the Company's website and at its registered office.
(11) Ibid 10.

Summary of Audit Committee activity

The Audit Committee met four times in 2010 (twice in the presence of the Statutory Auditors). The member attendance rate was 100%. In 2010, the Audit Committee considered and reported to the Supervisory Board on:

- the anticipated loss of Dutch FBI tax status in January 2010;
- the revaluation of net assets, the Company's financial statements and consolidated accounts for the 2009 full-year accounts and the 2010 half-year accounts;
- the quarterly Management Board reports for 2010;
- the funding of the Group's five-year business plan, financial resources and borrowing requirements;
- taxation;
- the Company's rotation of credit rating agencies;
- the working terms and conditions of the Statutory Auditors for the closing of the 2009 annual accounts and the renewal / rotation of the Statutory Auditors in 2011;
- the Company dividend payment policy and the proposal to the AGM regarding the annual allocation and distribution of profits as well as a special distribution voted by an extraordinarily convened AGM in September 2010;
- the internal audit charter, risk mapping, the internal audit reports for 2010 and the audit plan for 2011;
- the examination of the Company's exposure to and management of risks; and
- the review of relevant governance developments including the AMF's report on Audit Committees chaired by Olivier Poupart published on 22 July 2010.

Audit Committee Remuneration[12]

The annual Audit Committee fees in 2010 were maintained at €20,000 for the Audit Committee Chairman and €10,000 for the other Audit Committee members. An additional fee of €1,350 per day is paid to members attending a meeting (or several related meetings) of the Audit Committee and/or the Supervisory Board held outside of a member's country of residence. As of January 2010, 25% of Audit Committee fees are variable and allocated according to attendance at Audit Committee meetings.

2.2. Governance, Nomination & Remuneration Committee – GN&RC

Tasks

The GN&RC's role is to examine all issues falling within its scope of action under the GN&RC Charter[13] and to advise the Supervisory Board accordingly. Its tasks specifically include a constant review of the independence of the Supervisory Board members against the criteria set out in the Supervisory Board Charter. In relation to governance matters, the GN&RC assesses the adequacy of the Company's corporate governance practices and rules concerning the Company as a whole as well as the Management Board, the Supervisory Board and its committees. It continuously evaluates the Company's compliance with these rules. The GN&RC also monitors the Group's remuneration policy and related remuneration arrangements (fixed income, short-term incentive, long-term incentive and pension) for Management Board members and the remuneration and attendance fee arrangements for Supervisory Board members. In relation to nomination matters, it develops profiles and screening criteria for Supervisory Board members and initiates proposals for the renewal and appointment of Supervisory Board and Management Board members. It also assesses the performance of Supervisory Board and Management Board members on a regular basis.

Composition

The GN&RC consists of five members, including the SB Chairman, four of which are independent pursuant to the criteria defined in the Supervisory Board Charter. As already mentioned, the sole reason why Mr Moulard does not qualify as independent is that his tenure as a member of the Boards of Unibail S.A., Unibail-Rodamco S.A. and Unibail-Rodamco S.E. (combined), as of May 2010, exceeds twelve years.

In addition to GN&RC members, the CEO and the Chief Resources Officer typically attend GN&RC meetings. They are absented from matters concerning them where appropriate. Other persons may be invited to attend by the GN&RC Chairman.

Meetings and information

The GN&RC meets at least two times a year[14] and whenever one or more Supervisory Board or Management Board members request a meeting. Members receive a notice convening each meeting with an agenda and the relevant documentation at least three days before each meeting. The Supervisory Board is informed of the GN&RC's proceedings and recommendations at the meeting directly following that of the GN&RC.

Summary of GN&RC activity

The Committee met six times in 2010. The member attendance rate was 100%. In 2010, the GN&RC considered and reported to the Supervisory Board on:

- Unibail-Rodamco S.E.'s governance practices compared to the Afep-Medef and Dutch corporate governance codes;
- the annual review of the Supervisory Board's profile including, in particular, the development of the new French law on equality in board representation between the sexes and the Afep-Medef recommendation on the same subject issued in April 2010;
- the annual review of the independence of Supervisory Board members;
- the expiration of mandates and reappointment of Supervisory Board members pursuant to the resignation and rotation planning;
- Supervisory Board & Management Board efficiency in conjunction with the annual self assessment process;

(12) For full details, refer to the Legal Information section.
(13) Available on the Company's website and at its registered office.
(14) On February 9, 2011, the Supervisory Board decided to reduce the number of regular GN&RC meetings from 3 to 2 meetings a year.

- the incorporation of a variable fee structure for the Supervisory Board committees;
- the remuneration of Management Board members taking into account an external independent benchmark of Management Board remuneration;
- long term incentive arrangements, including the 2010 allocation of stock-options to Management Board members;
- the short-term incentive pay-out for Management Board members for 2009 performance;
- the resignation of Mr Bertrand Julien-Laferrière from the Management Board in October 2010 and the re-allocation of responsibilities amongst Management Board members;
- succession planning;
- the delegation of powers and responsibilities from the CEO to Management Board members;
- the amendment of the Supervisory Board Charter and the Management Board Charter; and
- the implementation of the Group Company Savings Plan for 2010.

GN&RC Remuneration[15]

The annual GN&RC fees in 2010 were maintained at €10,000 per member (excluding the GN&RC Chairman who is remunerated separately for his duties as SB and GN&RC Chairman)[16]. An additional fee of €1,350 per day is paid to members attending a meeting (or several related meetings) of the GN&RC and/or the Supervisory Board held outside of a member's country of residence. As of January 2010, 25% of the GN&RC committee fee is variable and allocated according to attendance at GN&RC meetings.

II. REMUNERATION OF THE MANAGEMENT BOARD MEMBERS[17]

Unibail-Rodamco S.E. complies with all of the Afep-Medef recommendations on executive officer remuneration as incorporated into the Afep-Medef Code on December 2008. Further and going beyond these Afep-Medef recommendations, as of the end 2009, none of the Management Board members have employment contracts. The Management Board remuneration policy was developed by the Governance Nomination & Remuneration Committee prior to the merger of Unibail SA and Rodamco Europe NV in 2007. It was approved by the Supervisory Board in June 2007 and has remained unchanged since. The remuneration of each Management Board member consists of 4 components: (i) Fixed Income (FI), (ii) Short Term Incentive (STI), (iii) Long Term Incentive (LTI) comprised of stock-options subject to performance conditions, and (iv) other benefits (pension, company car, insurance, etc.).

III. CORPORATE GOVERNANCE

In accordance with Article L. 225-68 of the French Commercial Code, Unibail-Rodamco S.E. hereby states that it adheres to and enforces the French Afep-Medef corporate governance code, as published in consolidated form by Afep-Medef in December 2008 (Afep-Medef Code) and adopts the Afep-Medef Code as its code of reference for corporate governance matters. Unibail-Rodamco S.E. has analysed its practices and procedures against the Afep-Medef Code. As at the date of filing, the Company complies 100% with the Afep-Medef Code's principles.

As an exception, in 2007, the Company decided that the criteria applicable to the assessment of the independence of the ex-Supervisory Board members of Rodamco Europe N.V., now presiding on the Unibail-Rodamco Supervisory Board, should not take into account that Rodamco Europe N.V. subsequently became a consolidated subsidiary.

This decision was motivated: (i) by the fact that Rodamco Europe N.V. became a consolidated subsidiary only as a result of a Public Exchange Offer at the initiative of the Company; and (ii) so as not to artificially and unjustifiably distinguish between members of the Supervisory Board according to their previous memberships on the boards of Unibail Holding or Rodamco Europe N.V..

In line with the Group's commitment to the highest standards of corporate governance and its activities in The Netherlands, the Group is also compliant with the vast majority of the Dutch Corporate Governance Code[18] requirements, even though the Company is not legally required to comply with this code.

All shareholders have the right to attend shareholders' meetings. The terms and conditions of participation in shareholders meetings are set out in Article 18 of the Company's Articles of Association.[19] All information pursuant to Article L. 225-100 of the French Commercial Code that is likely to have an effect in the event of a takeover, such as the information specified in Article L. 225-100-3, is included in the annual report available to shareholders.

IV. INTERNAL CONTROL SYSTEM

The Unibail-Rodamco Group is active in the commercial property sector, more specifically in the development, management and regular refurbishment of shopping centres and offices, and the management and organisation of convention and exhibition venues and associated services. Apart from general risk factors, the Group's business is subject to common exposure and systemic risks including, in particular, the cyclical nature of the property sector. The Group's strategy and policies aim to limit the negative effects of these risks. However, sudden changes in the geopolitical, political, social, economic, financial, monetary,

(15) For full details, refer to the Legal Information section.
(16) Ibid 15.
(17) Ibid 15.
(18) As published by the Coporate Governance Code Monitoring Committee in December 2008.
(19) Available on the Company's website and at its registered office.

regulatory, health and ecological environment could have a negative impact on the Group, and result in, amongst other things, a decrease in asset values, an increase in certain costs, or investment/divestment operations being delayed or even abandoned.

"Controllable" risks are identified through a risk mapping process which focuses on key risks and assesses them on the basis of probability and magnitude. This risk mapping was updated and approved by the Management Board in February 2010. In addition, it was discussed by the Group Audit Committee and, subsequently the Supervisory Board, in April 2010.

These "controllable" risks are monitored through the Group's internal control system. This system covers all activities of the Group in all regions, except those where Unibail-Rodamco is not directly involved in the management, notably Comexposium. This system is based on a set of principles that aim to provide reasonable assurance that the following internal control objectives are met:

- transactions are executed effectively and optimised;
- property assets are protected;
- financial information is reliable; and
- all operations comply with prevailing legislation, regulations and Unibail-Rodamco's internal rules.

The Group's internal control system is in line with the general principles of the Internal Control System reference framework drafted by the AMF working group and is based on:

- standardised procedures;
- the accountability of managers in charge of the business, finance and control;
- a committee-based decision-making process for acquisitions, disposals and refurbishment/construction projects; and
- a segregation of duties between the executive and control functions.

Unibail-Rodamco S.E. is run by a Management Board, composed of 5 members as at December 31, 2010, which manages all of the Group's activities. The Management Board holds fortnightly meetings as well as ad hoc meetings whenever required. It acts as the decision-making body for any issues that, due to their financial significance or strategic and/or cross-functional nature, require its involvement. Its main focus areas are set out in the Management Board Charter, which is available on the Group's website.

The Group's control environment includes the Compliance Book for Governance, Organisation & Corporate Rules (Compliance Book) which was updated twice in 2010 and approved by the Management Board. The Compliance Book details:

- the Group organisation structure: a matrix organisation with a double reporting line at corporate and regional levels;
- the governance organisation for Unibail-Rodamco S.E. and its subsidiaries;
- a framework of core processes and internal rules covering investment & divestment, development, leasing activities and support functions, notably Finance and Human Resources; and
- a Code of Ethics covering the Group's core values and rules of conduct, with particular emphasis on ethical behaviour, conflicts of interests, confidentiality of information, and transactions involving the Group's shares.

In addition to the Compliance Book, the Group's control environment comprises of:

- job descriptions and an appraisal system based on performance targets for the entire Group;
- a set of delegation of authority and responsibility rules and limits that span all of the Group's activities;
- specific procedures applicable at the corporate level and in the different regions where the Group is present; and
- less formal instructions and recommendations that nevertheless form an integral part of the internal control system.

A description of the main risks monitored by this internal control system follows.

1. Investment and Divestment Authorisation

In October 2010, the Supervisory Board approved amendments to the Management Board Charter and the reallocation of responsibilities between MB members, notably the expansion of the General Counsel's responsibilities to the Group's investment & divestment activities and the change in his title to "Chief Investment Officer".

Corporate business development or property acquisition projects are always discussed by the relevant management team. Any deal opportunity is presented to the Chief Executive Officer and the Chief Investment Officer in order to determine whether the transaction is worth pursuing and investigating. If it is worth pursuing or investigating, a project manager is appointed.

A legal, financial, technical and commercial review of these transactions is subsequently presented to an ad hoc committee comprising of: the Chief Executive Officer, the Chief Investment Officer, the Chief Financial Officer, the Group Managing Director of Development (for property development and re-development), the Chief Operating Officer (for retail operations) and the relevant Regional Managing Director and regional Investment teams. This committee approves the value creation strategy, the assumptions made and the offer price, subject to a more in-depth audit (data room) and final approval in compliance with the Group's authorisation rules. Various financial models (e.g. discounted cash flows, peer comparisons) are being used and provide the basis for the committee's assessment.

During the annual budget review within each region, a disposal schedule is drawn up for mature properties. These scheduled transactions are then prepared and analysed by the committee referred to above, which verifies the assumptions on which the disposal conditions are based. The Unibail-Rodamco Group has centralised the documentation and management of legal matters relating to all of its property assets in Austria, France, Spain, and in The Netherlands. This centralised organisation makes it easier to prepare data rooms when properties are being sold and helps to improve the liquidity of the assets. This system will be implemented in the rest of the Group.

Unibail-Rodamco's property assets are valued twice a year by external experts. This enables the Group to assess the respective market values and to verify and validate the internal assumptions that are used to determine the selling price or rental value of its different properties. Most of the teams involved in reviewing and managing these transactions have experience in mergers and acquisitions acquired through investment banks, law firms or other institutions specialising in such areas of functional expertise. The Group calls upon external experts, such as lawyers, tax specialists, auditors and consultants, whenever necessary.

In accordance with the Group's authorisation rules as at December 31, 2010, any transaction exceeding €100 million is subject to final approval by the Management Board, as is any transaction below €25 million that falls outside the Group's existing strategy and/or in a country outside European Union member states. As at December 31, 2010, acquisitions, disposals or investments exceeding €300 million, and transactions exceeding €25 million that fall outside the Group's existing strategy and/ or are in countries outside European Union member states, also require prior approval from the Supervisory Board.[20]

2. Risks Associated with the Management of Construction and Refurbishment Projects

Unibail-Rodamco's construction projects are carried out in countries where the Group has a locally based team. A minimum level of pre-leasing in Retail is required before launching any project to secure each project from a financial point of view.

Unibail-Rodamco, except in exceptional cases, selects large, reputable contractors to work on its construction and refurbishment projects by issuing invitations to tender based on a set of clear specifications. The final choice of contractors is made once a comparative analysis of written offers has been carried out. Any discrepancies in relation to the original budget must be explained and justified.

In addition, Unibail-Rodamco employs construction experts within its own organisation. They act as project managers and are responsible for ensuring that:

- the properties built by the Group's contractors comply with the design specifications;
- construction and renovation costs are kept under control and remain in line with initial budgets; and
- buildings comply with the Group's Environmental Quality Charter and any regulations applicable to owners.

The progress of the works, the budget and internal rate of return of each project is reviewed on a quarterly basis at Group level by the Control Department and the Management Board.

To manage environmental risks, the Group has created an International Environmental Performance Committee and Regional Environmental Performance Committees, which work to shape a common environmental performance policy and monitor the way it is embedded in operating practices. The Group has been a constituent of the Dow Jones Sustainability Index since 2008. Unibail-Rodamco S.E. publishes detailed corporate sustainability information dealing with the Group's environmental and social policy, its targets and achievements.

Asset protection risks

Unibail-Rodamco is covered by a Group insurance program that is underwritten by reputable leading insurance companies. This program is monitored by the Group Insurance Department in liaison with local teams and insurance brokers.

For property damage and terrorism, most of the Group's property assets are insured for their full reconstruction value, which is regularly assessed by external property insurance valuers and for business interruption and loss of rents. The Group has also taken out general liability insurance that covers financial damages incurred by third parties.

Construction projects and renovation works on properties are covered by Contractor's All Risk policies in all regions. Defects affecting the works are covered by Decennial Insurance in France and by Contractors liabilities policies for works in other regions.

In addition, Unibail-Rodamco regularly arranges inspections of technical facilities that could have an impact on the environment and/or personal safety, such as fire-fighting equipment, ventilation and air conditioning systems, electric installations and elevators.

To mitigate health and safety risks, the Group has issued a health and safety manual which is used for all of the properties that are managed by the Group in France and in Spain. This manual provides a single and comprehensive source of information on the management of sanitary/environmental risks such as water, air, lead, asbestos and Legionnaire's disease.

This organisation is part of the group-wide policy on health and safety risk management. This policy consists of group-wide rules and guidelines and is complemented at the local level by additional procedures mandated by local regulations and are the responsibility of each Regional Managing Director. This policy will continue to be rolled out to cover all of the Group's main assets.

(20) The Supervisory Board prior approval thresholds were amended on February 9, 2011. Refer to the Supervisory Board Charter available on the Company's website and at its registered office.

3. Risks Associated with Property Leasing and Ancillary Services

The marketing of assets is handled by dedicated teams with, in the case of the Office Division, additional support from leading external brokers. Targets (e.g. prices, deadlines and prospective tenants) are defined within each region in collaboration with a team at Group level and are presented to the Management Board for approval. Leases that are particularly important in terms of value or special terms and conditions (e.g., price, term, and security) must be approved in advance at Management Board level by the Chief Operating Officer (for shopping centres) or by the Chief Executive Officer (for offices).

The large number of tenants in the Group's shopping centre portfolio is varied, and thus minimises the risks associated in the event of the insolvency of any retailer. The Group's principal tenants in its office portfolio are blue-chip companies. When tenants sign their lease agreements, most are required to provide financial guarantees, such as a deposit, first-demand guarantee or surety bond equal to 2-6 months' rent. The amounts due under the lease agreements are invoiced by the Group's property management companies. In all regions, a set of procedures describes how invoicing and the recovery of rents and service charges are organised and monitored. Payments for ancillary services provided by the Convention and Exhibition division are generally received in advance, thereby reducing the risk of unpaid debts. Late payment reminders are systematically issued in respect of late payments and are monitored by local teams in each region. These teams decide on the pre-litigation or actual litigation action to be taken.

3.1. Financial risks

Sensitivity to interest rates, currency movements, liquidity and counterparty risks is monitored by the Group Treasury Department in line with the policy defined by the Group Asset & Liability Management Committee (ALM Committee). This committee has 6 members, including 3 members of the Management Board (the Chief Executive Officer, the Chief Financial Officer and the Chief Resources Officer).

The groundwork for this committee is prepared by the Group Treasury Department, which regularly provides each member with a comprehensive report on the Group's interest rate position, liquidity projections, bank covenant positions, availability under the Group's committed lines of credit, proposed (re)financing or hedging operations (if applicable), the details of any (re)financing operations or transactions (hedging operations, share buybacks, etc.) completed since the last ALM Committee meeting, and a report on counterparty risks. Currency exposure is also reviewed on an ad-hoc basis.

The ALM Committee met 3 times in 2010. Throughout the year, the members of this committee received regular updates on significant changes in the financial environment, especially changes in interest rates, financing conditions, share prices or trade operations.

The Group's market trading guidelines for hedging operations and transactions involving Unibail-Rodamco shares and its transaction control guidelines are formally set out ensuring the segregation of duties between execution and control functions.

In terms of cash management, as announced in the Group's 2009 annual report, a European cash management system has been implemented in 2010 to optimise the cost and the use of liquidity across the Group and to enhance the visibility of cash forecasts. This European cash management system applies to all regions, except Poland which was in the process of incorporating new assets (Simon Ivanhoe merger), it is planned to be integrated in the Group cash pooling in 2011.

To reduce the risk of fraud and embezzlement, the Group has implemented a secure payments procedure and has formalised the rules for opening, changing and closing bank accounts.

Unibail-Rodamco must comply with fiscal obligations resulting from REIT-regimes in the countries where it operates. These requirements are followed on a quarterly basis by dedicated specialists within the Finance Department.

3.2. Legal risks

Legal risks are monitored by the Chief Investment Officer, who oversees the deployment of the Group's legal philosophy, policies and procedures to protect the Group's interests and ensure that Unibail-Rodamco complies with the regulations that govern its operations.

The legal organisation is composed of a central corporate department and regional departments which are monitored on a day-to-day basis by the Group Director of Legal. These departments are charged with protecting the Group's interests in contractual matters, drawing up standard contracts and supervising litigation.

The Group employs lawyers who are specialists in jurisdictions in which the Group operates and who enlist the support of external counsel and experts as required.

In all regions, the Group legal department has implemented systematic information procedures to ensure senior management at Group and regional levels is informed immediately of any new risks or of any events likely to alter the assessment of an existing risk. Every quarter, all local legal departments provide the Chief Investment Officer and the Group Director of Legal with formal progress reports on the Group's main outstanding disputes. There is a centralised procedure for registered mail that is received at the Group's French registered office. Every day, a copy of the first page of these letters is automatically sent to the Chief Resources Officer, the Group Director of Legal and the Group Director of Internal Audit and Risk Management. An equivalent procedure has been implemented in all of the regions.

3.3. Information technology (IT) risks

The IT Department of Unibail-Rodamco is in charge of defining the IT strategy and implementing and operating the shared IT systems for the Group.

Unibail-Rodamco's information system relies on:

- internally designed & developed software dedicated to the efficiency of assets and leases management;
- software packages from well-known IT companies such as SAP, SOPRA and CODA; and
- a set of data warehouses/datamarts enabling comprehensive reporting on all functions with extracting controls to guarantee data consistency and integrity.

Unibail-Rodamco's IT risk management approach is largely based on:

- Security policy: individual passwords are required to access to computers and applications. In addition, the control of access right requests ensures the security and integrity of the Group's information system.
- Change Management policy: IT development projects are monitored through dedicated status committees where planning, costs and key issues are addressed. IT developments are approved by end users.
- Business Continuity management: the regular and formalised backup of data is stored off site and ensures continuity in activity in the event of a failure in the information system. In addition, an outsourced data centre in the north of Paris ensures the high availability of the mailing and treasury systems, being also a backup platform for IT continuity.

3.4. Risks associated with the production of financial and accounting data

Accounting systems can be a source of financial risk, particularly in the context of end-of-period accounting, the consolidation of accounts, and accounting for off-balance sheet obligations.

Accounting processes are handled by local and corporate teams using multiple information systems. Unibail-Rodamco uses manuals for accounting procedures and instructions which describe the segregation of duties between the accounting execution and the control.

Unibail-Rodamco maintains analytical accounting reporting on each property, event and exhibition which enables it to monitor the realisation of its budgets closely.

A common process and reporting template, the Quarterly Flash Report (QFR), is used. This report consists of a set of quarterly (or half-yearly) data concerning valuations, pipeline projects and operational Key Performance Indicators (KPIs), as well as financial data such as comparisons between actuals and budget, actuals year by year, and full year forecasts (GRI, NRI, administrative expenses, etc.). Reports are checked at the regional level before being submitted to the Group Control and Consolidation departments.

Regional quarterly reports are double-checked and challenged by the Group Control Department, which analyses the KPI s as well as any discrepancies between the budget and end-of-period actuals or forecasts. Group Control establishes a Group Quarterly Flash Report which consolidates all Group KPIs.

The QFRs are presented to the Management Board by the country management teams of each region and are provided to the Audit Committee and the Supervisory Board.

Consolidated financial statements are produced for the Unibail-Rodamco Group as well as for Rodamco Europe N.V..

The consolidation process is centralised and carried out by a dedicated team in the Group Consolidation department. When consolidating the accounts, multiple checks are carried out, of which:

- variations in the controlling shares of subsidiaries and investments are tracked to ensure an appropriate method of consolidation;
- consolidated packages received from regions are reconciled with the Quarterly Flash Reports;
- adjustments to consolidated figures are analysed and explained in a report;
- reports from local external auditors are analysed; and
- variation analyses related to budgets and forecasts are cross checked with Controlling.

Rules for off-balance sheet commitment recordings have been laid down in specific procedures in order to ensure that each commitment is centrally logged by the Legal Department. Commitments given and received are aggregated and brought to the attention of the Management Board and the Supervisory Board.

Group financial statements are reviewed by the Statutory Auditors before being presented and explained to the Management Board, the Audit Committee and, ultimately, to the Supervisory Board.

The appraisal of the internal control system is carried out by the Group Internal Audit Department (composed of 4 persons) which conducts regular assignments into all of the Group's business units in line with the annual audit plan approved by the Management Board and the Group Audit Committee.

Occasionally, the Chief Executive Officer or (the Chairman of) the Audit Committee may ask the Group Internal Audit Department to carry out one-off "flash" assignments in order to provide a rapid response to urgent issues and/or the treatment of new risks or problems. Final audit reports are addressed to the Management Board and to each department which has been involved in the audit. A summary of audit findings is sent to the Audit Committee on a quarterly basis.

Unibail-Rodamco's Internal Audit Charter sets out the different missions of the audit function. To ensure it remains genuinely independent, the Internal Audit Department reports directly to the Chief Executive Officer and to the Chairman of the Audit Committee.

OVERVIEW OF VALUATION REPORTS PREPARED BY UNIBAIL-RODAMCO'S INDEPENDENT EXTERNAL APPRAISERS

Scope of Instructions

In accordance with your instructions we have undertaken valuations of the various freehold and leasehold property interests as at 31st December 2010 (the "valuation date") either held directly by Unibail-Rodamco (the "Company") or held in a Joint Venture where the Company holds a share, as referred to in our valuation reports for each individual property. This Overview letter has been prepared for inclusion in the Company's accounts.

The valuations have been undertaken by our local valuation teams in each relevant country and have been reviewed by the Pan European Valuation teams of all four valuation firms. In arriving at an opinion of Market Value for each property we have taken into consideration European wide investment transaction activity and not solely any investment activity in the domestic market.

We can also confirm that our opinion of Market Value has been reviewed against other valuations conducted across Europe for consistency of approach and consideration of the evidence and sentiment in the market place.

The valuations have been based upon the discounted cash-flow or yield methodologies that are regularly used for these types of properties.

Basis of Valuation and Assumptions

We set out below the basis and assumptions we have used in preparing our Valuation.

We confirm that the valuations have been made in accordance with the appropriate sections of the current Practice Statements contained within the RICS Valuation Standards, 6th Edition (the "Red Book"). This is an internationally accepted basis of valuation. Our valuations are fully compliant with IFRS accounting standards and IVSC valuation standards and guidance.

The valuations have been also prepared in accordance with the AMF recommendations regarding the presentation of valuation parameters of listed real estate companies, published February 8, 2010.

We can confirm that we have prepared our valuations as External Valuers as defined in the Royal Institution of Chartered Surveyors Valuation Standards and our valuations have been prepared in accordance with our General Principles.

Our valuations are prepared on the basis of Market Value and are reported as gross values (Market value gross of any deduction made for typical purchaser costs).

Market Value is defined as: *"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."*

Date of Valuation

The effective date of valuation is 31 December 2010.

Information

We have made an assumption that the information which the Company has supplied to us in respect of the property is both full and correct. It follows that we have made an assumption that details of all matters likely to affect value within their collective knowledge such as prospective lettings and, outstanding requirements under legislation have been made available to us and that the information is up to date.

Floor Areas

We have not measured the property and have relied on the areas which have been supplied to us.

Environmental Investigations and Ground Conditions

We were not instructed to carry out a site survey or environmental assessment nor have we investigated any historical records, to establish whether any land or premises are or have been, contaminated. Unless we have been provided with information to the contrary, we assume that properties are not, nor are likely to be, affected by land contamination and that there are no ground conditions which would affect their present or future use.

Planning

We have not seen planning consents and we assume that properties have been erected and are being occupied and used in accordance with all necessary consents and that there are no outstanding statutory notices. We assume that buildings comply with all statutory and Local Authority requirements including building, fire and health and safety regulations. We also assume that any extensions currently under construction satisfy all planning regulations and all necessary permits are in place.

Title and Tenancies

We have relied upon tenancy schedules, summaries of additional income, non recoverable costs and capital expenditure and business plans which have been supplied to us.

Our valuations assume that, other than disclosed in our reports, there is good and marketable title to the properties and that they are free of any undisclosed burdens, outgoings, restrictions or charges. We have not read documents of title and for the purposes of our advice have accepted the details of tenure, tenancies and all other relevant information, which have been supplied by the Company.

Condition

We have reflected the general condition of the property as noted during our inspections. We were not instructed to carry out a structural survey but we have reflected any apparent wants of repair in our opinion of the value as appropriate. The property has been valued on the basis of the Company's advice except where we have been specifically advised to the contrary, that no harmful materials have been used in its construction.

Taxation

No allowance has been made in our valuations for expenses of realisation or for any taxation, which may arise in the event of a disposal. All rental and capital values stated are exclusive of Valued Added Tax.

Confidentiality and Publication

Finally and in accordance with our normal practise we confirm that our valuations are confidential to the party to whom it is addressed for the specific purpose to which they refer. No responsibility whatsoever is accepted to any third party and neither the whole of our valuation reports, nor any part, nor references thereto may be published in any document, statement or circular, nor in any communication with third parties without our prior written approval of the form and context in which it will appear. In signing this Overview, each appraiser does so on its behalf for its own valuation work only.

Yours faithfully,

Dermot Charleson MRICS	**Bryn Williams**	**Denis François FRICS**	**Marc Gerretsen**
Director	Director	President	Partner
For and on behalf of Jones Lang LaSalle Limited	For and on behalf of DTZ Debenham Tie Leung Limited	For and on behalf of CBRE Valuation	For and on behalf of PricewaterhouseCoopers Corporate Finance

STATUTORY AUDITORS' REPORT

Statutory auditors' report, prepared in accordance with article L. 225-235 of the French Commercial Code (code de commerce), on the report prepared by the Chairman of the Supervisory Board of Unibail-Rodamco

To the Shareholders,

In our capacity as statutory auditors of Unibail-Rodamco and in accordance with article L. 225-235 of the French commercial code (code de commerce), we hereby report on the report prepared by the chairman of your company in accordance with article L. 225-68 of the French Commercial Code (code de commerce) for the year ended December 31, 2010.

It is the chairman's responsibility to prepare and submit for the supervisory board's approval a report on internal control and risk management procedures implemented by the company and to provide the other information required by article L. 225-68 of the French Commercial Code (code de commerce), particularly in terms of corporate governance.

It is our responsibility to:

- report on any matters as to the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information, and
- confirm that the report also includes the other information required by article L. 225-68 of the French Commercial Code (code de commerce). It should be noted that our role is not to verify the fairness of this other information.

We conducted our work in accordance with professional standards applicable in France.

Information on internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the chairman's report in respect of internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consist mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of accounting and financial information on which the information presented in the chairman's report is based and the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of accounting and financial information that we would have noted in the course of our work are properly disclosed in the chairman's report.

On the basis of our work, we have no matters to report on the information relating to the company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the chairman of the Supervisory Board in accordance with article L. 225-68 of the French Commercial Code (code de commerce).

Other information

We confirm that the report prepared by the chairman of the Supervisory Board also contains other information required by article L. 225-68 of the French Commercial Code (code de commerce).

Neuilly-Sur-Seine and Paris-La Défense, March 11, 2011

The Statutory Auditors French Original signed by

DELOITTE MARQUE & GENDROT
represented by Joël Assayah

ERNST & YOUNG AUDIT
represented by Bernard Heller

ANNUAL DISCLOSURE FORM

In accordance with the provisions of article 451-1-1 of the French Monetary and Financial Code and article 222-7 of the General Regulation of the Autorité des Marchés Financiers (AMF), this document contains or refers to information published or disclosed by the issuer during the 12 months to satisfy legal and regulatory requirements.

Publication date Matter/filing number	Information	Place of inspection
NEWS RELEASES		
02.03.2011	Unibail-Rodamco acquires a 7.25% stake in Société Foncière Lyonnaise	www.unibail-rodamco.com www.hugingroup.com(1)
10.12.2010	Agreement with EPADESA regarding the Phare Tower	www.unibail-rodamco.com www.hugingroup.com(1)
12.10.2010	Unibail-Rodamco announces new appointments	www.unibail-rodamco.com www.hugingroup.com(1)
05.10.2010	Unibail-Rodamco announces the resignation of Bertrand Julien-Laferrière from the Management Board	www.unibail-rodamco.com www.hugingroup.com(1)
17.07.2010	Unibail-Rodamco announces that Fitch rating services is replacing Moody's as one of the Group's rating agencies, alongside Standard & Poor's	www.unibail-rodamco.com www.hugingroup.com(1)
13.07.2010	Unibail-Rodamco announces the conclusion of the formal clearance process by the Polish authorities of the Simon Ivanhoe acquisition	www.unibail-rodamco.com www.hugingroup.com(1)
11.06.2010	Further purchase of 579,420 shares in Rodamco Europe N.V.	www.unibail-rodamco.com www.hugingroup.com(1)
ANNUAL FINANCIAL STATEMENTS – SHELF-REGISTRATION DOCUMENTS – SHARE BUY-BACK PROGRAMME - REGULATORY INFORMATION		
07.03.2011	Disclosure of outstanding shares and voting rights	www.unibail-rodamco.com www.hugingroup.com(1)
09.02.2011	2010 Annual Results	www.unibail-rodamco.com www.hugingroup.com(1)
04.02.2011	Disclosure of outstanding shares and voting rights	www.unibail-rodamco.com www.hugingroup.com(1)
06.01.2011	Disclosure of outstanding shares and voting rights	www.unibail-rodamco.com www.hugingroup.com(1)
03.12.2010	Disclosure of outstanding shares and voting rights	www.unibail-rodamco.com www.hugingroup.com(1)
05.11.2010	Disclosure of outstanding shares and voting rights	www.unibail-rodamco.com www.hugingroup.com(1)
29.10.2010	Financial Information as of September 30, 2010	www.unibail-rodamco.com www.hugingroup.com(1)
11.10.2010	Unibail-Rodamco SE announces adjustment to the rights of holders of securities granting access to the share capital as of October 12, 2010	www.unibail-rodamco.com Advertisement in the Netherlands Newspaper
07.10.2010	Unibail-Rodamco SE announces adjustment to the rights of holders of securities granting access to the share capital as of October 12, 2010	www.unibail-rodamco.com www.hugingroup.com(1)
07.10.2010	Disclosure of outstanding shares and voting rights	www.unibail-rodamco.com www.hugingroup.com(1)
08.09.2010	Unibail-Rodamco SE to distribute €20 per share from its "Contribution premium" account on October 12, 2010	www.unibail-rodamco.com www.hugingroup.com(1)
07.09.2010	Disclosure of outstanding shares and voting rights	www.unibail-rodamco.com www.hugingroup.com(1)
03.08.2010	Disclosure of outstanding shares and voting rights	www.unibail-rodamco.com www.hugingroup.com(1)
30.07.2010	Availability of the explanatory documentation to the ordinary general meeting to be held extraordinarily on September 8, 2010	www.unibail-rodamco.com www.hugingroup.com(1)
28.07.2010	2010 Financial interim report publication	www.unibail-rodamco.com www.hugingroup.com(1)

Publication date Matter/filing number	Information	Place of inspection
21.07.2010	2010 Half-year results	www.unibail-rodamco.com www.hugingroup.com(1)
02.07.2010	Disclosure of outstanding shares and voting rights	www.unibail-rodamco.com www.hugingroup.com(1)
03.06.2010	Disclosure of outstanding shares and voting rights	www.unibail-rodamco.com www.hugingroup.com(1)
07.05.2010	Unibail-Rodamco SE announces adjustment to the rights of holders of securities granting access to the share capital as of May 10, 2010	www.unibail-rodamco.com Het Financieele Dagblad
05.05.2010	Unibail-Rodamco SE announces adjustment to the rights of holders of securities granting access to the share capital as of May 10, 2010	www.unibail-rodamco.com www.hugingroup.com(1)
05.05.2010	Disclosure of outstanding shares and voting rights	www.unibail-rodamco.com www.hugingroup.com(1)
30.04.2010	Unibail-Rodamco SE to distribute €8 per share for 2009 from its "Contribution premium" account on May 10, 2010 Two Supervisory Board members renewed	www.unibail-rodamco.com www.hugingroup.com(1)
27.04.2010	Financial Information as of March 31, 2010	www.unibail-rodamco.com www.hugingroup.com(1)
09.04.2010	Disclosure of outstanding shares and voting rights	www.unibail-rodamco.com www.hugingroup.com(1)
24.03.2010	Press release about the publication of the 2009 Annual Report / Registration Document	www.unibail-rodamco.com www.hugingroup.com(1)
22.03.2010	Information concerning the availability of all the explanatory documentation to the General Meeting to be held on April 28, 2010	www.unibail-rodamco.com www.hugingroup.com(1)
BALO PUBLICATIONS		
11.10.2010 Bulletin no.122	Notice about the adjustment : ORA, ORNANE, options	http://balo.journal-officiel.gouv.fr
13.09.2010 Bulletin no.110	Notice about the adjustment : ORA, ORNANE, options	http://balo.journal-officiel.gouv.fr
30.07.2010 Bulletin no.91	Notice of shareholder's meeting to be held on September 8, 2010	http://balo.journal-officiel.gouv.fr Het Financieele Dagblad (30.07.2010)
02.06.2010 Bulletin no.66	Publication of the annual accounts	http://balo.journal-officiel.gouv.fr
07.05.2010 Bulletin no.55	Notice about the adjustment : ORA, ORNANE, options	http://balo.journal-officiel.gouv.fr
22.03.2010 Bulletin no.35	Notice of shareholder's meeting to be held on April 28, 2010	http://balo.journal-officiel.gouv.fr Het Financieele Dagblad (29.03.2010)
INFORMATIONS FILED AT THE COMMERCIAL COURT/PUBLISHED ON THE AFFICHES PARISIENNES		
11.02.2011 Filing no.13420	Capital increases, updated bylaws	www.infogreffe.fr Affiches Parisiennes M0083
04.11.2010 Filing no.96806	Capital increases, updated bylaws	www.infogreffe.fr Affiches Parisiennes L023263
04.11.2010 Filing no.96808	Resignation of a Management Board's member (abstract of the minutes dated as of October 5, 2010)	www.infogreffe.fr
15.07.2010 Filing no.61268	Capital increases, updated bylaws	www.infogreffe.fr Affiches Parisiennes L014004
28.06.2010 Filing no.54926	Reappointment of 2 Supervisory Board's members (abstract of the minutes dated as of April 28, 2010)	www.infogreffe.fr
08.06.2010 Filing no.48151	Capital increases, updated bylaws	www.infogreffe.fr Affiches Parisiennes L01991
09.04.2010 Filing no.31290	Capital increases, updated bylaws	www.infogreffe.fr Affiches Parisiennes L006425

(1) Information provider registered by the AMF for regulated information issuance.

PERSONS RESPONSIBLE FOR THIS DOCUMENT, FOR THE FINANCIAL INFORMATION AND FOR AUDITING THE ACCOUNTS

Persons responsible for the Registration Document *(Document de Référence)*

Declaration

To the best of our knowledge, after taking all necessary measures, the data contained in this Registration Document[1] gives an accurate and fair view of the Company and the information contained within is free from any material misstatement.

To the best of our knowledge the financial statements have been prepared in accordance with financial reporting standards and give an accurate and fair view of the financial situation of the Company and the entities included in the scope of consolidation. The management report (pages 90 to 115) gives a true presentation of the business, the results and the financial situation of the Company and of the entities included in the scope of consolidation and describes the main risks.

We have obtained from the statutory auditors their end-of-audit letter, which states that they have verified the information on the financial position of the Company and the company accounts included in this Registration Document and have read this Registration Document in its entirety.

The statutory auditors have issued a report on the historical financial information included in the financial section of this document.

It is reminded that, without qualifying the opinion expressed, the statutory auditors drew the following comment for the financial year 2009: attention is drawn to note 1 of the consolidated financial statements that describes the changes in accounting methods applied by the Group since the start of 2009, and in particular the amendment of IAS 40 that relates to the accounting of investment property under construction.

Without qualifying the opinion expressed, the statutory auditors drew the following comment for the financial year 2010 : the attention is drawn to note 1 to the consolidated financial statements that describes the changes in accounting methods applied by the Group starting 2010, and in particular the application of revised IFRS 3 - Business combinations and revised IAS 27 - Consolidated and separate financial statements.

Paris, March 17, 2011

On behalf of the Management Board
Guillaume Poitrinal
Chairman of the Management Board
of Unibail-Rodamco SE

(1) The English version is a free translation of the Registration Document and does not include the Statutory accounts of the parent company.

Persons responsible for auditing the accounts

Principal Statutory Auditors

Ernst & Young Audit
Faubourg de l'Arche
11, allée de l'Arche
92037 Paris-La Défense Cedex
Bernard Heller

Deloitte Marque & Gendrot
185, avenue du Général de Gaulle
92200 Neuilly-sur-Seine
Joël Assayah

Commencement date of the first term of office, respectively, AGM's of May 13, 1975 and April 28, 2005

Expiry of term of office at the AGM held for the purpose of closing the 2010 accounts.

Deputy Statutory Auditors

Ernst & Young & Autres
41, rue Ybry
92576 Neuilly-sur-Seine Cedex

Mazars
61, rue Henri Régnault
92400 Courbevoie

Commencement date of the first term of office, respectively, AGM's of April 28, 2005 and May 26, 1992

Expiry of term of office at the AGM held for the purpose of closing the 2010 accounts.

Documents available to the public

The following documents are available on Unibail-Rodamco's website at www.unibail-rodamco.com:

- the registration documents in the form of annual reports, as well as their updates, which are filed at the AMF;
- the financial press releases of the Group.

Unibail-Rodamco's Articles of Association and parent company accounts may be consulted at the headquarters of the Company – 7, place du Chancelier-Adenauer – 75016 Paris and on the website www.unibail-rodamco.com, or obtained on demand.

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In application of article 28 of European Regulation 809/2004 on prospectus documents, the following are included for reference purposes:

- The Business Review and the consolidated accounts for the 2008 financial year prepared in accordance with IFRS accounting standards, including reports pertaining to statutory auditors, that can be found on page 61-145, lodged at the AMF (Autorité des Marchés Financiers) no. D.09-129 on March 18, 2009.
- The Business Review and the consolidated accounts for the 2009 financial year prepared in accordance with IFRS accounting standards, including reports pertaining to statutory auditors, that can be found on page 65-145, lodged at the AMF (Autorité des Marchés Financières) no. D.10-145 on March 23, 2010.

This is a free translation into English of the Registration Document[1] issued in French and filed at the AMF[2] on March 17, 2011 and is provided solely for the convenience of English-speaking users. When consulting this document, and in the event of a conflict in interpretation, reference should be made to the original French version.

AUTORITÉ
DES MARCHÉS FINANCIERS

AMF

(1) Excluding statutory accounts of the parent company.
(2) Autorité des Marchés Financiers (The French Stock Market Authorities).

NOTES

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