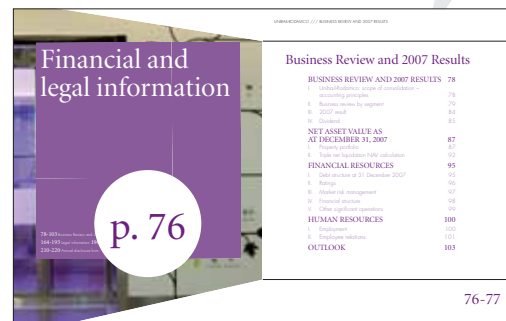




Annual report 2007

unibail·rodamco

02-03	Merger update
04-05	Management Board
06-07	2007 Key figures
08-09	Stock market performance and shareholding structure
10-	Activities
12-25	Shopping centres
26-27	Office division – France
28-29	Convention-exhibition division
30-	Our values, our commitments
32-33	Message by the Supervisory Board Chairman
34-39	Corporate governance
40-61	Sustainable development
62-	Portfolio
64-67	France
68-70	Benelux
71	Nordic Countries
72-73	Spain
74-75	Central Europe
76-	Financial and legal information
77-103	Business Review and 2007 Results
104-161	Consolidated financial accounts
162-193	Legal information
194-209	Report of the Chairman of the Supervisory Board
210-220	Annual disclosure form



Profile

Unibail-Rodamco is the leading listed Pan-European commercial property operator, investor and developer. With a property portfolio valued at €25.2 billion as at December 31, 2007, Unibail-Rodamco is a company active in three major business lines: shopping centres, offices and convention-exhibition centres.

A clear focus: The Group has a clear focus on high-quality assets in Europe with a leading competitive edge in their respective markets, in terms of size, technological features, location and reputation.

A value creation approach: For each core business, Unibail-Rodamco aims at maximising shareholder value and return on investment through proactive management, a dynamic acquisition and disposal policy, and a high level of expertise in managing major development and refurbishment projects.

An independent Group: Unibail-Rodamco is an independent Group resulting from the combination between Unibail and Rodamco Europe in June 2007. Unibail-Rodamco is one of the most liquid listed property investment stocks and is part of the French CAC 40, Euronext 100 and Dutch AEX Index.

no.1
in commercial property
– listed in CAC 40

A portfolio valued at
€25.2
billion

Year end 2007
Market Capitalisation
€13.7 billion

Merger update

April 10, 2007: announcement of the share exchange offer.

May 20, 2007: publication of the offering memorandum.

June 21, 2007: offer declared unconditional: 79.63% Rodamco Europe shares tendered.

June 25, 2007: settlement of the first offer: the company's name is changed to Unibail-Rodamco and its governance structure is changed to a two-tier board with separate Supervisory and Management Boards. Board members appointed.

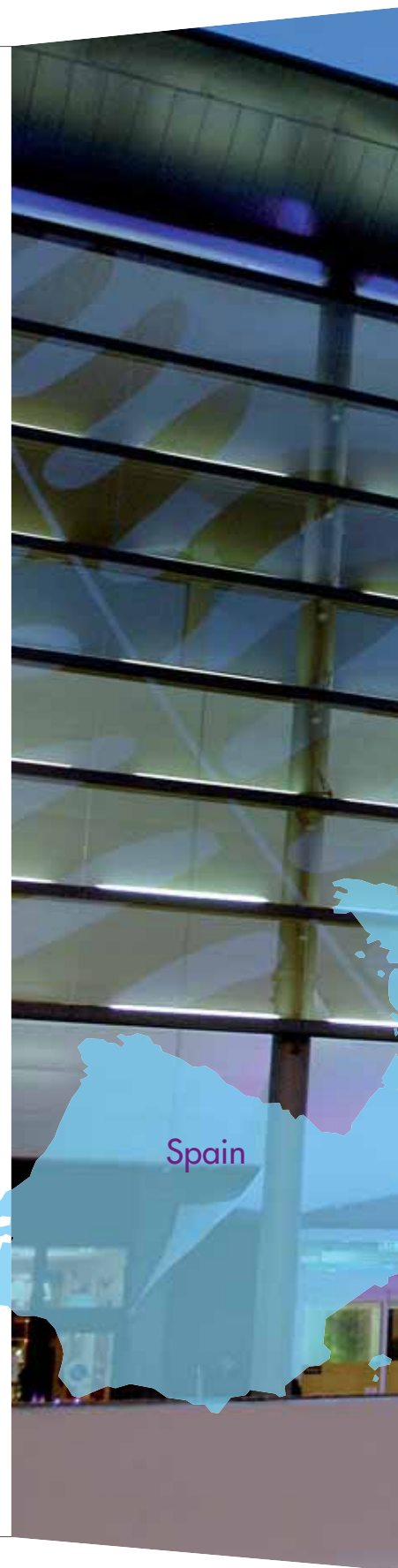
July 10, 2007: subsequent acceptance period closed: in total 95.74% Rodamco Europe shares tendered.

December 13, 2007: after open market purchases of Rodamco Europe shares, Unibail-Rodamco owns 98.52% of the Rodamco Europe shares.

December 14, 2007: formal squeeze-out procedure with the Dutch 'ondernemingskamer' (enterprise chamber at the Dutch court) started.

Following the successful completion of the exchange offer, integration of the two companies started at full speed. Key milestones that were achieved in line with the company's plans following the merger include:

- Appointment of the top 50 company managers (July 2007).
- Implementation of the investment decision process (July 2007).
- First Consolidated Balance Sheet (August 2007).
- All positions in the organisation defined (September 2007).
- Company-wide 5-year asset-by-asset business plan rolled-out. Management Board spends six weeks on the road to visit all regions to review asset business plans (October/November/December 2007).



no.1

in commercial property
– listed in CAC 40

Vélibiz

€25.2 billion
of portfolio

Belgium

Germany

France

14
countries

Czech rep.

Austria

Slovakia

Hungary

700 million
visits/year

Finland

Sweden

Russia

Denmark

The Netherlands

Poland

02-03



Management Board

from left:

Willem Ledebor
Chief Investment Officer

Joost Bomhoff
Chief Development Officer

Peter van Rossum
Chief Financial Officer

Guillaume Poitrinal
Chief Executive Officer

Catherine Pourre
Chief Resources Officer

Michel Dessolain
Chief Operating Officer



Message from the CEO

2007 has been another busy, exciting and successful year for the Company. First and foremost let me mention the combination of Unibail with Rodamco Europe, creating UnibailRodamco.

With €25.2 billion in assets and 97 prime shopping centres in 14 countries, UnibailRodamco is the leading pan-European listed commercial property company. Since the merger was declared successful on June 21st, staff across the new combined company has put in a tremendous amount of work to create a single and seamless entity. The production of our first joint 5-year plan, a number of acquisition of prime assets and the strategic portfolio divestment in The Netherlands are clear testimonies to the speed, dedication and results focus of our 1,557 members of staff.

The Group also continued to invest in its office buildings in the Paris Region, boosted by the successful lettings of Capital 8 and the Group's ambitious plans for La Défense. The Group also strengthened its Convention-Exhibition division via the combination of its activities in this field with the Paris Chamber of Commerce and Industry, giving rise to the French sector leader under the brand names VIPARIS and Comexposium.

Finally in 2007, the Company laid the foundations of a genuine sustainable development policy, which covers both greenfield projects and existing sites. The Group continued to broaden the scope of its initiatives promoting causes which are considered as just and consistent with its role in the community: a partnership with the Red Cross, support to young entrepreneurs, to "E2C" (the School of the second Chance), to "Habitat et Humanisme", and to the Pavillon de l'Arsenal (which is home to the Architectural Museum) to name a few.

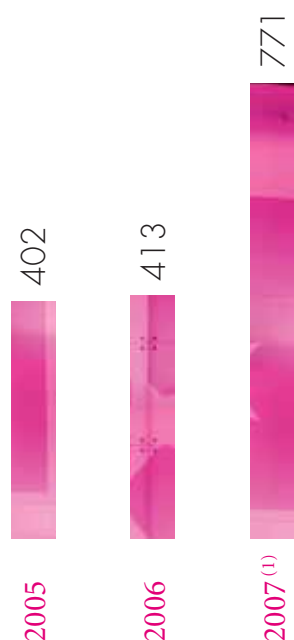
The 2007 results are again very good: the 15.4% growth in recurring Earnings per Share came out ahead of the outlook for the year, and is based on sound fundamentals in all three business segments: the Retail division saw a sharp rise in net rental income on a like-for-like basis, the Office division benefited from a significant drop in the vacancy rate, whilst it disposed successfully of Cœur Défense for €2.1 billion, and the Convention and Exhibition division posted strong results.

Events in the markets around us, following the US subprime crisis and subsequent credit crunch, cannot be ignored. The Company's Supervisory and Management Boards are following the developments closely. Fact is that the Company remains robust, with a very sound financial profile, prime quality assets, a high level of predictability and security of future rental revenues. The Group's growth prospects have been confirmed for the coming five years. Growth will be achieved via the delivery of the current pipeline and the expected performance of the Group's existing assets, thanks to the dedication of its talented teams.

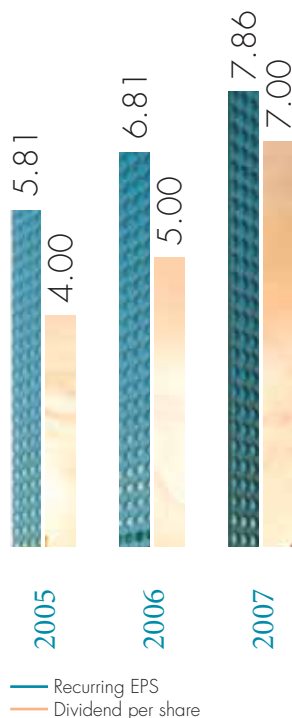
Guillaume Poitrial

2007 Key figures

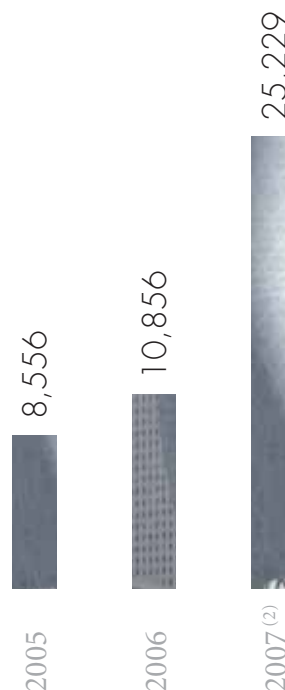
Net rental income
(in millions euros)



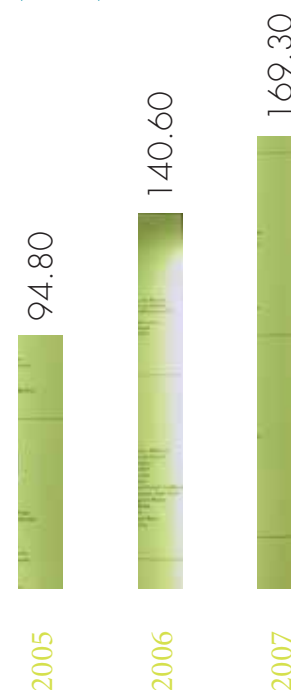
Recurring EPS
and dividend per share
(in euros)



Portfolio valuation
(in millions euros)



Fully diluted triple net
liquidation NAV per share
(in euros)



ONGOING VALUE CREATION IN 2007

Unibail-Rodamco's 2007 full year profit and loss account includes full year of Unibail while only the second half of 2007 of Rodamco is included.

Recurring earnings per share (EPS) amounts to €7.86 for 2007, a year on year increase of 15.4%.

Consolidated net profit (group share) amounts to €959.4 Mn in 2007 or €15.00 per share. This figure includes a recurring net profit of €539 Mn, assets revaluation of €1,755 Mn and an impairment of €1,335 Mn of goodwill recorded as a result of accounting rules applied to the combination with Rodamco Europe.

This goodwill impairment is an accounting adjustment which does not impact the 2007 recurring profit, nor the triple net asset value of the company, nor does it imply any change in the value of and outlook for the Rodamco assets and results.

Unibail-Rodamco's fully-diluted triple net liquidation NAV (Net Asset Value) amounts to €169.30 per share as at December 31, 2007, up 20.4% from year-end 2006.

Over 2007, total value creation amounts to €34.40 per share, by adding to NAV growth of €28.70 per share, the €5.70 dividend paid out in 2007.

(1) Including Rodamco's net rental income on H2 2007.

(2) Including Rodamco's portfolio valuation on 31 December 2007.

Consolidated key figures

(in millions euros)

	2003	2004	2005	2006	2007
Portfolio valuation ⁽¹⁾	7,513	6,974	8,556	10,856	25,229
New investment	205	335	783	535	1,032
Disposals	436	992	586	530	570
Shareholder's equity before appropriation under IFRS	3,609 ⁽²⁾	3,258	4,668	6,834	15,635
Net rental income					
Shopping centres	157	177	199	220	529
Offices	246	188	142	129	179
Convention-exhibitions and hotels	50	59	61	64	63
Total net rental income of divisions	453	424	402	413	771
Valuation movement and profit on disposals	n.a.	613	1,281	1,801	420 ⁽³⁾
Net operating profit before financing costs	n.a.	1,030	1,672	2,227	1,082 ⁽³⁾
Recurring net profit – Group share	n.a.	294	264	313	539
Net profit under French Gaap (group share)	281	219			
Net profit under IFRS (group share)		826	1,385	2,140	959 ⁽³⁾

⁽¹⁾ Including transfer taxes.⁽²⁾ Opening IFRS balance sheet as at January ,2004.⁽³⁾ Including €1,335 M of Goodwill impairment.

Key figures per share

(in euros)

	2003	2004	2005	2006	2007
Recurring EPS (under IFRS)	n.a.	6.59	5.81	6.81	7.86
Fully diluted triple net liquidation asset value	76.90	89.70	94.80	140.60	169.30
Net dividend for the financial year	3.50	3.75	4.00	5.00	7.00 ⁽³⁾
Total distribution over the calendar year	1.14	4.40	26.80 ⁽¹⁾	4.05	5.70
Number of shares at year end	44,007,263	45,360,321	45,731,144	46,123,217	81,761,974
Average number of shares	45,633,386	44,607,212	45,499,713	45,901,800	68,572,651 ⁽²⁾
Number of fully diluted shares	46,565,586	46,775,109	47,606,343	48,004,323	93,279,736 ⁽²⁾

⁽¹⁾ Including the €23 exceptional payout of January 7, 2005.⁽²⁾ Including ORAS.⁽³⁾ Subject to approval at the 2007 General Meeting.

Stock market performance and shareholding structure

SHAREHOLDING STRUCTURE

Listed on the Paris Stock Exchange since 1972, Unibail-Rodamco has been part of the CAC 40 index since 18 June 2007 with a market capitalisation of €13.7 bn⁽¹⁾ as at 31 December 2007. It is also part of Euronext 100. Following the combination with Rodamco, Unibail-Rodamco has also been included in the Dutch AEX index since 22 June 2007. Unibail-Rodamco has a large and diversified international shareholding base, mainly composed of institutional investors based in the Netherlands, the United Kingdom, the United States and France

At 1st January 2008, Unibail-Rodamco has no shareholder having declared holding more than 10% of share capital. Main known investors, after the completion of the Exchange Offer, include Stichting Pensionfonds ABP, Cohen & Steers Inc, Crédit Agricole Asset Management with holdings ranging between 9.4% and 2.9%.

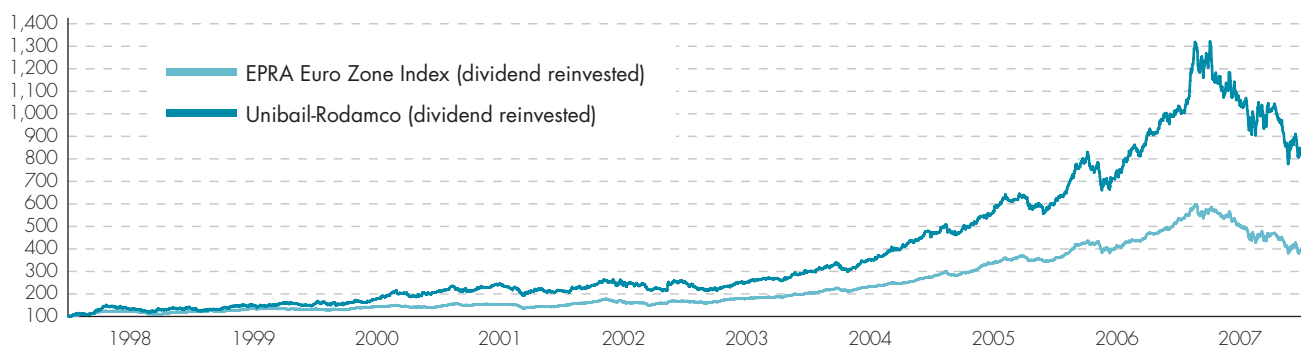
Stock market performance

Stock market value creation is measured by Total Shareholder Return (TSR), indicating the total return on owning a share over a given time period, including dividends paid and the change in the company's share price.

Annualised TSR for Unibail-Rodamco shares with dividends reinvested amounted to :

- 23.8% over a 10-year period between 1 January 1998 and 31 December 2007, compared with 14.9% for the EPRA⁽²⁾ property investment companies' performance index (Euro zone)
- 22.3% , over the period between 28 April 2005⁽³⁾ and 31 December 2007, compared with the 12.2% for the EPRA⁽²⁾ property investment companies' performance index (Euro zone),
- -16.5%, over 2007, compared to -24.2% for the EPRA property investment companies' performance index (Euro zone).

Comparative performance of Unibail-Rodamco's stock (dividends reinvested) (basis 100 as at January 1, 1998)



(1) Including ORAs.

(2) European Public real Estate Association (<http://www.epra.com>).

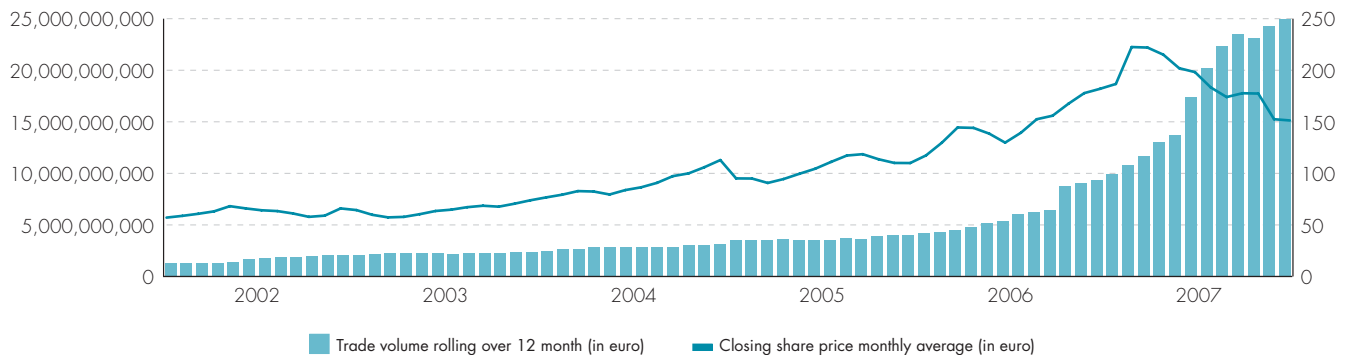
(3) Date of the appointment of Mr Guillaume Poitral as CEO of the Company.

Further increase in traded volumes

As a result of the overall Exchange Offer on Rodamco (including the subsequent acceptance period) UnibailRodamco has issued a total of 35,460,833 shares and 9,363,708 ORAs. Following these issuances and in the context of the integration in the CAC40 and in the AEX index, traded volumes of UnibailRodamco's stock increased

significantly over 2007. The volume in UnibailRodamco shares grew strongly, reaching an average volume of 528,000 shares traded daily. Average daily traded capitalisation increased significantly to reach €98.0 million in 2007 compared to €36.6 million in 2006.

12-month traded volume



2007-2008 Dividend schedule

To ensure shareholders benefit from substantial and steadily rising income in the long run, UnibailRodamco implements a distribution strategy of quarterly interim dividend payments. The dividend pay-out is to represent between 85% and 95% of the annual net recurring profit.

The Board will propose at the 2008 General Meeting, a dividend of €7.00 per share for the 2007 financial year, representing an increase of 40% compared with the 2006 dividend of €5.00 per share. Subject to approval of the General Meeting, a final dividend of €1.90 is to be paid on 15 July 2008 after taking into account the three interim dividends of €1.70 paid on 15 October 2007, 15 January 2008 and 15 April 2008.

Investor and shareholder relations contacts

Website: <http://www.UnibailRodamco.com>

Investor relations: Tel: +33 (0)1 53 43 73 03

Financial services on shares and dividends:

Crédit Agricole – Caisse d'Épargne Investor services (CACEIS)

Service Émetteurs-Assemblées – 14, rue Rouget de Lisle

92862 Issy-Les-Moulineaux Cedex 9

Telephone: +33 (0)1 57 78 34 44 – Fax: +33 (0)1 57 78 34 00

Dividend distribution over 2008 and the beginning of 2009 are as follows:

1. For 2007 financial year:

- 15 October 2007: Interim dividend of €1.70
- 15 January 2008: Interim dividend €1.70
- 15 April 2008: Interim dividend of €1.70
- 15 July 2008: Payment of the balance of the 2007 dividend of €1.90⁽¹⁾

2. For 2008 financial year:

- 15 October 2008: First interim dividend of €1.75
- 15 January 2009: Second interim dividend of €1.75
- 15 April 2009: Third interim dividend of €1.75
- 15 July 2009: Payment of the balance of the dividend⁽²⁾

(1) Subject to approval at the 2008 General Meeting, after taking into account the three interim dividends (including the €1.70 paid out on October 15, 2007).

(2) The balance of the ordinary dividend for the 2008 financial year proposed by the Board of Directors at the meeting to approve the 2008 year-end accounts and subject to approval at the General Meeting of 2009, after the deduction of the three dividends of €1.75 to be distributed in October 2008, and January and April 2009.

Activities

Unibail-Rodamco's three divisions – shopping centres, offices and conference-exhibition centres – offer the Group's tenants and visitors access to unique commercial properties that meet the needs of today's businesses. The Group is committed to creating value for its tenants and visitors through its selection and development of first class assets, and its dynamic, customer-oriented management methods.

12-13 Shopping centres 14-17 France 18-19 The Benelux 20-21 Nordic countries

22-23 Spain 24-25 Central Europe 26-27 Office division – France 28-29 Convention-exhibition division



Shopping centres



“The “Welcome Attitude” is designed to make visitors feel like guests at the Group's shopping centres by anticipating and fulfilling their needs and expectations. It is the key to generating their loyalty. When shoppers know they will be entertained and looked after in the Group's centres, they will come back!”

MICHEL DESSOLAIN /// CHIEF OPERATING OFFICER

STRONG GROWTH LEVERS ACROSS THE CONTINENT

The Unibail-Rodamco shopping centre division owns and manages a unique portfolio of regional and supra-regional shopping centres in Europe representing more than 3 million m², which attract more than 700 million visits per year. Focusing on a limited number of centres concentrated in large European cities, the Group implements a pro-active management approach towards each asset. Buoyed by strong demand, its first-rate locations form the core of Unibail-Rodamco's investment and development strategy. An exceptional pipeline of new, innovative shopping centres slated to be leaders in their markets is combined with major extension projects for existing centres, covering a total of close to 1 million m². The Group has a targeted divestment strategy for non-strategic assets.

A GROUP-WIDE BUSINESS APPROACH

The new merged Group offers a springboard for synergies and common technologies and methodologies to ensure value creation. Detailed 5-year business plans have been drawn up for each asset, outlining their specific potential growth value. The business plans are designed to maximise the value of each asset by aligning initiatives (market positioning, refurbishment and extensions, tenant mix, leasing, operational marketing) to grow like-for-like net income and identify high value-added extension projects.

The organisation of the Group's new operating teams is now complete and processes are in place to accelerate value creation. Centrally coordinated teams are supporting local teams to step up revenues at the main assets with the highest growth potential. This dynamic of close cooperation within Unibail-Rodamco is reflected in the energy, enthusiasm and commitment of the teams. A manual has been drafted to ensure the sharing of best practices; software tools and training in shopping centre design, marketing, management and activities promotion are now being introduced in all the countries.

The Group's value-creation method is based on a customer-oriented approach positioning each shopping centre in its market with a view to creating genuine lifestyle centres, each with its own distinguishing features, thereby increasing the frequency and length of shoppers' visits and the centre's revenues. Indeed, boosting retail revenues is one of the fundamentals of value creation. Dynamic management policies result in higher rental fees and advertising revenues, optimising the rental value of the premises. New revenue sources are also created through speciality leasing to take advantage of visitor flow by letting locations for push carts and stands, organising brand road shows to launch new products throughout Europe, generating advertising revenues and creating sponsored events. The Group also has the capacity to speed up the development of top international trade names and attract new concepts by capitalising on the appeal of our unparalleled network of European shopping centres.



A SPECIFIC MARKETING STRATEGY

Shopping centres are fast becoming urban lifestyle centres combining shops, leisure and cultural activities and services. They may feature diverse activities such as cinemas, bowling, climbing walls, pony clubs, etc., restaurant areas, new customer services including pleasant relaxation spots, children's play areas, amenities, spacious parking places, and entertainment to create surprise and excitement. The Group's ambition is to generate customer preference by making each shopping centre a unique, world-class location offering visitors a total experience of shopping pleasure.

To meet this challenge, Unibail-Rodamco has the advantage of the integrated expertise of corporate teams who rely on the in-depth knowledge of the local context that only hands-on regional teams can provide. Unibail-Rodamco's specialised marketing teams monitor consumer trends in Europe and work closely with the various countries to adapt the overall approach to local management practices. Strategic methods and common marketing tools and training are made available to all employees throughout the Group (e.g. monitoring changing consumer trends, retail intelligence, specific quantitative and qualitative customer surveys) to optimise architecture and design, marketing, management, customer services and events.

The knowledge and experience in managing the Group's centres to the very best standards has been codified in the "Welcome attitude" policy which is now rolled out across all 97 centres.

97
shopping centres

700
million visits



France



“Generating revenue growth depends on listening to and understanding our shopping centre visitors in order to anticipate and satisfy their expectations. We encourage our teams to develop an innovative spirit, offering an attractive retail mix and appealing activities and events to make every visit to our centres an enjoyable experience.”

JEAN-MARIE TRITANT /// MANAGING DIRECTOR RETAIL FRANCE

NUMBER-ONE IN FRENCH RETAIL

Visiting shopping centres ranks as the favourite leisure activity of the French after watching television, according to a 2007 Sociovision survey: 82% of the population find them “attractive” and 77% see them as places to “take a walk”. Statistics on consumption show overall consumer spending rose by 2% in 2007 and is expected to rise by about 1.8% in 2008. Unibail-Rodamco France enjoys a privileged position with a well-balanced geographical distribution of prime assets in top locations and a dynamic management policy emphasising innovation and care for visitors. It has become the undisputed number-one player in French retail, forging strong partnerships with leading chains as well as supporting the arrival and development of new trade names.

PROMOTING THE “WELCOME ATTITUDE”

Successful retail management relies on the “Welcome Attitude” policy, a mainstay at all our centres, along with a broad spectrum of methods aimed at satisfying customers and earning their loyalty. Architects, designers and artists work together to create an appealing, comfortable and safe environment where the whole family can come to shop, enjoy a meal and see a film together. The Group’s centres often serve as local meeting places: the National Employment Agency and army recruiters engage in community outreach and tourist offices distribute information in areas close to national borders. New retail ideas are encouraged through contests such as the Young Retail Design Prize, which was awarded in 2007 to the restaurant concept Picadilles®.

In 2007, Unibail-Rodamco shopping centres in France featured special events (Christmas markets), specialty leasing (push carts and stands), major product launches (LG flat screens, Nokia mobile phones) and promotions in partnership with retailers (Animation Chocolat, Veget’Halles, Les galops du Carré). Football was enhanced through activities such as the VIP event “Soirée Priviligée” at the **Carrusel du Louvre** in May 2007 with 5,500 attendees and the summer fun and

relaxation festival “Les Terrasses du Forum” from July to September 2007, which drew a total of 10,000 visitors and 3,000 participants in dance lessons. The combined effect of this customer focus has been an annual flow of more than 300 million visits.

INNOVATIVE DEVELOPMENT WITH AN EYE TO THE FUTURE

The Group’s development expertise in shopping centre refurbishment and extension was highlighted this year by the successful completion of a number of pipeline projects. The new retail park at **Carré Sénart 2**, within walking distance of the restaurant area, opened in November 2007. The park, now fully let, offers a complementary retail mix and has already drawn 14 million visits. The extension of **Les Quatre Temps** at La Défense, including 9,500 m² for a home improvement store, was delivered in July 2007. **Carré Sénart 2** and **Les Quatre Temps** were awarded the “Valeur Parc” label attesting to high architectural and environmental quality. **Vélizy 2**, inaugurated in March 2007, has been refurbished with an emphasis on greenery and natural lighting. Finally, a former supermarket lot at **Saint-Martial** was restructured to house H&M, la Redoute and Bizbee. The Chelles 2 property was sold and part of the proceeds reinvested in **Vélizy 2**. Building permits and a number of commercial authorisations were obtained for eight asset extensions and four greenfield projects.

The merger of Unibail and Rodamco is already bearing fruit in the French shopping centre segment. Following the acquisition of France Printemps, the Group’s holding in **Vélizy 2** co-ownership rose to 65%. Significant extension of **Ulis 2** is planned to the specifications of the retail project tender won by Rodamco with the city of Les Ulis. In addition, the merger provides an exceptional opportunity in Lyon to ensure the complementary positioning of the **Cour Oxygène** extension at **Lyon Part-Dieu** and the **Lyon-Confluence** urban redevelopment project.



32
shopping centres

14
development projects
or extensions

Les Quatre Temps / Vélizy 2

France

RIVÉTOILE: THE SHOPPING AND LEISURE CENTRE OF TOMORROW IS ALREADY HERE

Rivétoile, a next-generation shopping and leisure centre, will open in 2008. The project grew out of Strasbourg's determination to revitalise an industrial wasteland on a Rhine canal to create a new urban district capable of generating a new economic and social dynamic in the region. The architectural programme encompasses eight office and residential buildings, cultural facilities including a dance and music centre, a media library, a theatre, a multiplex cinema and the city's archives on top of the 27,000 m² of retail space developed by Unibail-Rodamco. The indoor-outdoor complex, linked to the historic centre of Strasbourg by bridges and walkways, features a waterside promenade flanked by café and restaurant terraces and a special events area for seasonal markets and street festivals. The centre, a fully pedestrian area situated at the juncture of two major highways, will be served by a 1,800-space carpark along with tramways, bus lines and bicycle lanes.

The new centre, reflecting Unibail-Rodamco's philosophy of integrating shopping and leisure centres into major town planning projects, is a concrete translation of future-oriented societal, economic and urban policies. Located on the German border, the centre will foster cultural mixing between the two countries, create several thousands of jobs and serve as a retail hub for the Strasbourg-Kehl (Germany) corridor with a catchment area of over 500,000 people. The commercial premises will house a hypermarket, ten medium-sized stores and some fifty smaller shops and restaurants. Special attention has been given to selecting tenants, including German trade names, committed to promoting innovative retail concepts. The centre is fully pre-let.

The architecture of Rivétoile, designed by Chapman Taylor and Merat & Partners, emphasises the centre's harmonious inclusion in the city environment. The shopping centre is made up of four successive "worlds" bathed in light from glass roofs, each one expressing a specific cultural theme in its architecture and décor, with fluid, practical links to corresponding leisure activities. State-of-the-art technology and design, in keeping with the highest sustainable development standards, has been implemented to save energy and reduce CO₂ emissions in lighting, heating and ventilation. Finally, all logistical functions such as delivery areas, parking, the waste sorting system and facilities management have been placed underground to protect the visual integrity of the complex and prevent noise pollution.



Rivétoile



Lyon-Confluence



LYON-CONFLUENCE: AN EXCITING, INNOVATIVE PROJECT TO BRING NEW LIFE TO THE CITY

In November 2007, the first stone was laid for the Lyon-Confluence shopping and leisure centre, a core component of a large-scale urban renewal plan that is expected to triple the district's population and employment opportunities. One of the unique aspects of the complex is its geographical location in the heart of a dynamic city of 1.4 million inhabitants, extending 150 hectares from the city centre to the tip of the peninsula where the Saône River meets the Rhône. The area, once occupied by industrial activities and housing, will be redeveloped into a new focal point of city life, with apartment and office buildings, public gardens and event areas, regional council offices, the city archives, a centre for people with disabilities, a museum of civilisations and a river park for recreational activities. Transport facilities include a tramway linking the site to the city centre, an underground stop, bus lines and bicycle stations.

The second prominent characteristic of the project lies in the architectural composition of the shopping and leisure centre, which gives onto the central canal. Designed by Jean-Paul Viguier, the centre consists of an open street connecting seven buildings with wooden facades covered by a spectacular roof made of lightweight, inflatable, transparent material to protect visitors from rain and snow. The rippled expanse will be iridescent during the day and lit up at night, forming a key stage in Lyon's famous Festival of Light on December 8th. Construction will be carried out in accordance with strict environmental specifications and guidelines.

Finally, the Lyon-Confluence centre stands out by its programme scope, based on a three-tiered structure with parking places underground and in the rear, a ground floor shopping area and a top floor including leisure activities. On the street level, there are sixty shops, a Monoprix hypermarket and 14 medium-sized stores specialising in culture, leisure and sports into distinct "worlds". The top level, called "The Deck" because of its wooden floor, will offer leisure activities ranging from a multiplex cinema to a bowling alley, climbing wall, a children's adventure park and a science centre. High quality standards have been set for the seven or eight planned restaurants and Unibail-Rodamco has entered into a partnership with Paul Bocuse to encourage and support young culinary talents and showcase new restaurant concepts. The Deck will be open every day until 1 a.m. allowing Lyon residents to combine its varied activity offerings with a stroll along the Saône.

The Benelux



“In 2008, the Group intends to focus on optimising and maximising the growth potential of its portfolio by divesting part of the high street and smaller shopping centre portfolio. The Group is now well positioned to implement a strategy of pro-active management of its leading centres.”

HANS VERMEEREN /// MANAGING DIRECTOR NETHERLANDS

DUTCH RETAIL MARKET

The Dutch retail market is to a significant extent dominated by a number of large, regional shopping centres and high-street shopping areas that sometimes incorporate inner-city shopping centres. There is a growing demand in the Dutch market from tenants for large scale retail units at top locations.

The Group owns shopping centres located in relatively young and fast-growing cities like Almere, Zoetermeer and Hoofddorp, and in greater metropolitan areas of major cities like Amsterdam and The Hague. With the increasing demand for large-scale retail units in combination with ample parking facilities and a wide selection of retail offerings, the centres in these growing cities are attractive for international retailers.

The other part of Unibail-Rodamco's portfolio in the Benelux consists of concentrated high street shops which have characteristics similar to those of shopping centres in the major cities of Amsterdam, Rotterdam, The Hague and Utrecht.

PRO-ACTIVE MANAGEMENT IS THE KEY

Unibail-Rodamco is one of the biggest retail property owners and managers in the Benelux. In 2007, the Group reinforced its position as a high-quality retail investment and management company by optimising its portfolio through active retail management of its key centres and divestment of noncore assets. Greater pro-activity, supported by strong leasing capability, enabled the Group to limit vacancy to below 1% and improve the retail mix by introducing new retailers such as Media Markt. This pro-active management includes marketing to increase footfall, increase in

tenant rotation and extension of retail space where feasible. In particular a new branding and marketing strategy was implemented at the **Stadshart Amstelveen** shopping centre, generating a significant increase in visits in 2007.

Unibail-Rodamco also proceeded with the disposal of part of its Dutch high street portfolio. This divested portfolio consists of 254 assets covering 346,000m², where the Unibail-Rodamco strategy to deliver outstanding cash flow growth could not be implemented.

DEVELOPMENT STRATEGY

At the same time, the Group is actively working on its development projects to reinforce its position on key assets. The modification of the Dutch fiscal investment regime in July 2007, allowing companies to develop properties for their own portfolio, gives more flexibility to the Group to pursue a development strategy for both brand new projects and extensions of existing shopping centres.

The final development phases of **Stadshart Almere**, realised with the architect Rem Koolhaas, were completed in 2007 with delivery slated to take place in the first quarter of 2008.

In 2007 the Company also acquired offices in **Leidsenhage**, Leidschendam to be redeveloped as an extension of the existing retail assets under the future Leidsenhage Masterplan.

These projects will reinforce the Group's position in key growth areas across the Benelux.



Zoetermeer / Stadshart Almere



Forum Nacka / Taby centrum

Nordic countries



“The combination of the Group's number-one position in the Swedish market, its project pipeline, the close links with tenants, its deep understanding of shopping centres' visitor requirements and the new Unibail-Rodamco management style are strong fundamentals of continued growth in the Nordic countries.”

LARS JOHANSSON /// MANAGING DIRECTOR NORDIC COUNTRIES

Consumers have continued to demonstrate very strong confidence in the Nordic countries since 2004 and average visitor spending increased by approximately 7% in 2007. Taxes will be lowered in 2008, thereby reinforcing consumer spending capacity.

A FULLY-OWNED ORGANISATION

With 15 shopping centres in Nordic countries, Unibail-Rodamco has the largest retail portfolio in Sweden. The Group's properties are located in suburban centres offering a natural catchment area with services such as the library, banks and the town hall that draw the local population.

The Group is the market leader in Stockholm, the Swedish capital, where it owns and operates 9 centres. It also owns 3 of the 7 shopping centres in the Greater Stockholm area. **Fisketorvet**, the Group's flagship shopping centre in Copenhagen, Denmark is particularly well-situated and many new apartments have been built nearby. Due to its size and concept, **Jumbo**, a prestigious shopping centre with two hypermarkets, is very strongly positioned in the Helsinki area in Finland and posted strong sales growth in 2007.

THE LONG-TERM VIEW

The Nordic countries will accelerate the implementation of Unibail-Rodamco's strategy to grow rental income by increasing tenant rotation and visitor footfall. The size of the Group will undoubtedly have a very positive impact on the expansion of the Group's shopping centres and their ability to attract international tenants.

In 2007, Unibail-Rodamco created a new floor in **Väsby** Centre, a typical municipal shopping centre in Stockholm, offering space for international retailers like New Yorker and Deichmann. The centre has increased sales by 25%.

To raise the number of visits at its shopping centres, the Group has organised carefully selected high-quality events. The Specialty Leasing department has widely installed TV screens for advertising and public information. An electronic gift card system initiative has also been started.

The Nordic country teams are incorporating the "Welcome Attitude" policy across all the centres to enhance the visitors' unique shopping experience.

NEW PROJECTS

Extensions of existing assets offer substantial opportunities for ongoing shopping centre improvement and value creation. There are extension projects in a number of the Group's prime shopping centres in Sweden, totaling to date close to 50,000 m², such as the major extension of **Forum Nacka** in Stockholm and **Täby Centrum** covering 26,000 m² and 22,000 m², respectively. Pre-leasing of the new space in **Forum Nacka** reached 80% at the end of 2007. Its Grand Opening is planned for October 2008. The planning process for refurbishment and creation of extensive new retail space at **Täby Centrum**, Stockholm's largest shopping centre, is on schedule. Construction work on the centre is expected to begin in the first quarter of 2009.

Spain



“Unibail-Rodamco holds the number-one retail position in Spain not only in terms of absolute size, but more importantly, the quality of its schemes, which clearly dominate their market and help attract major retailers. This, together with a strong direct retail management team, enables superior returns through the exchange of knowledge, synergies and critical mass.”

SIMON ORCHARD /// MANAGING DIRECTOR SPAIN

A PALETTE OF FIRST-CLASS SHOPPING CENTRES

Competition is rising in the Spanish retail environment due to a high level of development activity and hence greater supply. A more cautious National Consumer Confidence level has not yet been directly reflected in consumer spending. In this more challenging environment, Unibail-Rodamco is well-positioned, thanks to the Group's range of enviable locations, which in turn makes it the first choice for retailers and accounts for the long waiting list for long-term positions in the Group's shopping centres.

Following the repositioning and refurbishment process begun several years ago, the Group now has an up-to-date, competitive portfolio providing the services and atmosphere clients are seeking. Some shopping centres still offer further extension and renovation opportunities that will bring added returns in the future. The Spanish portfolio also benefits from the "Welcome Attitude" policy, emphasising management and communication techniques to differentiate the Group's centres and establish a loyal client base. For instance, prizes were awarded for customer care in **Las Glorias** and innovative retail concepts in **Parquesur** beneficial to the Group and to its clients.

The sales increase (6.6%) was above the national average (5.0%) for the period 2007. Rising sales and traffic demonstrate the increasing loyalty of the Group's visitors, indicating the success of combining new brands, with marketing activities and a pleasant environment.

PRO-ACTIVE RETAIL MANAGEMENT

To adapt to customer tastes, Unibail-Rodamco is looking into new retail concepts for its centres. In 2007, H&M opened in **La Vaguada**, resulting in a significant rental increase on relet surfaces and footfall for the entire centre. **Barnasud** was extended in early 2007 to include a new cinema, and a Media Markt which, combined with a change in the hypermarket operator, led to a significant rise in visitor rates and tenant's sales. The relocation of Pull & Bear in **Los Arcos** has improved customer flow and made room for the Inditex Group brand, Stradivarius.

The acquisition of the Cinemas unit in **Albacenter** will permit the repositioning of the Centre towards fashion, with the opening of H&M in 1,800 m², the first such store in **Albacete**, and also in the region.

WELL BEING FOR THE WHOLE FAMILY

In 2007, "Welcome Attitude" initiatives were undertaken to develop the "family entertainment" concept including children's clubs and educational activities together with visitor services. Differential marketing campaigns based on the Group's critical mass were continuously implemented: **La Vaguada** hosted the "Pirates of the Caribbean" exhibition, drawing 7% more visits. **Parquesur** pushed up visitor rates by 6% and sales by 24% with its "Summer Therapy" theme. **Albacenter** hosted a "Lunnies Week", based on a children's TV program, generating 6% more traffic.

FORWARD-LOOKING DEVELOPMENT

The Asset Operation team is working to ensure greater growth potential, thanks to a comprehensive overview of each asset in the short, medium and long term. The Group's aim is to analyse the assets and determine new possibilities for improvement, extension or refurbishment as evidenced in the 5-year Business Plan.

The Development team is actively participating in the search for new land sites, especially where the Group's unique experience and existing portfolio can add additional value. In Badajoz, zoning approval has been obtained for the 63,000 m² greenfield retail shopping centre development, slated to start in the latter part of 2008 and to be anchored by El Corte Ingles. Another new greenfield development site was acquired in 2007 in the famous tourist city of Benidorm (Alicante), where a 54,000 m² retail scheme will be undertaken.

Construction commenced on the RAL Leganes logistics centre comprising about 35,000 m². Now fully let, the scheme is expected to generate income during the first half of 2008.



12
shopping centres

2
development projects
or extensions

Central europe



“This is an exciting and challenging time for the Group's business in Central Europe, which promises to be a growth engine for Unibail-Rodamco. Building on a solid base of large, well-performing shopping centres, the Group plans to deepen the scope of its assets to further enhance its results.”

SCOTT DWYER /// MANAGING DIRECTOR CENTRAL EUROPE

PRIME LOCATIONS

Unibail-Rodamco owns prime assets and development projects in seven countries in Central Europe (Austria, Czech Republic, Germany, Hungary, Poland, Russia and the Slovak Republic), forming the pillars of the Group in the region. All of the Group's centres dominate in their markets, benefiting from choice locations, high quality, superior market positions, significant size and architecture in harmony with the local environment. Most centres are situated in growing residential areas in large cities such as Vienna, Prague, Warsaw and Moscow.

A HIGH QUALITY PORTFOLIO AND A STRATEGY TO ACHIEVE ONGOING GROWTH

Unibail-Rodamco has adopted a two-pronged growth strategy in Central Europe. First the Group focuses on pro-active management of existing assets to achieve rental growth on a like-for-like basis. Secondly, it seeks to leverage those assets by deepening the Group's exposure through shopping centre extensions and developing new schemes with forward-purchase investments that allow the Group control over leasing and design specifications.

The Group's shopping centres are run by strong local teams supported by central Group expertise, with an emphasis on superior quality and tenant rotation to ensure an up-to-date retail mix. Sales figures exceed the market average and higher-than-average purchase levels testify to the attractiveness of Unibail-Rodamco's assets. Synergies are currently being developed within individual markets in the form of wide-scale marketing, leasing, specialty leasing, maintenance and service contracts to improve the income and attractiveness of our shopping centres as well as to reduce costs.

The Unibail-Rodamco combination will undoubtedly bolster the growth-oriented policies in Central Europe through the exchange of knowledge and best practices among all the countries in the Group. The local team is currently working on adapting the customer-focused approach to each of the markets where the Group operates. Thanks to prime quality location in key cities, the Group expects to strengthen the ties with top tenants operating across Europe such as H&M, Media Markt or Zara.

SPOTLIGHT ON MAJOR ASSET EXTENSIONS

In 2007, the Group's operations in existing schemes yielded very good results, with a significant rise in net rentals. The impact of Unibail-Rodamco's continuous management policy was also reflected in increases in annual visitors with 19 million visits at **Donauzentrum**, 12 million at **Centrum Chodov**, 12 million at **Galeria Mokotow**, and 8 million at **Centrum Cerny Most**.

The year 2007 saw the conclusion of a number of high-profile pipeline projects, including the successful delivery of **Zlote Tarasy** in the heart of Warsaw.

The delivery of the **Pankrac** shopping centre is expected in 2008 to reinforce Unibail-Rodamco's presence in Prague where it already owns **Centre Cerny Most** and **Chodov**.

The **Metropolis** shopping centre in Moscow, a joint venture that promises to be one of the city's top destinations, is due to come into operation in 2008 with a retail area of 82,000 m².

Major shopping centre extensions are on track, with planned extensions of 41,000 m² at **Cerny Most** and 21,000 m² at **Donauzentrum** with a view to increasing rental income, expanding the branch mix and refurbishing the old sections.

This illustrates Unibail-Rodamco's selective approach to leverage its position in large schemes in key cities in Central Europe through development or acquisitions.



Złote Tarasy – Metropolis

Office division – France



“The outlook for the Unibail-Rodamco Office Division is positive. The Group has a proven track record of value creation in the office markets of Paris and the Greater Paris area, thanks to its experience and ability to anticipate real estate trends. With a dynamic development and refurbishment policy, the Group is putting the emphasis on restructuring and mixed projects involving integrated office-shopping centre complexes, which are the wave of the future for commercial property investment.”

OLIVIER BOSSARD /// MANAGING DIRECTOR OFFICES FRANCE

A LEADING OFFICE SPACE DEVELOPER

Unibail-Rodamco's Office Division is a leading office space developer and manager in Paris, specialising in large buildings at prime locations in well-established business districts. This niche is one of the office property markets in Europe with the most staying power, buoyed by steady demand and scarce supply of new or fully refurbished offerings. Demand comes from a variety of industries including financial services, as well as industrial companies, IT companies or public service. Companies are looking to optimise their real-estate costs by rationalising their use of space, targeting a more competitive cost per workstation. This trend is manifested in the demand for new or restructured large-sized buildings, benefiting from efficient floorplates, offering better services and allowing companies to group their entities together under a single roof. Unibail-Rodamco's portfolio of core assets is consequently sought-after by investors and tenants alike, even during periods of market uncertainty.

AN INTEGRATED TEAM

The Office Division employs a dedicated team pursuing a clear-cut strategy of ongoing enhancement of our limited portfolio of assets to create value by maximising property rentals and renewing tenant leases as well as restructuring and/or developing properties to be sold upon maturity. Unibail-Rodamco is one of the few operators with expertise in every step of the commercial property business from the development phase to letting and property management. This distinctive approach allows to intervene well upstream in complex transactions from both a legal and administrative standpoint.

LETTINGS AND DIVESTMENTS IN 2007:

In the context of a more troubled economic and financial environment, Unibail-Rodamco has continued to benefit from a dynamic rental environment, marketing a total of more than 60,000 m² through new letting and renewals in 2007. A perfect illustration of the accelerated letting process is the office building at 24, rue Villeneuve in Clichy, fully let five months before delivery at the highest rental level ever recorded in the township. The new building, leased for a 9-year firm period, will serve as the freight department headquarters of the French railway company SNCF, grouping all its employees in a surface area of 14,200 m². Record market rates were also obtained for Capital 8, a 63,422 m² premise in the Central Paris Business District, let with long-term commitments from famous names (Dechert Price, Arsene, Kraft, etc) and the exceptionally well-situated office building at 3-5, boulevard Malesherbes, let to the Salans law firm.

As a leading player in complex projects, the Office Division combines a long-term, countercyclical vision with a capital rotation policy, of selling mature assets and reinvesting the proceeds in other projects with greater added value. This strategy was exemplified by the 2007 sale of Coeur Défense (held jointly with the Whitehall Fund) to Lehman Brothers Real Estate.

A particularly active investment market in 2007 provided the opportunity to divest office buildings in cases where the value creation process had reached completion. The sale of the asset located at 44 Lisbonne at a net sale price of €71.2 Mn resulted in a capitalisation rate of close to 4%. This is a typical example, demonstrating that when a property benefits from high-quality refurbishment and good leasing terms with a renowned tenant like AT Kearney, its solid positioning generates interest from investors.

AN AMBITIOUS DEVELOPMENT STRATEGY TO CREATE FIRST-CLASS ASSETS

UnibailRodamco enjoys an outstanding reputation in the field of office space development, with a clear policy to capitalise on in-depth knowledge of its segments and of the real estate strategy of its tenants. Most of UnibailRodamco tenants are companies in the CAC 40 or industry leaders requiring considerable office space and targeting optimisation of their real-estate costs. The Office Division currently has a sizeable pipeline of projects to be completed over the next five years, encompassing the development of more than 270,000 m² in total, including:

- **Large-scale projects combining offices and shopping centres**, such as the **Eiffel project** in Levallois, including total restructuring of a tower with 33,400 m² of office space, the **Versailles-Chantiers** project in partnership with Nexity to build 14,800 m² of offices and **Tour Oxygène** together with its shopping centre, **Cours Oxygène**, at **Lyon Part-Dieu**, which will provide 29,600 m² of new office space. Delivery is scheduled for 2010 and the French railway company SNCF has already rented a surface area of nearly 16,000 m² in the tower for its national information systems department.
- **Consolidation of two benchmark projects forming an integral part of La Défense business district renovation** launched in 2006 by the Etablissement Public pour l'Aménagement de La Défense (EPAD): the **Tour Phare** and the **Tour Majunga**. The teams dedicated on these projects work on 147,000 m² of gross area for the **Tour Phare** and 65,000 m² of gross area for the **Tour Majunga** whose deliveries are planned in the next five years.

In addition the Group is continuing to improve its existing assets with:

- **Renovation of 21,000 m² of office space at the Centre of New Industries and Technology (CNIT)** to be delivered in mid-2008, as part of the complete reorganisation of the various activities, shops and convention-exhibition facilities housed in the complex, an emblematic asset for La Défense district.
- **Restructuring of the office building at 136, avenue Charles de Gaulle** (11,000 m²) in Neuilly (Western Central Business District), after the departure of its current tenant in the autumn of 2008.



Tour Majunga

Convention-exhibition division



“Our Convention-Exhibition business focuses on providing first-class venues where our clients, the organisers of trade shows, conventions and corporate events, can showcase their industry innovations and products. The job of our expert teams is to create and promote a unique marketplace that will attract a steady flow of potential customers, thanks to its modern facilities, excellent services and enjoyable atmosphere. The success of our clients’ events is our success!”

RENAUD HAMAIDE /// MANAGING DIRECTOR CONVENTION & EXHIBITION FRANCE

PARIS REGION

Convention-Exhibition organises, stages and markets more than 700 trade fairs, conventions and corporate events each year in Paris and in Paris region, where 80% of this activity in France is concentrated. Exhibition venues, like today’s shopping centres, thrive on creating a pleasant, welcoming environment, easy access and quality service to attract visitors and keep them coming back. As an active partner of its clients, the division has undertaken a dynamic strategy to expand the market by acting as a magnet for new shows. The Group is also pursuing a new ambition to generate the interest of Paris region residents in the events organised at the Paris Expo venues.

A WORLD-CLASS COMPETITOR

The milestone for the Division was the agreement signed on June 5, 2007 and effective in January 2008 between Unibail-Rodamco and the Paris Chamber of Commerce and Industry (CCIP) to merge their Convention & Exhibition activities. The merged venue business named **VIPARIS** will be jointly owned by the two partners and managed by Unibail-Rodamco. The new entity is set to become one of the top destinations in Europe, with a combined portfolio including **Palais des Congrès** at Porte Maillot, **Parc d’Expositions** at Porte de Versailles, **Paris Nord Villepinte**, **Le Bourget**, **CNIT**, **Carrousel du Louvre**, **Espace Champerret**, **Espace Grande Arche** and **Palais des Congrès** in Versailles.

By consolidating the convention-exhibition resources in Paris and the Paris region, the partnership will bolster the Group’s position in the face of European and international competitors. Joining forces will create a more attractive offer and enable the rapid extension of exhibition and meeting space to host very large events, foster innovation and improve service quality and space availability to encourage the creation of new events and optimise show rotation. In keeping with the aims of public authorities, the merger will result in a centre of excellence in the European convention-exhibition sector to increase the appeal of the region and of France in global business competition.

The merger with CCIP also covers the events organisation business with the combination of Expositum and Comexpo into Comexposium a joint venture to be 50%/50% held by Unibail-Rodamco and CCIP. Those activities are highly complementary and encompass well-established trade shows and large public events.

REACHING OUT TO THE PUBLIC

Paris Expo is implementing a broad-based information campaign addressed to the general public. The billboard campaign aims to develop a reflex among the local population to check the calendar of events and visit the shows.

The printed version of the calendar of the 300 Paris trade fairs and conventions planned in 2008 came out in January. Three editions of 200,000 copies are planned per year for distribution.

The Group’s website at www.Unibail-Rodamco.com displays a calendar of scheduled events updated in real time.



CNIT – THE NEW GENERATION CONVENTION-EXHIBITION CENTRE

The CNIT – the “Crossroads of New Initiatives and Trends” – has been prominently located on the esplanade of La Défense since the opening of the business district in 1958. Convention and exhibition space closed for six months for complete renovation in 2007. The upgrade to augment working space, update signage and optimise the flow of pedestrian traffic is slated to continue until the end of 2008. The newly revamped centre combines elegance and functionality with patios surrounded by greenery, while freeing the façade to bring more daylight into the building. A central cavity was opened under the vaulted ceiling along with a large bay window on the B level to increase the feeling of light and transparency.

The extensive remodelling seeks to make CNIT a multipurpose venue where everything is possible from organising small receptions for fifty guests to staging ambitious events for 50,000 visitors. The centre has added flexibility through a system of movable partitions allowing organisers to customise space and rooms as they wish and events can be planned to combine the use of the auditorium with exhibition halls, stages and meeting and reception rooms.

CNIT is targeting innovative companies in particular by guaranteeing high technology, design and efficiency. Ideal conditions for communication are ensured by high-speed Internet access available throughout the centre and giant LCD screens that inform visitors and enliven the venue space. Booths are available for simultaneous interpreters working in up to ten languages. Finally, special care has been devoted to creating an atmosphere of comfort and hospitality with areas to meet the alternating working and relaxation needs of exhibitors, event participants and visitors.

PARIS EXPO PORTE DE VERSAILLES: A SHOWCASE FOR EXHIBITORS

UnibailRodamco pursued its strategy to enhance its Convention & Exhibition venues. The enhancements focused on fulfilling the expectations of trade fair exhibitors and visitors from all over the world by facilitating exhibition itineraries, providing clearly identified on-site services and delighting the public with Parisian style and art of living. In Porte de Versailles, the venue features outdoor cafes, artistic creations and an atmosphere evoking Paris gardens and parks with more than 20 varieties of vegetation planted along the central walkway. The Meeting Place, a large crossroads reminiscent of Paris’ Place de l’Etoile with a Morris column in the centre, is an easily identifiable landmark.

Paris Expo Porte de Versailles is also the first French exhibition centre to adopt a wide-scale mobile, modular electronic access control system, with E-tickets sold via the Internet.

Thanks to this approach and to a dynamic marketing policy, this year, 47 newly created shows were held at Paris Expo.

In addition, overall attendance rose by 10% at Porte de Versailles, also reflecting the positive effect of the new tramway service.





Values and commitment

Unibail-Rodamco, the leading listed European commercial property owner and a long-term actor with well-established businesses, has adopted a sustainable development approach in all of its activities. This approach is evidenced in three main areas:

- corporate governance
- environmental performance
- the Group's human capital and social action

32-33 Message by the Supervisory Board Chairman 34-39 Corporate governance

40-51 Environmental performance 52-61 The human capital



Message by the Supervisory Board Chairman

At Unibail-Rodamco, the year 2007 will be remembered as hectic, challenging and rewarding. In looking back, it is comforting that so much could be realised in such a short period of time.

Four milestone achievements deserve special attention:

- The formation of Unibail-Rodamco S.A., the unquestioned leader in the European real estate industry, with assets exceeding €25 bn and a track-record second to none,
- The introduction of a new corporate governance structure,
- A fast and smooth post-merger integration of the different operating units and their respective staff units making up the new Group, and
- Excellent financial results, in line with the Company's targets.

CREATION OF INDUSTRY LEADER

The industry leadership position achieved by Unibail-Rodamco S.A. results from the merger between two unique corporations: Unibail S.A., a world class organisation successfully developing and managing a focused portfolio of French real estate assets in three segments: large shopping malls/centres, offices and convention-exhibition centres; and Rodamco Europe N.V., the European front-runner in successfully managing large shopping malls/centres in 14 countries on the European Continent.

INTRODUCTION OF NEW GOVERNANCE STRUCTURE

Since 1995, Unibail S.A., as well as Rodamco Europe N.V. have instituted and implemented Corporate Governance arrangements, which have regularly been modified to keep up with the changes in the respective and applicable Codes as well as the best-practices of French and Dutch listed companies. The new two-tier governance structure, recently approved by Unibail-Rodamco S.A.'s shareholders, creates an effective balance between the executive/operational and non-executive/controlling roles and responsibilities assigned to the Group's new Management Board and Supervisory Board.

DEDICATED INTEGRATION

Within 90 days after the merger between Unibail S.A. and Rodamco Europe N.V., a broad spectrum of integration issues were tackled. The following achievements merit to be highlighted:

- A new operating structure was defined and put in place by mid-October 2007, including the international transfer of 20 employees/managers from their home base to other units/countries within the Group,
- The Company's new International Operational Headquarters were set up, mid-November 2007, at Amsterdam - Schiphol Airport (the Netherlands); with about 100 employees, representing several different nationalities,
- Key central functions and Rodamco France Headquarters were gathered in Unibail-Rodamco's Paris based, registered office, itself due to move to a new building by May 2008,
- The training of about 200 managers and staff, during October, November and December 2007, in common definitions, processes and templates. During this period, the same group of people was aligned towards a common value creation vision and the new corporate culture,
- The development, between October and December 2007, of a comprehensive 5-year plan encompassing all Group assets. In addition to a clear action-agenda, this plan spells out the new and common operational culture for all managers and staff in the different regions and provides in-depth knowledge on the multitude of assets; including clear, hands-on, objectives for the Management Board and the Regional Managers.

This multi-faceted integration program was carried out at full speed, with great support and a lot of dedication from all the managers and employees throughout the Group. Thanks to these efforts, a number of important strategic achievements could already be realised during the second half of 2007, providing a very sound and solid basis for continued profitable growth.

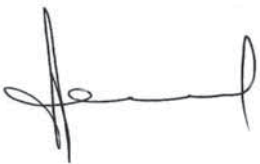
EXCELLENT 2007 FINANCIAL RESULTS

The Supervisory Board of Unibail-Rodamco S.A. is pleased with the Group's strong 2007 results; a clear sign that the Management Board, led by its CEO Guillaume Poitrinal, is living up to the challenges to further advance the prospects of the Company. The Supervisory Board is confident that the interests of the Company's shareholders are in excellent hands with its new Management Board.

WORDS OF APPRECIATION

The Company's newly formed Supervisory Board thanks all employees and managers at Rodamco Europe N.V. and Unibail S.A. for their valuable contributions. Without their dedication and achievements, the Management Boards and Boards of Directors of these two Companies would not have been able to propose the formation of Unibail-Rodamco S.A. to their respective shareholders.

Accordingly, the Supervisory Board of Unibail-Rodamco S.A. considers it an honor and at the same time a real pleasure to serve the Company on its road to further success.



Robert F. W. van Oordt
Chairman Supervisory Board





Corporate Governance

Immediately following the merger between Unibail S.A. and Rodamco Europe N.V. in June 2007, the shareholders of UnibailRodamco S.A. adopted a two-tier governance structure with a Management Board and a Supervisory Board to ensure balanced arrangements in the area of Corporate Governance. As part of these new procedures, a clear distinction was made between the different operational roles, responsibilities and related tasks to be assumed and carried out by the Management Board and those of giving advice and providing oversight over the proper functioning of the Company by the Supervisory Board. The full details of the Corporate Governance are in the Report of the Chairman of the Supervisory Board.

SUPERVISORY BOARD

European members with diverse fields of expertise

The Supervisory Board currently consists of ten members: five from former Unibail and five from former Rodamco Europe, representing a wide variety of skills and experience. Two additional new members are, subject to shareholders approval, expected to join the Supervisory Board on April 29, 2008⁽¹⁾. The Supervisory Board Chairman is Mr. Robert F. W. van Oordt; the Vice-Chairman is Mr. François Jaclot.

In May 2007, as part of the newly adopted Articles of Association, the Company's shareholders approved a rotation system allowing Supervisory Board members to be (re)appointed in such a way that not too many Supervisory Board members would come up for (re)election at the same time. At that same moment, the Supervisory Board members' term of office was set at three, rather than the maximum of six years allowed by law.

The Supervisory Board will, in line with this, propose to the 2008 General Meeting to reappoint four of its current and appoint two new members to the Supervisory Board.

Governance based on true independence

The composition of the Supervisory Board reflects a strong commitment to independence and expertise of its members. All members meet the Company's stringent independence criteria based on the "Bouton report" definition, except Mr. Dermagne whose total term in office, at UnibailRodamco S.A. and Unibail S.A. combined, exceeds twelve years.

New Supervisory Board members are appointed according to stringent guidelines overseen by the Company's Governance, Nomination and Remuneration Committee (GN&RC). In formulating their proposals for appointments to the Supervisory Board and/or its Supervisory Board Committees, the GN&RC balances the requirements of the Company and the professional background and experience of the Company's Supervisory Board candidates.

The Supervisory Board's role, responsibilities and related tasks are spelled out in part IV of the Company's Articles of Association⁽²⁾ and more specifically in a separate Supervisory Board Charter⁽²⁾.

This Charter specifically defines its powers and duties as they relate to the:

- Supervision of the Company's strategy and performance,
- Supervision of the Company's management by the Management Board,
- Prior authorisation for transactions exceeding predefined criteria,
- Right of access to all documents and information required to fulfil its duties.

Supervisory Board members benefit from regular review sessions, focussing on subjects such as: market/product developments, financial and legal matters, aspects of risk management and internal controls, remuneration issues as well as issues of Corporate Governance.

(1) For full details, please consult the Report of the Chairman of the Supervisory Board (see pages 196 to 207).

(2) Available on the Company's website and at its registered office.

The annual remuneration of Supervisory Board members is in line with the recommendations formulated by AFEP-MEDEF and includes a fixed amount (75%) and a variable amount (25%) subject to their attendance at Supervisory Board and Committee meetings.

The Supervisory Board self-assesses its functioning every year.

Supervisory Board Committees

Unibail-Rodamco's Supervisory Board has formed two subcommittees focusing on specific and complex aspects of its overall responsibility: the Audit Committee (AC) and the Governance, Nomination and Remuneration Committee (GN&RC). Each committee performs its duties as spelled-out in a special Charter, specifying role, responsibilities, organisation, and functioning⁽³⁾.

Audit Committee

This committee, which is chaired by Mr. François Jaclot⁽⁴⁾, is made-up of three additional members (Messrs. Cremers, ter Haar and Lyon-Caen), representing significant financial and accounting expertise.

All members of the Audit Committee are independent.

The Audit Committee specifically focuses on the Company's financial performance-related accounts, financing, auditing and associated risks. In addition, it assesses and supervises the resulting financial information provided externally. It also ensures the relevance and efficiency of the Group's accounting and financial standards, tax and funding policies as well as internal audit procedures.

The Audit Committee may take the initiative to carry out specific examinations on its own, or at the request of the Supervisory Board. Aside from recurring issues (interim and annual financial statements, internal control, risk management relating to liabilities and net asset value) and in addition to its contacts with the Management Board, the Audit Committee is free to interview accounting, finance and audit managers, without members of the Management Board being present. In addition, it meets regularly with the Statutory Auditors. The Committee also has access to valuations carried out by independent appraisers.

The Audit Committee performs these duties, which are spelled-out in its own Charter⁽³⁾, on behalf of the Supervisory Board, which is ultimately responsible for all the decisions and actions taken in this area of expertise.

Governance, Nomination and Remuneration Committee

This committee, which is chaired by Mr. Robert F. W. van Oordt⁽⁵⁾, is made up of three additional members (Messrs. Dermagne, Moulard⁽⁶⁾, and Okkens⁽⁷⁾). All the GN&RC members are independent except for Mr. Dermagne.

The Committee focuses on determining, reviewing and pre-approving (a). the profile and selection criteria for the members of the Management Board and the Supervisory Board; (b). the Company's human resources - and related remuneration policies; (c). the annual remuneration arrangements (salary, short-term incentive, long-term incentive and pension) 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 the members of the Management Board and/or the Supervisory Board.

The GN&RC performs these duties, which are laid-down in its special GN&RC Charter⁽³⁾ on behalf of the Supervisory Board, which is ultimately responsible for all the decisions and actions taken in this area of expertise.

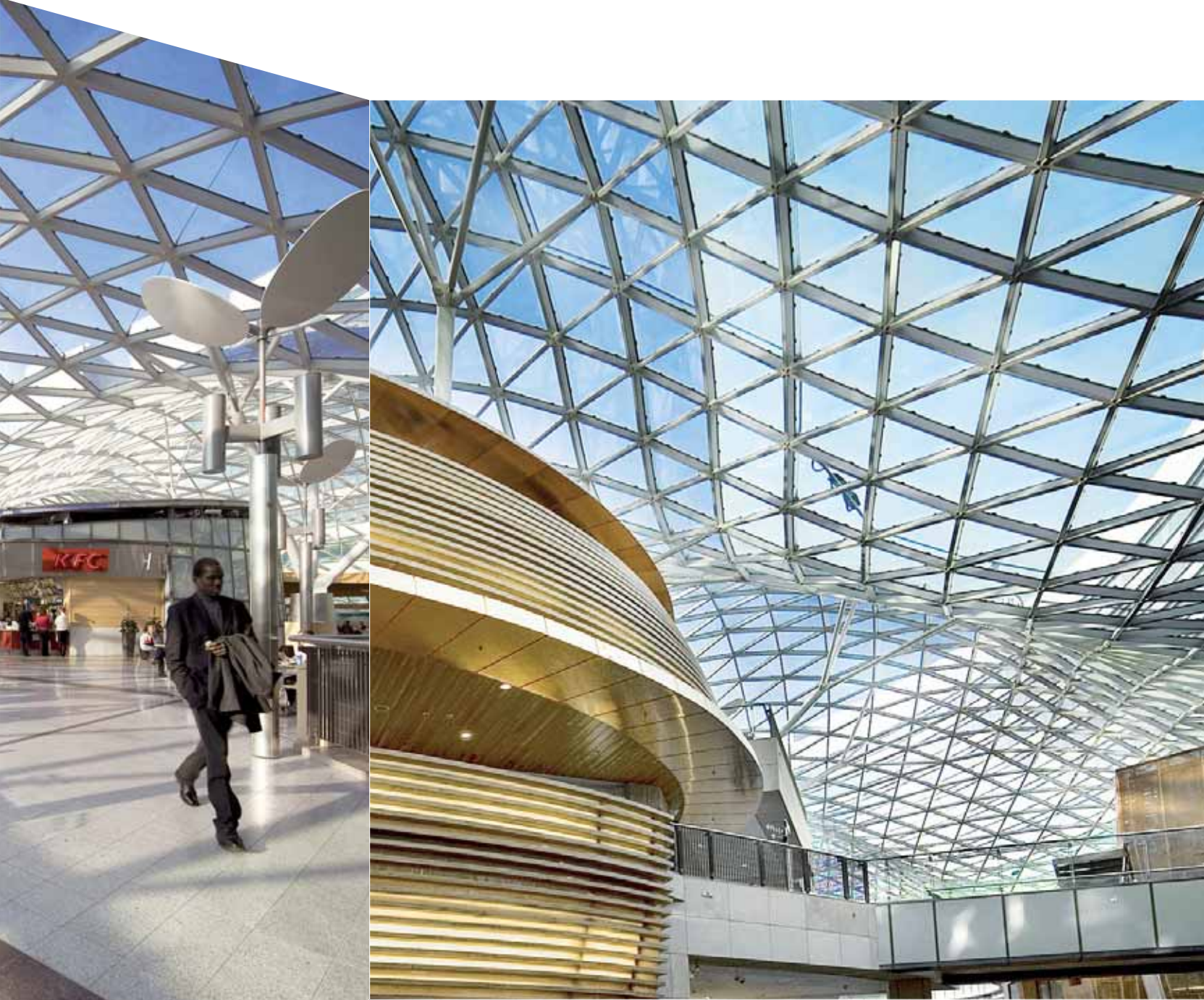
(3) Available on the Company's website and at its registered office.

(4) Mr. Jaclot was Chairman of the Audit Committee of Unibail S.A. from 2005 to 2007.

(5) Mr. van Oordt was Chairman of the Governance and Nomination Committee of Rodamco Europe N.V. from 2001 to 2007.

(6) Mr. Moulard was Chairman of the Nominations and Remunerations Committee of Unibail S.A. from 2006 to 2007.

(7) Mr. Okkens was Chairman of the Remuneration Committee of Rodamco Europe N.V. from 2003 to 2007.



Zlote Tarasy



MANAGEMENT BOARD

The Management Board, the Company's collective decision-making body overseen by the Supervisory Board, is chaired by Mr. Guillaume Poirinal, the Company's CEO. It consists of six members appointed by the Supervisory Board for a four-year term.

Management Board members are collectively in charge of and responsible for the management of the Company on a day-to-day basis. 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 within the approved risk profile, effectively structuring and staffing the organisation and achieving and properly reporting on the planned financial results.

The Management Board operates under its own Charter⁽⁸⁾, and has (based on clearly spelled-out authority limits) assigned internal responsibilities for particular operational aspects of management to its individual members. Through its Chairman and CEO, the Management Board actively supervises internal auditing. The internal audit department reports to the CEO and on a functional basis to the Chairman of the Audit Committee.

The functioning of the Management Board is regularly assessed by the Management Board itself as well as by the Supervisory Board.

THE UNIBAIL-RODAMCO GROUP'S CODE OF ETHICS

Respecting a high professional ethics based on common values and a social responsibility is one of the cornerstones of Unibail-Rodamco's governance policy.

In 2003, the Company adopted a Code of Ethics outlining the fundamental principles and values governing the Company and providing all of the Group's employees with guidelines as to the behaviour they should adopt in their work environment.

It was updated in January 2008 and extended to the entire Group after the merger with Rodamco Europe NV. The Code of Ethics has been distributed within the Group and is available on the Group's Intranet site.

This Code of Ethics formalises and describes in detail, in a single and complete document, the Unibail-Rodamco Group's rules and directives with respect to ethical conduct and, in particular :

- respect for human dignity, employees work and non-discrimination,
- respect for law and regulations,
- loyalty, integrity, and avoidance of conflict of interests,
- ethical way of doing business and anti-corruption,
- confidential information,
- operations on Unibail-Rodamco securities,
- use of Unibail-Rodamco's assets and services,
- respect for delegations of authorities.

Compliance with the principles set forth in this Code is included in the control monitored by the Internal Audit Department.

With regard to stock-market ethics and insider status, beyond the legal provisions, all of the Group employees comply with the preventative in-house procedures. The Company has procedures regarding transactions concerning company shares or its listed subsidiaries (as well as the financial products in connection with these shares) and closed periods (30-day periods prior to the publication of the half-year and annual accounts).

Furthermore, all of the Group employees are required to disclose all their formal official positions and, must abstain from holding a position, performing duties or holding a financial interest in any of Unibail-Rodamco's competitors, clients, suppliers or business partners, and to alert the Company to any conflict of interests, even a potential one with the Group, due to a direct or indirect personal interest (business, contractual, financial, family, etc. relationship) .

Moreover, as signatory to the UN Global Compact, Unibail-Rodamco undertook to promote the application of the fundamental values with respect to human rights, labour, the environment and anti-corruption.

(8) Available on the Company's website and at its registered office.



La Vaguada Madrid, Spain

In 2007, Unibail-Rodamco built the first photovoltaic energy production system into the architecture of its La Vaguada shopping centre in Madrid. The system's estimated annual output of 138,500 kWh enables a reduction of 50 tonnes of CO₂ emissions and 182 tonnes of SO₂ emissions per year. The centre, which receives 24 million visits every year, includes a monitoring system and an information centre where visitors can learn about solar energy and how it works. In December 2007, the Group also equipped the Bonaire shopping centre in Valence with photovoltaic panels with an annual output of 472,500 kWh. In 2007, the environmental management of Vallsur (Valladolid) obtained ISO 14001 certification.

Unibail-Rodamco Spain has also taken a series of initiatives to promote waste recycling and management. In this regard, the Group carried out a feasibility study on introducing a compost collection system at its La Vaguada and Parquesur shopping centres in Madrid. The Group's shopping centres in Spain save energy through automatic timer systems for electricity and air conditioning consumption and rationalise water consumption using similar automatic timers.

Environmental performance



“The Group and all of its employees are keenly aware of the stakes involved in environmental quality, pollution, climate change and the depletion of non-renewable energy sources. The determination to limit the environmental impact of its business is part of the Group’s code of ethics. In keeping with this aim, Unibail-Rodamco is gradually developing a number of rules applicable to all of its assets and projects. The term “sustainable development” naturally has a special dimension at Unibail-Rodamco, which is primarily concerned with investing and improving its assets over the long term.”

JOOST BOMHOFF /// CHIEF DEVELOPMENT OFFICER

THE GROUP’S PRINCIPLES

Unibail-Rodamco realised very early on that sustainable development was an important aspect of value creation and a prerequisite for the continuity of the Group’s investments. In 2003, the Group decided to affirm its commitment to sustainable development by being among the first to join the United Nations Global Compact initiative and introducing an environmental charter for projects.

The issue of environmental performance offers a virtually infinite range of possibilities for planning and decision-making. Within this scope, and in line with its pragmatic approach, Unibail-Rodamco decided to focus on the issue of limiting greenhouse gas emissions and to reduce the energy dependence of its assets by:

- **choosing electricity as an energy source** in preference to fuel or gas, insofar as the electricity is produced without emitting CO₂ (nuclear power, hydroelectric power, solar power, wind power). By late 2007, close to 75% of the energy consumption of the shopping centre portfolio in France was produced by electricity, more than 90% of which was generated by non-fossil energy,

- **limiting the level of cooling and heating** in air conditioned environments,
- **improving the energy efficiency** of its buildings, especially through an active policy of renovating old buildings and using the most efficient technologies and equipment in new projects,
- **promoting access to public transport** for all its sites through the introduction of tramway service, for example, or by promoting the extension of existing centres already served by public transport,
- **in general**, by coming as close as possible to achieving the objectives set by the “Factor 4” energy savings plan⁽¹⁾ for all Group projects.

Compliance with these principles influences the Group’s investment decisions and is regularly monitored.

(1) In France, “Factor 4” refers to the commitment made by France to the international community in 2003 to “cut 1990-level national greenhouse gas emissions by a factor of 4 by 2050”. This objective was approved at the 2007 French Environment Conference.

GOVERNANCE OF ENVIRONMENTAL PERFORMANCE

Joost Bomhoff is in charge of sustainable development within the Management Board. In this capacity, he heads the International Environmental Performance Committee, which determines long-term objectives and validates annual plans to set performance targets, monitoring and reporting. This Committee meets formally every 6 weeks.

The Committee relies on the work of regional environmental performance committees:

- In Sweden, for example, the regional environmental performance committee created a guide to environmental protection awareness. The working group came up with a set of operating recommendations for existing assets and defined an environmental approach covering a series of criteria for development projects such as the extension of the Täby shopping centre in Stockholm. The criteria include the approval of the use of construction materials in line with the recommendations of the Basta programme and the Reach criteria.
- In France, the regional committee, with the support of the Real Estate Engineering Department, coordinates an overall programme to reduce energy consumption. This department measures energy consumption, carries out energy audits, proposes appropriate measures to achieve objectives and, in particular, rolls out best practices with proven energy efficiency.

ENERGY PROGRAMME REVIEW AND PROGRESS ACCOMPLISHED IN 2007

Audit and method

In 2007, the French team (covering 60% of the Group's assets in terms of value) assessed the energy efficiency of all its buildings with the help of a specialised consulting firm in the following areas:

- an environmental audit of six major projects of the Group according to HQE® (high environmental quality) standards, the American standard LEED and the British standard BREEAM and updated the environmental guidelines for the Group's development projects;
- the development of internal tools to incorporate a sustainable development approach at every level of the Group's activity, from project engineering and construction to asset management. These tools include the following items in particular:
 - a data sheet summarising the sustainable development diagnosis for each asset,
 - a guide for shopping centre tenants aimed at encouraging environmentally friendly practices,
 - a guide with sustainable specifications for tenant works.

These tools will be rolled out across Europe in 2008 under the supervision of the International Environmental Performance Committee.

Reduced energy consumption

For several years, Unibail-Rodamco has been monitoring energy consumption in all the regions, where the Group is focused on introducing European best practices.

In 2007, for example, a 2.3% energy reduction was achieved in Spain and 5% in the Nordic countries.

Furthermore, the Group has launched pilot projects to optimise energy consumption at shopping centres. In France, a three-year incentive contract to reduce electric power consumption was adopted at the **Saint-Sever** shopping centre in Rouen.

Lighting

The main levers for reducing electricity consumption for lighting consist in promoting widespread use of low consumption light bulbs and building control systems to control lighting areas and time periods.

- In **Donauzentrum**, in Central Europe, 95% of lighting uses low-energy bulbs and building control systems have been installed in public areas and at entrances.
- In France, a programme has been launched to replace all burnt-out light bulbs by low-energy bulbs.
- In the Nordic Countries, building control systems have been installed in most shopping centres.

Heating and cooling

The main levers for reducing energy consumption in heating and mechanical ventilation consist in:

- lowering interior temperatures in winter and accepting slightly higher temperatures in summer;
- using natural ventilation for cooling
 - in France, free cooling is practiced in most of the shopping centres.
 - in France, an incentive contract providing for flat-fee invoicing of annual consumption for urban heating as well as air conditioning was adopted at the **Part-Dieu** shopping centre in Lyon. These projects, designed to encourage an energy savings approach among tenants, will be extended to other shopping centres.
 - in Spain, **Parquesur** shopping centre windows open automatically at night to benefit from cooler temperatures.
 - in Central Europe, natural ventilation systems are used in all the shopping centres;
 - in the Nordic Countries, a system for recycling air has been installed in all shopping centres.

Use of green energy

The Group promotes the use of green energies such as solar, photovoltaic and trigeneration at its existing assets and for all new projects:

- In France, a vertical axis windmill was installed at **Vélizy 2**, following the example set by **Carré Sénart**, where the Group installed the first windmill at a shopping centre as early as 2001.
- The installation of photovoltaic panels has been studied at **Labège 2** in Toulouse and at **Porte de Versailles** and investment programmes are now being examined.
- In Spain, green energy is widely used: photovoltaic panels have been installed at the **Vaguada** shopping centre.
- In 2008, new initiatives were developed, including modernisation of hydraulic systems for cooling, cogeneration and widespread introduction of photovoltaic panels. The study underway shows a reduction of 2,360 tonnes of CO₂ emissions.

Reduced water consumption and waste management

The main levers for water consumption reduction lie in:

- reusing rainwater;
- adapting installations to reduce water consumption.
 - In **Donauzentrum** in Vienna, rainwater is collected and reused for toilets and watering plants.
 - In Spain, water consumption was lowered by 2% in 2007. The target for 2008 is to cut consumption by an additional 10%.
 - In France, Unibail-Rodamco is currently working on the possibility of installing equipment for rainwater recovery at its French centres.

In all the regions, the Group is pro-actively engaged in waste sorting and has launched programmes to reduce the volume of waste:

- In **Donauzentrum**, an eco-friendly business plan was presented to the city and implemented.
- In France, hand dryers have been installed at all shopping centres to reduce paper consumption.
- In **La Vaguada** in Spain, 3,558 kg of batteries were collected using dedicated containers installed in 2007.
- In the last few years, Unibail-Rodamco in the Nordic Countries has been putting strong emphasis on waste management and energy efficiency with very significant results.

An active policy of renovating old, high energy-consuming buildings

The year 2007 was also the first year in which three emblematic programmes were set up in the area of environmental performance:

- **Tour Ariane** at La Défense: the extensive renovation of the occupied Tour Ariane began in 2002 and was completed in 2007. Efficient, energy-saving facilities were designed in 2002. All open space office areas benefit from low-energy direct lighting. The highly efficient air conditioning system comprises cold beams connected to the Enertherm network, which produces ice water.
- **Capital 8** in Paris: in the heart of the central business district, near Parc Monceau, the renovation of 64,000 m² of office space began in 2003 was completed in 2007. It was the largest private restructuring operation within the city of Paris in recent years. The building has obtained a favourable rating in 12 of the 14 criteria of HQE certification, which is a remarkable achievement for a renovation project of such scope.
- The renovation of the **Vélizy 2** shopping centre in the Paris area was completed in 2007, enabling improved environmental performance through:
 - the installation of a vertical axis windmill covering lighting needs for part of the carpark, with a medium-term objective of rolling out more windmills,
 - the installation of rainwater recovery tanks to reduce the centre's water consumption,
 - optimised waste management.

Furthermore, the centre is currently studying the use of photovoltaic panels with a view to implementation in 2009.

PREFERENCE FOR URBAN LOCATIONS: LIMITING CARBON EMISSIONS

Public transport

Promoting the use of public transport is one of the key aspects the Group takes into account when it acquires an asset or carries out shopping centre extensions. Most of the Group's shopping centres, offices and conference-exhibition centres are located in urban setting with access to public transport.

Many shopping centres are served by the underground: **Carrousel du Louvre**, **CNIT**, **Forum des Halles**, **Quatre Temps**, **Bobigny 2**, **Rosny 2**, **Lyon Part-Dieu**, **Euralille**, **V2**, **Rennes Alma**, **Rouen Saint-Sever**, **Donauzentrum** in Vienna, **Chodov** in Prague, **Zlote Tarasy** in Warsaw, **La Vaguada** in Madrid, **Lijnbaan** in Rotterdam, etc.

Unibail-Rodamco is seeking to make further headway by taking part in the improvement of public transport and its own transport connections. The Group is pursuing these efforts in cooperation with local authorities and public-private companies. Here are a few examples:

- one of the 23 Velodis stations was recently set up near the **Toison d'or** shopping centre in Dijon,
- the management of the **Nicétoile** shopping centre joined in planning the installation of tramway lines and the route of the pedestrian street,
- at **Capital 8**, electric bicycles, a bicycle repair station and a parking station for two-wheel vehicles are available to visitors and occupants,
- at the **Parc des Expositions** de la Porte de Versailles, a Velib station and parking for two-wheel vehicles are available to visitors,
- in the **Lyon Confluence** project now under way, 210 parking places have been planned in a covered parking area for two-wheel vehicles.



Urban redevelopment in collaboration with local authorities

Unibail-Rodamco is a pro-active participant in various urban redevelopment sites within the scope of:

- building new shopping centres. This is the case of the **Rivétoile** shopping centre in Strasbourg and **Lyon Confluence**.
- restructuring existing buildings. This is the case of **Docks** in Rouen and **Docks Vauban** in Le Havre.

Improved living environment for visitors to the Group's centres

In Spain, in 2007, the walkways connecting the **Bahiasur** shopping centre in Cadiz to a nearby 60-hectare protected park have been landscaped.

In France, plant walls have been introduced at the entrance to the **Quatre Temps** shopping centre at la Défense and around the **Parc des expositions** de la Porte de Versailles.

For Group assets such as the **Rivétoile** shopping centre and the **Lyon-Confluence** centre under development, considerable efforts have been made to meet the needs and ensure the comfort of tenants, visitors and the local population.

Large shopping centres contribute to the socio-economic development of their region by creating new jobs.

In 2007, the exhibition organizer of the Group "Exposium" has launched the "Ecobuilding" exhibition, an exhibition on the energetic performance of the buildings, in which Unibail-Rodamco participated as exhibitor.

THE GROUP'S OBJECTIVES FOR THE FUTURE

In March 2008, Unibail-Rodamco started an audit of its CO₂ emissions relying on the expertise of the Carbone 4 firm using the "Bilan Carbone®" method developed by Ademe (the French Environment and Energy Management Agency).

The method involves an inventory of greenhouse gas emissions based on quantitative data to assess the direct and indirect CO₂ emissions resulting from all the Group's activities. It will reveal the weak points of the Group's activities and main levers for CO₂ emission reduction. New plans will then be formulated to:

- reduce the Group's dependence on fossil fuels;
- provide strategic and operating recommendations.

The merger of Unibail and Rodamco naturally widens the scope of action for the Group's environmental policy. In 2008, the International Environmental Performance Committee will be devoting its energies to further harmonising the various initiatives and different norms to achieve a uniform policy for all the Group's assets and projects in the countries where it operates. These improvements will be communicated to all internal and external partners.



**DOCKS
76**

- Top 'Noo
- Mollat
- Balade
- Au Jour le Jour
- Sergio Marchi
- Expresso
- Santé & Nature
- Monoprix
- Chaussons
- p'tit B
- J'ai vu
- Coup 'N' Go
- Teenager
- Retour de moi
- Café du soleil
- Patis



Rivétoile shopping centre in Strasbourg, France

The environmental approach adopted for the Rivétoile shopping centre is based on four main principles.

- **Visual and urban integration of the shopping centre at its location:** Rivétoile has revitalised an industrial wasteland located in the city centre and enhanced it through a high-quality urban redevelopment project. The centre will give fresh impetus to economic activity in the district and bring renewed dynamism to the area. Its integration into the heart of the city reduces the use of transport in the neighbouring area and therefore its environmental impact.
- **Cooling system:** temperatures are regulated in the public and private areas of the shopping centre using heat pumps connected to a water coil at constant temperature. The cooling of the water coil is based on the principle of boring into the water table. The system saves up to 825 MWh per year. Openings provide natural ventilation on the ground floor. The air circulating in the centre walkway and in shops is recycled using a system to recover heat from the extracted air.
- **Comfort of residences and users:** noise control shields were set up to protect local residents from noise pollution during construction work. The façades of Rivétoile are oriented towards the north to limit highway noise. The centre is also introducing a selective waste sorting system. An eco-citizen area for recycling batteries and cartridges will be also offered to centre customers to raise awareness about selective waste disposal. The delivery area for shopping centre tenants has been located underground to limit sound and noise pollution affecting surrounding inhabitants and centre visitors.
- **Contribution to the economic dynamism of the area:** the centre's integration has created an attractive new district within the city for all types of visitors from the catchment area. This urban redevelopment project in the city-centre will benefit the local population by creating 700 new full time job equivalents as well as significant indirect employment opportunities. Rivétoile fosters the urban and social mix of the site by including residential buildings overlooking the shopping centre and alternating shops with offices and housing.

Lyon Confluence, France

The Lyon Confluence leisure and shopping centre, now being built, is a perfect illustration of Unibail-Rodamco's sustainable development approach as evidenced in a building featuring exemplary choices.

First, the leisure and shopping complex is located on the southern tip of the Lyon peninsula. The land, which was long used for industry and transport, is now included in an urban redevelopment programme. The old port warehouses, left in the condition of industrial wastelands, have been taken over by various cultural and leisure activities, enabling the complete recovery of the once polluted site.

In its design, Lyon Confluence will also be in the avant-garde of best practices and building and management techniques. Thus, during the first design phase, Unibail-Rodamco focused on the quality and comfort of the external areas. Studies were carried out on a district-wide scale. Solar modelling showed that shadows will be limited to the dock area in winter and there will be no significant shadows on housing located in the northern section.

From the beginning, emphasis was placed on reducing travel-related pollution. The number of places to park two-wheel vehicles will be raised to 210, i.e. more than 16% of total parking places, a figure seldom achieved in such projects. Moreover, the central, covered parking area will encourage the use of bicycles, which has already expanded considerably with Velo'V.

The architectural design by Jean-Paul Viguier, the orientation of the buildings and the choice of materials will limit energy consumption by offering the best possible compromise between natural lighting, winter comfort and summertime comfort.

The leisure and shopping centre will be an open, naturally ventilated complex. The outdoor walkway will not be air conditioned or heated, representing annual overall savings of 3.8 million kWh of primary energy for Lyon Confluence, equivalent to the energy required to heat 420 housing units.

Similarly, the material used for the original sky blue roofing is ETFE (Ethylene TetrafluoroEthylene). ETFE, a copolymer not derived from petrochemicals, is a genuine alternative to glass windows: a lightweight material, it will cost five times less than glass and the reduced need for cleaning will enable considerable water savings. Furthermore, the ETFE roofing will favour natural lighting of the walkway and leisure areas on the top level, thereby saving much of the energy that would be spent on artificial lighting in these areas during the day.

Most of the wood facing will be certified to PEFC (Europe) or FSC (international) standards, guaranteeing that the majority of the wood, mainly larch, will come from environmentally managed French forests.

Finally, the shops in the centre will be connected to a water coil at constant temperature operated by a heat pump.



The human capital

Unibail-Rodamco ranks in the second position among companies in the Real Estate sector with a high quality social policy according to the Vigeo survey on the best social practices in European companies. The Group has always attached great importance to its staff and managers, whose commitment and high standards are key factors to the Group's success.

PEOPLE AT THE HEART OF THE INTEGRATION PROGRAMME

The year 2007 was the year of the successful combination between two strong organisations, Unibail and Rodamco. The new Group's priorities, in terms of Human Resources, was to initiate, lead and provide support in the areas of organisation and training, mobility, communication and culture as well as compensation and benefits.

In order to implement a common culture, Unibail-Rodamco conducted an employee survey to identify the differences in culture and values of both organisations. The outcome of this survey was used as a basis to identify the company values: customer-centric strategic thinking; continuously high business aspirations; hands-on, always-on achievers; talent in motion. In parallel, the Group's Code of Ethics was updated and distributed to all staff.

These values were shared with 200 managers and employees during a specific seminar and disseminated to all personnel through an information letter and online on the Group intranet.

A new organisational structure was designed with the assistance of an international renowned consultant by building on the complementary organisation fundamentals of both companies for creating value, i.e. a strong focus on operations with dedicated professionals at Corporate Centre level and within the existing regional structure, as well as the creation of Unibail-Rodamco Development. Very early during the integration process, the Human Resources departments worked closely together identifying and grouping positions and job holders and translating the former structures into the new one.

This organisation has been approved by the various bodies of employee representatives involved, both those already in place and those set up at the time of the merger.

Following the organisational outline, a process was designed and interviews were held on a European basis to identify the right candidates for the positions within the company. An international mobility programme was launched on this occasion with about 20 managers moving from one country to another within the first 4 months following the combination.

In parallel, the core processes and major templates were reviewed and adapted with the same focus of value creation on assets, specifically the 5-year plan implementation aiming at defining a common strategic plan for each asset of the Group, the leasing process, the investment process (deal sourcing, investment template and investment decision making process), the Operations process including shopping centre marketing positioning, shopping centre brand as well as the HR core processes for developing leaders. Training modules were designed and rolled out very early for these core processes to make sure a common way of working and culture was introduced further down in the Company. About 200 managers and staff were trained in one or several of these modules.

The Group strongly supported frequent internal communication during this entire process. By informing the employees through an internal bulletin, organising all-employees meetings, seminars and events and addressing concerns and questions in department meetings, the company actively managed its communication and had the opportunity to respond to the needs and concerns. A new groupwide intranet was designed and launched in October 2007.

The Compensation and Benefits structure of both organisations was subject to further review and priorities were given to introduce a new short term and long term incentive scheme to all employees. A uniform performance-related stock option program was rolled out and a new talent review was launched and executed in December 2007. For 2008 the further harmonisation and introduction of a common compensation and benefits policy will be on the agenda of the Human Resources department.





ANTI-DISCRIMINATION AND ETHICS

The Corporate Human Resources Department is responsible for overseeing the application of the anti-discrimination policy demanded and conceived by the General Management, which is opposed to any discriminatory ideas or practices between individuals, particularly in relation to gender, age, disability, ethnic origin, social origin, nationality, etc. This policy plays a central role and is an integral part of daily activity in recruitment, career management, training and talent assessment throughout the Group, ensuring non-discrimination in hiring, career development and the remuneration of the Group's managers and personnel.

The Human Resources Department keeps a close watch over the main recruitment and career management processes on an everyday basis as well as at the time of talent reviews. At regular intervals, it checks to be sure that there are no deviations from the policy in terms of equal opportunity for promotion or equal pay for equal responsibility and duties based on statistical monitoring.

Furthermore, respect for the individual is a strong principle reiterated in the Group's widely disseminated code of ethics with which every member of the Group must comply.

TIES WITH UNIVERSITIES – THE "FRESH GRADUATES" POLICY

The Group recruitment policy aims to eliminate discrimination and promote equal opportunity for women and men in terms of representation within the Group, hiring at equal salaries as well as promotion and internal mobility.

40 recent graduates from universities, and business or engineering schools, joined Unibail-Rodamco during 2007 on permanent contracts. These new recruits represent over 15% of the Group permanent position recruitments over the year.

Unibail-Rodamco actively pursued its close partnerships in various countries and in France in particular with reknown schools, including the Property Department of the ESSEC business school, the Civil Engineering & Development Department of the Ecole Centrale de Paris (contribution to the industrial sponsorship programme) and the ESCP - Paris Business School (Espace Expansion prize). It again took part in forums at four French business or engineering schools. In 2008 the Group will develop its partnership with European universities and schools and will play host to many interns.

SPONSORSHIPS FAVOURING EDUCATION

As Unibail-Rodamco strongly believes in promoting excellence through Education, the Group favours educational initiatives. Since 1999, each year, Unibail-Rodamco rewards the students in Master-Retail of the ESCP-EAP graduate School for the best marketing diagnostic of a retailer. Moreover, each year Unibail-Rodamco contributes through the allocation of the French apprenticeship tax contribution to various educational bodies: in addition to the School of the second Chance, the ESPI, ICH and Negocia, all training institutes specialising in real estate and convention expertise, as well as some regional schools training to manual skills in various areas related to construction in Orléans, Limoges and Nice for instance. In 2007 an exhibition and rose-selling stand for the benefit of La Rose Marie-Claire, a fund raising effort to help pay for the schooling of girls throughout the world, was set up at Le Carrousel du Louvre. The 2008 edition will be featured in a large number of Unibail-Rodamco shopping centres.

The School of the second Chance is a programme to train and find employment opportunities for young people between 18 and 25 who lack the skills or qualifications for traditional training or recruitment. A partnership between Unibail-Rodamco and the School of the second Chance network is under way and the Group aims to become a donor-member of the School of the second Chance foundation.

In the same spirit, the Group in Spain has made a donation for the complete refurbishment of a boarding school in Bolivia for children coming from rural families without easy access to education.

SKILLS ENHANCEMENT AND CAREER DEVELOPMENT

Promoting excellence entails significant investment in developing skills and ensuring equal opportunity for all employees throughout their working lives. Unibail-Rodamco has introduced various systems along this line.

Staff induction process

Unibail-Rodamco puts serious efforts in introducing new employees into the organisation, making them familiar with the culture, the procedures and processes and the organisation structure. The recruitment Manager is responsible for the induction and is in charge of the programme. The former Unibail and Rodamco organisations had solid induction programmes in place and the strong points of both programmes will be combined.

During 2007, Unibail-Rodamco continued the staff induction programme in France, including four main stages:

- a personalised induction morning (welcome address, tour of the premises and workstations, recruitment formalities, and training courses in computer and office equipment);
- one-to-one interviews between each new recruit and his or her future colleagues and direct contacts (during the first month). These interviews aim to familiarise new employees with their job functions and ensure they are up to speed as soon as possible;

- a bi-annual Unibail-Rodamco Presentation Day, which is attended by all new employees and aims to give them a greater insight into the Group. The day consists of a morning seminar about Unibail-Rodamco and its business activities, followed by a buffet lunch meeting and a tour of some of the Group's major properties. In France, a total of close to 30 new employees attended this presentation during 2007. In addition, in support to the integration, 2 major events were organized: a convention in France in June and a Management Convention in October for the 200 Directors and "Heads of" of the combined entity in the Netherlands.
- a follow-up and performance appraisal by the recruit's manager halfway through the induction period. This review is formalised by a feedback report and a systematic interview with the Human Resources department.

Career mobility within the Group

A total of 268 employees underwent a career change within the Group during 2007. These include lateral changes (from one function to another, from one management position to another, from one division to another, etc.), promotional and geographical changes. More than 60% of these changes were promotions, reflecting the continued success of the employees in their positions (from non-executive to executive, junior to senior, "in charge of" to "responsible for", etc.).

About 20 international moves have been organised and a "group international mobility policy" has been defined to facilitate the relocation of employees and their family. The Group intends to accelerate the promotion of international mobility within its European subsidiaries in the future.



THE GROUP PROMOTES EXHIBITION ORGANISATION START-UPS

The Group supports the launch of new trade shows in both of its Conference-Exhibition division activities:

The activity of trade show organiser, has introduced a design package to set up trade shows, providing logistical support and advice as well as 20%-49% of the financing required to launch the show, in exchange for a share of the capital.

VIPARIS, which owns and manages convention and exhibition venues, assists new trade show creation through its support policy, including:

- an exceptional discount on rental fees for the first and second editions of the trade show;
- an option to enable the trade show creator to test his/her concept to assess its market appeal; a financial commitment with a down payment is required only 6 months prior to the show opening instead of 1 year for established shows.

Furthermore, in an organisation with a strong cross-divisional dimension, various employees moved from one management position to another within the same division (from Director of Operations to Shopping Centre Director, for instance), from a functional position to an operational position and vice versa, and from one division to another. Unibail-Rodamco is promoting these types of moves so that a large group of employees have good insight in the various departments, disciplines and fields of operations. In that way best practices are effectively shared.

Job vacancies are published internally to promote internal career opportunities. This underpins management's strong support of career mobility within the Group and reflects its desire to develop talents and loyalty of staff.

Talent Review process

The performance and career management process is a continued process to evaluate, monitor and manage the employees' performance, training needs and career objectives. The performance assessments are conducted by the managers and input from managers in other areas/divisions and project team members are gathered to get a broad picture about the employee's performance and potential.

Unibail-Rodamco has also introduced a 360° performance assessment which gives employees the opportunity to assess their supervisors and hence help them, improve their management skills. The annual talent review gives the opportunity to assess the employee's career, rate the performance, identify training needs and set targets for coming year. Performance criteria have been divided into the following main categories: individual development, communication and negotiation skills; teamwork and corporate focus; can-do attitude and result orientation; and management skills.

In December 2007, the Group Management Team (Management Board and regional Managing Directors) reviewed on an individual basis more than 200 managers and employees within the Group in talent review meetings, in order to:

- assess their performance on common criteria and their mastery of skillset;
- identify potentials, areas of improvement and training needs and offer mobility opportunities.

Training

Training programmes are designed and managed by the Unibail-Rodamco Training School, with maximum input from the Group's managers and operational staff. Unibail-Rodamco's training policy is a key component in its value-creation strategy, encompassing all business lines and areas of experience of the Group's employees. Unibail-Rodamco develops and organises cross-divisional training courses with a view to pooling expertise and knowledge, so that it can develop a common training database shared by all the business lines. To ensure the broadest coverage possible, these cross-divisional training programmes are combined with specific training courses tailored to each business line and division.

Training sessions are delivered by expert in-house staff and external lecturers.

In 2007, training programmes were designed for all countries around major processes. A large programme of English training has been rolled out in the different countries. During 2007, Unibail-Rodamco and Rodamco Europe dedicated close to €2 million to training.

In 2008, the Group will pursue and enhance this training policy and will launch the creation of the Unibail-Rodamco Academy based on this experience. The budgeted training programme is set to feature collective training action initiatives prioritising major processes such as: asset income statement, business modelling, financial valuation of assets, asset acquisition and divestment process, the enhancement of commercial performance, risk management and business development, management and project management. In order to accelerate the sharing of best practices throughout the Group, an e-learning programme has been designed and will be rolled out within the Group in 2008.

REMUNERATION POLICY

Unibail-Rodamco is offering a market competitive Compensation and Benefits package that rewards and recognises individual and collective performance. Compensation is broken down into fixed salary, benefits packages, short term incentive and long term incentive schemes.

Unibail-Rodamco has developed a remuneration policy that aims:

- to reward individual achievements, mainly through a performance-related pay scheme based on targets,
- and to give all staff a vested interest in the Group's overall performance.

Former Unibail and Rodamco had incentive schemes in place to reward individual performance and let employees share in their contribution towards the overall success of the company. Former Unibail has put in place profit sharing and incentive agreements in all its business divisions. For many years, the Group has implemented an ambitious savings scheme offering employees attractive incentives to invest in Unibail-Rodamco shares, including a significant employer top-up contribution.

In 2007, the Group supported the voluntary savings contributions of its staff by making an employer contribution totalling over €661,000. **At December 31, 2007, in compliance with the Company Savings Plan, 64% of the Group's employees eligible are shareholders of Unibail-Rodamco.** Unibail-Rodamco is currently studying the feasibility to extend the benefit of the Company Savings Plan to all its employees across Europe.

In October 2007, 653,700 stock options⁽¹⁾ were granted to 188 employees and MB members (12% of the total combined Group workforce), at no discount to the share price at the time of allocation, with a price of €180.36 per share. These options are 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.

SPONSORING CHARITY AND SUSTAINABILITY INITIATIVES

Unibail-Rodamco supports a wide variety of charity and sustainability initiatives in health, social and cultural and architectural areas.

A committee of orientation and selection was set up in 2006 for France, under the chairmanship of Catherine Pourre, member of the Board of Directors. It will be spread across the Group in 2008.

Unibail-Rodamco also donates to a number of associations and foundations in the health and medical areas.

(1) After the cancellation of 16,750 options due to the departure of some employees.

Commitment to health care

Unibail-Rodamco sponsors the 2008 "Small Change" operation in France to raise funds for projects intended to brighten up the daily life of hospitalised children by enabling their families to be present and keeping them entertained during their time in hospital.

In the Czech Republic, Unibail-Rodamco has been a long-term basis supporter of various charitable programmes and co-operation events with associations helping children with disabilities, for example Motylek "The Butterfly" and the institution "Jedlickuv ustav".

Unibail-Rodamco Poland supports charity programmes and events like: blood drive ("Blood-bus") or the annual collection during the most famous, national charitable event "The Great Orchestra of Christmas Charity", whose objectives are: saving children's lives, health promotion and education in the field of preventive treatment. Unibail-Rodamco Poland is also engaged in charity and mainly donates money for orphanages or funds in support of handicapped people. In 2007 it has been one of the sponsors at ACCA's charitable event "Finance people and Chef's for children", which purpose was a money collection for an Individual Public Clinical Hospital for Children in Warsaw.

Unibail-Rodamco donates in France to the IFRAD Foundation, which is working on the first National Tissue Bank dedicated to Alzheimer's disease.

Social commitment

Unibail-Rodamco supports initiatives by the Habitat et Humanisme foundation, aiming to create homes for the disadvantaged, as well as the social activities of the association of Paris firemen, BSPP-Sapeurs Pompiers.

Unibail-Rodamco works with French Red Cross to distribute "solidarity envelopes" at its centres: **Forum des Halles** (Paris), **Les Quatre Temps** (La Défense), **Ulis 2** (Les Ulis), **Lyon Part-Dieu** (Lyon), **Nice Étoile** (Nice), **Alma** (Rennes). The "solidarity envelopes" campaign is part of the partnership between the Unibail-Rodamco Group in France and the French Red Cross initiated 6 years ago.

In 2007, Unibail-Rodamco also sponsored the Emmaüs association by giving access free of charge to its convention and exhibition's spaces for its exhibition.

In most regions, the Group facilitates the community to use the public areas of our shopping centres for information exchange through presentations regarding general activities in the community.

As few examples:

- in Sweden (**Taby, Solna**), free space is given for activities of the community;
- in Central Europe, expositions are organised about biodiversity;
- in Spain, the Group gives free stands to the local associations in **La Vaguada**;
- in **Bahia Sur** (Spain), the Group installs billboards to inform visitors about the natural environment of the shopping centre.

Promotion of Culture and Architecture

In the cultural realm, Unibail-Rodamco sponsored the permanent exhibition at the Pavillon de l'Arsenal entitled "Guided Tour to Paris – Past and Present", bringing together public and private actors in the urban and architectural landscape to disseminate and promote architectural creation in Paris and the Paris region. Unibail-Rodamco is the sponsor of Ballet de l'Opéra de Paris with a participation in Impulstanz – Vienna's International Dance Festival. The event was chosen for its emphasis on creativity, aestheticism, European dimension, and encouragement of innovation and modernity, a positioning consistent with the Group's philosophy.

Unibail-Rodamco is member of the AROP, association to promote the National Opera of Paris.

The Group is sponsor of the "Orchestre of the romantic life" and of the association of the "Jenny Carré"'s friends.



HANDICAP

Unibail-Rodamco invests in improving the facilities for customers with physical disabilities.

In France, equipment is installed to avoid the abuse of disabled parking spaces (Parly 2, Vélizy 2, Rosny 2, etc.). The Parquesur shopping centre (Spain) was awarded the prize for "Best Innovative Project" for the introduction of a barrier free protection system in parking spaces for the disabled. This prize, recognizing the Group's contribution to the social integration of this group of people, was awarded by FAMME-Cocemfe, the federation of the Community of Madrid for people with disabilities.

PARC DES EXPOSITIONS DE PARIS PORTE DE VERSAILLES: AREAS ACCESSIBLE TO EVERYONE!

Carparks, lifts, access ramps, moving sidewalks, restrooms, dedicated signage, etc. the various halls at the Parc des Expositions de Paris Porte de Versailles are accessible to people with reduced mobility.

Located at the Parc's main entrance (Porte A), the Information Desk is staffed during the opening hours of events to provide a personalised welcome. Wheel chairs are available free of charge.

AT ROUEN SAINT-SEVER SHOPPING CENTRE, ENSURING ACCESS FOR PEOPLE WITH DISABILITIES IS A PRIORITY

The centre's car park is equipped with a system to reserve 20 parking places for the disabled. The system has been extended to include people over the age of 75 who benefit from 12 additional places. Furthermore, the Management of St Sever has developed a unique initiative in France by training 200 employees of the centre tenants for people with mental disabilities and their families.

The Grand Prize for Young Retail Concept Designers, a breeding ground of tomorrow's trade names



“Unibail-Rodamco's shopping centres play the role of breeding ground for new trade names. The Group is constantly implementing innovative concepts, offerings and activities at its centres to make them outstanding locations with high-growth positioning. To differentiate the Group's centres and ensure consumer preference, the surprise factor must be encouraged with new concepts that are as appealing as those that opened their first stores in the centres in France and have since become benchmarks.”

GUILLAUME POITRINAL

Unibail-Rodamco supports young entrepreneurs through the Grand Prizes for Young Retail Concept Designers. The prizes, in the form of financial aid, enable young people to start up their businesses immediately, without having to cope with the problem of initial financing. In September 2007, the first Grand Prize competition in France rewarded 3 teams of young entrepreneurs. The three new business concepts are expected to open at Unibail-Rodamco shopping centres during 2008.

This marks a genuine, long-term commitment on the part of Unibail-Rodamco, as the 2nd edition of the Grand Prize for Young Retail Concept Designers will be held in September 2008.

The competition aims to stimulate, enhance and support business innovation and company start-ups by identifying and aiding young people with innovative retail concepts to allow them to develop tomorrow's successful businesses.

GRAND PRIX
JEUNES CRÉATEURS
DU COMMERCE

The First Prize was awarded to Laurent Lecoer and Emmanuelle Ferla for *Picadilles@*, a fast-food service project based on the shish-kebab concept.

The award: a store is made available to the prize winner at a major Unibail-Rodamco shopping centre in Paris or the provinces, including payment of 1 million euros in entry fees and rent-free occupancy for the first six months of business.

The Second Prize rewarded Hapsatou Sy for *Ethnicia*, a multiethnic beauty centre.

The award: a store is made available to the prize winner at a major Unibail-Rodamco shopping centre in Paris or the provinces, including payment of 500,000 euros in entry fees and rent-free occupancy for the first six months of business.

The Encouragement Prize went to Paul-Antoine Briat and Alexandre de Metz for *Yellow Korner*, a gallery of traditional silver emulsion photographs, selected and printed in limited, numbered series guaranteeing their status as works of art.

The award: 200,000 euros to support the start-up of a sales outlet.

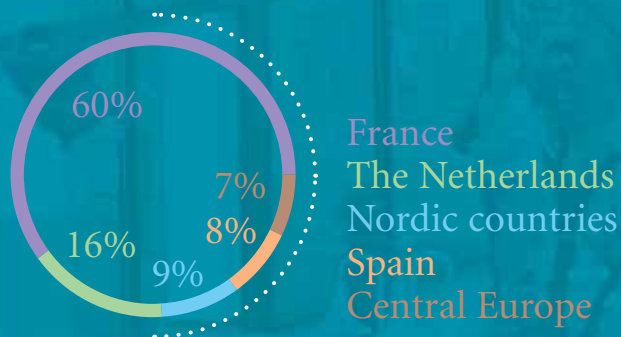
The prizes are offered by Unibail-Rodamco and its partner investors Axa and CNP.



Concept store of the first price Picadilles®

Unibail-Rodamco portfolio

Portfolio by countries



Portfolio by division



portfolio valuation: €25,229_{Mn}⁽¹⁾

(1) Including transfer taxes.



France portfolio



Shopping Centre Portfolio as at December 31, 2007

Location – Property names	GLA of the whole complex (m ²)	Parking spaces	Catchment area (in millions of people)	Number of visits (in millions)	2007 Overall turnover of the complex (in millions of euros)	Year of acquisition	Construction 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 Paris and Western Paris Outskirts											230,000
Les Quatre Temps (Paris-La Défense) Auchan, 13 Mus, Castorama, 214 shops, a cinema complex	130,000	6,500	3.1	33.0	817	1992/95 1999	1981 R 2006/08	125,700	53%	100%	125,700
Cnit (Paris-La Défense): Shopping Arcade FNAC, 28 shops and restaurant area	20,300	1,136	3.1	6.6	109	1999 ⁽²⁾	1989	20,300	100%	100%	20,300
Le Forum des Halles (Paris 1) FNAC, 10 Mus and 180 shops, a Ciné-cité UGC	60,000	2,100	4.9	40.1	551	1994	1979/86 R 1996	60,000	65%	100%	60,000
Carrousel du Louvre (Paris 1) 7 Mus, 45 shops and a "food court"	11,000	700 ⁽³⁾	2.1	8.3	53	1999 ⁽²⁾	1993	11,000	100%	100%	11,000
Galerie Gaité (Paris 14) 4 Mus and 15 shops	14,000	⁽⁴⁾	0.5	n.a	70	1998	1976 R 2000/01	13,000	100%	100%	13,000
Other Shopping centres in the Paris Region											277,800
Parly 2 (78 – Le Chesnay) 191 shops (Printemps, Fnac, BHV, Habitat, Truffaut, Darty)	107,000	5,050	1.9	12.8	664		1969/87	45,800	100%	100%	45,800
Rosny 2 (93 – Rosny-sous-Bois) Carrefour, BHV, Fnac, 8 Mus, 190 boutiques and a cinema complex	106,000	5,950	1.0	15.6	634	1994 2001	1973 R 1997	31,800 17,300	26% 100%	26% 100%	8,300 17,300
Vélizy 2 (78 – Vélizy) Auchan, FNAC, Le Printemps and 7 Mus, 150 shops and 7 cinemas	102,000	7,200	2.3	17	854	1994 2007	R 2005/07	40,100 21,100	100% 100%	100% 100%	40,100 21,100
Vélizy Usines Center (78 – Vélizy) 145 shops	20,500	1,200	2.4	1.6	92	2005		20,500	51%	100%	20,500
Carré Sénart (77 – Sénart) Carrefour, 1 shopping parc, 15 Mus, 115 shops, 4 restaurants, 1 Bowling	106,100	4,700	0.7	13.9	377	1994/99	2002 2006/07	79,500	100%	100%	79,500
Ulis 2 (91 – Les Ulis) Carrefour, 6 Mus and 110 shops, 4 cinemas, Feu Vert	51,500	3,200	0.5	7.1	353	1994	1973 R 1998/99	22,600	100%	100%	22,600
Bobigny 2 (93 – Bobigny) Atac, 65 boutiques	27,000	1,100	0.9	n.a	n.a	2004	1974	8,000	100%	100%	8,000
Coté Seine Géant casino, 67 shops (H&M, Maisons du Monde, La Grande Récré)	29,000	1,350	0.5	5.5	97		2002	14,600	100%	100%	14,600

Shopping Centre Portfolio as at December 31,2007

Location – Property names	GLA of the whole complex (m ²)	Parking spaces	Catchment area (in millions of people)	Number of visits (in millions)	2007 Overall turnover of the complex (in millions of euros)	Year of acquisition	Construction 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											390,100
Cité Europe (62 – Coquelles) Carrefour, 10 Mus et 130 shops, a food court and a cinema complex	73,000	4,250	0.5**	6.96	278	1995	1995	50,800	50%	50%	25,400
Marques Avenue (62 – Coquelles sur le site Cité Europe) 60 shops	13,400	850	2.6	1.2	34		2003	13,400	100%	100%	13,400
La Toison d'Or (21 – Dijon) Carrefour, 8 Mus et 130 shops, an aquatic centre	58,600	3,540	0.4	7.4	354	1994	1990	33,000	100%	100%	33,000
Labège 2 (31 – Toulouse) Carrefour, 3 Mus and 103 shops	44,600	3,010	0.6	6.8	324	1994	1983/92	12,700	100%	100%	17,900
BAB 2 (64 – Bayonne) Carrefour, 3 Mus et 80 shops	37,000	2,500	0.3	6.7	219	2006	1994	5,200	100%	100%	11,000
Usine Roubaix (59 – Roubaix) Carrefour, 3 Mus and 82 shops	18,565	400	n.a	n.a	n.a		1984	18,600	100%	100%	18,600
CMK – Centre Mériadeck (33 – Bordeaux) Auchan, 7 Mus and 80 shops	35,000	1,500	0.5	11.5	197	1994	1980	24,000	61%	100%	24,000
Saint-Genis 2 (69 – Lyon) Auchan, BHV and 65 shops	29,000	1,800	0.6	5.0	239	1994/96	R 2000	5,900	100%	100%	5,900
Bonneveine (13 – Marseille) Carrefour, 2 Mus, 61 shops and 5 cinemas	25,000	1,000	0.4	7.4	197	1986	1983	9,800	100%	100%	9,800
La Valentine (13 – Marseille) France Printemps	30,000	1,500	n.a	7.4	n.a	2007	1982	8,400	100%	100%	8,400
Place d'Arc (45 – Orléans) Carrefour, 4 Mus and 60 shops	27,000	750	0.4	8.4	116	1988	R 1999	13,500	73%	100%	13,500
Nice Etoile (06 – Nice) 8 Mus and 92 shops	19,000	1,200	0.6	12.4	124	2000	1982	17,000	100%	100%	17,000
Saint-Martial (87 – Limoges) 7 Mus and 60 shops	18,000	800	0.2	3.6	66	1989	R 2005	15,100	100%	100%	15,100
La Part Dieu (69 – Lyon) Carrefour, Galeries Lafayette, 10MUS, 230shops and 14 screen UGC cinema complex	110,000	4,200	1.5	30.4	717	2004	R 2001/02	69,300	100%	100%	69,300
Rennes Alma (35 – Rennes) Carrefour, Printemps, 1 Mus and 51 shops	37,469	2,500	0.5	6.3	211	2005	1971	11,500	51%	100%	11,500
Etrembières (74 – Anemasse) 1 hyper Migros, 2 Mus and 44 shops	19,000	1,000	0.5	2.3	109	2007	R 1990	9,600	100%	100%	9,600
Villeneuve 2 (59 – Villeneuve-d'Ascq)	57,000	3,250	1.2	11.3	430		1977	8,600	50%	100%	8,600
Croix Dampierre (51 – Châlons-en-Champagne) Carrefour, 64 shops (C&A, Mc Donald, Maison du Monde, Flunch)	26,000	2,963	0.4	4.8	165		1973/92	11,100	100%	100%	11,100
Saint Sever (76 – Rouen) leclerc, 90 shops (Go Sport, UGC, Cool Cat, La Grande Récré)	43,000	1,800	0.4	10.6	156		1978/02	34,300	100%	100%	34,300
Concessions automobiles : 23, bd de Courcelles – Paris 8 et 40 ter, av. de Suffren – Paris 15 ⁽⁴⁾											23,800
40 ter, avenue de Suffren à Paris 15 Succursale Volkswagen	10,895					1999 ⁽⁵⁾	R 1982	10,900	100%	100%	10,900
23, boulevard de Courcelles à Paris 8 Succursale Renault	12,867					1999 ⁽⁵⁾	R 1989	12,900	100%	100%	12,900
Other (including JLSI's holdings⁽⁵⁾)											26,500
Total											948,200
Assets accounted for under the equity method											
Euralille (59 – Lille) Carrefour, 10 Mus and 110 shops, a food court and activity area Catchment area : less than 30 minutes from the centres Mus : Medium size units	67,000	2,900	0.8	11.9	234	1994	1994	43,100	40%	40%	17,200

* excluding English clientele

(1) Unibail's interest in floor areas and rents

(2) Part of the Vivendi assets acquisition

(3) The Carrousel du Louvre parking lot is shared between the shopping centre and the exhibition spaces

(4) 2,290 parking spaces for the whole Gâté Montparnasse complex (hotel Meridien, Gâté shopping Gallery and offices)

(5) Acquisition of JLSI (Société Jean-Louis Solal Investissements) in 2004

(6) Acquisition de Crossroads Property Investors

(7) As at January 1, 2008 total surface in use, as reduced by Cnit under refurbishment came to 940,150 m².

Offices France

portfolio*

as at December 31, 2007



	Year of acquisition	Construction (C)/ Refurbishment (R) date	Total floor space of asset (m ²)	Parking spaces	% consolidation	Total floor space according to consolidation (m ²)	Main tenants (in terms of rental income)
Paris CBD, Paris and western Paris outskirts							
Paris 1							
39-41, rue Cambon	2001	R 1991	16,900	200	100%	16,900	NYSE-Euronext, Odco
34-36, rue du Louvre	1976	R 1989	3,788	-	100%	3,788	BNP Paribas
Paris 2							
12, rue du Mail	1985	R 1996	1,622	-	100%	1,622	Office under refurbishment
Paris 8							
Capital 8 (av. de Messine/Monceau/Murat)	2001	R 2005	63,422	513	100%	63,422	Rothschild, Gaz de France, Eurazeo, Dechert, Marionnaud, Aforge, Arsene, Kraft
5, boulevard Malesherbes	1999	R 2000	8,444	2	100%	8,444	Unibail-Rodamco's headquarters
52, rue de Lisbonne	1999 ⁽²⁾	R 1999	1,514	4	100%	1,514	Vacant
17-21, rue du Faubourg Saint Honoré ⁽³⁾	1986/2007	R 1987	4,536	-	100%	4,536	Estée Lauder, Tod's, Cartier, Chanel
18bis-20, avenue Hoche ⁽³⁾	1982/2007	R 2006	2,992	22	100%	2,992	Mayer Brown
Paris 9							
11-15, rue Saint-Georges	1991	R 1993	7,655	153	100%	7,655	La Halde, Altarea, Hypo Real Estate
1, rue Saint-Georges	1991	R 1993	2,840	117	100%	2,840	St Ingenierie, Pierre Lang, Compumark, Depfa Bank, THQ France
Paris 16							
7, place du Chancelier Adenauer	1999 ⁽²⁾	R 1998	12,048	150	100%	12,048	Office under refurbishment
42, avenue d'Iéna	1998	R 1999	1,749	3	100%	1,749	Sun Microsystems
Sub-total 'Paris CBD'						127,509	
92 Paris-La Défense							
Espace 21 (Les Villages)	1999 ⁽¹⁾	C 1993	39,366	1,602	100%	39,366	Genegis, Starwood Capital, Juniper Networks, Vistali
Tour Ariane	1999 ⁽¹⁾	R 2004	58,622	218	100%	58,622	Marsh, LCL, British Telecom France, Société Générale, Completel, Ciments Français, Mercer, Network Appliance, Regus, Vanco, Air Liquide
Cnit (Offices)	1999 ⁽¹⁾	C 1989	32,904	-	100%	32,904	Office partly under refurbishment (CNIT 1) ESSEC, APEC, SFR, Select IT
Immeuble Michelet-Galilée	1999 ⁽¹⁾	C 1986	33,405	127	100%	33,405	Total
70-80, av. Wilson	1999 ⁽²⁾	C 1988	21,005	575	100%	21,005	Axa, Exposium, Clariant, Orphan
Square Défense	2005	-	886	5	100%	886	Sold to Aviva on February 5, 2008.
Sub-total 'Paris-La Défense'						186,188	
92 Neuilly-sur-Seine							
2, rue Ancelle	1996	R 1995	15,570	170	100%	15,570	Gras Savoye
136, av Charles de Gaulle	1999 ⁽¹⁾	R 2004	11,977	260	100%	11,977	Chanel, Potel&Chabot
168, av Charles de Gaulle	1984	R 1995	7,506	126	100%	7,506	BNP Paribas, Regus, Deloitte, M-Real
92 Levallois							
126, rue Jules Guesde	1988	C 1970	2,791	56	100%	2,791	Under promise of sale Hachette Relais H
Courcellor 1	2005	-	20,125	344	100%	20,125	SFIG (Groupe Gaz de France)
92 Issy-les-Moulineaux							
34-38, rue Guynemer	1999 ⁽²⁾	C 1988	45,479	900	100%	45,479	Mondadori, Carlson, Aldata, Accor, Bercy Services, Alain Bensoussan
Sub-total 'Neuilly-Levallois-Issy'						103,448	
Other office buildings in Paris (Paris 14)							
Gaité-Montparnasse (Offices)	1998	C 1974	6,570	2,227 ⁽⁴⁾	100%	6,570	Le Point
Sub-total of other office assets in Paris						6,570	
Sub-total Paris CBD, Paris and Western Paris outskirts						423,715	
Outside Paris							
Lyon							
Tour Crédit Lyonnais ⁽³⁾	1996/2007	C 1977	12,949	60	100%	12,948	France Telecom, DHL, CAF de Lyon
Sub-total Outside Paris						12,948	
Total (according to the scope of consolidation)⁽⁵⁾						436,663	

* and related : shops in office buildings, light-industrial space, apartments.

(1) Acquisition from the Vivendi Group.

(2) Acquisition from Crossroads Property Investors.

(3) Ex-Rodamco assets (Rodamco held by Unibail at 98.52%).

(4) The Gaité Montparnasse private parking lot is shared between offices, the Hotel Méridien and the Gaité Shopping Gallery.

(5) Fully or proportionally consolidated.



Convention-Exhibition Portfolio as at December 31, 2007

	Year of acquisition	Construction Refurbishment (R) date	Parking spaces	% Unibail ⁽¹⁾	Total floor space per asset (m ²)	% consolidation	Description
Paris and Paris-La Défense							
Paris Expo Porte de Versailles – Paris 15	2000	Hall 5 in 2003	6,500	100%	226,000	100%	8 exhibition halls (from 5,000 to 70,000 m ²), 32 conference rooms of which 3 auditoriums
Cnit – La Défense	1999 ⁽²⁾	2007	1,120	100%	53,540	100%	Exhibition and convention space (43,259 m ²) and a Hilton Hotel
Espace Grande Arche – La Défense	2001	R 2003		100%	9,500	100%	Flexible space covering 9,500 m ²
Espace Champerret – Paris 17	1989/1995	1989	1,800 ⁽³⁾	100%	9,200	100%	Exhibition space (Trade shows)
Carrousel du Louvre (Expos) – Paris 1	1999 ⁽²⁾	1993	700 ⁽³⁾	100%	7,125	100%	Exhibition space (Trade and fashion shows, corporate events)
Palais des Sports – Paris 15	2002			50%	n/a	50%	Flexible entertainment or convention room from 2,000 to 4,200 seats
			Sub-total		305,365		
Méridien-Montparnasse Hotel – Paris 14	1998	1974		100%	57,372	100%	Hotel, conference centre and private parking lot ⁽⁴⁾
Total					362,737		
Conference Centre Cœur Défense	2001	2001		100%	3,330	100%	

* Total floor space according to consolidation.

(1) Unibail's interest in floor space and rents.

(2) Part of the Vivendi assets acquisition.

(3) This parking lot does not belong to the group.

(4) 2,227 parking spaces for the whole Gai  Montparnasse complex (M ridien Hotel, Gai  Shopping Gallery and offices).

The Benelux portfolio

Shopping Centre Portfolio as at December 31,2007

Location – Property names	GLA of the whole complex (m ²)	Parking spaces	Catchment area (in millions of people)	Number of visits (in millions)	2007 Overall turnover of the complex (in millions of euros)	Year of acquisition	Construction Refurbishment (R) date	GLA of the property owning companies (m ²)	% Unibail-Rodamco's Shares	% of consolidation	Total space according to consolidation (m ²)
Netherlands											
Almere – Shopping Centre Stadshart Almere	122,000	7,000	1.5	13.0	n/a	2002	2002-2007	81,000	100%	100%	81,000
's-Hertogenbosch – Shopping Centre De Bossche Boulevard	51,400	800	0.6	-	n/a	1970	2002	51,400	100%	100%	51,400
Amstelveen – Shopping Centre Stadshart	62,600	2,349	1.2	6.2	n/a	2005	1975/1999	50,600	100%	100%	50,600
Zoetermeer – Stadshart & Spazio	86,900	3,340	0.4	n.a.	n/a	1983	1983/2005/2000 & 2005	50,200	100%	100%	50,200
Leidschendam – Shopping Centre Leidsenhage	81,000	3,000	0.7	6.1	n/a	1990-2007	1971/2000	47,800	100%	99%	47,322
Eindhoven – Shopping Centre Piazza	30,800	2,074	0.5	8.0	n/a	1997	2005	30,800	100%	100%	30,800
Alkmaar – Ringers Complex	46,500	990	0.4	3.0	n/a	1997	1910/1997	29,000	100%	100%	29,000
Hoofddorp – Shopping Centre De Vier Meren	26,800	1,950	0.4	5.0	n/a	2004	2004	26,800	100%	100%	26,800
Zoetermeer – Woonhart	22,500	290	0.2	n.a.	n/a	1997	1997/n.a.	22,500	100%	100%	22,500
Amersfoort – Shopping Centre St. Jorisplein	21,700	460	2.8	6.8	n/a	2000	2000	21,700	100%	100%	21,700
Purmerend – Shopping Centre Koningshoek	19,600	375	0.2	4.0	n/a	1986	1991	19,600	100%	100%	19,600
Barendrecht – Woonboulevard Rijerwaard	17,300	400	-	-	n/a	2000	1995	17,300	100%	100%	17,300
Bergen op Zoom – De Parade	16,200	400	0.2	3.0	n/a	2003-2007	2003-2007	16,200	100%	100%	16,200
Barendrecht – Shopping Centre Carnisse Veste	15,900	500	0.2	1.9	n/a	2001	2004	15,900	100%	100%	15,900
Maassluis – Shopping Centre Koningshoek	16,400	1,000	-	-	n/a	1971	1972/1985	15,400	100%	100%	15,400
Zwijndrecht – Shopping Centre Walburg	28,000	900	-	-	n/a	1995	1974/1994	15,100	100%	100%	15,100
Rotterdam – Korte Lijnbaan 3, 4, 5, 7, 10, 12, 13, 14, 16, 17-19, Lijnbaan 55, 57, 59, 60, 61, 65, 71, 72-74, 76-78, 85-91, 90, 98, 102, 102, and 108	13,900	-	2.2	8.0	n/a	1994	1953/1995	13,900	100%	100%	13,900
Almere – Shopping Centre Zoetelaarpassage	13,800	-	0.5	n/a	n/a	1983	n.a.	13,800	100%	100%	13,800
Huizen – Centrum Huizen	13,700	340	-	-	n/a	1998	1993	13,700	100%	100%	13,700
Hilversum – Kerkstraat 43-45, 47-51, 51-53 and 76	12,200	72	-	-	n/a	1993	n.a.	12,200	100%	100%	12,200
Rijswijk – Shopping Centre In de Bogaard	90,000	2,800	-	7.0	n/a	1963	2000	12,000	100%	100%	12,000
Roosendaal – Shopping Centre Roselaar	28,000	380	0.5	6.0	n/a	1996/1999	1970/1995/1996	11,900	100%	100%	11,900
Alkmaar – Laat 143 and 185	11,900	-	-	6.0	n/a	1993	n.a.	11,900	100%	100%	11,900
Deventer – Shopping Centre Colmschate	11,300	375	0.0	-	n/a	1989	1985	11,300	100%	100%	11,300
Beverwijk – Shopping Centre Beverhof	10,400	300	-	-	n/a	1980	1973/1993	10,400	100%	100%	10,400
Hoogeveen – Shopping Centre De Hoge Meren	22,500	590	0.0	-	n/a	1980	1995	10,300	100%	100%	10,300
Hengelo – Shopping Centre Hasselo	28,000	900	-	-	n/a	1995	1974/1994	15,100	100%	100%	15,100
Eindhoven – Shopping Centre Woensel	13,900	-	2.2	8.0	n/a	1994	1953/1995	13,900	100%	100%	13,900
Zwolle – Shopping Centre AA-Landen	13,800	-	0.5	n/a	n/a	1983	n.a.	13,800	100%	100%	13,800
Almere Buiten – Shopping Centre Buitenmere	13,700	340	-	-	n/a	1998	1993	13,700	100%	100%	13,700
Hendrik Ido Ambacht – Shopping Centre De Schoof	12,200	72	-	-	n/a	1993	n.a.	12,200	100%	100%	12,200
Emmen – Shopping Centre De Weiart	90,000	2,800	-	7.0	n/a	1963	2000	12,000	100%	100%	12,000
Utrecht – Shopping Centre Overvecht	28,000	380	0.5	6.0	n/a	1996/1999	1970/1995/1996	11,900	100%	100%	11,900
's-Gravenhage – Wagenhoek Gebouw	11,900	-	-	6.0	n/a	1993	n.a.	11,900	100%	100%	11,900
Oosterhout – Shopping Centre Arendshof	11,300	375	0.0	-	n/a	1989	1985	11,300	100%	100%	11,300



Shopping Centre Portfolio as at December 31,2007

Location – Property names	GIA of the whole complex (m ²)	Parking spaces	Catchment area (in millions of people)	Number of visits (in millions)	2007 Overall turnover of the complex (in millions of euros)	Year of acquisition	Construction / Refurbishment (R) date	GIA of the property owning companies (m ²)	% Unibail-Rodamco's Shares	% of consolidation	Total space according to consolidation (m ²)
Capelle aan den IJssel – Shopping Centre De Koperwiek	16,000	900	0.1	-	n/a	1995	1965/1995	8,600	100%	100%	8,600
Roermond – Munsterplein 9	8,000	-	-	-	n/a	1993	1951	8,000	100%	100%	8,000
Venlo – Vleesstraat 11-13-15-17-69, 78, 82 and 86	8,000	-	-	9.0	n/a	1993	1951	8,000	100%	100%	8,000
Oldenzaal – Shopping Centre In den Vijfhoek	8,100	340	-	-	n/a	1980	1980	7,800	100%	100%	7,800
Zoetermeer – Shopping Centre Rokkeveen	7,800	400	0.1	n.a.	n/a	1996	1992-1994/n.a.	7,800	100%	100%	7,800
Deventer – Brink 100	7,700	-	-	-	n/a	1993	1735	7,700	100%	100%	7,700
Groningen – Shopping Centre Lewenborg	7,000	120	-	-	n/a	1979	1979	7,000	100%	100%	7,000
Hoofddorp – Dik Tromplein 2, 8 and Marktplein 86-92	6,900	14	-	-	n/a	1999	n.a.	6,900	100%	100%	6,900
Alkmaar – Shopping Centre De Hoef	6,700	150	-	-	n/a	1982	1967/ 1980	6,700	100%	100%	6,700
Gouda – Shopping Centre Nieuwe Marktpassage	6,600	458	0.4	n.a.	n/a	1988	1988/n.a.	6,600	100%	100%	6,600
Stadskanaal – Shopping Centre De Oude Markt Passage	6,600	195	-	-	n/a	1998	1989	6,600	100%	100%	6,600
Lelystad – Shopping Centre Kroonpassage	6,500	375	-	-	n/a	1996	1994	6,500	100%	100%	6,500
Hilversum – Shopping Centre Seinhorst	6,200	200	-	-	n/a	2000	2000	6,200	100%	100%	6,200
Hoorn – Grote Noord 45, 60, 68, 70, 73, 77, 111, 138 and 140	6,000	-	-	-	n/a	1993	1900	6,000	100%	100%	6,000
's-Gravenhage – Shopping Centre Leijenburg	5,800	125	-	-	n/a	1969	1969	5,800	100%	100%	5,800
Vlissingen – Gildeweg 6	6,100	-	-	-	n/a	1998	n.a.	6,100	100%	90%	5,490
's-Gravenhage – Shopping Centre Royaardsplein	5,400	80	-	-	n/a	1966	1969	5,400	100%	100%	5,400
Amsterdam – Shopping Centre Boven 't IJ	37,000	2,000	0.4	6.0	n/a	1996	1969/1992	5,200	100%	100%	5,200
Alkmaar – Geert Groteplein	5,100	100	-	-	n/a	1965	1965/1992	5,100	100%	100%	5,100
Groningen – Ciboga Gebouw	5,100	300	-	-	n/a	2002	2002	5,100	100%	100%	5,100
Weert – Shopping Centre De Munt	17,300	146	-	6.0	n/a	1999	1999	4,900	100%	100%	4,900
Amsterdam – Kalverstraat 21, 93-101, 100-106, 121-123, 126, 154, 166, 172 and 198	4,900	-	-	33.0	n/a	1979	-	4,900	100%	100%	4,900
Rotterdam – Hoogstraat 177-177a-179-179a	4,900	-	2.2	12.0	n/a	1994	1950	4,900	100%	100%	4,900
Groningen – Shopping Centre Helperplein	4,800	80	-	-	n/a	1998	1998	4,800	100%	100%	4,800
's-Hertogenbosch – De Helftheuvel Passage	17,500	750	-	-	n/a	1998	1999	4,600	100%	100%	4,600
Middelburg – Lange Delft 4-31 and 103	4,600	-	-	-	n/a	1993	1951	4,600	100%	100%	4,600
Soest – Shopping Centre Soest Zuidpromenade	4,600	100	-	-	n/a	1984	1984	4,600	100%	100%	4,600
Rotterdam – Woonmall Alexandrium III	65,000	1,000	-	1.0	n/a	1998	1996	4,500	100%	100%	4,500
Groningen – Grote Markt 3, 7 and 8	4,400	-	-	-	n/a	1998	1947	4,400	100%	100%	4,400
Groningen – Shopping Centre De Wijert	4,300	45	-	-	n/a	1966	1966	4,300	100%	100%	4,300
Winschoten – Shopping Centre 't Rond	6,800	210	-	-	n/a	1997	1971/2002	4,100	100%	100%	4,100
Harderwijk – Shopping Centre De Stadsdennen	4,100	90	-	-	n/a	1999	1963	4,100	100%	100%	4,100
Schiedam – Shopping Centre Spaland	10,100	85	-	-	n/a	1996	1978/1996	3,900	100%	100%	3,900
Enschede – Raadhuisstraat 2, 4 and Van Loenshof 1,5,6,10,11,12,14 and 15	3,800	-	-	-	n/a	1958	1958	3,800	100%	100%	3,800
Rotterdam – Shopping Centre Plaza	3,800	-	2.2	-	n/a	1992	1992	3,800	100%	100%	3,800
Groningen – Herestraat 2, 15-17, 39, 45-47, 52b and 53	3,500	-	-	-	n/a	1994	1920	3,500	100%	100%	3,500
Eindhoven – Rechtstraat 22, 28 and 54	3,300	-	-	-	n/a	1996	1930	3,300	100%	100%	3,300

Nordic countries portfolio



Shopping Centre Portfolio as at December 31,2007 (including offices connected to shopping centers)

Location – Property names	GLA of the whole complex (m ²)	Parking spaces	Catchment area (in millions of people)	Number of visits (in millions)	2007 Overall turnover of the complex (in millions of euros)	Year of acquisition	Construction 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											505,600
Greater Stockholm – Solna Centrum 141 units	96,100	1,150	0.5	8.2	151	1985	1962/1965/1992	96,100	100%	100%	96,100
Greater Stockholm – Täby Centrum 166 units and a cinema complex	78,100	2,400	0.6	9.3	275	1997	1968/1969 1975/ 1992	78,100	100%	100%	78,100
Greater Stockholm –Väsby Centrum' 79 units	45,000	700	0.1	5.7	86	2004	1972/1986/1991, 2003/2007	45,000	100%	100%	45,000
Greater Stockholm – Forum Nacka 83 units	42,000	850	0.4	3.6	88	1996	1990/1997/2008	42,000	100%	100%	42,000
Greater Stockholm – Eurostop Arlandastad 31 units	40,500	1,580	0.5	2.1	64	1996	1992	40,500	100%	100%	40,500
Greater Stockholm –Haninge Centrum 88 units	40,100	850	0.1	5.7	103	1996	1966/ 1989/2006	40,100	100%	100%	40,100
Tyresö – Tyresö Centrum 71 units	36,400	850	0.1	6.3	83	2003	1967/1992	36,400	100%	100%	36,400
Lund – Nova Lund (1, 2&3) 68 units	25,300	1,300	0.4	2.6	94	2002/2005	2002/2006	25,300	100%	100%	25,300
Örebro – Eurostop Örebro 12 units	21,500	800	0.2	2.9	61	1996	1991/1996/ 2007	21,500	100%	100%	21,500
Greater Stockholm – Arninge Centrum 31 units	20,200	500	0.2	3.1	84	2001	1983/1990	20,200	100%	100%	20,200
Greater Stockholm – Bålsta Centrum 38 units	19,700	250	0.1	3.0	52	1996	1970/ 1991	19,700	100%	100%	19,700
Jönköping –Eurostop Jönköping 6 units	12,300	450	0.1	1.1	15	1996	1989	12,300	100%	100%	12,300
Helsingborg – Helsingborg 1 unit	8,200	400	1.0	2.4	64	2001	1998	8,200	100%	100%	8,200
Halmstad –Eurostop Halmstad 35 units	30,200	1,500	0.1	3.3	69	1996	1991/2001	20,200	100%	100%	20,200
Danemark											57,800
Copenhagen – Fisketorvet 140 shops and a cinema complex	57,800	2,000	1.0	5.0	204	2000	2000	57,800	100%	100%	57,800
Finland											57,800
Helsinki – Jumbo 95 units	85,000	4,600	0.5	7.7	394	2005	1999/2005	29 500	100%	100%	29,500
Total											592,900



Others Portfolio as at December 31,2007

Location – Property names	GLA of the whole complex (m ²)	Parking spaces	Year of acquisition	Construction Refurbishment (R) date	GLA of the property owning companies (m ²)	% Unibail-Rodamco's Shares	% of consolidation	Total space according to consolidation (m ²)	Main tenants in terms of rental income
Madrid – RAL Alcalá Garena	51,500	-	2001	2001	51,500	100%	100%	51,500	Office Depot/SEUR/National 10/Hamman/Hidrobuilding
Madrid – Getafe CLA	33,100	-	1997	1995	33,100	100%	100%	33,100	Eurofiel/Uponor/Eroski
Madrid – Miralcampo II	36,500	-	2001	2001	36,500	100%	100%	36,500	H&M/Eroski/Fornar
Barcelona – Mas Blau RAL	17,100	-	2000	2000	17,100	100%	100%	17,100	Mercagás/Picking Pack/Eurobeta/Prilem
Total (according to the scope of consolidation)								138,200	

Central Europe portfolio



Shopping Centre Portfolio as at December 31,2007

Location – Property names	GLA of the whole complex (m ²)	Parking spaces	Catchment area (in millions of people)	Number of visits (in millions)	2007 Overall turnover of the complex (in millions of euros)	Year of acquisition	Construction 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											123,350
Vienna – Donauzentrum 204 units and a cinema complex	112,000	2,750	2.1	19.5	286	2003 1999	1975/2000 R 2006/08	112,000	90%	100%	112,000
Klagenfurt – Sudpark 92 units	22,700	700	0.2	2.6	22	2007	2004	22,700	50%	50%	11,350
Czech Republic											113,800
Prague – Centrum Chodov 212 units	57,400	2,600	2.1	12.5	223	2005	2005	57,400	100%	100%	57,400
Prague – Centrum Cerny Most 91 units and a cinema complex	56,400	2,500	1.8	10.1	147	2000	1997	56,400	100%	100%	56,400
Poland											31,100
Warsaw – Galeria Mokotow 259 units and a cinema complex	62,200	2,600	1.8	12.2	221	2002	2000/2002/2006	62,200	50%	50%	31,100
Warsaw – Zlote Tarasy 217 units and a cinema complex	88,100	1,600	1.8	13.3	161	2007 ⁽¹⁾	2007	n.a ⁽¹⁾	n.a ⁽¹⁾	n.a ⁽¹⁾	n.a ⁽¹⁾
Slovak Republic											29,150
Bratislava – Aupark 252 units and a cinema complex	58,300	2,220	0.6	11.7	155	2006	2000/2001/2007	58,300	50%	50%	29,150
Hungary											41,200
Budapest Arkád Őrs Vezér Tér 169 units	48,400	1,350	1.1	14.0	205	2002	2002	16,000	100%	100%	16,000
Budapest – Europark 71 units	25,200	950	0.8	n.a.	n.a.	1999	1997	25,200	100%	100%	25,200
Germany											63,350
Magdeburg – Allee-Center 156 units	51,100	1,250	0.8	10.5	185	1996	1998/2006	51,100	50%	50%	25,550
Cottbus – TKC, Gerhard Hauptmanstr. 15 35 units	24,000	800	n.a.	n.a.	n.a.	1994	1994	24,000	100%	100%	24,000
Berlin – Ring-Center 1 67 units and a cinema complex	20,700	1,000	1.3	5.00	65	1996	1997	20,700	67%	67%	13,800
	51,100	1,250	0.8	10.5	185	1996	1998/2006	51,100	50%	50%	
Total (according to the scope of consolidation)											401,950

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



Offices Portfolio as at December 31,2007

Location – Property names	GLA of the whole complex (m ²)	Parking spaces	GLA of the property owning companies (m ²)	% Unibail-Rodamco's Shares	% of consolidation	Total space according to consolidation (m ²)	Main tenants in terms of rental income
Total Offices < 5 mln	13 800	60	13 800	80%	100%	13 800	Europolis Real Estate Asset Management /Nokia Ukraine Closed Joint stock Company "KPMG Audit" /The Embassy of Kingdom of Belgium
Total (according to the scope of consolidation)						13 800	

Financial and legal information

78-103 Business Review and 2007 Results **106-161** Consolidated financial accounts

164-193 Legal information **196-209** Report of the Chairman of the Supervisory Board

210-220 Annual disclosure form

Business Review and 2007 Results

BUSINESS REVIEW AND 2007 RESULTS	78
I. Unibail-Rodamco: scope of consolidation – accounting principles	78
II. Business review by segment	79
III. 2007 result	84
IV. Dividend	85
NET ASSET VALUE AS AT DECEMBER 31, 2007	87
I. Property portfolio	87
II. Triple net liquidation NAV calculation	92
FINANCIAL RESOURCES	95
I. Debt structure at 31 December 2007	95
II. Ratings	96
III. Market risk management	97
IV. Financial structure	98
V. Other significant operations	99
HUMAN RESOURCES	100
I. Employment	100
II. Employee relations	101
OUTLOOK	103

Business Review and 2007 Results

I. UNIBAIL-RODAMCO: SCOPE OF CONSOLIDATION – ACCOUNTING PRINCIPLES

On May 21, 2007 Unibail Holding S.A. and Rodamco Europe N.V. jointly announced that Unibail made a friendly Public Exchange Offer for all the outstanding shares in the capital of Rodamco. The exchange ratio of the Public Exchange Offer was 0.5223 Unibail share for each Rodamco share⁽¹⁾.

Furthermore the Rodamco shareholders were able to opt for 0.5223 Unibail bonds redeemable for Unibail shares for each Rodamco share with a maximum of 20% of the remuneration of all the Rodamco shares.

The Public Exchange Offer was declared unconditional on June 21, 2007, when 71,378,392 Rodamco shares had been tendered, representing 79.63% of participation in the Company. Unibail had issued 27,917,226 Unibail shares and 9,363,708 Unibail ORA in exchange for the Rodamco shares.

A subsequent offer period began on June 22, 2007 and ended on July 10, 2007, when 14,443,054 additional Rodamco shares had been tendered and Unibail-Rodamco issued 7,543,607 Unibail-Rodamco shares representing a capital increase of €37,718,035. On July 11, 2007, Unibail owned 95.74% of Rodamco Europe N.V. shares.

Starting as of August 27, 2007 the Group via a bank which acted independently bought 2,491,503 shares of Rodamco Europe on the market. These shares have been bought at an average price of €96.00 per share.

Unibail-Rodamco, as at December 31, 2007 owned 98.52% of issued share capital of Rodamco Europe.

At December 14th 2007, squeeze out proceedings under Dutch law of the remaining shares in Rodamco Europe have been initiated. The squeeze out price is to be determined by the Enterprise Chamber of the Court of appeals in Amsterdam. Unibail-Rodamco has proposed €81.03 per Rodamco share, consistent with the exchange ratio.

Accounting for Business Combinations

€1.3 Bn of the goodwill recorded as part of the business combination between Unibail and Rodamco has been impaired.

This goodwill impairment is a technical adjustment which does not impact the 2007 recurring profits nor the triple net asset value of the company, nor does it imply any change in the value of and outlook for the Rodamco assets acquired. A total of €1.6 Bn of goodwill arose because of the accounting treatment (IFRS 3) of the Rodamco acquisition when Unibail used Unibail shares at a premium to NAV to buy Rodamco shares at a premium to NAV.

This accounting goodwill has now either been written off or allocated to appropriate accounting items.

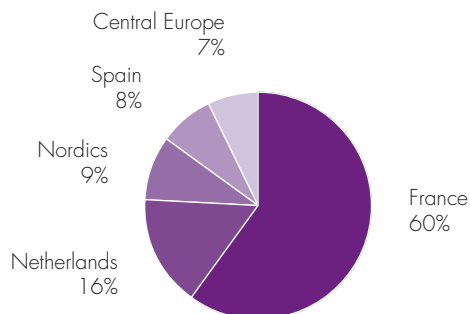
New scope of consolidation

As at December 31, 2007, the scope of consolidation of Unibail-Rodamco included 316 companies over 14 countries. These companies have been fully consolidated with the exception of 17 companies accounted for under the proportional method and 8 companies under the equity method.

Operationally there are 5 geographical regions in the new Unibail-Rodamco group: France, The Benelux, Spain, Nordic and Central Europe. As France has substantial representation of all 3 activities of the group, this region is divided in 3 segments: Shopping Centres, Offices and Conventions & Exhibitions. The other regions operate mainly in the shopping centre segment.

(1) Based on the initial exchange ratio announced on April 10, 2007 of 0.5300 per Unibail share (or Unibail ORA) for each Rodamco share which had been adjusted to integrate the financial impact of the 2006 Unibail interim dividend and of the 2006 Rodamco final dividend.

The table below shows the split of assets value per region.



Accounting principles

Unibail-Rodamco consolidated statements have been prepared in accordance with International Financial Reporting Standards⁽¹⁾ (IFRS) and are compliant with the EPRA⁽²⁾ best-practice recommendations. No changes were made compared to the accounting principles used for the 2006 Unibail consolidation.

II. BUSINESS REVIEW BY SEGMENT

1. SHOPPING CENTRES

1.1. Shopping centre market in 2007

Property investment market. The market has been very dynamic and competitive in continental Europe for retail investment, buoyed by strong demand from national and international investors. This trend continued during the second half of 2007. In spite of some differences in yields across continental Europe there has been further convergence between the shopping centre markets in 2007. Yields for prime shopping centres are in a range of 4-4.25% respectively in France and Spain to 5.25-5.5% in Czech Republic and Poland.⁽³⁾

Prime property yields are tending to stabilize. In contrast the yield gap between prime and non-prime properties is widening. In 2007 there was a high demand for prime assets with very little or nil supply in Spain and in France, except 'Grand Littoral' a regional shopping centre in Marseilles, sold in December for €385 Mn, at a yield below 4%⁽⁴⁾. Nevertheless many shopping centres have changed owner in Sweden at high prices sustained by low yields (more or less 4.5%).

Leasing. The market has been very active in 2007, carried by international retailers' expansion plans, such as Inditex, H&M, Media Markt, Mexx, Esprit etc. The demand has been especially concentrated on prime locations in the best performing shopping centres. Retailers are focusing on regional and supra-regional shopping centres in the largest cities, where the Group's assets are located. The rents show strong increases in all the regions, especially in Spain, Nordic, certain CE countries and France due to strong sales growth in shopping centres. In 2007, the leasing activity in the Group's portfolio has been out performing the previous year.

1.2. Rental income from Unibail-Rodamco's shopping centres in 2007

Total consolidated gross rental income of Unibail-Rodamco shopping centres amounted to €586.2 Mn in 2007 corresponding to a full year for the ex-Unibail portfolio (€273.9 Mn ie +12.5% compared to 2006) and half a year for the ex-Rodamco portfolio (€312.3 Mn).

Total consolidated Net Rental Income amounted to €528.5 Mn, representing a rise of €308.4 Mn compared with 2006:

- €271.5 Mn of new NRI coming from ex-Rodamco assets consolidated in the second half of 2007.
- €36.9 Mn of increase in ex-Unibail portfolio full year NRI which breaks down as follows:
 - €5.8 Mn came from portfolio changes (such as Etembrieres, Labege, Velizy 2 and the disposal of Chelles).
 - €6 Mn deriving from reversal of a risk provision in Nice Etoile.
 - €25.1 Mn reflecting the increase in net rental income on a like-for-like basis. This represented a 11.6% growth compared to 2006 including 5.4% from the impact of rent indexation.

To give more insight into the evolution of Net Rental Income of the shopping centres of the new Unibail-Rodamco portfolio, the figures below are shown for the full years 2006 and 2007⁽⁵⁾, even though ex-Rodamco portfolio has been entered into Unibail-Rodamco's consolidated accounts since June 30, 2007.

Region	Net Rental Income (pro forma)		
	2006	2007	%
France (ex Unibail)	220,1	256,9	16.7%
France (ex Rodamco)	88,5	99,3	12.2%
Spain	80,6	88,6	9.9%
Central Europe	76,7	81,2	5.9%
Nordic	79,5	85,4	7.4%
Netherlands	186,8	188,7	1.0%
Global	732,2	800,1	9.3%

(5) NRI for ex-Rodamco shopping centres may slightly differ from NRI published by Rodamco Europe as they have been restated according to Unibail-Rodamco accounting rules.

(1) As applicable in the European Union as at December 31, 2007.

(2) European Public Real-estate Association

(3) C&W European Retail 2008

(4) Corio press release – Dec 21, 2007

Region	Net Rental Income (pro forma)		
	Like-for-like		
	2006	2007	%
France (ex Unibail)	216,0	241,1	11.6%
France (ex Rodamco)	87,2	97,7	12.0%
Spain	80,9	87,5	8.2%
Central Europe	64,2	68,1	6.1%
Nordic	79,5	84,2	5.9%
Netherlands	160,2	163,5	2.1%
Global	688,0	742,1	7.9%

The total Net Rental Income of the new Unibail-Rodamco portfolio grew by 7.9% on a like-for-like basis in 2007, compared to 2006. The highest growth was in France, with a significant impact of indexation, and Spain as shown in the following table breaking down this variation by origin and region.

At 7.9%, the like for like growth was more than 400 basis points over inflation.

Region	Net Rental Income like-for-like evolution (%)			
	Indexation	Renewal reletting net of departures	Other	Total
France	5.8%	5.7%	0.2%	11.7%
Spain	2.8%	3.2%	2.2%	8.2%
Central Europe	1.1%	1.2%	3.8%	6.1%
Nordic	3.2%	3.5%	-0.8%	5.9%
Netherlands	1.3%	0.9%	-0.1%	2.1%
Global	3.7%	3.7%	0.6%	7.9%

The performance has been particularly strong in France, Spain and countries of central Europe where Unibail-Rodamco benefits from a leading position in the segment of large shopping centres located in the largest cities.

The Netherlands assets experienced a weaker growth (+2.1% on a like for like basis, of which 1.3% due to indexation), resulting from a portfolio less concentrated on prime shopping centres and also from a protective legal environment surrounding lease renewals.

1.3. Leasing activity in 2007

Leasing activity has been very strong with more than 310,000 m² let or renewed.

Gains on renewals or re-lettings resulted in a growth of annual minimum guaranteed rents of 27% on average on the whole portfolio.

Region	Lettings/re-lettings/renewals excl. Pipeline				
	Nb of leases signed	m ²	MGR	MGR uplift € Mn	%
France	385	80,468	44	8.5	38%
Spain	219	33,997	12	2.1	16%
Central Europe	215	24,209	8	1.4	18%
Nordic	372	101,437	32	2.5	10%
Netherlands	250	70,854	16	0.9	10%
Global	1,441	310,965	112	15.4	27%

Thanks to its prime position in a number of European countries, Unibail-Rodamco has managed to sign deals across its centres with key retailers like Inditex (France/Spain), MetroGroup (Spain/Poland/Sweden/Germany) or H&M (France/Spain). This approach will be rolled out across Europe.

1.4. Vacancy and future minimum rent

As at December 31, 2007 aggregated full-year rental income from Unibail-Rodamco's shopping centre portfolio amounted to €846.0 Mn, excluding variable rents and other income.

The following table shows a breakdown by expiry date and by next termination option of the leases:

Retail portfolio	Lease expiry schedule			
	At date of next break option	As a % of total	At end of lease date	As a % of total
Expired	29.1	3.4%	29.1	3.4%
2008	136.3	16.1%	76.3	9.0%
2009	158.9	18.8%	74.1	8.8%
2010	174.3	20.6%	96.9	11.5%
2011	110.9	13.1%	76.9	9.1%
2012	55.5	6.6%	101.1	12.0%
2013	36.2	4.3%	59.4	7.0%
2014	21.3	2.5%	60.8	7.2%
2015	29.8	3.5%	61.1	7.2%
2016	16.9	2.0%	53.8	6.4%
2017	25.0	3.0%	59.1	7.0%
Beyond	51.7	6.1%	97.4	11.5%
M€	846.0	100%	846.0	100%

Potential rents from vacant space in operation on the total portfolio amounted to €9.7 Mn at December 31, 2007. The financial vacancy stood at a low level, 1.1% on average across the total portfolio.

Region	Vacancy	
	M€	%
France	5.1	1.4%
Spain	0.7	0.8%
Central Europe	0.2	0.2%
Nordic	1.9	1.7%
Netherlands	1.8	0.9%
Global	9.7	1.1%

The occupancy cost ratio⁽¹⁾ (OCR) differs slightly between the regions: 11.8% in Central Europe, 11.1% in France, 10.1% in Spain, and the lowest 10% in the Nordic⁽²⁾ countries.

Unibail-Rodamco has started to implement its dynamic property asset management and active marketing policy across the international portfolio by improving the centres' attractiveness, tenant mix and standardised 'welcome attitude policy'.

This will result in more visits and increased tenants' sales which will facilitate the ability to improve the occupancy cost ratio.

1.5. Investment/pipeline

Unibail-Rodamco invested €884 Mn in its shopping centres in 2007 (full year for ex-Unibail portfolio and half a year for ex-Rodamco portfolio) mainly made of:

- €134 Mn was invested in new acquisitions, mainly:
 - In France, "l'Usine" in Roubaix (18,560 m² of factory outlets), Le Printemps in La Valentine-Marseilles (8,394 m²) and Go-Sports shops in 4 shopping centres.
 - In Austria, the company acquired a 50% interest in Südpark, a regional shopping centre of 22,700 m².
- €256 Mn was invested to strengthen the group's ownership in shopping centres: mainly 'le Printemps' in Velizy 2 (21,100 m²) and Rennes Alma (9,588 m²) in France and additional 4,250m² in Parquesur-Madrid.
- €204 Mn was invested in extension and renovation projects of existing shopping centres: mainly Cnit and Les 4 Temps in Paris and an extension of Aupark in Bratislava.
- €245 Mn was invested in new shopping centres under construction, mainly in France (Docks de Rouen, Carré Sénart 2, Strasbourg Etoile and Lyon Confluence, Le Havre - Docks Vauban).
- In Spain, a piece of land has been acquired from the construction of a 54,000 m² shopping centre in Benidorm.

In February, Zlote Tarasy, a 87,300 m² shopping centre in Warsaw has been delivered and Unibail-Rodamco acquired in October 50% of the economic interest in the centre. As the developer is not yet in a position to deliver the shares, this investment was accounted for as a pre-payment in the Unibail-Rodamco balance sheet and the group recorded a financial income in the P&L instead of rental income.⁽³⁾

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

(2) As tenants turnover is not known for The Netherlands, no reliable OCR can be calculated.

(3) For an amount equalling the group's share in the net rental income.

In addition, other major development projects continued to progress well and new projects have been added to the pipeline. The Group's development pipeline for shopping centres amounts to 978,000 m², ie 35% of shopping centres surface currently in operation.

1.6. Divestments

In January 2007 Chelles 2 shopping centre located near Paris was sold for a net disposal price of €88.1 Mn.

After the closing, in January 2008, a sales agreement has been signed for a portfolio of mostly high street retail in The Netherlands for a total amount of €775 Mn, an increase of 11.9% compared with the appraisal value at mid-year 2007.

1.7. Portfolio valuation

As at December 31, 2007 the shopping centre portfolio of Unibail-Rodamco was valued on the balance sheet at €17,610 Mn, excluding transfer taxes and disposal cost. Of this total, €16,078 Mn is accounted for as investment property and valued at fair value based on appraisals carried out by external valutors (see 'Net Asset Value' section). The portfolio under sales agreement in the Netherlands has been restated in 'assets for sale' for its divestment price in the balance sheet.

Projects under development are recorded at cost in the balance sheet and amounted to €628 Mn as at December 31, 2007.

Fair value adjustments to investment properties generated a gain of €1,149 Mn on the income statement at December 31, 2007, corresponding to €666 Mn increase in the valuation of Unibail's assets since December 31, 2006 and €483 Mn increase in the valuation of ex-Rodamco's assets since June 30, 2007.

2. OFFICES

2.1. Office property market in 2007⁽⁴⁾

With 85% of the office portfolio concentrated in France, and Paris CBD and La Défense in particular, developments in this market determine the office division's result for 2007.

Take up of office space in Paris region came to 2.7 Mn m², just below top year 2006 (2.9 Mn m²). Tenants are looking for better services and larger space to regroup from multiple locations. In particular new or redeveloped office space, allowing efficient use, and larger (over 5,000 m²) offices were in high demand.

Available space in the CBD and La Défense decreased by 28% and 19% respectively during the year, bringing the offer of new office space to low levels. Vacancy rates came down to 3.3% in the CBD and 4.6% in La Défense. Outside these attractive locations, the immediately available office space remained stable with a 5.0% vacancy rate across the greater Paris area.

(4) Sources: Immostat, CBRE, Jones Lang LaSalle, Atisreal

The limited availability of prime office space put further upward pressure on rental levels in the CBD and La Défense. Typical new contracts in the CBD see rental levels upward of €800 per m², while La Défense prime rents amount to €530 per m². This value is expected to rise with the arrival of new high quality assets on the market.

Office space investment in France reached €20 Bn, representing 74% of the all time record of €27 Bn total investments in France.

The “subprime” crisis seems not to have had a great impact on the property investment market over 2007. Investment demand was sustained because of the healthy conditions of the rental market (continued increase in office rents) and the abundance of international capital available for investment.

More than €17 Bn was invested in offices in Paris region in 2007. The Central Business District is more attractive than ever with €4.1 Bn invested. Yield on “prime” rents reached 4%. In La Défense the yield on “prime” rents amounted to 4.75% (versus 4.6% at the end of 2006).

2.2. Office division 2007 activity

As at December 31, 2007, the office portfolio represented €5.4 Bn in asset value including transfer taxes, mainly located in France (85%).

Unibail-Rodamco’s consolidated Gross Rental Income from offices in 2007 came to €191.6 Mn, representing an increase of €55.6 Mn compared to 2006, as a result of the following two factors:

- The consolidation of ex-Rodamco office properties for the second half of 2007 added €36.3 Mn in Gross rental income: €14 Mn in the Netherlands, €11 Mn in Sweden, €4 Mn in Spain, €2 Mn in France and €2 Mn in Central Europe.
- The variation of gross rental income on the ex-Unibail office properties portfolio for the full year 2007 amounted to +€19.3 Mn.

Net Rental Income in 2007 came to €179.4 Mn, an increase of €50.4 Mn corresponding to the consolidation of Rodamco for the second semester of 2007 (+€30.8 Mn) and the variation on ex-Unibail assets (+€19.6 Mn) which breaks down as follows:

- An increase of €13.4 Mn in like-for-like net rental income, ie a 12% growth:
 - +5.3% due to indexation,
 - +5.0% for lettings and re-lettings net of departures,
 - +1.6% thanks mainly to a better ratio NRI/GRI,
 - +0.1% from renewals.
- €14.1 Mn in additional rental income from letting in Capital 8 and from 44 Lisbonne both in Paris 8th Arrondissement.
- A rental shortfall of €9 Mn due to properties sold in 2006⁽¹⁾.
- A gain of €1.2 Mn in rental income, mainly from the letting of offices in Cnit building, although most of the rental surface is currently undergoing renovation, and an indemnity for early departure on 7 place Adenauer in Paris.

(1) 41, rue Ybry in Neuilly; 189, boulevard Malesherbes-Paris 17; 31, rue du Calisée-Paris 8; 70, boulevard de Courcelles-Paris 17; Palais Hanovre-Paris 9

To give a better insight into the evolution of the net rental income of the office properties in the new Unibail-Rodamco portfolio, the figures below are shown for the full years 2006 and 2007, even though the ex-Rodamco portfolio has been consolidated since June 30, 2007.

Region	Net Rental Income (pro forma)		
	2006	2007	%
France	135,4	155,7	15.0%
Spain	6,8	7,2	5.9%
Central Europe	3,8	3,1	n.s
Nordic	16,4	16,6	1.5%
Netherlands	27,7	27,8	0.4%
Global	190,1	210,4	10.7%

Region	Net Rental Income Like-for-like (pro forma)		
	2006	2007	%
France	117,8	130,8	11.1%
Spain	6,8	7,2	5.9%
Central Europe	3,8	3,3	n.s.
Nordic	16,4	16,6	1.5%
Netherlands	23,0	25,7	11.7%
Global	167,8	183,6	9.4%

In France the leasing activity has been strong in 2007: 50,300 m² signed for €28.7 Mn of annual minimum guaranteed rents.

Leases were signed with tenants from various business sectors, such as:

- 11,500 m² let to Genegis (Société Générale) and Star GT Acquisition (Société du Louvre) at Les Villages in La Défense, now fully let.
- 44 Lisbonne Paris-9: the entire building (4,023 m²) let to AT Kearney before selling it.
- 3-5 Malesherbes Paris-8, pre-let to Salans (law firm) at the date of Unibail-Rodamco headquarters moving May 2008.
- 24 Villeneuve in Clichy (West Paris outskirts), 14,200m², fully pre-let to SNCF before delivery anticipated in May 2008.

New leases were signed with an increase in rents vs. previous leases for the same assets (+9% in Capital 8 in October 2007 compared to December 2006).

Several early departures at the tenants’ requests were registered, with €4.6 Mn of indemnity payments.

As at December 31, 2007 full year rental income generated by the office portfolio amounted to €248.1 Mn. The expiry schedule of the leases (termination option and end of lease) is shown in the following table.

Office portfolio	Lease expiry schedule			
	At date of next break option	As a % of total	At end of lease date	As a % of total
Expired	3.6	1.5%	3.6	1.5%
2008	43.2	17.4%	21.5	8.7%
2009	25.6	10.3%	16.7	6.7%
2010	44.0	17.7%	11.1	4.5%
2011	18.5	7.4%	11.6	4.7%
2012	9.1	3.7%	11.4	4.6%
2013	15.1	6.1%	46.8	18.8%
2014	4.5	1.8%	15.6	6.3%
2015	26.4	10.7%	37.7	15.2%
2016	23.3	9.4%	33.8	13.6%
2017	6.5	2.6%	7.2	2.9%
Beyond	28.3	11.4%	31.2	12.6%
M€	248.1	100%	248.1	100%

Potential rents from vacant office space in operation amounted to €18.8 Mn at December 31, 2007. The financial vacancy stood at 7% for the whole portfolio, coming down in Paris from 14.2% at year-end 2006 to 8% at year-end 2007.

As at December 31, 2007, 5.8% out of the 8% vacancy came from Capital 8 in the Paris CBD, and the part of the Cnit building not undergoing renovation. Of the Capital 8 complex total lettable area of 63,422 m², 11,428 m² (excluding inter-company restaurant) is still available.

In addition to net rental income generated by fully consolidated companies, the Group also recorded its share in the profits of the 49% stake of SCI Karanis (owner of Coeur Défense-office tower in La Défense) and consolidated under the equity method, as well as interest on a loan granted to this company, for a total net amount of €12.7 Mn. The share in SCI Karanis was sold on July 10, 2007.

2.3. Investment/divestment

Unibail-Rodamco invested €143 Mn in its office portfolio in 2007, mainly in France, including:

- €74.9 Mn in renovation works (essentially Tour Ariane and Cnit, both at Paris La Défense).
- €26.6 Mn for the construction of Villeneuve building in Clichy (France) which delivery is planned for May 2008; this building has been fully let to SNCF.
- €13.7 Mn for projects, mainly the 2 towers 'Phare' and 'Majunga' at Paris La Défense.
- The remainder included capitalised interest charges, letting fees and internal charges.

Two buildings were sold in France in 2007 for a total net disposal price of €88 Mn: 27, rue Bassano and 44, rue de Lisbonne both located in Paris. Net disposal proceeds represented a 35% premium over appraised value as at December 31, 2006.

The biggest disposal, completed on July 10, 2007, was the Group's 49% remaining stake in Coeur Défense. This disposal of the stake in the ownership company was based on the value of the building of €2 110 Mn, ie a 21% rise over appraised value as at December 31, 2006.

Two buildings (in France: in Levallois and rue Saint-Georges – Paris) are under sale commitments as at December 31, 2007 for €47.9 Mn.

The office division has a strong growth potential based on 33,222 m² of office under refurbishment and 272,700 m² of new offices⁽¹⁾ to be delivered over the next 5 years, of which:

- Villeneuve- Clichy, 14,200 m² to be delivered in May 2008.
- The ongoing refurbishment of Cnit La Défense representing 20,000 m² to be delivered in 2008.
- "Phare" and "Majunga" projects for respectively 147,000 m² and 65,000 m² of gross area building rights in Paris La Défense granted in January 2008.
- "Eiffel" project: 33,000 m² in Levallois.
- Tour Oxygène 29,600 m² near Lyon La Part Dieu.

2.4. Portfolio valuation

The office portfolio was valued at €4,983 Mn (excluding transfer taxes and disposal cost) on the balance sheet at December 31, 2007. This included:

- €4,506 Mn in assets recorded as investment properties and accordingly marked-to-market based on independent appraisals. (see following 'Net Asset Value' section)
- €48 Mn of buildings under sale agreements (1, Saint-Georges in Paris and one small building in Levallois).
- €259.8 Mn accounted for as operational buildings for internal use (3/5 Malesherbes-Paris, the present Paris office of Unibail-Rodamco, 7 Adenauer Paris, the future Paris office of Unibail-Rodamco, part of 70 Wilson, the present office of the Expositum subsidiary and Oostelijke Handelskade head quarters of Unibail Rodamco Netherlands). They are therefore stated at their historical cost.
- €169.3 Mn for projects accounted for at construction cost.

The change in the fair value of office investment properties since December 31, 2006 for ex-Unibail assets and since June 30, 2007 for ex-Rodamco assets generated a valuation result of €526.3 Mn.

3. CONVENTION AND EXHIBITION

This activity is exclusively located in France and consists of:

- Management of 7 exhibition venues (renting and on site services provided by Paris Expo to organisers and exhibitors), all located in the Paris region, the main ones being: Parc des Exposition de la Porte de Versailles, Cnit La Défense and Carrousel du Louvre.
- Trade shows, organised by Expositum.
- Net rental income from the Cnit Hilton and Méridien Montparnasse hotels, both located in Paris region.

(1) Weighted area.

Conventions-exhibitions venue management activities

Total revenues from Paris Expo came to €141.9 Mn in 2007 versus €155.2 Mn in 2006 and €139.9 Mn in 2005. Even years always generate higher revenues than odd years, since a larger number of major biennial shows⁽¹⁾ take place in even numbered years.

The apparent stability in activity versus 2005 (comparable year) was achieved despite the temporary closure of the Cnit site since March 31, 2007. Renovation works were finished in October 2007.

Paris Expo continued its growth with 47 new exhibitions hosted in 2007 as well as extending existing ones, which compensated for the slight decrease in site occupancy time per exhibition (due to shorter assembly and dismantling times).

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

Despite the temporary closing of Cnit, 190 corporate events were held on all sites of Paris Expo in 2007.

Operating income from Paris Expo's rental and service activities came to €64.2 Mn in 2007, €66.8 Mn in 2006 and €59.7 Mn in 2005. Excluding the impact of the temporary closure of the Cnit, the increase compared to the comparable year 2005 was 10.7%.

Including the hotels Méridien-Montparnasse (Paris) and Hilton-Cnit (Paris la Défense), which are part of this segment of activity, the division showed an operating profit of €76.1 Mn in 2007 (versus €78.1 Mn in 2006).

Investment at the venues managed by Paris Expo in 2007 amounted to €53.3 Mn and involved mainly the renovation works of the Cnit, which has re-opened in October 2007 and the Parc des Expositions at Porte de Versailles.

As at December 31, 2007 the convention-exhibition venues and hotel portfolio was valued on the balance sheet at €914.6 Mn (excluding transfer taxes).

Exposium activity

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

A total of 67 events were held in 2007, the most important of which was the SIMA (agricultural equipment) with a 6% increase in number of visitors compared to the previous event.

Total revenues for 2007 amounted to €94.2Mn. Exposium's contribution to Unibail-Rodamco's consolidated net operating income in 2007 came to €9.7 Mn. No comparison can be made with 2006 (€35.4 Mn) because of the seasonality as mentioned above.

The Salon du Meuble (furniture trade show) held in January 2007 had a performance below expectations and was disposed of. In 2007, Exposium acquired for an amount of €17.1 Mn, several trade shows (Property show and Tourism).

Overall

The main event for the Convention-exhibition division in 2007 was the agreement with the Paris Chamber of Commerce and Industry (CCIP), to merge the convention-exhibition activities of the two CCIP and Unibail-Rodamco entities. The final agreement has been signed on January 28th, 2008. A European market leader has been created in the field of conventions and exhibitions, regrouping the large Parisian sites under the new owner and sale brand name VIPARIS (Palais des Congrès de Paris, Palais des Congrès de Versailles, exhibition centres Porte de Versailles and Paris-Nord-Villepinte, Le Bourget, Cnit, the Carrousel du Louvre, Espace Champerret and Espace Grande Arche) as well as two major exhibition organisers (Exposium and Comexpo) under the name of Comexposium. The merged Group will be operational in the first quarter of 2008.

III. 2007 RESULT

Administrative expenses amounted to €63.3 Mn.

No comparison can be made with the previous year due to the merger of the teams and resources of Unibail and Rodamco in the second half of 2007.

One-off costs were incurred to create and organise the corporate centres in Amsterdam-Schiphol and in Paris, to merge the Unibail and Rodamco teams in France, and to analyse and harmonize the systems used by the two groups. The new organisation is now fully operational.

Cost incurred for feasibility studies of development projects amounted to €4.4 Mn in 2007.

The item 'other income' reflects:

- The result of the finance leasing portfolio of ex-Unibail (with a residual outstanding amount of €8.3 Mn as at December 31, 2007). The exercise of a call option gave rise to a non-recurring gain of €2.9 Mn.
- The net operating result (€5.1 Mn) coming from property services companies (Espace Expansion and U2M).

Longstanding disputes were solved allowing the release of provisions, while new cases have emerged, resulting in a net profit of €3.7 Mn.

(1) Paris Motor Show, housing equipment, hotel equipment (Mondial de l'Automobile, Interclima/idéobain, Equip'hôtels...)

Financial expenses

Group net financial expenses totalled €176 Mn, including capitalised financial expenses of €19.2 Mn incurred by the financing of projects under construction. Net borrowing expenses recorded in the net recurring profit thus came to €156.8 Mn.

According to IFRS rules, a debt component of the ORA has been accounted for in the balance sheet for €240.7 Mn. Accordingly, an interest charge of €6 Mn was recorded in the P&L. As it was a non cash item, it did not affect the recurring profit.

The Group's average refinancing rate came to 4 % in 2007, compared with 3.5% for the year 2006 for ex-Unibail and 3.93% for ex-Rodamco in 2006. Unibail-Rodamco's refinancing policy is described in the following section 'Financial Resources'.

Hedging instruments (swaps and caps) recorded an increase in their fair value⁽¹⁾. In accordance with the options adopted by Unibail-Rodamco for IAS 39, €58.6 Mn⁽²⁾ was recognised as profit in the non-recurring result of the income statement.

Goodwill impairment

The combination between Unibail and Rodamco was realized through a share swap, aimed at equalisation of net asset value per share and earnings per share. However, from an IFRS accounting viewpoint, it is treated as an acquisition by Unibail of Rodamco, based on Unibail trading share price at the date of the combination. Because Rodamco and Unibail, in line with peers, were trading at a significant premium on Net Asset Value at the date of the combination, a goodwill of €1.6 Bn has been generated in the books of Unibail-Rodamco.

In compliance with the relevant accounting guidelines, Unibail-Rodamco has completed the Purchase Price Allocation (PPA) in its year-end accounts.

Fair value adjustments have been established for Rodamco's project committed pipeline (€69 Mn minus €6.9 Mn of deferred tax), its assets held for sale (€67 Mn) and its fixed rate debt (€50 Mn). IFRS does not allow fair value determination of deferred tax liabilities, even though their economic (fair) value differs significantly from their book values. As a consequence, €244 Mn of Goodwill can be explained by this fact.

Unibail-Rodamco -as an investment company- revalues its entire asset portfolio to market value two times per year. External appraisers carry out these reviews, taking into account known market and company developments including the merger between Unibail and Rodamco. The resulting Net Asset Value and Net Asset Value per share as per 31 December 2007 therefore takes into account all this information. As the completion of the purchase price allocation in combination with the most recent external valuation has incorporated all known relevant valuation elements, the remaining amount of Goodwill (€1,335 Mn) was impaired, as no justification for continuation could be found.

This write off had no impact on the Recurring Net Profit nor on the Net Asset Value and will not affect the company's dividend payment capacity.

(1) Compared to December 31, 2006 for financial instruments used by Unibail and to June 30, 2007 for those used by Rodamco.

(2) Excluding part of Rodamco's derivatives designated as net investment hedge.

Tax

The income tax charge came from:

- Countries where specific tax regimes for property companies do not exist: €46.4 Mn of which €6.1Mn was recorded as recurring result.
- Activities in France which are not eligible to the SIIC regime, mainly Convention & Exhibition (on site services and organisation): €15.6 Mn of which €3.7 Mn was recorded as recurring result.

Further to new fiscal audits and the favourable outcome of longstanding tax litigations in France and Spain provisions were released resulting in a net profit of €8.6 M€.

Consolidated net profit after tax for 2007 amounted to €1,140.6 Mn (€2,475.6 Mn before goodwill impairment) against €2,377 Mn for 2006.

Minority interests in this profit amounted to €181.3 Mn. They related mainly to minority shareholders of Rodamco Europe⁽³⁾, to shopping centres in France (Les Quatre Temps and Forum des Halles) as well as to certain companies within the Expositium group.

Consolidated net profit (group share) amounted to €959.4 Mn in 2007. This figure breaks down as follows:

- €538.9 Mn in recurring net profit,
- €1,755.5 Mn in fair value adjustments and net gains on property disposals,
- -€1,335 Mn in goodwill impairment.

The average number of shares and ORAs⁽⁴⁾ in issue during this period was 68,572,581.

Recurring Earning Per Share came to €7.86 in 2007, representing a rise of 15.4% compared to 2006.

Excluding one-off items⁽⁵⁾ for a total amount of €21.2 Mn, the rise in recurring EPS would still have been above 10%.

IV. DIVIDEND

Dividend

Unibail-Rodamco maintains its policy of paying a quarterly dividend to its shareholders and made the following payments in 2007:

- January 15, 2007: second interim dividend on 2006 result of €1.
- April 15, 2007: third interim dividend on 2006 result of €1.
- July 15, 2007: remaining dividend on 2006 result of €2.
- October 15, 2007: first interim dividend on 2007 result of €1.70.

(3) 1.48% as at December 31, 2007

(4) ORA: Obligations Remboursables en Actions = bonds redeemable for shares. As the ORAs were mainly accounted as equity and as the charge corresponding to their debt component did not hit the recurring result, ORAs are considered as shares.

(5) Mainly the conclusion of longstanding disputes and interest income on sale of SCI Karanis-Coeur Défense.

On January 15, 2008, a 2nd interim dividend 2007 of €1.70 was paid and the third interim dividend of €1.70 will be paid in April 2008.

Subject to the approval of the Annual General Meeting of Shareholders on April 29, 2008, the Supervisory Board proposes to distribute a total dividend of €7.00 per share on the 2007 result.

After deducting the interim dividends paid, the balance of €1.90 would be paid on July 15, 2008.

According to the SIIC regime, the total distribution requirement, computed on the result of Unibail-Rodamco SA (statutory accounts) amounted to €358.6 Mn (€172.8 Mn in 2008 and €185.8 Mn before December 31, 2009).

The total 2007 dividend will amount to €572.3 Mn (based on the number of shares as at December 31, 2007). Thus, the requirement of the SIIC status will be totally fulfilled.

Net asset value as at December 31, 2007

Unibail-Rodamco's fully-diluted triple net liquidation NAV (Net Asset Value) amounted to €169.30 per share as at December 31, 2007, up 20.4% from year-end 2006. Over 2007, value creation amounted to €34.40 per share, by adding to NAV growth of €28.70 per share, the €5.70 dividend paid out (including ORA) in 2007.

I. PROPERTY PORTFOLIO

Unibail-Rodamco's asset portfolio grew from €23,879 Mn -including transfer taxes and disposal costs- at June 30, 2007 to €25,229 Mn by year-end 2007.

Asset portfolio valuation of Unibail-Rodamco (including transfer taxes)	December 31, 2006 Unibail		June 30, 2007				December 31, 2007 Unibail-Rodamco	
	€ Mn	%	Unibail	Rodamco ⁽¹⁾	Unibail-Rodamco		€ Mn	%
			€ Mn	€ Mn	€ Mn	%		
Shopping centres ⁽²⁾	5,523	51%	5,905	10,857	16,762	70%	18,395	73%
Offices & Industrials	3,904	36%	4,665	1,018	5,683	24%	5,393	21%
Convention-Exhibition centres	936	9%	943		943	4%	985	4%
Services (Exposium & Espace Expansion)	493	5%	492		492	2%	456	2%
Total	10,856	100%	12,004	11,875	23,879	100%	25,229	100%

(1) Due to the reclassification of some assets, the breakdown slightly differs from mid-year publication.

(2) Shopping Centres portfolio does not include Zlote Tarasy (Warsaw) which is accounted for as a pre-payment in 2007 year-end balance sheet.

Excluding Rodamco's assets, the value of Unibail's portfolio grew from €10,856 Mn at year-end 2006 to €12,476 Mn by year-end 2007. On a like-for-like basis, the value of the overall portfolio increased by €1,264 Mn net of investments, i.e. a rise of 12.6% compared with year-end 2006.

Valuation of ex-Unibail portfolio (including transfer taxes) ⁽¹⁾	December 31, 2006		December 31, 2007		Like-for-like change at Dec 31, 2007 ⁽²⁾		Like-for-like change net of investment at Dec 31, 2007	
	€ Mn	%	€ Mn	%	€ Mn	%	€ Mn	%
Shopping centres	5,523	51%	6,694	54%	754	14.6%	647	12.6%
Offices	3,904	36%	4,341	35%	703	19.9%	620	17.5%
Convention-Exhibition centres	936	9%	985	8%	48	5.1%	-5	-0.6%
Services (Exposium & Espace Expansion)	493	5%	456	4%	2	0.4%	2	0.4%
Total	10,856	100%	12,476	100%	1,507	15.0%	1,264	12.6%

(1) Based on a full scope of consolidation, including transfer taxes and disposal costs.

The valuation of the portfolio includes:

- the appraised value of the entire property portfolio;

- the market value of Unibail's equity holdings in companies consolidated under the equity method and loans granted to these companies (SCI Triangle des Gares, which owns the Euralille shopping centre).

- the appraised value of the Exposium group and of Espace Expansion at December 31, 2007 (annual appraisal).

(2) Principal changes in the scope of consolidation during 2007:

- Divestment of the Chelles 2 shopping centre, of remaining 49% stake in Coeur Défense, of 44 Lisbonne and Bassano.

- Acquisition of the Factory Outlet 'A l'Usine' (Roubaix).

- Acquisitions of co-ownership lots in Maine Montparnasse, Vélizy 2, Rennes Alma and Marseille Valentine.

- The acquisition by Exposium of three trade fair business franchises and brands for a total cost of €15.3 Mn and the divestment of the Salon du Meuble exhibition for € 17.5 Mn.

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

For the record, the value of Rodamco's portfolio appreciated from €11,102 Mn at year-end 2006 to €12,753 Mn at year-end 2007 (up 11.9% on a like-for-like basis net of investments):

Valuation of ex-Rodamco portfolio (including transfer taxes)	December 31, 2006 ⁽¹⁾		December 31, 2007		Like-for-like change at December 31, 2007 ⁽²⁾		Like-for-like change net of investment at December 31, 2007 ⁽²⁾	
	€ Mn	%	€ Mn	%	€ Mn	%	€ Mn	%
Shopping centres	10,129	91%	11,701	92%	1,258	12.7%	1,209	12.2%
Offices & Industrials	973	9%	1,052	8%	81	9.6%	73	8.7%
Total	11,102	100%	12,753	100%	1,340	12.5%	1,282	11.9%

(1) 1H2007 NAV note mentions €10,977 Mn for total valuation including transfer taxes; the difference with the €11,102 Mn comes from a standardisation of transfer taxes calculation method.

(2) Including a €86.9 Mn currency loss.

As at December 31, 2007, independent appraisers had valued 92.5% of Unibail-Rodamco's portfolio.

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

They are rotated by asset every three years.

The appraisers who have valued Unibail's portfolio since 2005 are DTZ Eurexi for the Office division, CB Richard Ellis Bourdais for the Shopping Centre division and KPMG for the Convention-Exhibition division. The Cniti-Hilton and Méridien-Montparnasse hotels have been appraised by DTZ Eurexi since 2006. The Expositum group and Espace Expansion have been appraised by PricewaterhouseCoopers since 2006.

The basis for determining the fair value of Unibail-Rodamco property portfolio is the market value, which is the estimated amount for which a property should be exchanged 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, including estimated costs that a buyer needs to make for obtaining the property. Disposal costs and transfer taxes are then deducted for the purposes of the balance sheet presented under IFRS format and the NAV calculation according to specific methods detailed in §2.7.

The remaining assets (7.5%), which have not been externally appraised as at December 31, 2007, have been valued as follows:

- At their disposal price for assets being sold (part of the highstreet shop portfolio in the Netherlands, 1 Saint-Georges and 126 Jules Guesde in France), i.e. 3.3% of the total Unibail-Rodamco asset portfolio.
- At their book value for properties under construction. These mainly represent shopping centres under development (notably Forum Nacka extension in Sweden, Benidorm & Badajoz in Spain, Pankrac in the Czech Republic and in France: Rivétoile in Strasbourg, Lyon Confluence, Docks de Rouen, Le Havre, Passages Mériadeck and Aéroville) and office developments (Phare and Majunga at La Défense, Tour Oxygène in Lyon and Clichy), accounting for 2.9% of Unibail-Rodamco's total portfolio.
- At their acquisition cost for assets purchased during the preceding six-month period, including principally 4 Go Sport shops and the 3 'Printemps' lots acquired in the Vélizy 2, Rennes Alma and Marseille La Valentine shopping centres. These assets represent 1.3% of the total Unibail-Rodamco portfolio.

1. SHOPPING CENTRE PORTFOLIO

The value of Unibail-Rodamco's shopping centre portfolio is the addition of the value of each individual asset. Accordingly, no value is placed on Unibail-Rodamco's market share.

Valuation methodology

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

Parking spaces currently in service are also valued using discounted cash flows.

Evolution of Unibail-Rodamco's Shopping Centre valuation

The value of Unibail-Rodamco's Shopping Centre Portfolio came to €18,395 Mn at December 31, 2007, including transfer taxes and disposal costs.

Shopping Centre portfolio by region	Valuation including transfer taxes in € Mn	Valuation excluding estimated transfer taxes in € Mn ⁽¹⁾	Net initial yield ⁽²⁾ Dec. 31, 2007	Net initial yield ⁽²⁾ June 30, 2007
France ⁽³⁾	9,067	8,672	4.3%	4.4%
Netherlands & Belgium	3,722	3,485	5.5%	5.7%
Nordic ⁽⁴⁾	2,072	2,047	4.8%	4.9%
Spain	1,954	1,906	5.1%	5.1%
Central Europe	1,581	1,554	5.8%	5.9%
Total	18,395	17,664	4.8%	4.9%

(1) Valuation excluding estimated transfer taxes and disposal costs (see §2.7).

(2) Annualised rent (including latest indexation) net of expenses, divided by the value of the portfolio net of estimated transfer taxes and disposal costs. Equity accounted for shopping centres (Euralille) and shopping centres under development are not included in the calculation.

Net initial yield on Rodamco's shopping centres comparable to Rodamco's figures on December 31, 2006 (i.e. based on gross open market value including transfer taxes) amounts at December 31, 2007 to 4.9%, with a net initial yield of 4.2% for French assets, 5.1% in the Netherlands & Belgium, 4.7% in Nordic countries, 5.0% in Spain and 5.7% in Central Europe.

(3) For France, the yield - based on the asset value excluding estimated transfer taxes and disposal costs - came to 4.3% as at December 31, 2007, compared with 4.6% as at December 31, 2006.

(4) In the Nordic Countries, offices tend to be integrated in shopping centres. Therefore yield relates to the combined valuation of offices and retail. According to external appraisals, retail represents 87% of Swedish portfolio against 77% in previous estimations.

Part of the highstreet shops portfolio in the Netherlands was under sale agreements at December 31, 2007. The valuation adopted based on the future selling price implied an increase of 11.9% compared with the appraisal value at mid-year 2007.

Like for Like analysis:

On a like-for-like basis⁽¹⁾, the value of the French Shopping Centre portfolio, including transfer taxes and disposal costs, rose by €754 Mn (+14.6%) compared with year-end 2006. Restated for capital expenditure, capitalised financial expenses, leasing expenses and eviction costs, the value of the Shopping Centre portfolio rose by 12.6% on a like-for-like basis breaking down into +6.9% from the increase in revenues of shopping centres and +5.7% due to changes in yield.

Compared with mid-year 2007, the value of the French Shopping Centre portfolio - including ex-Rodamco portfolio and net of investments - rose by 6.9% on a like-for-like basis breaking down into +4.9% from the increase in revenues of shopping centres and +2.0% due to changes in yield.

Like-for-like evolution net of investments compared with mid-year 2007 for Unibail-Rodamco shopping centres is the following:

Shopping Centre – Like for Like evolution ⁽¹⁾ , H2 2007	Like for Like evolution ⁽¹⁾ in € Mn	Like for Like evolution ⁽¹⁾ in %	Like for Like evolution ⁽¹⁾ - Rent impact	Like for Like evolution ⁽¹⁾ - Yield impact
France	528	6.9%	4.9%	2.0%
Other regions ⁽²⁾	258	2.9%	1.9%	1.0%
Total	786	4.8%	3.4%	1.4%

(1) Like for like evolution net of investments from June 30 to December 31, 2007.

(2) Total of Netherlands & Belgium, Nordic, Spain and Central Europe regions.

Shopping centre development and extension projects

Shopping centre development and extension projects have not been assigned a market value, despite the potential capital gains, but are valued at their historical cost until delivery. These mainly comprise:

- In France: Strasbourg-Rivétoile, Lyon Confluence, Docks de Rouen, Le Havre, Passages CMK in Bordeaux, Versailles-Chantiers, the Eiffel project in Levallois, the retail portion of the Cnit undergoing restructuring and the Aéroville project (Paris Charles de Gaulle airport).
- In the Rest of Europe: Forum Nacka in Sweden, Badajoz and Benidorm in Spain, Pankrac and Centry Most in the Czech Republic, as well as the Donauzentrum extension in Austria.

At December 31, 2007, Shopping Centre development projects represented a total historical cost of €628.5 Mn on the balance sheet of Unibail-Rodamco.

2. OFFICE PORTFOLIO

Valuation methodology

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

(1) The portfolio deriving from Rodamco France (eleven assets with a value including transfer taxes of € 2,373 Mn) is not included in the like-for-like analysis with year end 2006.

Evolution in Unibail-Rodamco's Office valuation

The value of the Office Portfolio stood at €5,393 Mn at December 31, 2007:

Office portfolio by region	Valuation (including transfer taxes)	
	€ Mn	%
France ⁽¹⁾	4,560	85%
Netherlands & Belgium	395	7%
Nordic ⁽²⁾	216	4%
Spain (Industrials)	151	3%
Central Europe	71	1%
Total	5,393	100%

(1) Including rue du Faubourg Saint-Honoré (Paris) and Tour Oxygène (Lyon) assets, which belonged to Retail portfolio in 1H2007.

(2) According to external appraisals, office represents 13% of Swedish portfolio against 23% in previous estimations.

Based on asset value, excluding estimated transfer taxes and disposal costs, the Office division's potential yield at December 31, 2007 came to 5.4%.

Valuation of occupied office space	Valuation including transfer taxes in € Mn	Valuation excluding estimated transfer taxes in € Mn	Potential yield ⁽¹⁾
France	4,560	4,397	5.2%
Netherlands & Belgium	395	369	6.8%
Nordic ⁽²⁾	216	213	5.0%
Spain (Industrials)	151	147	5.8%
Central Europe	71	69	8.3%
Total	5,393	5,195	5.4%

(1) Potential rental income on office space divided by the value of the portfolio excluding estimated transfer taxes and disposal costs.

(2) In Nordic Countries, offices tend to be integrated in shopping centres. Therefore yield relates to the combined valuation of offices and retail.

French Office Portfolio

On a like-for-like basis⁽¹⁾, the value of Unibail's office portfolio, including transfer taxes and disposal costs, has risen by €703 Mn since year-end 2006, i.e. an increase of 19.9%. After accounting for the impact of capital expenditure and capitalised financial and leasing expenses, the valuation of the Office portfolio, on a like-for-like basis, has risen by 17.5% breaking down into +6.9% from the increase of rents and lettings and +10.6% due to changes in yield.

Compared with mid-year 2007, the value of the French office portfolio -including ex-Rodamco portfolio and net of investments- rose by 2.0% on a like-for-like basis breaking down into -1.0% due to changes in yield and +3.0% from the increase in revenues of offices.

(1) The portfolio deriving from Rodamco France (four assets with a value including transfer taxes of € 220 Mn) is not included in the like-for-like analysis with year end 2006.

French Office portfolio by sector	Valuation (including transfer taxes) ⁽¹⁾	
	€ Mn	%
Paris CBD	1,987	44%
Neuilly-Levallois-Issy	719	16%
La Défense	1,672	37%
Other	182	4%
Total	4,560	100%

(1) Valuation including transfer taxes and disposal costs of all office portfolio assets.

Based on asset value, excluding estimated transfer taxes and disposal costs, the Office division's yield for occupied offices at December 31, 2007 came to 5.1%. This yield was 50 basis points lower than at year-end 2006.

Valuation of French occupied office space	Valuation including transfer taxes in € Mn ⁽¹⁾	Valuation excluding estimated transfer taxes in € Mn ⁽²⁾	Net initial yield ⁽³⁾	Average price €/m ² ⁽⁴⁾
Paris CBD	1,559	1,514	4.5%	15,802
Neuilly-Levallois-Issy	717	677	5.8%	6,206
La Défense	1,450	1,398	5.4%	8,492
Other	105	100	5.6%	3,696
Total	3,831	3,689	5.1%	9,517

(1) Valuation (including transfer taxes) of occupied office space as at December 31, 2007, based on the appraiser's allocation of value between occupied and vacant space. Excluding space undergoing restructuring and vacant space.

(2) Valuation, excluding estimated transfer taxes and disposal costs (see § 2.7), of occupied office space as at December 31, 2007, based on the appraiser's allocation of value between occupied and vacant space. Scope identical to note (1) above.

(3) Annualised rent (including latest indexation) net of expenses, divided by the value of occupied space net of estimated transfer taxes and disposal costs.

(4) Based on the scope described in note (2), excluding estimated transfer taxes, except for the parking spaces at 68/82 rue du Maine-Paris 14th arrondissement. Restatement of parking spaces on the basis of €30,000 per space for Paris CBD and Neuilly-Levallois-Issy, and €15,000 for other areas.

Two assets were under sale agreements at December 31, 2007 namely 126 Jules Guesdes already under sale agreement at year-end 2006 and 1 Saint-Georges whose valuation adopted based on the future selling price implied an increase of 25.8% compared with the appraisal value at year-end 2006.

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

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

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

The valuation methodology used by DTZ Eurexi to determine the fair market value of the Méridien-Montparnasse hotel premises at December 31, 2007 consists of capitalising the fixed portion of annual income, plus discounting cash flows representing the variable portion of rents. The discounted cash flow model has been adopted for the Cnit-Hilton hotel (operating under an operational lease agreement).

Evolution of the Convention-Exhibition Centres valuation

In view of the above, the value of Convention-Exhibition centres (including hotels), including transfer taxes and disposal costs, came to €985 Mn as at December 31, 2007, almost stable (down 0.6%) on a like-for-like basis, net of investments, compared with year-end 2006.

Convention-Exhibition Portfolio including transfer taxes (€ Mn)	Dec 31, 2006	Dec 31, 2007	Like-for-like change net of investments	
			€ Mn	%
Paris Expo ⁽¹⁾	740	778	-15	-2.1%
Hotels: Méridien Montparnasse and Cnit Hilton	196	206	10	5.2%
Total	936	985	-5	-0.6%

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

The value of the Convention-Exhibition venues (Paris Expo) increased by €38 Mn over the year (+5.1%). On a like-for-like basis and net of investments, a decline of 2.1% compared to year-end 2006 resulted from completed investments (mainly the Cnit), as the discount rate also remained stable over the year.

Based on these valuations, the average initial yield on Paris Expo at December 31, 2007 (2007 recurring operating profit divided by the value of the asset, excluding transfer taxes and costs) was 8.8% (excluding the Cnit, which underwent restructuring during part of the period), down slightly on the 9.1% yield at year-end 2006.

The valuations of the Cnit-Hilton and Méridien-Montparnasse hotels increased over the year by a total of €10 Mn, an increase of 5.2%.

4. SERVICES

PricewaterhouseCoopers appraised for the second time as at December 31, 2007 the value of the Expositum group, a trade show organisation business and related exhibitions, as well as Espace Expansion, a company specialised in the promotion, marketing and management of property assets, in order to include at their market value all significant intangible assets in the portfolio in the calculation of Unibail-Rodamco's NAV.

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

Valuation methodology

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

Evolution of the Services valuation

Service companies are valued on an annual basis. At December 31, 2007, the market value of Espace Expansion companies and the Expositum group was €456 Mn, almost stable (+0.4%) on a like-for-like basis compared with year-end 2006.

The change in value is mainly attributable to the change of scope of consolidation, and in particular to the acquisition of three trade shows, the disposal of the furniture exhibition (Salon du Meuble) and the cancellation of the Paris Numeric Show exhibition.

II. TRIPLE NET LIQUIDATION NAV CALCULATION

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

1. CONSOLIDATED SHAREHOLDERS' EQUITY

At December 31, 2007, consolidated shareholders' equity (Group share) came to €14,603.7 Mn.

Shareholders' equity, Group share incorporated net recurring profit of €538.9 Mn, €1,756 Mn of capital gain on sales of properties, fair value adjustments on property assets and on derivative financial instruments, and a €1,335 Mn impairment of goodwill.

The debt component of the ORAs, recognised in the financial statements (€240.7 Mn) was added to shareholders' equity for the calculation of NAV. At the same time, all ORAs were treated as equity shares.

A receivable of €153.9 Mn was recognised as at December 31, 2007 in respect of shareholders and ORA holders representing the dividend instalment due, being €1.70 per share, which was paid on January 15, 2008. This amount, which was deducted from the shareholders' equity shown on the consolidated balance sheet as at December 31, 2007, was added back for the calculation of NAV.

2. ADJUSTMENTS LINKED TO RODAMCO'S COMBINATION

The remaining goodwill (€244 Mn) which corresponds to the value of tax optimisation on Rodamco's assets at the date of the combination was deducted at that step, as the optimisation of deferred taxes and transfer taxes was computed for the Unibail-Rodamco portfolio as a whole (see below).

For the calculation of the triple net asset value, Unibail has always accounted the projects at their historical cost.

To be fully consistent, the value recognised for Rodamco's projects in the purchase price allocation and recorded in Unibail-Rodamco's balance sheet was deducted (€47.5 Mn)

3. UNREALISED CAPITAL GAINS ON THE PROPERTY PORTFOLIO

The only unrealised capital gains to be taken into account at December 31, 2007 were those arising from the valuation of operating fixed assets carried on the balance sheet at historical cost because they are owner occupied by Unibail-Rodamco's teams. They related to the property at 5, bd Malesherbes-Paris 8th arrondissement⁽¹⁾, and part of the property at 70 Wilson at La Défense⁽²⁾, on which the unrealised capital gain stood at €91.5 Mn, excluding estimated transfer taxes and disposal costs. In Amsterdam, Unibail-Rodamco's Dutch operations are based in the company's own property at the Oostelijke Handelskade.

4. CAPITAL GAINS ON SERVICES

The appraisal of Expositium and Espace Expansion gave rise to an unrealised capital gain of €111 Mn which was added for the NAV calculation.

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

5. MARK-TO-MARKET VALUE OF DEBT

In accordance with IFRS, derivative financial instruments were recorded on Unibail-Rodamco's balance sheet at their fair value and their impact included in the consolidated shareholders' equity. Only fixed-rate debt was not accounted for at its fair value: nominal value for ex-Unibail debt and fair value at the date of the combination (June 30) for ex-Rodamco debt. Taking fixed rate debt at its fair value would have had a positive impact of €53.7 Mn. This impact was taken into account in the NAV calculation.

6. ADJUSTMENT OF CAPITAL GAINS TAXES

In accordance with accounting standards, deferred tax on property assets was only calculated on a theoretical basis on the consolidated balance sheet as at December 31, 2007. For the purpose of the NAV calculation, deferred tax on unrealised capital gains on assets not qualifying for tax exemption (SIIC or FBI regime), are recalculated and replaced by taxes actually payable, should a disposal take place.

This resulted in an adjustment of €359.7 Mn to the NAV calculation.

(1) The Group's head office

(2) Expositium's head office

7. RESTATEMENT OF TRANSFER TAXES AND DISPOSAL COSTS

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

As at December, 2007, these estimated transfer taxes and other disposal costs compared to transfer taxes and costs already deducted from asset values on the balance sheet (in accordance with IFRS) came to an adjustment of €201.9 Mn.

8. TREASURY SHARES AND SECURITIES GIVING ACCESS TO SHARE CAPITAL

Unibail-Rodamco held 11,157 treasury shares as at December 31, 2007. The corresponding equity was deducted from the shareholders equity and the number of shares reduced accordingly.

Moreover, the exercise of stock-options and allotment of bonus shares outstanding at December 31, 2007 would have led to a rise in the number of shares of 2,211,741, increasing shareholders' equity by €265.9 Mn.

As at December 31, 2007, the fully-diluted number of shares taken into account for the NAV calculation totalled 93,279,736, including the ORAs and the dilutive impact of stock-options and bonus shares.

Unibail-Rodamco's triple net liquidation NAV (Group share) thus stood at €15,790 Mn or €169.30 per share (fully-diluted) as at December 31, 2007, an increase of 20.4% compared with year-end 2006.

Value creation during the year amounted to €34.40 per share, by adding to NAV growth of €28.70 per share, the €5.70 dividend paid out (including ORA) in 2007.

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

Evolution of triple net liquidation NAV Dec. 31, 2006 to Dec. 31, 2007		Nb of shares
Fully diluted NAV per share as at Dec. 31, 2006 (€)	140.6	48,004,323
Revaluation of property assets (excluding Cœur Defense)	14.2	
Revaluation of Cœur Defense at the sale price	4.3	
Recurring net profit	3.9	
Distribution in H1-2007	-1.9	
Mark-to-market of debt and financial instruments	2.3	
Variation in transfer taxes & deferred taxes adjustments	-1.4	
Other	-0.1	
Fully diluted NAV per share as at June 30, 2007 before PEO	161.9	48,031,991
Consolidation of 79,63% of Rodamco	-2.2	
Fully diluted NAV per share as at June 30, 2007 (€)	159.7	85,312,925
Consolidation of 16.11% of Rodamco (subsequent offer period)	-0.9	92,826,200
Revaluation of Unibail-Rodamco property assets in H2	7.7	
Capital gain on disposals	0.2	
Recurring profit H2	3.8	
Distribution in H2-2007 (including ORA)	-3.5	
Mark-to-market of debt and financial instruments	0.9	
Variation in transfer taxes and deferred taxes adjustments	0.6	
Other	0.8	
Fully diluted NAV per share as at December 31, 2007	169.3	93,279,736

Triple net liquidation NAV (€ Mn)	Unibail		Unibail-Rodamco	
	December 31, 2006	June 30, 2007 before Public Exchange Offer	June 30, 2007	December 31, 2007
Consolidated shareholders' equity	6,053.1	7,065.3	13,999.0	14,603.7
Amounts owed to shareholders	46.1	92.3	166.9	139.2
Bonds redeemable for shares (restatement of debt component)			249.6	240.7
Amounts owed to bonds redeemable for share				14.7
Deduction of the goodwill on exchange offer			-1,655.6	-244.0
Deduction of pipeline fair value recognised in PPA(1) net of deferred tax				-47.5
Fair value adjustment				
Property excluding investment properties	58.5	84.9	84.9	91.5
Exposium & Espace Expansion	150.7	150.7	150.7	111.0
Fixed-rate debt (ex-Unibail)	4.8	15.5	15.5	23.3
Fixed-rate debt (ex-Rodamco)				30.4
Adjustment to taxes				
Deferred tax on capital gains on property assets (balance sheet)	105.9	109.8	636.4	806.4
Actual tax	-7.3	-7.6	-351.7	-446.7
Adjustment to transfer taxes and disposal costs				
Taxes already deducted from value of assets in balance sheets	471.7	467.5	647.1	766.6
Actual transfer taxes	-302.9	-370.4	-487.9	-564.7
Impact of rights giving acces to share capital				
Potential impact of stock options granted	169.4	168.2	168.2	265.9
Triple net liquidation NAV	6,750.0	7,776.2	13,623.1	15,790.3
Fully diluted number of shares	48,004,323	48,031,991	85,312,925	93,279,736
Fully diluted triple net liquidation NAV per share	€140.6	€161.9	€159.7	€169.3
% Change vs 31.12.2006		15.1%	13.6%	20.4%

(1) For the portion of the acquisition generating goodwill.

Financial Resources

The Unibail-Rodamco Group emanates from the combination of Unibail and Rodamco, through an exchange offer declared unconditional on 21 June 2007 for Unibail shares and Unibail redeemable bonds ('ORA')⁽¹⁾ issued in exchange for existing outstanding Rodamco shares. Consequently, Unibail-Rodamco consolidates Rodamco as of 30 June 2007.

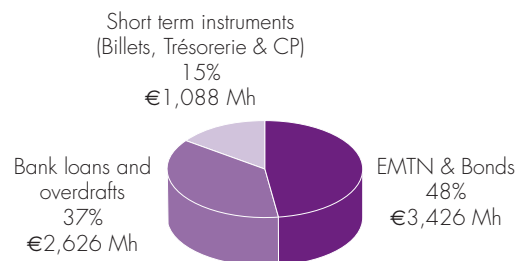
A subsequent offer was completed on 10 July 2007 allowing the Group to own 95.74% of Rodamco shares. Besides, following the exchange offer, Unibail-Rodamco bought 2.8% of Rodamco shares on the market for a total amount of 238.7 M€.

At year-end 2007, Unibail-Rodamco owned 98.52% of Rodamco shares. Unibail-Rodamco initiated a statutory squeeze out proceeding of the remaining Rodamco shares on 14 December 2007.

It has been assumed for the sake of computing Unibail-Rodamco's debt that ORA had a 100% equity content⁽²⁾.

On 31 December 2007, the Group's total net debt includes both Unibail's and Rodamco's debt. The financial expenses of the Group for 2007 include financial expenses from Rodamco only in H2 2007.

No loans were subject to prepayment clauses linked to the Company's ratings⁽⁴⁾.



I. DEBT STRUCTURE AT 31 DECEMBER 2007

Consolidated gross financial debt at 31 December, 2007 amounted to €7,140 Mn.

1. DEBT BREAKDOWN

Unibail-Rodamco's gross financial debt as at 31 December 2007 breaks down as follows:

- €3,426 Mn in bond issues, of which €1,320 Mn in Euro Medium Term Notes (EMTN) of Unibail's programme and €1,606 Mn in EMTN of Rodamco's programme, the remainder, €500 Mn, in Rodamco bonds;
- €1,088 Mn short term issues of which €473 Mn in French commercial paper (*billets de trésorerie*) and €615 Mn under Rodamco Commercial Paper Programme⁽³⁾;
- €2,626 Mn in bank loans, including €2,100 Mn in corporate loans, €506 Mn in mortgage loans and €20 Mn in bank overdrafts.

(1) ORA = Obligations Remboursables en Actions Unibail-Rodamco.

(2) Consequently, the €240.6 Mn of the ORA recognised as debt are included in shareholders' funds – this approach is consistent with treatment of the ORA by S&P. For more information on ORA, see the section "Other significant operations".

(3) Short term paper is backed by confirmed credit lines (see 1.2).

2. FUNDS RAISED

During 2007, new financial resources for Unibail-Rodamco were obtained from both the money-market by issuing commercial paper and *billets de trésorerie*, and the bank loan market: more specifically, €870 Mn new bilateral loans have been concluded during the last 2007 quarter with several banks on a maturity between 1 year to 6 years. Those new lines give more flexibility on liquidity to the Group.

Unibail-Rodamco has signed additional lines since the beginning of the year for another €270 Mn as at 25 March 2008 (among which €60 Mn at Rodamco's level).

(4) Barring exceptional circumstances (change in control).

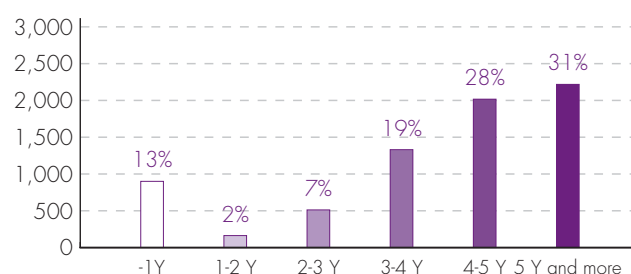
Unibail-Rodamco's refinancing operations over the year 2007 break down as follows:

- €870 Mn in new bilateral loans with a maturity of 1 year to 6 years and an average margin of 30 bp above Euribor. Only €270 Mn (out of €870 Mn) were drawn at the end of December 2007.
- A drawdown of €382 Mn was made from the 7-year syndicated bank loan of €700 Mn which was signed in May 2006. This implies that €640 Mn of this loan are drawn as of 31 December 2007.
- In May 2007 Rodamco executed a €140 Mn 5-year credit facility in Czech Koruna equivalent via its subsidiary Centrum Praha JIH-Chodov s.o.r.. This facility was fully drawn as at 31 December 2007.
- A total amount of €489 Mn in short term loans from money brokers have been raised or rolled over at the level of Rodamco. There was €125 Mn outstanding as at 31 December 2007.
- €3,703 Mn in commercial paper. €2,049 Mn in commercial paper (billets de trésorerie) issued at the level of Unibail-Rodamco with a maturity of up to one year and an average outstanding amount of €196.5 Mn. Rodamco raised or rolled over €1,654 Mn during 2007 with an average outstanding amount of €362 Mn.
- The commercial paper programmes (one existing at Unibail-Rodamco's level (*billet de trésorerie*) and another one at Rodamco's level) are backed by confirmed credit lines⁽¹⁾. These credit lines protect Unibail-Rodamco against the risk of a temporary or more sustained absence of lenders in the short or medium term debt markets. As at 31 December 2007 the total amount of these confirmed credit lines came to €1,273 Mn. These credit lines were provided by leading international banks. Their average duration is 4 years. As at 31 December 2007, €110 Mn of these confirmed credit lines were drawn. Besides the €1,273 Mn committed syndicated credit facility, Unibail-Rodamco has other committed lines, generally used directly by its subsidiaries, for a total amount of €61 Mn. These lines are used for day-to-day cash and working capital management.

Unibail-Rodamco's cash surplus was limited in 2007, amounting to an average over 2007 of approximately €77 Mn. These surpluses were mainly invested in diversified low-risk money-market unit trusts (SICAV) or in overnight deposits with various, creditworthy banks.

3. DEBT MATURITY

The following chart illustrates Unibail-Rodamco's debt as at 31 December 2007 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.



Nearly 80% of the debt had a maturity of more than 3 years as at 31 December 2007 (after taking into account undrawn credit lines).

The average maturity of Unibail-Rodamco's debt as at 31 December 2007, taking into account the confirmed unused credit lines⁽²⁾, stood at 4.1 years (4.7 years as of 31 December 2006⁽³⁾).

4. AVERAGE COST OF DEBT

Unibail-Rodamco's average refinancing rate came to 4.0% over 2007. This average refinancing rate includes Rodamco's debt and financial expenses in H2 2007. On a proforma basis, it stands at 4.1% over 2007. It stands stable in comparison with 2006 (3.5% for Unibail on a stand alone basis for 2006 and 3.9% for Rodamco in 2006). This average cost of debt results from the level of margins on existing borrowings and the interest rate risk hedging programme implemented in 2003 and significantly built up in 2005 and the beginning of 2006 at Unibail's level.

II. RATINGS

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

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

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

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

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

(2) Including the undrawn part of bank loans.

(3) Unibail on a stand-alone basis as of 31 December 2006.

III. MARKET RISK MANAGEMENT

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

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

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

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

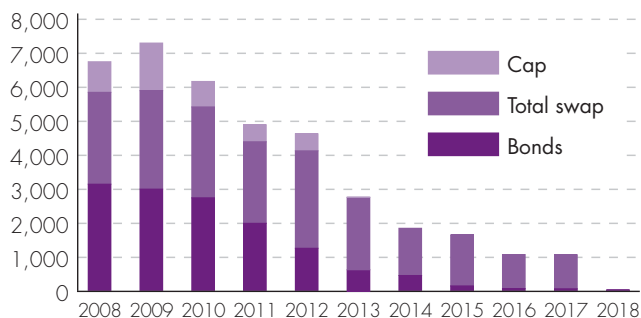
1. INTEREST RATE RISK MANAGEMENT

1.1. Interest rate hedging transactions

Unibail-Rodamco reinforced its already existing hedging portfolio at the end of 2007 by taking additional hedging. Unibail-Rodamco entered in €350 M swaps covering 2008 and €500 M of 4-year caps beginning in 2009.

In early 2008, taking advantage of attractive interest rates level, hedging transactions have been added to the portfolio, to hedge 2009 and 2010.

Annual projection of average hedging amounts and fixed rate debt (€ Mn)



The graph above shows:

- The part of debt which is kept at fixed rate, corresponding mainly to Rodamco's bonds.
- The hedging instruments used to hedge the variable rate loans and fixed rate debt immediately converted into variable-rate debt through 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, it applied a cash flow hedge accounting policy according to IFRS for some of its derivative instruments.

1.2. Measuring interest rate exposure

As at 31 December, 2007, net financial debt stood at €7,024 Mn, excluding partners' current accounts and after taking cash surpluses into account (€116 Mn).

This outstanding debt was hedged at 83% against an increase in variable rates, as at 31 December 2007 through both:

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

Based on Unibail-Rodamco's debt situation as at 31 December 2007 and hedging instruments in place in the Group, if interest rates (Euribor, Stibor or US Libor) were to rise by an average of 1%⁽¹⁾ (100 basis points) during 2008, the resulting increase in financial expenses would have an estimated negative impact of -€11.1 Mn on recurring net profit. A further rise of 1% would have an additional adverse impact of -€11.1 Mn. Conversely, a 1% (100 basis points) drop in interest rates would reduce financial expenses by an estimated €17.3 Mn and would enhance 2008 recurring net profit by an equivalent amount.

(1) The eventual impact on exchange rates due to this theoretical increase of 1% in interest rates is not taken into account; theoretical impact of rise in interest rates are calculated above a Euribor3 months of 4.40% and a Stibor3months of 4.55%.

2. MANAGING AND MEASURING CURRENCY RISK EXPOSURE

The Group through Rodamco has activities and investments in countries outside the euro-zone, primarily in Sweden. When converted into euros, the income and value of the Group net investment may be influenced by fluctuations in exchange rates against the euro. Wherever possible, the Group aims to match foreign currency income with expenses in the same currency, reducing the exchange effects on earnings volatility and net valuation of the investment. Translation risks are hedged by either

matching cash investments in a specific currency with debt in the same currency, or using derivatives to achieve the same risk management-driven goal. This hedge policy excludes revaluations, capital expenditures and deferred tax. Currency risk during the building period of pipeline investments is covered as early as possible after signing of the actual building contract. Other monetary assets and liabilities held in currencies other than the euro are managed by ensuring net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short-term balances.

Main foreign currency positions⁽¹⁾ (in € Mn)

Currency	Assets	Liabilities	Net Exposure	Hedging instruments	Exposure net of hedges	Managed exposure net of hedges
SEK	1,749	629	1,119	594	526	10
DKK	306	95	212	127	85	38
HUF	2		2		2	2
USD	206	63	143	43	100	1
SKK		0	0		0	0
CZK	13	152	-139	-151	12	12
PLN	1		1		1	1
Total	2,277	940	1,338	612	726	64

The main exposure kept is in Swedish Krona. The sensitivity of 2008 recurring result⁽²⁾ to a 10% change in the exchange rate Swedish Krona / Euro is limited to €3.2 Mn.

A 10% change in the EUR/SEK exchange rate would have a €48 Mn impact on shareholders' equity.

IV. FINANCIAL STRUCTURE

As at 31 December 2007, the portfolio valuation (including transfer taxes) of the Unibail-Rodamco group amounted to €25,229 Mn.

1. DEBT RATIO

As at 31 December 2007, the 'net financial debt/portfolio valuation' ratio calculated for Unibail-Rodamco was set at 28% in line with the levels recorded at 30 June 2007 (26%) and 31 December 2006 (25% for Unibail on a stand alone basis and 30% for Rodamco⁽³⁾).

2. INTEREST COVERAGE RATIO

The recurring net operating profit interest coverage ratio for Unibail-Rodamco came to 4.3x for 2007. This ratio includes Rodamco's financial expenses and recurring net operating profit over H2 2007. It is in line with the high levels achieved in recent years (4.6x in 2006). This level was due to: (i) the low level of the Group's average debt, (ii) the tightly controlled cost of debt and (iii) income growth.

Financial ratios	30 June 2007	31 Dec. 2007
Net financial debt/ market value of portfolio	26%	28%
Recurring net operating profit interest coverage ratio ⁽⁴⁾ (Unibail-Rodamco proforma)	3.9x	4.0x

As per 31 December 2007, the pro-forma ratio of the combined entity, calculated by adding income and financial cost of Unibail and Rodamco on the full year 2007, stood at 4.0x.

(1) Managed exposure is the remaining exposure after exclusion of accepted exposures resulting from capex, revaluations and deferred taxes.

(2) The sensitivity is measured by applying a change in exchange rate to the net revenues in SEK (net rents – financial expenses)

(3) The portfolio valuation used includes transfer taxes.

(4) Calculation based on the '[total recurring operating results + total general expenses and other income less depreciation and amortization]/[recurring net financial expenses, including capitalized interest]'. Pro forma figures including full year 2007 Unibail and Rodamco.

V. OTHER SIGNIFICANT OPERATIONS

1. ISSUE OF ORA

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

- Each ORA will be redeemed by the delivery of one Unibail-Rodamco ordinary share⁽²⁾.
- ORA holders may at any time after the expiry of a non-redemption period of three months from the date of issue request the redemption of their ORA into Unibail-Rodamco shares.
- Issuer's call option: applicable after 12 years.
- Nominal value : €196.60.
- Coupon: each ORA holder will receive a coupon equal to the dividend paid on Unibail-Rodamco shares with a minimum amount of 1.5% of the nominal value of the ORA and a maximum of 17.5%.
- Maturity date: the ORA will mature on June 25, 2057.

As at 31 December 2007, the number of ORAs outstanding is 9,317,178 after the conversion of 46,530 of ORAs in Unibail-Rodamco shares.

(1) For more information on the ORA, please consult the *Note d'Opération* document of the Exchange Offer.

(2) This redemption ratio may be adjusted based on the anti-dilution provisions.

Human resources

The year 2007 was the year of the successful combination between two strong organisations, Unibail and Rodamco Europe.

Employees' commitment and dedication are key for the success of the combined Group, the smooth integration of teams, the sharing of the best practices and the build-up of a new corporate culture.

The Group has always paid strong attention to its staff, their training and career development.

Human resources drivers are detailed in Sustainability section (page 52-59).

I. EMPLOYMENT

All figures presented are proforma, i.e. totaling former groups from January 1, 2007.

In 2007, the proforma average headcount for the Group was 1,557 employees.

This figure broke down as follows:

Countries	Average Headcount	%
Austria	62	4.0
Denmark	22	1.4
Spain	131	8.4
France	993	63.8
Netherlands	143	9.2
Poland	27	1.7
Czech Republic	37	2.4
Russia	5	0.3
Sweden	137	8.8
Total	1,557	100

Activities	Average Headcount	%
Offices	31	2.0
Shopping Centres	678	43.5
Convention-Exhibitions	412	26.5
Headquarters	436	28.0
Total	1,557	100

1. EMPLOYEE MOVEMENTS IN 2007

New recruits		Departures	
Permanent contracts	216	Resignations	72
Temporary contracts	90	Dismissals	62
		Retirements	4
Apprenticeship/ professional training contracts	49	Departures during probationary period	27
		Expiry of temporary contracts	47
Total	355	Total	212

2. ORGANISATION OF WORK TIME

Unibail-Rodamco entities have introduced 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 autonomous 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.

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

Sickness absences totalled 9,400 working days (2,45% of total working days) and maternity leave represented 7,000 working days (1,82% of total working days).

3. REMUNERATION POLICY

Average gross salary (annual fixed salary+individual bonus/12) and male-to-female ratios (France)

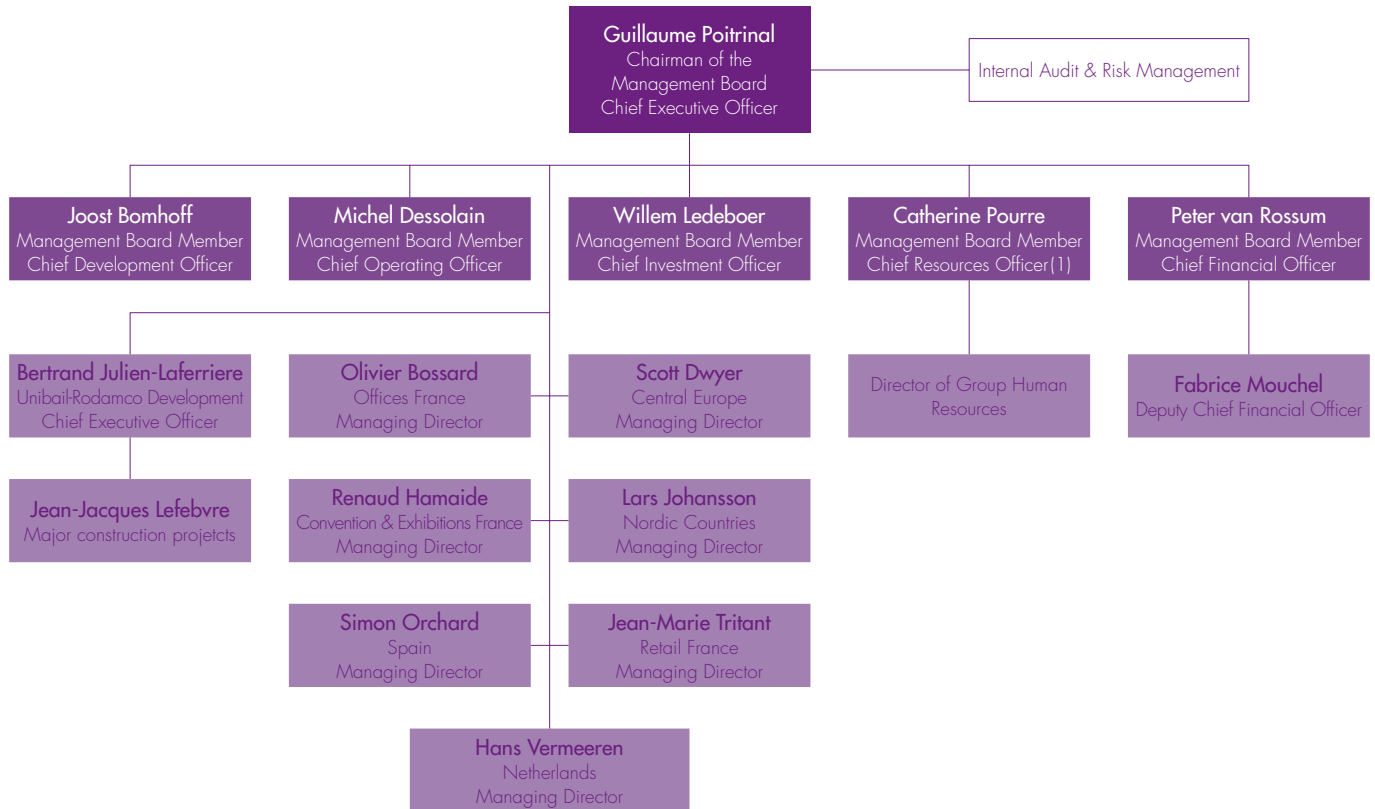
	Female		Male	
	% of employees in the same category	Average gross salary monthly	% of employees in the same category	Average gross salary monthly
Communication/Marketing	71%	3,661	29%	3,988
Commercial/Leasing	47%	6,112	53%	5,110
Accounting / Reporting	59%	2,950	41%	3,561
Legal services	80%	4,686	20%	3,180
Asset & Investment management	26%	5,330	74%	5,702
Maintenance & Security	9%	5,266	91%	3,886
Directors	32%	11,044	68%	12,052
Personal Assistants	99%	2,605	1%	2,308
Globally	55%	3,644	45%	5,374

On a like-for-like headcount basis, salaries increased by an average of 5% of total salary costs.

II. EMPLOYEE RELATIONS

Keen to enhance employee relations, Unibail-Rodamco has put in place employee representative bodies in the various European countries where the Group operates, in compliance with local labour laws.

III. SIMPLIFIED ORGANISATION STRUCTURE AS AT DECEMBER 31, 2007



- Management Board Members
- Management Team Members

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

Outlook

The Group's strategy to focus on dominant commercial properties and new developments generating regular and growing cash flows remains unchanged.

The Group's 5 year plan, which covered all assets in detail, confirmed the synergy potential from the merger between Unibail and Rodamco. Like for Like growth of Net Rental Income across the increased international asset portfolio is expected to be strong.

A solid development pipeline in both Office and Retail divisions should boost further future earnings growth. In total the pipeline amounts to 1.4 Mn m² with an estimated investment cost of €6 Bn, generating an estimated €500 Mn in additional rents by the end of planning period.

The Group's Financing structure is sound, with a low Loan to Value and good protection against interest rate risks through fixed rate borrowing and hedges.

Based on these fundamentals, the Group can reiterate its targeted outlook of average annual growth of at least 10% in recurring EPS for the period 2007-2012. This growth outlook is also relevant in the context of the generous dividend policy aiming at distributing 85 to 95 per cent of recurring Net Profit.

Given some one-off income elements in 2007 which supported the 15.4% growth in recurring EPS realised that year (positive resolution of commercial and tax claims, interest income on sale of SCI Karanis), the 2008 recurring EPS growth target is 7% or higher.



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2008

1998

Consolidated financial accounts

CONSOLIDATED FINANCIAL ACCOUNTS	106
I. Consolidated balance sheet	106
II. Unibail-Rodamco Group consolidated income statements (EPRA format – under IFRS)	107
III. Consolidated income statements by division	108
IV. Consolidated cash flow statement	110
V. Statement of changes in consolidated equity	111
VI. Changes in share capital	112
VII. Notes to the consolidated financial statements	112
STATUTORY AUDITORS’ REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS	161

I. CONSOLIDATED BALANCE SHEET

(In millions of euros)	Notes	2005	2006	2007
Non current assets		8,143.6	10,233.4	23,835.5
Tangible assets	1	452.7	249.4	1,099.3
Investment properties	2	7,046.6	9,046.3	21,506.8
Goodwill	3	152.3	168.2	418.7
Intangible assets	4	267.8	307.7	302.4
Loans	5	40.7	36.0	198.3
Deferred tax assets	14	-	-	45.0
Derivatives at fair value	13	19.8	99.5	175.9
Shares of companies consolidated under equity method	6	163.7	326.3	89.1
Other non current assets		-	-	-
Current assets		533.6	609.5	1,710.3
Properties under promise or mandate of sale	2	137.7	96.3	823.0
Inventories	7	13.8	28.1	31.4
Trade receivables from activity	8	107.6	156.2	274.7
Property portfolio		79.9	129.1	244.0
Other activities		27.7	27.1	30.7
Other trade receivables	9	252.1	296.6	464.8
Tax receivables		73.9	96.9	171.1
Receivables on sale of property		-	0.2	2.6
Other receivables		143.0	161.0	196.9
Prepaid expenses		35.3	38.5	94.2
Cash and equivalent	10	22.4	32.3	116.4
Financial assets		3.3	3.3	4.6
Cash		19.1	29.0	111.8
Total assets		8,677.2	10,842.9	25,545.8
Shareholders' equity (group share)		4,076.1	6,053.1	14,603.7
Share capital		228.7	230.7	408.8
Additional paid-in capital		47.1	64.5	6,827.4
Bonds redeemable for shares		-	-	1,566.5
Consolidated reserves		2,187.9	3,353.5	4,086.1
Hedging reserve		-2.1	1.4	5.1
Other reserves		-	-	-17.7
Retained earnings		316.1	355.4	1,046.4
Consolidated result		1,385.3	2,139.8	959.4
Interim dividend		-86.9	-92.2	-278.3
Minority interests		592.3	781.1	1,031.2
Total shareholders' equity		4,668.4	6,834.2	15,634.9
Non current liabilities		2,359.1	2,672.4	7,109.4
Commitment to purchase minority interests	11	64.3	115.5	133.9
Long-term bonds and borrowings	12	1,975.9	2,238.3	5,783.7
Derivatives at fair value	13	21.0	11.0	32.0
Deferred tax liabilities	14	186.6	196.8	961.1
Long-term provisions	15	32.7	30.5	29.0
Employee benefits	15	3.7	3.4	9.2
Guarantee deposits		72.2	73.7	138.0
Tax liabilities	19	2.7	3.2	4.6
Amounts due on investments	16	-	-	17.9
Current liabilities		1,649.7	1,336.3	2,801.5
Amounts owed to shareholders	17	43.5	46.1	153.9
Amounts due to suppliers and other current debt	18	433.3	505.3	726.7
Amounts due to suppliers		97.9	97.2	120.8
Amounts due on investments		95.6	119.1	196.9
Sundry creditors		142.4	210.1	251.1
Other liabilities		97.4	78.9	157.9
Current borrowings and amounts due to credit institutions	12	949.4	669.5	1,742.7
Tax & social security liabilities	19	208.0	94.5	147.9
Contingencies and other current liabilities	15	15.6	20.9	30.3
Total liabilities and equity		8,677.2	10,842.9	25,545.8

II. UNIBAIL-RODAMCO GROUP CONSOLIDATED INCOME STATEMENTS (EPRA FORMAT – UNDER IFRS)

(in millions of euros)	Notes	2007	2006	2005
Gross rental income	20	879.5	489.9	472.4
Ground rents paid	21	-11.4	-12.4	-12.3
Net service charge expenses	22	-9.1	-7.2	-8.0
Property operating expenses	23	-93.6	-59.5	-51.4
Net rental income		765.4	410.8	400.7
Corporate expenses		-60.3	-24.7	-22.0
Development expenses		-4.4	-5.2	-1.3
Depreciation		-3.0	-1.4	5.3
Administrative expenses	24	-67.7	-31.3	-18.0
Revenues from other activities		184.8	232.3	115.0
Other expenses		-153.3	-185.1	-107.1
Net other income	25	31.5	47.2	7.9
Proceeds from disposal of investment property		192.6	527.4	586.3
Carrying value of investment property sold		-171.9	-428.0	-448.6
Profit on disposal of investment property	26	20.7	99.4	137.7
Valuation gains		1,679.2	1,709.6	1,151.6
Valuation losses		-12.1	-8.3	-8.2
Valuation movements	27	1,667.1	1,701.3	1,143.4
Amortisation of Goodwill	28	-1,335.0	-	-
Net operating profit before financing cost		1,082.0	2,227.4	1,671.7
Dividend income from non-consolidated companies		0.3	0.1	-0.1
Financial income		68.3	45.7	41.4
Financial expenses		-225.0	-129.8	-140.0
Net financing costs	29	-156.8	-84.1	-98.6
Bonds redeemable for shares		-6.0	-	-
Fair value adjustments of derivatives and debts	30	53.9	86.8	-17.4
Net gain or loss on disposal of derivatives	30	-	-1.4	-2.3
Debt discounting	31	-3.7	-5.0	-5.8
Profit on disposal of associates	33	201.0	-	-
Share of the profit of associates	32	8.4	163.5	24.9
Income on financial assets	32	14.9	9.1	8.7
Profit before tax		1,194.0	2,396.4	1,581.1
Income tax expenses	34	-53.4	-19.4	-55.4
Net profit for the period		1,140.6	2,377.0	1,525.7
Minority interests	35	181.2	237.2	140.4
Net profit (group share)		959.4	2,139.8	1,385.3

Earnings per share	2007	2006	2005
Average number of shares (undiluted)	63,899,201	45,901,800	45,499,713
Net profit (group share)	959.4	2,139.8	1,385.3
Net profit (Group share) per share (€)	15.01	46.62	30.45
Average number of diluted shares	69,274,513	46,583,901	46,068,533
Diluted net profit per share Group Share (€)	13.85	45.93	30.07

The consolidated income statements by division on the following page shows the Net Recurring Result per share which is €7.86 for 2007, €6.81 for 2006 and €5.81 for 2005.

III. CONSOLIDATED INCOME STATEMENTS BY DIVISION

Consolidated Income Statement by segment (in millions of euros)	2007			2006			2005		
	Recurring activities	Valuation movements and disposals ⁽¹⁾	Result	Recurring activities	Valuation movements and disposals ⁽¹⁾	Result	Recurring activities	Valuation movements and disposals ⁽¹⁾	Result
Gross rental income	328.5	-	328.5	243.6	-	243.6	218.8	-	218.8
Operating expenses & net service charges	-22.3	-	-22.3	-23.5	-	-23.5	-20.1	-	-20.1
Net rental income	306.2	-	306.2	220.1	-	220.1	198.7	-	198.7
Contribution of affiliates	4.1	6.2	10.4	4.4	4.1	8.5	4.2	1.9	6.1
Gains on sales of properties	-	-1.7	-1.7	-	0.7	0.7	-	6.6	6.6
Valuation movements	-	876.2	876.2	-	971.2	971.2	-	547.1	547.1
Result Retail France	310.3	880.7	1,191.1	224.5	976.0	1,200.5	202.9	555.6	758.5
Gross rental income	106.9	-	106.9	-	-	-	-	-	-
Operating expenses & net service charges	-13.9	-	-13.9	-	-	-	-	-	-
Net rental income	93.0	-	93.0	-	-	-	-	-	-
Contribution of affiliates	-	-	-	-	-	-	-	-	-
Gains on sales of properties	-	0.4	0.4	-	-	-	-	-	-
Valuation movements	-	73.1	73.1	-	-	-	-	-	-
Result Retail Netherlands – Belgium	93.0	73.5	166.5	-	-	-	-	-	-
Gross rental income	55.9	-	55.9	-	-	-	-	-	-
Operating expenses & net service charges	-11.9	-	-11.9	-	-	-	-	-	-
Net rental income	44.0	-	44.0	-	-	-	-	-	-
Contribution of affiliates	-	-	-	-	-	-	-	-	-
Gains on sales of properties	-	-	-	-	-	-	-	-	-
Valuation movements	-	82.9	82.9	-	-	-	-	-	-
Result Retail Nordic	44.0	82.9	126.9	-	-	-	-	-	-
Gross rental income	48.9	-	48.9	-	-	-	-	-	-
Operating expenses & net service charges	-6.1	-	-6.1	-	-	-	-	-	-
Net rental income	42.8	-	42.8	-	-	-	-	-	-
Contribution of affiliates	-	-	-	-	-	-	-	-	-
Gains on sales of properties	-	-1.0	-1.0	-	-	-	-	-	-
Valuation movements	-	50.1	50.1	-	-	-	-	-	-
Result Retail Spain	42.8	49.1	91.9	-	-	-	-	-	-
Gross rental income	46.0	-	46.0	-	-	-	-	-	-
Operating expenses & net service charges	-3.5	-	-3.5	-	-	-	-	-	-
Net rental income	42.5	-	42.5	-	-	-	-	-	-
Contribution of affiliates	-	-	-	-	-	-	-	-	-
Gains on sales of properties	-	-1.0	-1.0	-	-	-	-	-	-
Valuation movements	-	66.8	66.8	-	-	-	-	-	-
Result Retail Central Europe	42.5	65.8	108.3	-	-	-	-	-	-
Total result retail	532.6	1,152.0	1,684.7	224.5	976.0	1,200.5	202.9	555.6	758.5

RETAIL

Consolidated Income Statement by segment (in millions of euros)		2007			2006			2005		
		Recurring activities	Valuation movements and disposals ⁽¹⁾	Result	Recurring activities	Valuation movements and disposals ⁽¹⁾	Result	Recurring activities	Valuation movements and disposals ⁽¹⁾	Result
OFFICES & INDUSTRIAL	Gross rental income	159.6	-	159.6	136.0	-	136.0	146.4	-	146.4
	Operating expenses & net service charges	-6.7	-	-6.7	-7.1	-	-7.1	-4.0	-	-4.0
	Net rental income	152.9	-	152.9	128.9	-	128.9	142.4	-	142.4
	Contribution of affiliates	12.7	-	12.7	10.7	153.7	164.4	11.3	15.8	27.1
	Gains on sales of properties and affiliates	-	222.1	222.1	-	97.9	97.9	-	137.8	137.8
	Valuation movements	-	506.7	506.7	-	699.1	699.1	-	435.9	435.9
	Result Offices France	165.6	728.8	894.4	139.6	950.7	1,090.3	153.7	589.5	743.2
	Gross rental income	32.0	-	32.0	-	-	-	-	-	-
	Operating expenses & net service charges	-5.5	-	-5.5	-	-	-	-	-	-
	Net rental income	26.5	-	26.5	-	-	-	-	-	-
Contribution of affiliates	-	-	-	-	-	-	-	-	-	
Gains on sales of properties	-	2.7	2.7	-	-	-	-	-	-	
Valuation movements	-	19.6	19.6	-	-	-	-	-	-	
Result Offices other countries	26.5	22.3	48.8	-	-	-	-	-	-	
Total result offices & industrial	192.1	751.1	943.2	139.6	950.7	1,090.3	153.7	589.5	743.2	
CONVENTION EXHIBITION	Gross rental income	95.1	-	95.1	101.0	-	101.0	96.9	-	96.9
	Operating expenses & net service charges	-43.5	-	-43.5	-48.2	-	-48.2	-47.4	-	-47.4
	Net rental income	51.6	-	51.6	52.8	-	52.8	49.5	-	49.5
	On site property services	12.7	-	12.7	14.0	-	14.0	10.2	-	10.2
	Hotels net rental income	11.9	-	11.9	11.4	-	11.4	11.0	-	11.0
	Exhibitions organizing	9.7	-	9.7	35.4	-	35.4	-1.6	-	-1.6
	Contribution of affiliates	0.2	-	0.2	-0.3	-	-0.3	0.4	-	0.4
	Valuation movements and depreciation	-7.4	-8.2	-15.6	-8.4	31.8	23.4	-6.9	160.3	153.4
Total result convention exhibition	78.7	-8.2	70.5	104.9	31.8	136.7	62.6	160.3	222.9	
Other property services net operating profit	5.1	-	5.1	0.8	-	0.8	4.2	-	4.2	
Miscellaneous	5.8	-	5.8	2.9	-	2.9	1.0	-	1.0	
General expenses ⁽²⁾	-63.3	-	-63.3	-26.0	-	-26.0	-23.3	-	-23.3	
Development costs	-4.4	-	-4.4	-5.2	-	-5.2	-1.3	-	-1.3	
Financing result	-156.8	44.2	-112.6	-84.1	80.4	-3.7	-98.6	-25.5	-124.1	
Amortisation of Goodwill	-	-1,335.0	-1,335.0	-	-	-	-	-	-	
Pre-tax profit	589.8	604.1	1,194.0	357.4	2,039.0	2,396.4	301.2	1,280.0	1,581.1	
Corporate income tax	-1.5	-51.9	-53.4	-5.4	-14.0	-19.4	-5.3	-50.0	-55.4	
Net profit	588.3	552.2	1,140.6	352.1	2,024.9	2,377.0	295.9	1,229.9	1,525.7	
Minority interest	49.4	131.8	181.2	39.5	197.7	237.2	31.7	108.7	140.4	
Net profit group share	538.9	420.4	959.4	312.6	1,827.2	2,139.8	264.1	1,121.2	1,385.3	
Average Number of shares and ORA (million)	68.6			45.9			45.5			
Net Recurring Result per share (€)	7.86			6.81			5.81			

(1) The two columns "Capital gains" and "Valuation movements" shown in prior years reports have been grouped into one column "Valuation movements and disposals".

(2) Asset management expenses reclassified from "Retail" and "Offices & Industrial" in "General expenses" for the years 2005 and 2006.

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.

IV. CONSOLIDATED CASH FLOW STATEMENT

(in millions of euros)	Notes	2007	2006	2005
Operating activities				
Net profit		1,140.6	2,377.0	1,525.7
Depreciation & provisions		1,336.2	9.6	-3.9
Changes in value of property assets		-1,667.1	-1,701.3	-1,143.3
Changes in value of financial instruments		-54.0	-85.4	19.7
Discounting income/charges		3.7	5.0	5.7
Charges and income relating to stock options and similar items		5.5	4.2	4.1
Other income and expenses		0.2	0.3	0.3
Net capital gains/losses on sales of properties and affiliates ⁽¹⁾		-223.9	-108.2	-138.0
Income from companies consolidated under the equity method		-8.4	-163.5	-24.9
Income on financial assets		-14.9	-9.1	-8.6
Dividend income from non-consolidated companies		-0.2	-0.1	-0.1
Net financing costs		162.8	84.1	98.6
Income tax charge		53.4	24.7	53.6
Cash flow before net financing costs and tax		733.9	437.3	388.9
Income on financial assets		14.0	4.7	5.8
Dividend income and result from non-consolidated companies		0.2	0.1	0.1
Income tax paid		-12.1	-	-0.9
Change in working capital requirement		-129.2	-66.3	241.4
Total cash flow from operating activities		606.8	375.8	635.3
Investment activities				
Property activities				
Acquisition of consolidated subsidiaries	36	-308.3	-86.2	-292.5
Amounts paid for works and acquisition of property assets		-906.2	-421.7	-378.1
Exit tax payment		-30.0	-97.9	-97.9
Property financing ⁽²⁾		-167.7	5.4	4.7
Disposal of consolidated subsidiaries	36	468.6	215.5	197.2
Disposal of investment property		193.5	312.4	388.7
Finance leasing and short-term lending activities		2.9	5.7	10.7
Repayment of finance leasing		2.9	5.7	10.7
Financial activities		1.1	0.5	0.7
Disposal of financial assets		1.1	0.5	0.7
Total cash flow from investment activities		-746.1	-66.3	-166.5
Financing activities				
Capital increase		19.2	19.4	16.1
Expenses issue of shareholders' equity		-42.9	-	-
Dividends paid to parent company shareholders		-429.3	-186.1	-1,216.4
Dividends paid to minority shareholders of consolidated companies		-3.8	-4.7	-2.7
Purchase of treasury shares		-25.7	-	-
New borrowings and financial liabilities		3,460.4	4,469.6	2,610.3
Repayment of borrowings and financial liabilities		-2,582.4	-4,478.2	-1,909.0
Net interest paid		-161.6	-113.9	-102.3
Other financing activities		-4.0	-2.1	-9.1
Net cash flow from financing activities		229.9	-296.0	-613.1
Change in cash and cash equivalents during the year		90.6	13.5	-144.3
Cash at beginning of year		3.1	-10.4	133.9
Effect of exchange rate fluctuations on cash held		3.2	-	-
Cash at year-end⁽³⁾	37	96.9	3.1	-10.4

(1) This item includes capital gains/losses on property sales (excluding charges spread over the duration of the lease), disposal of short-term investment property, disposals of finance leasing and disposals of operating assets.

(2) "Property financing" corresponds mainly in 2007 to the prepayment done for the acquisition of the company owning the shopping centre Złote Tarasy located at Warsaw (Poland). In 2006 and 2005 it refers to loans granted to companies not fully consolidated.

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

V. STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

(in millions of euros)	Capital	Additional paid-in-capital	Bonds Redeemable for Shares	Consolidated reserves ⁽¹⁾	Consolidated net profit	Cash flow hedging reserves	Currency translation reserve ⁽⁵⁾	Total Shareholders' equity	Minority interests	Total equity
Balance as at January 1, 2005	226.8	32.9	-	1,724.1	825.6	-1.0	-	2,808.4	448.6	3,257.0
Earnings appropriation	-	-	-	825.6	-825.6	-	-	-	-	-
Dividend related to 2004	-	-	-	-48.0	-	-	-	-48.0	-19.6	-67.6
Interim dividends	-	-	-	-86.9	-	-	-	-86.9	-	-86.9
Stock options and Company Savings Plan	1.9	14.2	-	-	-	-	-	16.1	-	16.1
Net profit for the year	-	-	-	-	1,385.3	-	-	1,385.3	140.4	1,525.7
Cost of payments in shares	-	-	-	4.0	-	-	-	4.0	-	4.0
Derivatives: depreciation of hedging reserves	-	-	-	-	-	-1.1	-	-1.1	-	-1.1
Other	-	-	-	-1.8	-	-	-	-1.8	-	-1.8
Changes in scope of consolidation	-	-	-	-	-	-	-	-	87.3	87.3
Reclassification of minority interests	-	-	-	0.1	-	-	-	0.1	-64.4	-64.3
Balance as at December 31, 2005	228.7	47.1	-	2,417.1	1,385.3	-2.1	-	4,076.1	592.3	4,668.4
Earnings appropriation	-	-	-	1,385.3	-1,385.3	-	-	-	-	-
Dividend related to 2005	-	-	-	-96.6	-	-	-	-96.6	-24.2	-120.8
Interim dividends related to 2006	-	-	-	-92.2	-	-	-	-92.2	-	-92.2
Stock options and Company Savings Plan	2.0	17.4	-	-	-	-	-	19.4	-	19.4
Net profit for the year	-	-	-	-	2,139.8	-	-	2,139.8	237.2	2,377.0
Cost of payments in shares	-	-	-	4.2	-	-	-	4.2	-	4.2
Derivatives: depreciation of hedging reserves	-	-	-	-	-	3.5	-	3.5	-	3.5
Other	-	-	-	-0.4	-	-	-	-0.4	-0.2	-0.6
Changes in scope of consolidation	-	-	-	-1.4	-	-	-	-1.4	17.9	16.5
Reclassification of minority interests	-	-	-	0.7	-	-	-	0.7	-41.9	-41.2
Balance as at December 31, 2006	230.7	64.5	-	3,616.7	2,139.8	1.4	-	6,053.1	781.1	6,834.2
Foreign currency translation	-	-	-	-	-	-	-9.7	-9.7	-0.3	-10.0
Gain/loss on net investment hedge	-	-	-	-	-	-	-8.0	-8.0	-	-8.0
Cash flow hedge:										
Gains/losses taken into equity	-	-	-	-	-	-1.0	-	-1.0	-	-1.0
Depreciation of hedging reserves	-	-	-	-	-	-4.4	-	-4.4	-	-4.4
Net income/expenses recognised directly in equity	-	-	-	-	-	-5.4	-17.7	-23.1	-0.3	-23.4
Net profit for the year	-	-	-	-	959.4	-	-	959.4	181.3	1,140.7
Total recognised income and expense for the period	-	-	-	-	959.4	-5.4	-17.7	936.3	181.0	1,117.3
Earnings appropriation	-	-	-	2,139.8	-2,139.8	-	-	-	-	-
Dividends related to 2006	-	-	-	-209.4	-	-	-	-209.4	-21.5	-230.9
Interim dividends related to 2007	-	-	-	-278.3	-	-	-	-278.3	-	-278.3
Stock options and Company Savings Plan	1.4	17.8	-	-	-	-	-	19.2	-	19.2
Capital increase after the Public Exchange Offer for Rodamco ⁽²⁾	177.3	6,759.6	-	-117.3	-	-	-	6,819.6	-	6,819.6
Issue of bonds redeemable for shares after the Public Exchange Offer for Rodamco ⁽³⁾	0.2	8.9	1,566.5	-	-	-	-	1,575.6	-	1,575.6
Distribution related to the Bonds Redeemable for Shares	-	-	-	-35.5	-	-	-	-35.5	-	-35.5
Share based payments	-	-	-	5.9	-	-	-	5.9	-	5.9
Cancellation of treasury shares	-0.8	-23.4	-	-1.5	-	-	-	-25.7	-	-25.7
Changes in scope of consolidation ⁽⁴⁾	-	-	-	-269.4	-	9.1	-	-260.3	113.6	-146.7
Reclassification of minority interests	-	-	-	3.2	-	-	-	3.2	-23.0	-19.8
Balance as at December 31, 2007	408.8	6,827.4	1,566.5	4,854.2	959.4	5.1	-17.7	14,603.7	1,031.2	15,634.9

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

(2) Fees attributable to the issue of the shares €34.7 Mn (see 3 – 2007 Business Combination).

(3) Fees attributable to the issue of the ORA €8.2 Mn (see 3 – 2007 Accounting for the ORA).

(4) Mainly refers to the further acquisition of Rodamco Europe N.V.'s minority interests (see 3 - Highlights 2007).

(5) 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.

VI. CHANGES IN SHARE CAPITAL

		Total number of shares
As at January 1, 2005		45,360,321
	Capital increase reserved for employees under Company Savings Plan	55,983
	Exercise of stock options	314,840
As at December 31, 2005		45,731,144
	Capital increase reserved for employees under Company Savings Plan	31,214
	Exercise of stock options	360,859
As at December 31, 2006		46,123,217
	Capital increase after the Public Offer of Exchange for Rodamco	35,460,833
	- first offer	27,917,226
	- second offer	7,543,607
	Capital increase reserved for employees under Company Savings Plan	28,668
	Exercise of stock options	276,569
	Bonds redeemable for shares	46,530
	Cancellation of treasury shares	-173,843
As at December 31, 2007		81,761,974

VII. 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, 2007, under International Financial Reporting Standards (IFRS) as adopted in the European Union and applicable at this date.

These standards comprise IFRS (International Financial Reporting Standards) and IAS (International Accounting Standards), as well as their SIC and IFRIC interpretations as adopted in the European Union.

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

- IFRS 7 – Financial Instruments: disclosures. This new standard replaces the disclosure requirements of IAS 32 - Financial Instruments: disclosure and presentation, and adds new disclosure requirements for outlining the risks arising from financial instruments and the management thereof. The new disclosures are included throughout the financial statements. While there has been no effect on the financial position or results, comparative information has been revised when necessary.
- Amendment to IAS 1 – Presentation of Financial Statements. The impact of this amendment on the financial statements is adding disclosures that enable an evaluation of the Group's objectives and policies for managing its capital. These new disclosures are shown in note 7.

- IFRS 8 – Operating Segments, which is applicable on or after January 1, 2009, has not yet been applied.

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

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

These new interpretations have no impact on net income nor on shareholders' equity.

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

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

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

- IFRIC 12 "Service Concession Arrangements" applicable on or after January 1, 2008.
- IFRIC 13 "Customer Loyalty Programmes" applicable on or after July 1, 2008.
- IFRIC 14 "IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" applicable on or after January 1, 2008.
- IAS 23 Revised "Borrowing costs" applicable on or after January 1, 2009.

Certain amounts recorded in the consolidated financial statements reflect estimates and assumptions made by management, particularly with regards to the fair value of financial instruments and the valuation of goodwill, intangible assets and rental portfolio. The most significant estimates are set out in the notes to the financial statements. Actual future results or outcomes may differ from these estimates. The property portfolio and intangible assets used by the exhibition organisation, retail and office segments are subject to independent appraisals.

The accounting principles described below are those of Unibail-Rodamco. The differences in terms of accounting principles with Rodamco have been restated at the merger date.

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 IFRSs. 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 Paris Expo Porte de Versailles (2000) have been 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 Paris Expo Porte de Versailles has been reclassified as an intangible asset on the opening balance sheet dated January 1, 2004 (with recognition of a €25 Mn deferred tax liability) and amortised over the remaining life of the operating contract.

For its stock-option plans, the Group has chosen to apply IFRS 2 for stock-options granted after November 7, 2002.

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 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. All inter-group balances, profits and transactions are eliminated.

1.3. Business combinations

In business combinations, acquisition cost is measured as the sum of the fair values at the given date of acquisition of assets, incurred or assumed liabilities and equity instruments issued in exchange for control of the acquired company, plus any costs directly attributable to the business combination.

At the date of acquisition and in accordance with IFRS 3, 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.

Any surplus in the price paid over the market value of the interest in the acquired company's net assets is recorded under 'Goodwill' in assets in the consolidated balance sheet. Any negative amount of goodwill is credited immediately to the income statement.

Goodwill on acquisitions 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 expecting to benefit from the acquisition. Potential amounts of goodwill impairment are determined with regards to the recoverable amount(s) from cash-generating unit(s). Cash-generating units are the lowest level at which management determines the return on investment on assets. 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.

If the recoverable amount of the cash-generating unit(s) is lower than the carrying amount, an irreversible impairment charge is recorded in the consolidated income statement for the period.

The business combination with Rodamco is described in more detail in 3 – "Highlights 2007".

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 current accounting standards, acquisition of additional shares from minority shareholders are regarded as equity transactions and therefore no additional goodwill is recognised.

Consequently, when minority shareholders have an agreement to sell, minority 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 minority interests is recognised as equity. Any subsequent change in debt is also accounted for as equity. Income from minorities and dividends are booked in equity.

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 activities. 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 and Slovak Republic;
- US dollar for Poland and Ukraine.

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 balance sheet 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 recognized in the income statement. Foreign exchange gains and losses resulting from the retranslation of monetary assets and liabilities denominated in foreign currencies are also recognized in the income statement with the exception of:

- unrealized translation results on net investments;
- unrealized 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

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

1.5. Asset valuation methods

Investment property (IAS 40)

Investment property is defined as property held for the purpose of receiving a rental income or capital appreciation or both.

Nearly all properties in Unibail-Rodamco's portfolio (91.8% in value terms) are recorded as investment properties. Properties undergoing refurbishment, to be re-let once works are complete, are also categorised as investment property.

Under the benchmark treatment recommended by IAS 40, investment properties are shown at their market 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⁾. The discount rate varies by country and by the tax situation of the property.

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 expenses and other costs capitalisable in year Y].

Capital gains on disposals of investment property are calculated by comparison to their latest market value recorded in the closing balance sheet for the previous financial year.

Properties for which a sale process has been initiated are identified separately in the balance sheet.

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 office properties and 35, 25, 20 and 15 years for retail outlets.

Buildings under construction are valued at cost.

Once the construction of a property is complete, it is recorded as an investment property (IAS 40) at marked-to-market value. The corresponding change in value is recorded on the income statement under valuation movements.

The following properties are recognised as tangible assets:

- properties occupied by the Group located at 5, boulevard Malesherbes, Paris 8th, part of the office located at 70, Avenue Wilson at La Defense, the property 7, Place Adenauer, Paris 16th into which the French teams will move and part of the office Oostelijke Handelskade located in Amsterdam.
- buildings under construction, mainly shopping centres under development including Rivetoile Strasbourg, Lyon Confluence, Docks de Rouen in France, Badajoz and Benidorm in Spain, Pankrac in Czech Republic, Forum Nacka in Sweden.

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

Borrowing costs generated by construction projects

Under IFRS (IAS 23), borrowing costs incurred by construction projects may be recognised as an expense or capitalised as part of the cost of the relevant asset.

Unibail-Rodamco considers borrowing costs incurred by construction projects to be part of the cost of the construction project or major renovations and has opted to capitalise these charges incurred during the construction period.

They are measured by applying the Group's average refinancing rate to the average value of the work completed at the end of each quarter.

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.

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 concerns a residual outstanding amount of €8.3 Mn as at December 31, 2007. The Group is the lessee of a number of co-ownership lots. These agreements are classified as finance leases.

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

- Accounting treatment of 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. This applies to rent-free periods, step rents and key money.

(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.

- 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.

- 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 choice 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 start of the contract are classified as prepaid expenses 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.

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 balance sheet 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. These financial assets are recorded on the balance sheet under 'Available-for-sale securities' and measured at their fair value at the accounting date. 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 under 'Unrealised or deferred gains or losses'. 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 as 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 balance sheet. Fair value variations of financial derivatives, apart from those designated as cash flow hedges or as net investment hedges, 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 are recorded on the opening balance sheet as at January 1, 2005, at their fair value at this date. The difference of -€1 Mn is 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 do not impact recurring income and are recorded under 'Valuation Movements'.

Regarding the currency derivatives, they aim at hedging the investments made in countries outside of the Euro-Zone. 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.

1.9. Taxes

The Group companies are taxable in application of the tax rules of their country. Two countries have special tax regimes for public property companies.

French SIIC status

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 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 is qualified as FBI and thus property companies in the Netherlands benefit from a 0% tax rate. As FBI companies they are required to distribute all the taxable result, except capital gains which can be added to a reinvestment reserve.

In order to keep this status for Dutch companies, Unibail-Rodamco has to be qualified as FBI as well. Since there are a number of conditions to be met in terms of activity and financing limitation, a two years delay has been negotiated with the Dutch Tax Authorities.

On entering the FBI regime, an entry charge is payable equal to 40% of the income dividend distributed by Rodamco Europe N.V. to Unibail-Rodamco for the financial year 2007. This amount (€30 Mn) has been restated in the Purchase Price Accounting.

Income tax and deferred tax

Corporate income tax

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

In France, most of the companies of the Unibail-Rodamco Group not eligible for SIIC tax status are grouped under a tax consolidation sub-group (Doria), which has opted for the tax consolidation scheme instituted by Article 68 of the 1988 French Budget Act.

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 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 Porte de Versailles and following the acquisition of Exposium.

1.10. Share-based payments

Under IFRS 2, all transactions relating to share-based payments must be recognised in the income statement. This standard affects Unibail-Rodamco due to its 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. This value remains unchanged, even if the options are never exercised. It 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).

IFRS 2 applies to all equity instruments granted after November 7, 2002. For Unibail-Rodamco, it applies to stock-options granted from 2003 through 2007. 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 are 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 balance sheet 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.

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.

At 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.

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

1.12. Revenues from exhibitions

Concerning Expositium activities, revenues and external expenses are booked the day the event takes place whereas expenses incurred in the preparation and organisation of exhibitions are recorded directly in the income statement as soon as they arise.

The uneven distribution of exhibitions between even and odd numbered years and non-deferral of expenses relating to the organisation of exhibitions for accounting purposes (particularly personnel charges) to the year in which the actual events take place result in significant fluctuations in the income statements.

1.13. Business segment reporting

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

Business segments

At the first level of segment reporting, the Group presents its result by division: Retail, Offices & Industrial, Convention-Exhibition and Property services.

The Convention-Exhibition division comprises management of exhibition venues (Paris Expo), leasing and lease management of the Méri dien Montparnasse and Cnrit Hilton hotels, and the organisation of exhibitions (Expositium).

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: asset selection and management including pipeline or the "owner fonction", retail management, and the "finance" function. France, the Netherlands and Belgium (managed from the Netherlands), Spain, Nordic Countries (Sweden, Denmark, Finland, managed from Sweden), and Central Europe (Austria, Germany, Czech Republic, Hungary, Poland, the Slovak Republic and Ukraine, managed from Austria) are considered home regions based on specific operational and strategic factors.

1.14. Earnings per share

The fundamental earnings per share indicator is calculated by dividing net profit (group share) 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. 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.

1.15. 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 balance sheet as 'current' when they are due or payable within twelve months of the balance sheet date.

2. SCOPE OF CONSOLIDATION

List of consolidated companies	% interest			% control	Method ⁽¹⁾
	Dec 31, 2005	Dec 31, 2006	Dec 31, 2007	Dec 31, 2007	
SA Unibail-Rodamco	100.00	100.00	100.00	100.00	FC
Retail (see below for ex-Rodamco companies)					
Régine 31	-	-	Dissolved	Dissolved	-
SA SFLA	-	100.00	100.00	100.00	FC
SA Société d'Exploitation des Parkings Forum des Halles	65.00	65.00	65.00	65.00	FC
SARL Immolimo	100.00	100.00	100.00	100.00	FC
SAS La Toison d'Or	100.00	100.00	100.00	100.00	FC
SAS Le Carrousel du Louvre	100.00	100.00	100.00	100.00	FC
SAS Les Grandes Bruyères	-	10.00	10.00	10.00	EM
SAS Nice Etoile	100.00	100.00	100.00	100.00	FC
SAS Unicommerces	100.00	100.00	100.00	100.00	FC
SCI 42 Lisbonne	100.00	100.00	Dissolved	Dissolved	-
SCI Aéroville	100.00	100.00	100.00	100.00	FC
SCI Bordeaux Bonnac	100.00	100.00	100.00	100.00	FC
SCI Channel City	-	-	100.00	100.00	FC
SCI Colline Défense	53.30	53.30	53.30	53.30	FC
SCI Coquelles et Coquelles	100.00	100.00	100.00	100.00	FC
SCI du CC Chelles 2	100.00	100.00	Dissolved	Dissolved	-
SCI du CC de Bordeaux Préfecture	61.00	61.00	61.00	61.00	FC
SCI du CC des Pontôts	100.00	100.00	100.00	100.00	FC
SCI du Forum des Halles de Paris	65.00	65.00	65.00	65.00	FC
SCI Eiffel Levallois Commerces	-	100.00	100.00	100.00	FC
SCI Espace Commerce Europe	50.00	50.00	50.00	50.00	PC
SCI Evry Expansion	100.00	100.00	100.00	100.00	FC
SCI Grigny Gare	100.00	100.00	100.00	100.00	FC
SCI labex	-	100.00	100.00	100.00	FC
SCI Maltese	100.00	100.00	100.00	100.00	FC
SCI Montparnasse	-	-	100.00	100.00	FC
SCI Pégase	53.30	53.30	53.30	53.30	FC
SCI Rosny Beauséjour	50.00	50.00	50.00	50.00	PC
SCI Rosvil	-	60.00	60.00	60.00	FC
SCI SCC de la Défense	53.30	53.30	53.30	53.30	FC
SCI Sicor	73.00	73.00	73.00	73.00	FC
SCI Sirmione	100.00	100.00	100.00	100.00	FC
SCI Spring Almacie	-	-	100.00	100.00	FC
SCI Spring Valentine	-	-	100.00	100.00	FC
SCI Spring Vélizy	-	-	100.00	100.00	FC
SCI Takiya	100.00	100.00	100.00	100.00	FC
SCI Triangle des Gares	40.00	40.00	40.00	40.00	EM
SCI Val de Commerces	-	50.02	50.02	50.02	FC
SCI Vendôme Boisseuil	100.00	100.00	100.00	100.00	FC
SCI Vendôme Boissy 2	100.00	100.00	100.00	100.00	FC
SCI Vendôme Saint-Genis	100.00	100.00	100.00	100.00	FC
SCI VRG1	100.00	100.00	100.00	100.00	FC
SCI VRG3	100.00	100.00	100.00	100.00	FC
SCI VRG4	100.00	100.00	100.00	100.00	FC
SEP CC Evry 2	7.50	7.50	7.50	7.50	PC
SEP Extension Evry 2	7.50	7.50	7.50	7.50	PC
SEP Première Extension Evry 2	7.50	7.50	7.50	7.50	PC
SEP Rosny 2	26.00	26.00	26.00	26.00	PC
SNC Almacie	51.00	51.00	53.75	53.75	FC
SNC Bures Palaiseau	100.00	100.00	100.00	100.00	FC
SNC Centre Commercial Francilia	100.00	100.00	100.00	100.00	FC
SNC du CC Labège	100.00	100.00	100.00	100.00	FC
SNC Eiffel Levallois	-	100.00	100.00	100.00	FC

List of consolidated companies	% interest			% control	Method ⁽¹⁾
	Dec 31, 2005	Dec 31, 2006	Dec 31, 2007	Dec 31, 2007	
SNC Extension de Rosny	-	-	100.00	100.00	FC
SNC Foncière Richelieu Commerces	100.00	100.00	100.00	100.00	FC
SNC Les Docks de Rouen	100.00	100.00	100.00	100.00	FC
SNC Les Passages de l'Etoile	100.00	100.00	100.00	100.00	FC
SNC Randoli	100.00	100.00	100.00	100.00	FC
SNC Saint-Genis Laval	100.00	100.00	100.00	100.00	FC
SNC Vélizy Petit Clamart	100.00	100.00	100.00	100.00	FC
SNC Vuc	51.00	51.00	51.00	51.00	FC
Ste de Lancement de Magasins d'Usine	-	-	100.00	100.00	FC
Offices (see below for ex-Rodamco companies)					
SARL Unibail Développement	100.00	100.00	Dissolved	Dissolved	-
SAS Alba	100.00	100.00	100.00	100.00	FC
SAS Babylone	100.00	100.00	Dissolved	Dissolved	-
SAS Corto	100.00	100.00	100.00	100.00	FC
SAS Immobilière 27-29 Bassano	100.00	100.00	Dissolved	Dissolved	-
SAS Immobilière Château Garnier	100.00	100.00	100.00	100.00	FC
SAS Immobilière Louvre	100.00	100.00	100.00	100.00	FC
SAS Iseult	100.00	100.00	100.00	100.00	FC
SAS Liberty	100.00	100.00	100.00	100.00	FC
SAS SFAM	100.00	100.00	100.00	100.00	FC
SAS SIG 34	100.00	100.00	100.00	100.00	FC
SAS Unibail Investissement II	100.00	100.00	100.00	100.00	FC
SAS Véga	100.00	100.00	100.00	100.00	FC
SCI 3-5 Malesherbes	100.00	100.00	100.00	100.00	FC
SCI 39-41 Cambon	100.00	100.00	100.00	100.00	FC
SCI 7 Adenauer	100.00	100.00	100.00	100.00	FC
SCI Arali	100.00	100.00	100.00	100.00	FC
SCI Ariane Défense	100.00	100.00	100.00	100.00	FC
SCI Cnit Développement	-	100.00	100.00	100.00	FC
SCI Eiffel Levallois Bureaux	-	100.00	100.00	100.00	FC
SCI Gaité Bureaux	100.00	100.00	100.00	100.00	FC
SCI Galilée Défense	100.00	100.00	100.00	100.00	FC
SCI Karanis	49.00	49.00	Sold	Sold	-
SCI Village 3 Défense	100.00	100.00	100.00	100.00	FC
SCI Village 4 Défense	100.00	100.00	100.00	100.00	FC
SCI Village 5 Défense	100.00	100.00	100.00	100.00	FC
SCI Village 6 Défense	100.00	100.00	100.00	100.00	FC
SCI Village 7 Défense	100.00	100.00	100.00	100.00	FC
SCI Village 8 Défense	100.00	100.00	100.00	100.00	FC
SCI VRG 2	100.00	100.00	100.00	100.00	FC
SCI Wilson 70	100.00	100.00	100.00	100.00	FC
SNC Capital 8	100.00	100.00	100.00	100.00	FC
SNC Gaité Parkings	100.00	100.00	100.00	100.00	FC
SNC Le Foullon	-	100.00	100.00	100.00	FC
Convention-exhibition					
Aiboxiya	50.07	50.07	50.07	85.00	FC
Expo Canada France	29.45	29.45	29.45	50.00	EM
Expo Commerciale Canada	50.00	50.00	50.00	50.00	EM
Expo Gestion	-	100.00	100.00	100.00	FC
Gem Art	-	-	35.00	35.00	EM
Gem Passion	35.00	35.00	35.00	35.00	EM
Gestion TB	-	50.00	50.00	50.00	PC
Pac Ex Ltd Partnership	50.00	80.00	80.00	80.00	FC
Promo Expo Conseil Salons	-	-	100.00	100.00	FC
Réseau Expositum Canada Inc	100.00	100.00	100.00	100.00	FC
SA Exosima	65.00	65.00	65.00	65.00	FC
SA Expositum	100.00	100.00	100.00	100.00	FC

List of consolidated companies	% interest			% control	Method ⁽¹⁾
	Dec 31, 2005	Dec 31, 2006	Dec 31, 2007	Dec 31, 2007	
SA Paris Expo Porte de Versailles	100.00	100.00	100.00	100.00	FC
SA SE Intermat	65.00	65.00	65.00	65.00	FC
SA SIAL	58.90	58.90	58.90	58.90	FC
SARL Interexpo	50.00	50.00	50.00	50.00	PC
SAS Espace Champerret	100.00	100.00	100.00	100.00	FC
SAS Européenne de Salons	-	100.00	100.00	100.00	FC
SAS Groupe Expositum Holding	100.00	100.00	100.00	100.00	FC
SAS Salon Sitting	-	100.00	100.00	100.00	FC
SAS SESMP	-	65.00	Sold	Sold	-
SAS Société d'Exploitation du Palais des Sports	50.00	50.00	50.00	50.00	PC
SCI Pandore	100.00	100.00	100.00	100.00	FC
SEP Industrie Lyon	60.00	60.00	60.00	60.00	PC
SEP VAE Expo	-	-	50.00	50.00	PC
Property services					
SARL Sovalec	50.00	50.00	99.21	99.21	FC
SARL SPSP	100.00	100.00	100.00	100.00	FC
SAS CNIT Restauration	100.00	100.00	100.00	100.00	FC
SAS Espace Expansion	99.99	99.99	99.99	99.99	FC
SAS Paris Expo Services	100.00	100.00	100.00	100.00	FC
SAS S2B	100.00	100.00	100.00	100.00	FC
SAS Société d'Exploitation Hôtelière du CNIT	100.00	100.00	100.00	100.00	FC
SAS U2M	100.00	100.00	100.00	100.00	FC
SAS Unibail Management	100.00	100.00	100.00	100.00	FC
SNC Paris Expo	100.00	100.00	100.00	100.00	FC
Holdings and other (see below for ex-Rodamco companies)					
SA Société de Tay Ninh	-	97.68	97.68	97.68	FC
SAS Java	-	-	100.00	100.00	FC
SARL Espace Expansion Immobilière	100.00	100.00	100.00	100.00	FC
SAS Almacie Holding	100.00	100.00	100.00	100.00	FC
SAS Borée	100.00	100.00	100.00	100.00	FC
SAS Doria	100.00	100.00	100.00	100.00	FC
SAS Murray	100.00	100.00	Dissolved	Dissolved	-
SAS Unibail Participations	100.00	100.00	100.00	100.00	FC
Unibail-Rodamco Management BV	-	-	100.00	100.00	FC
SAS Unibail-Rodamco Développement	-	-	100.00	100.00	FC
SAS Vuc Holding	100.00	100.00	100.00	100.00	FC
SAS Waimea	100.00	100.00	100.00	100.00	FC
SNC Financière 5 Malesherbes	100.00	100.00	100.00	100.00	FC

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

List of Rodamco's consolidated companies	Country	% interest	% control	Method ⁽¹⁾
		Dec 31, 2007	Dec 31, 2007	
Donau-Zentrum Besitz- und Vermietungs-AG	Austria	88.67	88.67	FC
DX-Donauplex Betriebsgesellschaft m.b.h	Austria	88.67	88.67	FC
DZ-Betriebsführungs m.b.h	Austria	88.67	88.67	FC
Rodamco Central Europe GmbH	Austria	98.52	98.52	FC
Südpark Holding GmbH	Austria	98.52	98.52	FC
Boneff N.V.	Belgium	98.52	98.52	FC
Diamantvalk B.V.	Belgium	98.52	98.52	FC
Edelvalk B.V.	Belgium	98.52	98.52	FC
Imrohme N.V.	Belgium	98.52	98.52	FC
Centrum Cerny Most AS	Czech	98.52	98.52	FC
Centrum Praha Jih-Chodov sro	Czech	98.52	98.52	FC
Moravska Obchodni A.S.	Czech	64.04	64.04	FC

List of Rodamco's consolidated companies	Country	% interest		% control		Method ⁽¹⁾
		Dec 31, 2007	Dec 31, 2007	Dec 31, 2007	Dec 31, 2007	
Pankrac Shopping Center k.s.	Czech	73.89	73.89	73.89	73.89	PC
Rodamco Ceska Republica s.r.o.	Czech	98.52	98.52	98.52	98.52	FC
Rodamco Pankrac a.s.	Czech	98.52	98.52	98.52	98.52	FC
Fisketorvet Shopping Center Filial af Rodamco Fisketorvet AB, Sverige	Denmark	98.52	98.52	98.52	98.52	FC
Kiinteistö Oy Vantaanportin Liikekeskus	Finland	21.08	21.08	21.08	21.08	PC
Kiinteistö Oy Vantaanportin Liiketilat	Finland	59.11	59.11	59.11	59.11	PC
Rodareal OY	Finland	98.52	98.52	98.52	98.52	FC
Foncière Marceau Saint Sever	France	98.42	98.42	98.42	98.42	FC
Rodamco France Management SAS	France	98.52	98.52	98.52	98.52	FC
Rodamco France SA	France	98.52	98.52	98.52	98.52	FC
Rodamco Gestion	France	98,52	98,52	98,52	98,52	FC
SA Union Internationale Immobilière S.A.	France	98.51	98.51	98.51	98.51	FC
SA Vertou Dev.	France	98.51	98.51	98.51	98.51	FC
SARL 17 -19 - 21 Rue du Faubourg Saint Honoré	France	98.51	98.51	98.51	98.51	FC
SAS Cegep	France	98.52	98.52	98.52	98.52	FC
SAS Frankvink Investiss.	France	98.52	98.52	98.52	98.52	FC
SAS Hoche Poincaré	France	97.53	97.53	97.53	97.53	FC
SAS Parimall Bobigny 2	France	98.51	98.51	98.51	98.51	FC
SAS Parimall Parly 2	France	98.51	98.51	98.51	98.51	FC
SAS Parimall Ullis 2	France	98.52	98.52	98.52	98.52	FC
SAS Parimall Velizy 2	France	98.52	98.52	98.52	98.52	FC
SAS Parimmo 18 Bis Hoche	France	98.51	98.51	98.51	98.51	FC
SAS Parimmo 20 Hoche	France	98.51	98.51	98.51	98.51	FC
SAS Parimmo 58 Marceau	France	98.51	98.51	98.51	98.51	FC
SAS Parly 2 Avenir	France	77.19	77.19	77.19	77.19	FC
SAS SALG	France	98.52	98.52	98.52	98.52	FC
SAS Villeneuve 2	France	98.42	98.42	98.42	98.42	FC
SCI Marceau Part Dieu	France	98.42	98.42	98.42	98.42	FC
SCI Vendome Villeneuve 2	France	97.53	97.53	97.53	97.53	FC
SCI Berri Washington	France	98.42	98.42	98.42	98.42	FC
SCI Bobigninvest	France	98.52	98.52	98.52	98.52	FC
SCI Bx Tour Credit Lyonnais	France	98.51	98.51	98.51	98.51	FC
SCI C.C. Lyon Part Dieu	France	98.51	98.51	98.51	98.51	FC
SCI C.C. Rouen St Sever	France	98.51	98.51	98.51	98.51	FC
SCI du Petit Parly 2	France	98.52	98.52	98.52	98.52	FC
SCI Elysées Chalons	France	98.42	98.42	98.42	98.42	FC
SCI Elysées Parly 2	France	98.42	98.42	98.42	98.42	FC
SCI Elysées Vauban	France	98.52	98.52	98.52	98.52	FC
SCI Elysées Vélizy 2	France	97.53	97.53	97.53	97.53	FC
SCI Ext.Villeneuve 2	France	98.52	98.52	98.52	98.52	FC
SCI Gd Magasin Sud LPD	France	98.51	98.51	98.51	98.51	FC
SCI Lyon Kleber	France	98.51	98.51	98.51	98.51	FC
SCI Lyon les Brotteaux	France	98.51	98.51	98.51	98.51	FC
SCI Marceau Bussy Sud	France	98.51	98.51	98.51	98.51	FC
SCI Marceau Côté Seine	France	98.42	98.42	98.42	98.42	FC
SCI Marceau Parly 2	France	98.42	98.42	98.42	98.42	FC
SCI Marceau Plaisir	France	98.51	98.51	98.51	98.51	FC
SCI Marceau Plantation	France	98.51	98.51	98.51	98.51	FC
SCI Parlunic 2	France	97.53	97.53	97.53	97.53	FC
SCI Rouen Bretagne	France	98.51	98.51	98.51	98.51	FC

List of Rodamco's consolidated companies	Country	% interest	% control	Method ⁽¹⁾
		Dec 31, 2007	Dec 31, 2007	
SCI Rouen Verrerie	France	98.51	98.51	FC
SNC Cegep et Cie	France	98.52	98.52	FC
Belindam B.V.	Germany	98.52	98.52	FC
Cijferzwaan B.V.	Germany	98.52	98.52	FC
Deenvink B.V.	Germany	98.52	98.52	FC
Dotterzwaan B.V.	Germany	98.52	98.52	FC
Immobilien KG Dr. Mühlhauser & Co Einkaufs-Zenter	Germany	49.26	49.26	PC
KG Schliebe & Co Geschäftszentrum Frankfurter Allee	Germany	65.68	65.68	PC
PFA Betriebs-gesellschaft mbH	Germany	21.67	21.67	EM
Rodamco Deutschland GmbH & Co. Süd	Germany	98.52	98.52	FC
Vuurvink BV	Germany	98.52	98.52	FC
Zeilgalerie Gbr	Germany	98.52	98.52	FC
EKZ 6	Hungary	32.51	32.51	PC
Euro-Mall Kft.	Hungary	98.52	98.52	FC
Vezer Center Kft.	Hungary	98.52	98.52	FC
Rodamco CH1 Sp. z.o.o.	Poland	49.26	49.26	PC
Rodamco Europe Sp z.o.o.	Poland	98.52	98.52	FC
Aupark A.S.	Slovak Republic	49.26	49.26	PC
Arrendamientos Vaguada, C.B.	Spain	61.08	61.08	FC
Promociones Rodamco Generales, S.L.	Spain	98.52	98.52	FC
Proyectos Inmobiliarios New Visions, S.L.	Spain	98.52	98.52	FC
Rodamco Benidorm, S.L.	Spain	98.52	98.52	FC
Rodamco Europe España S.A.	Spain	98.52	98.52	FC
Rodamco Garbera	Spain	98.52	98.52	FC
Rodamco Inversiones S.L.	Spain	98.52	98.52	FC
Rodamco Levante S.L.	Spain	98.52	98.52	FC
Rodamco Ocio S.L.	Spain	98.52	98.52	FC
Rodamco P. Comerciales S.L.	Spain	98.52	98.52	FC
Rodamco Proyecto Badajoz, S.L.	Spain	98.52	98.52	FC
Rodamco Vallsur SL	Spain	98.52	98.52	FC
Sudpark Holding GmbH	Spain	49.26	49.26	FC
Eurostop AB	Sweden	98.52	98.52	FC
Eurostop Holding AB	Sweden	98.52	98.52	FC
Eurostop KB	Sweden	98.52	98.52	FC
Piren AB	Sweden	98.52	98.52	FC
Rodamco AB	Sweden	98.52	98.52	FC
Rodamco Arninge Centrum KB	Sweden	98.52	98.52	FC
Rodamco Centerpool AB	Sweden	98.52	98.52	FC
Rodamco Eneby AB	Sweden	98.52	98.52	FC
Rodamco Expand AB	Sweden	98.52	98.52	FC
Rodamco Fisketorvet AB	Sweden	98.52	98.52	FC
Rodamco Forum Nacka KB	Sweden	98.52	98.52	FC
Rodamco Garage AB	Sweden	98.52	98.52	FC
Rodamco Hallunda Centrum HB	Sweden	98.52	98.52	FC
Rodamco Helsingborg KB	Sweden	98.52	98.52	FC
Rodamco Holding AB	Sweden	98.52	98.52	FC
Rodamco Invest AB	Sweden	98.52	98.52	FC
Rodamco Management AB	Sweden	98.52	98.52	FC
Rodamco Nacka AB	Sweden	98.52	98.52	FC
Rodamco Nova Lund 2 AB	Sweden	98.52	98.52	FC

List of Rodamco's consolidated companies	Country	% interest		% control		Method ⁽¹⁾
		Dec 31, 2007	Dec 31, 2007	Dec 31, 2007	Dec 31, 2007	
Rodamco Nova Lund 3 AB	Sweden	98.52	98.52	98.52	98.52	FC
Rodamco Nova Lund KB	Sweden	98.52	98.52	98.52	98.52	FC
Rodamco Parkering AB	Sweden	98.52	98.52	98.52	98.52	FC
Rodamco Projekt AB	Sweden	98.52	98.52	98.52	98.52	FC
Rodamco Solna Centrum AB	Sweden	98.52	98.52	98.52	98.52	FC
Rodamco Sverige AB	Sweden	98.52	98.52	98.52	98.52	FC
Rodamco Täby AB	Sweden	98.52	98.52	98.52	98.52	FC
Rodamco Täby Centrum KB	Sweden	98.52	98.52	98.52	98.52	FC
Rodamco Tumlaren AB	Sweden	98.52	98.52	98.52	98.52	FC
Rodamco Tyresö Centrum AB	Sweden	98.52	98.52	98.52	98.52	FC
Rodamco Väsby Centrum AB	Sweden	98.52	98.52	98.52	98.52	FC
Akvest CV	The Netherlands	88.67	88.67	88.67	88.67	FC
Amvestwinkelsamenwerking CV	The Netherlands	88.67	88.67	88.67	88.67	FC
Coolsingel 120 Vastgoed B.V.	The Netherlands	98.52	98.52	98.52	98.52	FC
Copperwing B.V.	The Netherlands	98.52	98.52	98.52	98.52	FC
Fagotvalk B.V.	The Netherlands	98.52	98.52	98.52	98.52	FC
Feldkirchen B.V.	The Netherlands	98.52	98.52	98.52	98.52	FC
Glaszwaan B.V.	The Netherlands	98.52	98.52	98.52	98.52	FC
Gooioord B.V.	The Netherlands	78.82	78.82	78.82	78.82	FC
Oranjevast/Amvest CV	The Netherlands	9.85	9.85	9.85	9.85	EM
REE C.V.	The Netherlands	78.82	78.82	78.82	78.82	FC
Rodamco Austria B.V.	The Netherlands	98.52	98.52	98.52	98.52	FC
Rodamco België B.V.	The Netherlands	98.52	98.52	98.52	98.52	FC
Rodamco Central Europe B.V.	The Netherlands	98.52	98.52	98.52	98.52	FC
Rodamco Czech B.V.	The Netherlands	98.52	98.52	98.52	98.52	FC
Rodamco Deutschland B.V.	The Netherlands	98.52	98.52	98.52	98.52	FC
Rodamco Eastern Europe Holding B.V.	The Netherlands	98.52	98.52	98.52	98.52	FC
Rodamco España B.V.	The Netherlands	98.52	98.52	98.52	98.52	FC
Rodamco Europe Beheer B.V.	The Netherlands	98.52	98.52	98.52	98.52	FC
Rodamco Europe N.V.	The Netherlands	98.52	98.52	98.52	98.52	FC
Rodamco Europe Properties B.V.	The Netherlands	98.52	98.52	98.52	98.52	FC
Rodamco Hungary B.V.	The Netherlands	98.52	98.52	98.52	98.52	FC
Rodamco Nederland B.V.	The Netherlands	98.52	98.52	98.52	98.52	FC
Rodamco Nederland Winkels B.V.	The Netherlands	98.52	98.52	98.52	98.52	FC
Rodamco Northern Europe AB	The Netherlands	98.52	98.52	98.52	98.52	FC
Rodamco Project I B.V.*	The Netherlands	98.52	98.52	98.52	98.52	FC
Rodamco Retail Deutschland B.V. Cottbus	The Netherlands	98.52	98.52	98.52	98.52	FC
Rodamco Russia BV	The Netherlands	98.52	98.52	98.52	98.52	FC
Romanoff Eastern Europe Property B.V.	The Netherlands	78.82	78.82	78.82	78.82	FC
RoProperty Holding B.V.	The Netherlands	35.37	35.37	35.37	35.37	EM
RRN Monumenten B.V.	The Netherlands	98.52	98.52	98.52	98.52	FC
Turbozwaan B.V.	The Netherlands	98.52	98.52	98.52	98.52	FC

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

3. HIGHLIGHTS AND COMPARABILITY OF THE LAST THREE YEARS

3.1. In 2005

Exceptional payout

An exceptional payout of €23 per share was made on January 7, 2005, approved by shareholders' majority vote at the Extraordinary General Meeting of December 15, 2004.

The impact of this payout was reflected in Unibail's 2004 year-end financial statements by a reduction in shareholders' equity and the recording of a corresponding amount under amounts owed to shareholders. The debt to shareholders was extinguished upon effective payment of this sum.

Acquisition of the Expositum group

On March 31, 2005, Unibail acquired Expositum, a leading French exhibition organiser, at a total cost of €232.6 Mn (€180.7 Mn for the shares, €47.8 Mn for the acquisition of current accounts and €4 Mn in acquisition-related expenses).

The Expositum group comprises 25 companies owned by a holding company called Groupe Expositum Holding SAS.

Fourteen of these companies meet Unibail significance thresholds and are included in the scope of consolidation.

In accordance with IFRS 3, all intangible assets owned by the acquired Group have been identified and valued. This appraisal process was carried out by PricewaterhouseCoopers Corporate Finance.

Two categories of intangible assets were identified:

- The Expositum brand name, which has been valued at €7.8 Mn;
- The different exhibitions for which Expositum is the owner, the concession holder, and/or operator. Thirty-three exhibitions were identified and valued at a total of €187.7 Mn.

After a case-by-case analysis, all exhibitions were considered to have an indefinite lifespan. As a result, these intangible assets will not be amortised but will be subject to annual impairment tests.

Based on the valuations of these identified intangible assets, a deferred tax liability of €66 Mn was recognised in the balance sheet.

Expositum's revalued shareholders' equity amounts to €42.7 Mn. Based on the total purchase price of the shares, i.e. €184.7 Mn, a residual goodwill charge of €142 Mn has been recorded in the consolidated balance sheet.

Unibail's year-end 2005 consolidated income statement incorporates Expositum's income statement for the nine months after its acquisition.

Expositum companies subject to corporate income tax are consolidated under the Doria tax sub-group as of July 1, 2005.

Acquisition of an office building in Levallois

Unibail acquired the Courcellor 1 office building, fully let to Gaz de France, in April 2005 for €43 Mn (including transfer taxes).

Acquisition of Immolimo

On September 16, 2005, Unibail acquired Immolimo, which owns co-ownership interests in the Saint-Martial Limoges shopping centre (valued at €5 Mn). As a result of this acquisition, the Group obtained control over the entire shopping gallery of this centre.

Disposals

In a buoyant property investment market, the Group pursued its policy of divesting mature office properties, representing a total net disposal price of €586 Mn over the year. The two main disposals were 50, avenue Montaigne and Cité du Retiro, both located in the Paris 8th district.

Acquisition of majority interests in two shopping centres

Two SCI companies formed by Unibail in partnership with Bail Investissement, which hold 51% and 49% interests in both companies respectively, acquired the Rennes-Alma shopping centre and the Usines Center in Vélizy-Villacoublay on November 30, 2005. These centres were previously fully owned by Bail Investissement. The minority partner has a sale option over its holding at a value to be determined by expert appraisal.

Unibail's investment in this transaction amounted to €67 Mn.

Delivery and letting of the first phase of Capital 8

Buildings located on Avenue de Messine and Rue de Monceau, representing phase 1 of the Capital 8 – Paris 8th project, were completed and delivered in May 2005. Tenants were found for the full floor area of the first phase: Aforge Finance since July 1, 2005 and Rothschild & Cie Banque as of January 1, 2006.

3.2. In 2006

Retail division acquisitions totalling €106 Mn

- Acquisition in April 2006 of a 50.02% interest in SCI Val Commerces, owner of the Etrembières shopping centre (74) near the Swiss border. The minority partner has a sale option over its holding at a value to be determined by expert appraisal.
- Acquisition of additional co-ownership lots in Labège, Toulouse and Rosny 2.

Completion of the second phase of Capital 8 in Paris 8th

At the end of June 2006, the Murat section of Capital 8 (Paris 8th) was completed, thereby ending this 63,422 m² refurbishment/redevelopment project.

After letting the entire first phase in 2005, 21,877 m² of new completed space was let to Marionnaud, Eurazeo, AMB Property France and Gaz de France.

Disposals totalling €530.2 Mn

Including:

- Palais du Hanovre, Paris 9th: sale of the company that owns the building;
- 189 bd Malesherbes, Paris 17th;
- 31 rue du Colisée, Paris 8th;
- 41 rue d'Ybry, Neuilly 92;
- 70 bd de Courcelles, Paris 17th;
- Minority holding in the Massy 2 shopping centre.

An undertaking to sell the Chelles 2 shopping centre was signed in December 2006 contingent upon the pre-emptive right being removed. The right was lifted and the sale effective on January 19, 2007.

Convention-Exhibition division acquisitions

Exposium has made several acquisitions to complete its convention-exhibition portfolio, for a total sum of €39.2 Mn (group share):

- the Progilog and 'Copropriété' exhibitions;
- the Paris Salon du Meuble via the acquisition of 65% of the organising company;
- 'Européenne de Salons', the company that organises the Milipol and Expozoo exhibitions;
- creation of Salons Sitting SAS, which will take holdings in new shows being created.

These exhibitions did not make a notable contribution to 2006 net profit.

Development projects at La Défense

Alongside continuation of the Cnit and Les Quatre Temps refurbishment projects, Unibail has also acquired a piece of land near the Tour Ariane where it plans to build an office property.

Following an international architecture competition organised by Unibail, the firm Morphosis was selected in November 2006 to design what will be the tallest tower at La Défense (Phare project), near the Cnit. This project is at the drawing board stage and no construction commitment had been made as at December 31, 2006.

Acquisition of the Société de Tay Ninh

As at May 12, 2006, Unibail Holding acquired a 78.3% share in the Société de Tay Ninh, a company listed on the Euronext Market of the Euronext Paris stock exchange, for €6.1 Mn.

As the result of a simplified public take over bid initiated by Unibail Holding as at August 4, 2006 and an increase in capital to €15 Mn while maintaining preferential subscription rights, at closing on December 15, 2006 Unibail Holding now holds a 97.68% stake. This company has no operating activities and has changed its corporate object. After opting for SIIC tax status, it will become a vehicle for transactions with groups wishing to outsource their property portfolio, especially under SIIC 2 and SIIC 3 provisions.

3.3. In 2007

Public Exchange Offer for Rodamco Europe N.V. shares

On May 21, 2007, Unibail Holding S.A. and Rodamco Europe N.V. jointly announced that Unibail made a friendly Public Exchange Offer for all the outstanding shares in the capital of Rodamco with a nominal value of eight euros per share. Rodamco, whose headquarters was based in Rotterdam in the Netherlands, is engaged in property investment and management of quality shopping centres in its historical Dutch and Belgian markets as well as in the Nordic countries, France, Spain and Central Europe. 94% of the property portfolio of Rodamco Europe consists of shopping centres.

The exchange ratio of the Public Exchange Offer was 0.5223 Unibail share with a nominal value of five euros for each Rodamco share. It was based on the initial exchange ratio announced on April 10, 2007 of 0.5300 Unibail share for each Rodamco share which had been adjusted to integrate the financial impact of the 2006 Unibail interim dividends and of the 2006 Rodamco final dividend.

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

At the end of the offer period, the Public Exchange Offer was declared unconditional on June 21, 2007: 71,378,392 Rodamco shares were tendered, which represented 79.63% of participation in the Company. Unibail issued 27,917,226 Unibail shares and 9,363,708 Unibail ORA in exchange for the Rodamco shares, which resulted in a Unibail Holding capital increase of €139,586,130.

A subsequent offer period began on June 22, 2007 and ended on July 10, 2007: 14,443,054 additional Rodamco shares were tendered and Unibail issued 7,543,607 Unibail shares representing a capital increase of €37,718,035.

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

Following these operations, the name of the Group parent company was changed from Unibail Holding S.A to Unibail-Rodamco S.A..

Starting as of August 27, 2007, the Group via a bank which acted independently bought 2,491,503 shares of Rodamco Europe on the market. These shares have been bought at an average price of €96.00 per share.

As at December 31, 2007, Unibail-Rodamco owned 98.52% of the issued share capital of Rodamco Europe.

At December 14, 2007, the squeeze out proceedings under Dutch law of the remaining shares in Rodamco Europe have been initiated. The first day of the proceedings was on January 24, 2008. The squeeze out price is to be determined by the Enterprise Chamber of the Court of Appeals in Amsterdam. Unibail-Rodamco has proposed in the "writ of summons" a squeeze out price which is based on the exchange ratio of the original exchange offer, adjusted for dividend payments. In arriving at the proposed squeeze out price, the exchanged ratio was applied to the volume-weighted average Unibail-Rodamco share price of the thirty trading days ending on December 12, 2007, resulting in a price of €81.03 per Rodamco share.

Accounting for Business Combinations

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

Although in essence the transaction bears all the elements of a pure merger (pooling of interest), in accordance with accounting principles (IFRS 3 – Business Combinations) the combination was considered as a purchase of Rodamco by Unibail. The cost of the business combination was computed based on the Unibail share price (€195.80 as at June 21, 2007). This market value differed from the issue price used in the statutory financial statements of Unibail Holding which amounted to €196.60 and which was the quoted market price at the closing of the Public Exchange Offer on June 20, 2007. Taking into account the acquisition costs which amounted to €4.1 Mn, the total cost of the business combination amounts to €7,322.6 Mn.

The fees attributable to the issue of the shares and the ORA amount to respectively €34.7 Mn and €9.4 Mn and are directly accounted for in the Group shareholders' equity except for €1.2 Mn reducing the amount of ORA reclassified in 'Long term bonds' (see below 'Accounting for ORA').

At the time of the combination, Unibail and Rodamco shares were trading at a premium to net asset value, similar to the entire property sector, therefore generating a gap of more than €1.6 Bn between the value of Unibail shares issued and Rodamco's shareholders' funds.

As at December 31, 2007 the purchase price allocation has been processed based on Rodamco's financial statements as at June 30, 2007: assets, liabilities and contingent liabilities of Rodamco were estimated at their fair value. As investment properties according to the norm IAS 40 were already booked at their market value in Rodamco's balance sheet, few adjustments were needed:

- Pipeline projects booked at historical cost in Rodamco's balance sheet were appraised resulting in €69 Mn additional value in assets and €6.9 Mn in deferred tax liabilities.
- €67 Mn of additional value was recognised on assets for sale in the Netherlands.
- €50 Mn of additional value came from fair market value of fixed rate debt.
- €31 Mn of goodwill booked in Rodamco's balance sheet was impaired since it represented deferred tax recognised on assets at their acquisition date.

After assigning €244 Mn in value to the possibility of optimizing income taxes and transfer taxes when disposing of assets, the residual goodwill amounted to €1,335 Mn.

When valuing Unibail-Rodamco assets, the appraisers took into account the economic environment of the new Unibail-Rodamco group and its strategy and plans, on the basis of the five-year plan which was communicated to them. The synergies announced in the prospectus related to the operation dated of the 18th may 2007 have been taken into account in the cash flows considered for the purpose of the fair value of the assets by year end. However, these items have not been specifically identified by the appraisers and cannot be individually followed up in the future. These appraisal values are already booked in the balance sheet and this remaining goodwill therefore has no economic justification. The transaction was designed to be neutral for the shareholders of the two groups for both the revalued net asset value and operating result per share. The residual goodwill was in fact the mechanical impact of the application of accounting rules which consider the transaction as an acquisition and require computing the acquisition price with the share price at the transaction date ie a +23% premium on the net asset value of the two companies, in line with the property sector.

As a consequence, this goodwill could not remain on the balance sheet and was written off against the 2007 non-recurring result⁽¹⁾.

This write off had no impact on the Recurring Net Profit nor on the Net Asset Value, which are the two basic key performance indicators for property companies, and will not affect Unibail-Rodamco's dividend payment capacity.

The amounts recognised at the acquisition date for each class of assets and liabilities and the carrying amounts before combination are presented below.

(1) As defined in EPRA best-practices recommendations.

Rodamco Consolidated Balance Sheet at the date of acquisition (in millions of euros)	Amounts recognised at June 30, 2007	Carrying amounts before combination
Non current assets	11,516.0	11,411.0
Tangible assets	337.0	268.0
Investment properties	11,151.0	11,084.0
Other non current assets	28.0	59.0
Current assets	205.0	205.0
Properties under promise or mandate of sale		
Trade receivables from activity	34.0	34.0
Other trade receivables	127.0	127.0
Cash and equivalent	44.0	44.0
Total assets	11,721.0	11,616.0
Total equity	7,227.9	7,097.0
Non current liabilities	3,845.2	3,887.0
Long-term bonds and borrowings	3,023.7	3,074.0
Deferred tax liabilities	686.9	680.0
Other liabilities	134.6	133.0
Current liabilities	647.9	632.0
Amounts due to suppliers and other current debt	196.2	192.0
Current borrowings and amounts due to credit institutions	401.0	401.0
Tax & social security liabilities	47.7	36.0
Contingencies and other current liabilities	3.0	3.0
Total liabilities and equity	11,721.0	11,616.0

The delivery of additional shares at the end of the subsequent offer period ending on July 10, 2007 as well as the acquisition of additional shares on the market represented a further acquisition of Rodamco Europe N.V.'s minority interests. The difference between the acquisition price of these additional shares and the corresponding value of minority interests has been deducted from the consolidated shareholders' equity for an amount of €259.1 Mn.

Rodamco only impacts the results of the second half-year. It contributes for €617.0 Mn to the Net Profit (group share) of the Group as at December 2007, split into €179.2 Mn for recurring activities, €445.9 Mn for valuation movements and disposals and -€8.1 Mn for other items.

For information, if the entry of Rodamco into the scope of consolidation had been January 1, 2007 the impact on the income statement is presented below.

(in millions of euros)	2007 published	Impact of the entry of Rodamco as at January 1, 2007	2007 Unibail-Rodamco with a full year of Rodamco
Net rental income	765.4	299.9	1,065.3
Administrative expenses	-67.7	-41.1	-108.8
Net other income	31.5	-	31.5
Profit on disposal of investment property	20.7	11.0	31.7
Valuation movements	1,667.1	758.3	2,425.4
Amortisation of Goodwill	-1,335.0	-	-1,335.0
Net operating profit before financing cost	1,082.0	1,028.1	2,110.1
Dividend income from non-consolidated companies	0.3	-	0.3
Net financing costs	-156.8	-66.3	-223.1
Bonds redeemable for shares	-6.0	-6.1	-12.1
Fair value adjustments of derivatives and debts	53.9	-0.1	53.8
Debt discounting	-3.7	-2.0	-5.7
Profit on disposal of associates	201.0	-	201.0
Share of the profit of associates	8.4	-	8.4
Income on financial assets	14.9	-	14.9
Profit before tax	1,194.0	953.6	2,147.5
Income tax expenses	-53.4	-110.5	-163.9
Net profit for the period	1,140.6	843.1	1,983.6
Minority interests	181.2	13.5	194.7
Net profit (group share)	959.4	829.6	1,788.9

The impact of the entry of Rodamco as at January 1, 2007 corresponds to the profit of Rodamco for the first semester with the following restatements:

- An adjustment of +€7 Mn was needed on the rental income and -€7 Mn on the valuation movements to be compliant with Unibail's accounting principles.
- Merger costs (€32 Mn) recorded in Rodamco's accounts as at June 30, 2007, have been restated.
- Interest expenses on Bonds Redeemable for Shares as well as the amortisation of the fair value of the debt have been adjusted for a total amount of -€9.1 Mn.
- Minority interests had been calculated taking into account a stake of 98,52% in Rodamco during the first half-year.

In January 10, 2008 the Group announced its intention to sell parts of Rodamco's Dutch and Belgian real estate portfolio. The intended divestments of part of the high-street shops, smaller shopping centres and offices are consistent with the companies' strategy to focus on large-scale premium assets with leading competitive edge. This portfolio has been reclassified as "Properties for sale" as at December 31, 2007 for an amount of €775 Mn.

Accounting for ORA

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

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

The interest to be paid on each Unibail-Rodamco ORA will be equal to 100% of the dividend paid for each Unibail-Rodamco share during the relevant accrual period. The minimum annual interest payable will be equal to 1.5% of the nominal value of each Unibail-Rodamco ORA.

Unibail-Rodamco has the right to demand the redemption of the Unibail-Rodamco ORA on the first cash payment date falling after the expiry of a period of 12 years following the Unibail-Rodamco ORA issue date.

In accordance with IAS 32 – Financial instruments: Presentation-ORA are considered equity instruments except for the minimum cash amounts to be paid up until the first date at which Unibail-Rodamco can demand their redemption. This portion is considered as liabilities for its net present value.

The fair value of the ORA was therefore stated separately on the balance sheet at the date of acquisition, partly under shareholders' equity for a value of €1,574.4 Mn after a cost deduction of €8.2 Mn and partly as financial liabilities for a total value of €249.6 Mn after a cost deduction of €1.2 Mn.

During the semester, 46,530 ORA were converted and therefore the outstanding balance of ORA recorded in equity amounted to €1,566.5 Mn as at December 31, 2007.

The financial liabilities' part is accounted for as the net present value of the minimum cash amounts of 1.5% of the nominal value of the ORA accruing on a quarterly basis over 12 years at an annual discount rate of 4.8%.

Other events

- The Group disposed of its residual stake of 49% in the property Coeur Défense. A sale agreement was signed during the first half 2007 and the sale was concluded as at July 10, 2007, as follows:
 - disposal of the 49% stake in SCI Karanis, the ownership company, for a net disposal price of €373.2 Mn which is based on the value of the building of €2,110 Mn.
 - repayment by SCI Karanis of €86.4 Mn, which corresponds to the loan granted by Unibail Holding.
- The shopping centre Chelles 2 was sold on January 19, 2007, according to the conditions of the sale commitment signed in 2006 and mentioned in the annual report 2006.
- Unibail-Rodamco acquired co-ownership lots in the shopping centres Maine-Montparnasse, Labège and Velizy 2 for an amount of €24.4 Mn.
- The shopping centre 'A l'Usine' near Roubaix, specialised in discount, was acquired on July 19, 2007.
- The property located at 27, rue de Bassano – Paris 8th was sold on July 18, 2007.
- The property located at 44, Rue de Lisbonne – Paris 8th was sold on October 2, 2007.
- Unibail-Rodamco acquired in December 2007, three co-ownerships lots in Marseille, Vélizy and Rennes for a total amount of €275.9 Mn.
- The Convention-Exhibition division acquired several trade shows (in the sectors of tourism and property business) for an amount of €17.1 Mn. The furniture trade show (Salon du Meuble), owned by the SESMP company, was disposed of for an amount of €17.5 Mn.
- Three litigations had positive outcomes during 2007:
 - An agreement was reached with the authorities regarding one of their tax adjustment notifications after the fiscal audit of Unibail Holding (for the 2003 to 2005 financial years). A reversal of the provision was carried out for €7.8 Mn.
 - The litigation with Accor regarding the take-over conditions of the company Cnit S.A. by Unibail Holding in 2000 also had a favourable outcome. The provision of €12.7 Mn booked into the 2006 accounts was reversed for an amount of €12.5 Mn.
 - In Spain, a litigation concerning tax issues ended during the second semester. A tax provision of €6.5Mn has been released.

- A litigation occurred during an acquisition process and a provision of €9 Mn has been recorded to cover this risk.
- In October, Unibail-Rodamco and ING Real Estate signed an agreement regarding Zlote Tarasy in Warsaw, Poland. Unibail-Rodamco has prepaid €164 Mn for 50% in Zlote Tarasy and will receive from ING Real Estate the net return as if Unibail-Rodamco would have been the legal owner of the company that owns the shopping centre. Unibail-Rodamco expects ING Real Estate to transfer 50% of the shares in Zlote Tarasy at the earliest opportunity.
- In August, Unibail-Rodamco announced the acquisition of the extension of the Aupark shopping centre in Bratislava, Slovak Republic, for an amount of €31 Mn. After the legal transfer of the extension part as per October 1, 2007, Unibail-Rodamco now owns 50% of the enlarged shopping and entertainment centre.

4. BUSINESS SEGMENT REPORT

4.1. First level of segment reporting – divisions

Unibail-Rodamco is made up of the following segments:

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

Results by division as at December 31, 2006

(in millions of euros)	Retail	Offices	Convention-Exhibition			Property services	Inter-group	Not allocated	TOTAL Year-end 2006
			Venue management	Hotels	Trade show organising				
Rental revenues	243.6	136.0	101.0	11.7	-	-	-2.4	-	489.9
Net rents	220.1	128.9	52.8	11.4	-	-	-2.4	-	410.8
Administrative expenses	-5.6	-4.1	-	-	-	-	-	-21.6	-31.3
Other income	-	-	54.2	-	141.7	35.2	-1.7	2.9	232.3
Net other income	-	-	7.5	-	33.6	0.8	2.4	2.9	47.2
Gains on disposals	0.7	97.9	-	-	0.8	-	-	-	99.4
Valuation movements	971.2	699.1	27.1	3.9	-	-	-	-	1,701.3
Operating income	1,186.4	921.8	87.4	15.3	34.4	0.8	-	-18.7	2,227.4
Contribution of companies consolidated under equity method & interest on financial assets	8.5	164.4	-	-	-0.3	-	-	-	172.6
Net financing costs	-	-	-	-	-	-	-	-84.0	-84.0
Value adjustment of derivatives and discounting of loans and receivables	-	-	-	-	-	-	-	80.4	80.4
Income & dividends from non-consolidated companies	-	-	-	-	-	-	-	-	-
Pre-tax profit	-	-	-	-	-	-	-	-	2,396.4
Corporate income tax	-	-	-	-	-	-	-	-19.4	-19.4
Net profit	-	-	-	-	-	-	-	-	2,377.0

Results by division as at December 31, 2007

(in millions of euros)	Retail	Offices	Convention-Exhibition			Property services	Inter-group	Not allocated	TOTAL Year-end 2007
			Venue management	Hotels	Trade show organising				
Gross rental income	586.2	191.6	95.1	12.6	-	-	-6.0	-	879.5
Net rental income	528.5	179.4	51.6	11.9	-	-	-6.0	-	765.4
Administrative expenses	-	-	-	-	-	-	-	-67.7	-67.7
Revenues from other activities	-	-	46.8	-	94.2	41.3	-2.9	5.5	184.8
Net other income	-	-	6.5	-	8.5	5.1	6.0	5.5	31.5
Gains on disposals	-3.3	23.9	-	-	-	-	-	-	20.7
Valuation movements	1,149.2	526.3	-17.2	8.8	-	-	-	-	1,667.1
Amortisation of Goodwill	-	-	-	-	-	-	-	-1,335.0	-1,335.0
Operating income	1,674.4	729.6	40.9	20.7	8.5	5.1	-	-1,397.2	1,082.0
Contribution of companies consolidated under equity method & interest on financial assets	10.4	12.7	-	-	0.2	-	-	-	23.3
Profit on disposal of associates	-	200.8	-	-	0.2	-	-	-	201.0
Net financing costs	-	-	-	-	-	-	-	-156.8	-156.8
Bonds redeemable for shares	-	-	-	-	-	-	-	-6.0	-6.0
Value adjustment of derivatives and discounting of loans and receivables	-	-	-	-	-	-	-	50.2	50.2
Income & dividends from non-consolidated companies	-	-	-	-	-	-	-	0.4	0.4
Pre-tax profit	-	-	-	-	-	-	-	-	1,194.0
Corporate income tax	-	-	-	-	-	-	-	-53.4	-53.4
Net profit	-	-	-	-	-	-	-	-	1,140.6

Balance Sheet items at year-end 2006 – by division

(in millions of euros)	Retail	Offices	Convention Exhibition	Total Year 2006
Investment properties	4,911.5	3,268.9	865.9	9,046.3
Properties under promise or mandate of sale	88.1	8.2	-	96.3
IAS 16 properties	96.0	134.2	-	230.2
Shares and investments in companies consolidated under the equity method	81.8	244.5	-	326.3
Inventories	28.1	-	-	28.1
	5,205.5	3,655.8	865.9	9,727.2
Other allocated assets	268.5	105.6	87.4	461.5
Non-allocated assets	-	-	-	654.2
Total assets	5,474.0	3,761.4	953.3	10,842.9
Allocated liabilities	334.2	117.1	199.9	651.2
Non-allocated liabilities	-	-	-	3,357.5
Total liabilities excluding shareholders' equity	334.2	117.1	199.9	4,008.7

Investments at year-end 2006 – by division

(in millions of euros)	Retail	Offices	Convention Exhibition	Non allocated	Total Year 2006
Investments in investment property	217.1	95.8	25.2	-	338.1
Properties under promise or mandate of sale	1.8	1.0	-	-	2.8
Investments in tangible assets	60.9	87.6	3.3	0.7	152.5
Acquisition of exhibitions	-	-	45.5	-	45.5
Investments and capitalised expenses	279.8	184.4	74.0	0.7	538.9

Balance Sheet items at year-end 2007 – by division

(in millions of euros)	Retail	Offices	Convention Exhibition	Total Year 2007
Investment properties	16,086.0	4,506.2	914.6	21,506.8
Properties under promise or mandate of sale	775.0	48.0	-	823.0
IAS 16 properties	628.5	429.1	-	1,057.6
Shares and investments in companies consolidated under the equity method	89.1	-	-	89.1
Inventories	31.4	-	-	31.4
	17,610.1	4,983.3	914.6	23,507.9
Other allocated assets	414.5	147.6	84.9	647.0
Non-allocated assets	-	-	-	1,390.9
Total assets	18,024.6	5,130.9	999.5	25,545.8
Allocated liabilities	1,370.4	163.8	290.4	1,824.6
Non-allocated liabilities	-	-	-	8,086.3
Total liabilities excluding shareholders' equity	1,370.4	163.8	290.4	9,910.9

Investments at year-end 2007 – by division⁽¹⁾

(in millions of euros)	Retail	Offices	Convention Exhibition	Non allocated	Total Year 2007
Investments in investment property	578.5	92.7	53.3	-	724.5
Properties under promise or mandate of sale	-	0.6	-	-	0.6
Investments in tangible assets	325.0	57.5	4.4	7.0	393.9
Acquisition of exhibitions	-	-	17.3	-	17.3
Investments and capitalised expenses	903.5	150.8	75.0	7.0	1,136.3

(1) Since the business combination Unibail-Rodamco was made through issuing Unibail shares and bonds redeemable for shares, it is not reported here.

4.2. Second level of segment reporting – by geographic location

Segment reporting by home region concerns only the Group's rental activities (see § 1.12). Items relating to property services and exhibition organisation, most of which are carried out in France, are shown in the column entitled 'Not allocated'.

(in millions of euros)	Retail					Offices		Convention Exhibition ⁽¹⁾	Not allocated ⁽²⁾	Total Year end 2007
	France	Netherlands-Belgium	Nordic	Spain	Central Europe	France	Other	France		
Investment properties	8,248.3	2,694.0	1,926.3	1,774.0	1,443.0	3,748.9	757.7	914.6	-	21,506.8
Properties under promise or mandate of sale	-	775.0	-	-	-	48.0	-	-	-	823.0
Tangible assets	272.5	16.0	103.0	145.0	92.0	396.1	33.0	-	41.6	1,099.3
Inventories	31.4	-	-	-	-	-	-	-	-	31.4
Intangible assets	-	-	-	-	-	-	-	302.4	-	302.4
Total assets	8,552.2	3,485.0	2,029.3	1,919.0	1,535.0	4,193.0	790.7	1,217.0	41.6	23,762.9
Shares and investments in companies consolidated under the equity method	89.1	-	-	-	-	-	-	-	-	89.1
Investments										
Investments in investment property	471.4	5.9	14.0	11.0	76.2	89.5	3.2	53.3	-	724.5
Properties under promise or mandate of sale	-	-	-	-	-	0.6	-	-	-	0.6
Investments in tangible assets	172.0	4.0	20.0	100.0	29.0	45.5	12.0	4.4	7.0	393.9
Acquisition of exhibitions	-	-	-	-	-	-	-	17.3	-	17.3
Total investments	643.4	9.9	34.0	111.0	105.2	135.5	15.2	75.0	7.0	1,136.3
Gross rental income	328.5	106.9	55.9	48.9	46.0	159.6	32.0	101.7⁽³⁾	-	879.5

(1) Includes site property services, hotels and exhibition organizing.

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

(3) Revenues from Convention-Exhibition include rental income from property services, hotels and exhibition organizing.

5. NOTES AND COMMENTS

5.1. Notes to the consolidated balance sheet assets

Note 1 – Change in net tangible assets

Year-end 2005						
Net value (in millions of euros)	Year-beginning 2005	Acquisitions and capitalised expenses	Entries into the scope of consolidation	Disposals	Other movements	Year-end 2005
Operating assets	80.1	-	-	-	-1.4	78.7
Pipeline projects	353.0	137.4	-	-2.2	-135.3	352.9
Furniture and equipment	16.4	8.9	1.1	-2.0	-3.3	21.1
Total	449.5	146.3	1.1	-4.2	-140.0	452.7

Year-end 2006						
Net value (in millions of euros)	Year-beginning 2006	Acquisitions and capitalised expenses	Entries into the scope of consolidation	Disposals	Other movements	Year-end 2006
Operating assets	78.7	-	-	-	-1.4	77.3
Pipeline projects	352.9	148.6	-	-	-348.6	152.9
Furniture and equipment	21.1	3.9	0.1	-0.9	-5.0	19.2
Total	452.7	152.5	0.1	-0.9	-355.0	249.4

Year-end 2007						
Gross value (in millions of euros)	Year-beginning 2007	Acquisitions and capitalised expenses ⁽¹⁾	Entries into the scope of consolidation	Disposals	Other movements ⁽²⁾	Year-end 2007
Operating assets	84.6	-	-	-	184.2	268.8
Pipeline projects	152.9	381.6	312.0	-	-48.7	797.8
Furniture and equipment	35.9	12.3	24.4	-10.9	-0.4	61.3
Total	273.4	393.9	336.4	-10.9	135.1	1,127.9

Depreciation/Impairment (in millions of euros)	Year-beginning 2007	Charges	Entries into the scope of consolidation	Reversals	Other movements	Year-end 2007
Operating assets	7.3	1.7	-	-	-	9.0
Pipeline projects	-	-	-	-	-	-
Furniture and equipment	16.7	7.2	-0.5	-3.7	-	19.7
Total	24.0	8.9	-0.5	-3.7	-	28.7

Net value (in millions of euros)	Year-beginning 2007	Acquisitions and capitalised expenses ⁽¹⁾	Entries into the scope of consolidation	Disposals	Other movements ⁽²⁾	Year-end 2007
Operating assets	77.3	-	-	-	182.5	259.8
Pipeline projects	152.9	381.6	312.0	-	-48.7	797.8
Furniture and equipment	19.2	12.3	24.9	-7.2	-7.6	41.6
Total	249.4	393.9	336.9	-7.2	126.2	1,099.2

(1) The main works during 2007 concerned the following French shopping centres: Docks 76 in Rouen (€39 Mn), Le Havre (€39 Mn), Sénart II (€20 Mn) and Rivétoile (€19.7 Mn), as well as the Czech Shopping Centre Pankrac (€30 Mn).

In France, the main acquisitions related to lands in Lyon, Rouen and Melun-Sénart for a total of €20.8 Mn and to stage payments on the Clichy off-plan purchase (€26.6 Mn). In Spain, it related to Benidorm for €96 Mn.

Capitalised financial expenses amounted to €13.7 Mn.

(2) Other movements were due to :

- the completion of the Shopping Park at Carré Sénart II (France) and the delivery of Orebro in Sweden (reclassification from pipeline projects to investment properties),
- the reclassification as tangible assets of the part of 70 Wilson offices used by the owner and of the 7 Adenauer building which is going to be the headquarters of the Group in France.

Note 2 – Change in investment property

In accordance with the preferred method provided under IAS 40, investment properties are stated at their market value as determined by independent appraisers: DTZ Eurexi, CB Richard Ellis Bourdais, Cushman & Wakefield, Healey & Baker, Jones Lang LaSalle and KPMG.

As at December 31, 2007, the balance of deferred lease incentives amortised over the term of the lease and deducted from the appraisal value represented €54.4 Mn.

Year-end 2005									
Investment property (in millions of euros)	Year- beginning 2005	Acquisitions	Entries into the scope of consolidation	Capitalised expenses	Disposals	Exits from the scope of consolidation	Reclassification and transfer of category	Valuation movements	Year-end 2005
Retail	3,000.9	3.9	136.0	76.5	-2.3	-	46.6	547.2	3,808.8
Offices	2,390.7	50.5	-	64.2	-305.2	-145.5	-62.5	435.9	2,428.1
Convention- Exhibition centres	609.3	-	-	33.7	-0.8	-	7.2	160.3	809.7
Total investment property	6,000.9	54.4	136.0	174.4	-308.3	-145.5	-8.7	1,143.4	7,046.6
Properties under promise or mandate of sale	-	-	-	-	-	-	137.7	-	137.7
Total	6,000.9	54.4	136.0	174.4	-308.3	-145.5	129.0	1,143.4	7,184.3

Year-end 2006									
Investment property (in millions of euros)	Year- beginning 2006	Acquisitions	Entries into the scope of consolidation	Capitalised expenses	Disposals	Exits from the scope of consolidation	Reclassification and transfer of category	Valuation movements	Year-end 2006
Retail	3,808.8	27.4	77.0	112.7	-	-7.5	-66.8	959.8	4,911.5
Offices	2,428.1	-	-	95.8	-162.8	-140.5	349.2	699.1	3,268.9
Convention- Exhibition centres	809.7	-	-	25.2	-	-	-	31.0	865.9
Total investment property	7,046.6	27.4	77.0	233.7	-162.8	-148.0	282.4	1,689.9	9,046.3
Properties under promise or mandate of sale	137.7	-	-	2.8	-107.3	-	51.7	11.4	96.3
Total	7,184.3	27.4	77.0	236.5	-270.1	-148.0	334.1	1,701.3	9,142.6

Year-end 2007									
Investment property (in millions of euros)	Year- beginning 2007	Acquisitions ⁽¹⁾	Entries into the scope of consolidation ⁽²⁾	Capitalised Expenses ⁽³⁾	Disposals ⁽⁴⁾	Reclassification and transfer of category ⁽⁵⁾	Valuation movements	Currency translation difference	Year-end 2007
Retail	4,911.5	387.2	10,275.3	150.1	-8.8	-736.7	1,149.3	-42.0	16,085.9
Offices	3,268.9	-	916.9	92.7	-72.8	-223.6	526.3	-2.0	4,506.4
Convention- Exhibition centres	865.9	-	-	53.3	-	3.8	-8.4	-	914.6
Total investment property	9,046.3	387.2	11,192.2	296.1	-81.6	-956.5	1,667.2	-44.0	21,506.9
Properties under promise or mandate of sale	96.3	-	-	0.6	-88.6	814.7	-	-	823.0
Total	9,142.6	387.2	11,192.2	296.7	-170.2	-141.8	1,667.2	-44.0	22,329.9

(1) The main acquisitions concerned co-ownership lots in three shopping centres in Marseille, Vélizy and Rennes (€275.9 Mn).

(2) It concerned mainly Rodamco's entry into the scope of consolidation.

(3) Principal works related to Cnit (€79.3 Mn), Tour Ariane (€22.7 Mn), les Quatre Temps shopping centre at La Défense (€36.1 Mn) and the Porte de Versailles exhibition centre (€13.4 Mn).

(4) Disposals mainly related to two French office buildings (44 Lisbonne et 27 Bassano located in Paris) and the Chelles 2 shopping centre (under mandate as of December 31, 2006).

(5) Relates to reclassification as tangible assets (7 Adenauer and 70 Wilson office buildings) and reclassification from tangible assets (Retail Park at Sénart II in France and Orebro in Sweden).

The reclassification to "Properties for sale" includes €775 Mn relating to a portfolio of Dutch and Belgian high-street shops, smaller shopping centres and offices, for which a sales promissary agreement has been signed in January 2008.

Note 3 – Goodwill

Year-end 2005							
(in millions of euros)	Year-beginning 2005	Entries into the scope of consolidation	Charges	Reversals	Other movements	Year-end 2005	
Gross value	10.4	141.9	-	-	-	152.3	
Amortisation	-	-	-	-	-	-	
Total	10.4	141.9	-	-	-	152.3	

Year-end 2006							
(in millions of euros)	Year-beginning 2006	Entries into the scope of consolidation	Exits from the scope of consolidation	Charges	Reversals	Other movements	Year-end 2006
Gross value	152.3	15.9	-	-	-	-	168.2
Amortisation	-	-	-	-	-	-	-
Total	152.3	15.9	-	-	-	-	168.2

Year-end 2007							
(in millions of euros)	Year-beginning 2007	Entries into the scope of consolidation	Exits from the scope of consolidation	Charges	Reversals	Other movements	Year-end 2007
Gross value	168.2	1,591.5	-5.6	-	-	-0.4	1,753.7
Amortisation	-	-	-	-1,335.0	-	-	-1,335.0
Total	168.2	1,591.5	-5.6	-1,335.0	-	-0.4	418.7

The entry into the scope of consolidation refers to Rodamco's integration and amounts to €1,585.0 Mn. It is split into goodwill accounted for €6 Mn, as on Rodamco Europe N.V. balance sheet as at December 31, 2007, and into goodwill recognised as a result of the business combination for €1,579.0 Mn. An amount of €1,335.0 Mn was amortised as at December 31, 2007 (see 3 - Highlights 2007). The balance refers to the acquisition of the Promo Expo Conseil Salons company, owner of 'real estate exhibitions'.

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

Note 4 – Changes in intangible assets

Year-end 2005							
Net value (in millions of euros)	Year-beginning 2005	Acquisitions ⁽¹⁾	Entries into the scope of consolidation	Disposals		Reclassifications and other movements	Year-end 2005
Rights and exhibitions	72.8	2.6	191.7	-		-3.2	263.9
Other intangible assets	4.6	0.5	0.9	-0.2		-1.9	3.9
Total	77.4	3.1	192.6	-0.2		-5.1	267.8

(1) Relates to three exhibitions acquired by Expositum since its inclusion in the scope of consolidation.

Year-end 2006							
Net value (in millions of euros)	Year-beginning 2006	Acquisitions	Entries into the scope of consolidation	Exits from the scope of consolidation	Disposals	Reclassification and other movements	Year-end 2006
Rights and exhibitions	263.9	5.0	40.5	-	-	-3.9	305.5
Other intangible assets	3.9	0.5	-	-	-0.1	-2.1	2.2
Total	267.8	5.5	40.5	-	-0.1	-6.0	307.7

Year-end 2007							
Gross value (in millions of euros)	Year-beginning 2007	Acquisitions	Entries into the scope of consolidation	Exits from the scope of consolidation	Disposals	Reclassification and other movements	Year-end 2007
Rights and exhibitions	323.6	4.6	12.5	-17.5	-	-0.1	323.1
Other intangible assets	18.3	0.2	-	-	-0.1	0.4	18.8
Total	341.9	4.8	12.5	-17.5	-0.1	0.3	341.9

Amortisation (in millions of euros)							
	Year-beginning 2007	Charges	Entries into the scope of consolidation	Exits from the scope of consolidation	Disposals	Reclassification and other movements	Year-end 2007
Rights and exhibitions	18.0	3.7	-	-	-	-	21.7
Other intangible assets	16.2	1.5	-	-	-	-	17.7
Total	34.2	5.2	-	-	-	-	39.4

Net value (in millions of euros)							
	Year-beginning 2007	Acquisitions	Entries into the scope of consolidation	Exits from the scope of consolidation	Disposals	Reclassification and other movements	Year-end 2007
Rights and exhibitions	305.5	4.6	12.5	-17.5	-	-3.8	301.3
Other intangible assets	2.2	0.2	-	-	-0.1	-1.1	1.1
Total	307.7	4.8	12.5	-17.5	-0.1	-4.9	302.4

The main changes in intangible assets relate to:

- the acquisition of the Promo Expo Conseils Salons company,
- the disposal of the SESMP company,
- the acquisition by Expositum of two trade shows for €2.5 Mn,
- depreciation of the Porte de Versailles intangible asset for -€3.5 Mn.

Note 5 – Loans and receivables

(in millions of euros)	2005			2006			2007		
	Gross	Impairment	Net	Gross	Impairment	Net	Gross	Impairment	Net
Outstanding finance leasing ⁽¹⁾	17.4	-	17.4	11.1	-	11.1	8.3	-	8.3
Finance leasing receivables	2.9	-1.9	1.0	1.9	-1.3	0.6	2.2	-1.3	0.9
Advances to companies consolidated under the proportional method	19.4	-	19.4	21.4	-	21.4	21.3	-	21.3
Non-consolidated interests	1.3	-0.6	0.7	1.1	-0.3	0.8	2.3	-0.2	2.1
Deposits paid	2.2	-	2.2	2.1	-	2.1	1.6	-	1.6
Prepayments ⁽³⁾	-	-	-	-	-	-	164.0	-	164.0
Other financial assets ⁽²⁾	12.1	-12.1	-	12.2	-12.2	-	10.3	-10.3	-
Total	55.3	-14.6	40.7	49.8	-13.8	36.0	210.0	-11.7	198.3

(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) Other financial assets cover loans to property developers granted by Omnifinance (dissolved). The full amount was provisioned at yearend 2003.

(3) Refers to the prepayment to ING for the acquisition of the company owning the shopping centre Złote Tarasy located in Warsaw (Poland). As at December 2007, the shares have not yet been delivered (see 3 Highlights 2007 "other events").

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

(in millions of euros)	Year-end 2005	Year-end 2006	Year-end 2007
Share in SCI Karanis consolidated under the equity method	8.3	167.0	-
Loan granted to SCI Karanis	77.4	77.5	-
Sub-total SCI Karanis investment	85.7	244.5	-
Share in SCI Triangle des Gares consolidated under the equity method	57.9	61.9	69.2
Loan granted to SCI Triangle des Gares	19.6	20.0	19.7
Sub-total SCI Triangle des Gares investment	77.5	81.9	88.9
Other companies consolidated under the equity method	0.5	-0.1	0.2
Total shares and investments in companies consolidated under the equity method	163.7	326.3	89.1

As at December 2007, the only company consolidated under the equity method that owns an asset is SCI Triangle des Gares.

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

The company SCI Karanis was sold on July 10, 2007, and the loan granted to the company was totally reimbursed after taking into account the deferred interest at this due date.

The main balance sheet items of companies consolidated under the equity method, except SCI Karanis for the year 2007, are presented in the table below. These items are stated on a 100% basis including restatements for consolidation purposes.

(in millions of euros)	Year-end 2005	Year-end 2006	Year-end 2007
Investment property	1,497.0	1,812.7	195.7
Current assets	57.4	63.5	32.2
Total assets	1,554.4	1,876.2	227.9
Restated shareholders' equity	153.0	486.7	172.7
External borrowings and debts to partners	1,358.8	1,359.5	49.8
Other non-current liabilities	16.1	10.1	3.8
Current liabilities	26.5	19.9	1.6
Total liabilities	1,554.4	1,876.2	227.9

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

(in millions of euros)	2005	2006	2007
Rental revenues	106.5	111.8	66.3
Change in fair value of properties	41.7	314.2	15.6
Net income	52.4	342.5	21.1

Note 7 – Inventories

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

Note 8 – Trade receivables from activity

All of these receivables are due within one year.

Related receivables (in millions of euros)	2005	2006	2007
Trade receivables	92.8	119.1	180.0
Doubtful accounts	9.9	12.0	22.3
Rent-free periods and step rents	12.9	34.2	92.8 ⁽¹⁾
Gross value	115.6	165.3	295.1
Provisions for doubtful accounts	-8.0	-9.1	-20.5
Net⁽²⁾	107.6	156.2	274.6

(1) The increase in this item in 2007 is due to major new lettings, particularly Capital 8 and Tour Ariane.

(2) Impact of Rodamco's entry: €36 Mn.

Breakdown of trade receivables by division (in millions of euros)	2005	2006	2007
Retail	43.8	80.5	128.7
Offices	15.0	33.7	78.8
Convention-Exhibition	40.4	34.1	45.9
Property services	7.7	7.2	7.0
Other	0.7	0.7	14.2
Total	107.6	156.2	274.6

Impairment on doubtful accounts (in millions of euros)	2005	2006	2007
As of January 1	-7.6	-8.0	-9.1
Currency translation adjustments	-	-	-
Change in scope of consolidation	-1.3	-1.0	-11.8
Additions	-3.2	-4.2	-6.0
Use and reversal	4.1	4.2	6.4
As of December 31	-8.0	-9.1	-20.5

Note 9 – Other receivables

All of these receivables are due within one year, except for the receivables on sales of property.

Tax receivables (in millions of euros)	2005	2006	2007
Value-added tax	72.4	93.0	150.0
Corporate income tax	1.5	3.9	21.1
Total	73.9	96.9	171.1

Receivables on sales of property as at December 31, 2007 correspond to the discounted deferred payment on the sale of SESMP, owner of the “furniture trade show” (Salon du Meuble), in April 2007. The payments will be made until 2011.

Other receivables (in millions of euros)	2005	2006	2007
Receivables from suppliers	18.4	20.0	27.4
Service charges due	94.6	112.2	103.0
Other debtors ⁽¹⁾	27.4	26.4	63.0
Receivables from partners	2.9	2.6	3.9
Gross value	143.3	161.2	197.3
Provisions	-0.3	-0.2	-0.4
Net	143.0	161.0	196.9

(1) Impact of Rodamco's entry: €34 Mn.

Prepaid expenses (in millions of euros)	2005	2006	2007
Leaseholds: payments made at the start of the contract ⁽¹⁾	21.6	21.3	20.9
Prepaid expenses ⁽²⁾	13.7	17.2	73.3
Total	35.3	38.5	94.2

(1) Straight-line depreciation over the life of the contract. The balance of these prepaid expenses is deducted from the appraisal value of investment properties to determine their fair value in the balance sheet.

(2) Impact of Rodamco's entry: €59 Mn.

Note 10 – Cash and cash equivalent

(in millions of euros)	2005	2006	2007
Available-for-sale investments ⁽¹⁾	3.3	3.3	3.8
Cash	18.7	28.9	111.8
Accrued interest due	-	-	-
Current account to balance out cash flow	0.4	0.1	0.8
Total	22.4	32.3	116.4

(1) This item comprises investments in SICAV (marketable securities). There are no unrealised capital gain/or losses on the portfolio.

As at December 31, 2007, this item includes €101.0 Mn of cash from Rodamco.

5.2. Notes to the consolidated balance sheet liabilities

Note 11 – Commitments to purchase minority interests

The increase in this item relates to changes in fair value, based on the appraisal value of the underlying asset, of the commitment existing as at December 31, 2007, to buy out minority interests in the Rennes Alma and Vélizy Usine Center shopping centres acquired in 2005, and in the Etrembières shopping centre acquired in 2006.

As at December 31, 2007, the Group percentage of interest is as follows:

- 50.02% in the SCI Val de Commerces (Etrembières shopping centre),
- 51.0% in the SNC VUC (Vélizy Usine Center),
- 53.75% in the SNC Almacie (Rennes Alma shopping centre).

Breakdown of debt

Borrowings and other financial liabilities (in millions of euros)	Dec 31, 2005	Dec 31, 2006	Dec 31, 2007 Unibail	Dec 31, 2007 Rodamco	Dec 31, 2007 Unibail-Rodamco
Bonds and EMTNs	2,453.4	1,676.7	1,343.4	2,077.4	3,420.8
Principal debt	2,396.8	1,650.0	1,320.0	2,106.2	3,426.2
Accrued interest	53.8	25.6	23.9	32.2	56.1
Charges and premiums on issues of borrowings	2.8	1.1	-0.5	-11.0	-11.5
Mark-to-market of debt ⁽¹⁾	-	-	-	-47.3	-47.3
Mark-to-market of debt (Fair Value Hedge)	-	-	-	-2.7	-2.7
Bank borrowings	272.2	829.5	1,532.4	1,109.8	2,642.2
Principal debt	238.4	797.5	1,508.0	1,099.4	2,607.4
Accrued interest	2.4	4.8	9.4	6.6	16.0
Charges and premiums on issues of borrowings	-1.4	-2.1	-2.5	-	-2.5
Bank overdrafts	26.4	25.8	12.8	2.0	14.8
Current accounts to balance out cash flow	6.4	3.5	4.7	-	4.7
Mark-to-market of debt ⁽¹⁾	-	-	-	1.8	1.8
Bonds redeemable for shares (Including €1.1 Mn of deducted charges)	-	-	240.6	-	240.6
Other financial liabilities	199.7	401.6	607.8	615.0	1,222.8
Interbank market instruments and negotiable instruments	100.1	267.0	473.0	615.0	1,088.0
Accrued interest on interbank market instruments and negotiable instruments	-	1.0	1.5	-	1.5
Current accounts with minority partners	99.6	133.6	133.3	-	133.3
Total	2,925.3	2,907.8	3,724.2	3,802.1	7,526.4

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

During the year 2007, the financing needs of Unibail-Rodamco have been met by:

- €870 Mn of new bilateral loans concluded during the last quarter 2007 with several banks on a maturity between 1 year to 6 years. Only €270 Mn were drawn at the end of December 2007;
- the drawdown of €382 Mn from the 7-year syndicated bank loan of €700 Mn which was signed on May 12, 2006. €640 Mn of this bank loan were in use as at December 31, 2007;

Note 12 – Current and non-current financial liabilities

The business combination Unibail-Rodamco was partly made through issuing Unibail shares and bonds redeemable for shares in exchange for Rodamco shares.

The component of the ORA booked into debt refers to the net present value of the minimum cash amounts to be paid until the first call option held by Unibail-Rodamco (see 3.1 Public Exchange Offer on Rodamco Europe N.V. shares).

- A €140 Mn 5-year credit facility in Czech crowns equivalent signed in May 2007. This facility was fully drawn as at December 31, 2007;
- A total amount of €489 Mn in short term loans from money brokers raised or rolled over at the level of Rodamco. There was €125 Mn outstanding as at December 31, 2007;
- the issue of commercial papers for €3,703 Mn, €2,049 Mn issued at the level of Unibail-Rodamco, €1,654 Mn at the level of Rodamco.

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

Outstanding duration to maturity (in millions of euros)	Current		Non-current		Total
	Less than 1 year	1 year to 5 years	More than 5 years	Dec 31, 2007	
Bonds and EMTNs	822.4	2,098.4	500.0		3,420.8
Principal debt	776.2	2,150.0	500.0		3,426.2
Accrued interest	56.1	-	-		56.1
Charges and premiums on issues of borrowings	-0.5	-11.0	-		-11.5
Mark-to-market of debt	-9.4	-37.9	-		-47.3
Mark-to-market of debt (Fair value hedge)	-	-2.7	-		-2.7
Bank borrowings	429.7	1,091.8	1,120.6		2,642.2
Principal debt	396.6	1,090.1	1,120.6		2,607.4
Accrued interest	16.0	-	-		16.0
Charges and premiums on issues of borrowings	-2.5	-	-		-2.5
Bank overdrafts	14.8	-	-		14.8
Current accounts to balance out cash flow	4.7	-	-		4.7
Mark-to-market of debt	0.1	1.7	-		1.8
Bonds redeemable for shares (Including €1.1 Mn of deducted charges)	16.0	72.4	152.2		240.6
Other financial liabilities	474.5	748.3	-		1,222.8
Interbank market instruments and negotiable instruments	473.0	615.0	-		1,088.0
Accrued interest on interbank market instruments and negotiable instruments	1.5	-	-		1.5
Partners' current accounts	-	133.3	-		133.3
Total	1,742.6	4,010.9	1,772.8		7,526.4

As at December 31, 2007 Unibail-Rodamco's average debt maturity was 4.1 years, after taking into account the allocation of unused confirmed credit lines (€1,163 Mn as at December 31, 2007) and the unused amount (€60 Mn) of the syndicated bank loan.

Characteristics of bonds

Issue date	Rate	Amount at Dec 31, 2007 (€ Mn)	Maturity
November 2002	Fixed rate 4.750 %	500.0	February 2008
July 2003	Fixed rate 3.750 %	500.0	July 2010
October 2004	Fixed rate 4.375 %	500.0	October 2014
October 2004	Fixed rate 4 %	500.0	October 2011
January 2005 ⁽¹⁾	Stibor +0.12%	106.2	January 2008
March 2005	Euribor 3 +0.20 %	150.0	March 2009
June 2005	Euribor 3 +0.23 %	20.0	June 2008
June 2005	Euribor 3 +0.27 %	50.0	September 2008
December 2005	Euribor 3 +0.20 %	100.0	December 2008
December 2005	Fixed rate 3.750 %	500.0	December 2012
April 2006	Fixed rate 4.125 %	500.0	April 2011
Total		3,426.2	

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

Bonds issued are not restricted by any covenant based on financial ratios which can lead to early repayment of the debt.

The €500 Mn bond issue launched by Unibail in October 2004 includes an early redemption clause in the event of a change in ownership.

The market value of Unibail-Rodamco's fixed-rate 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 balance sheet as the sum of the nominal amount and coupon payments.

(in millions of euros)	December 31, 2005		December 31, 2006		December 31, 2007	
	Carrying value	Market value	Carrying value	Market value	Carrying value	Market value
Long-term debt						
Fixed-rate borrowings, interbank instruments and negotiable market instruments	1,793.2	1,822.4	1,044.0	1,039.2	3,642.8	3,589.0

Note 13 – Hedging instruments

Derivative instruments owned by the Group are stated at their fair values and are recorded in the balance sheet, as at December 31, 2007, for €175.9 Mn as assets and €32 Mn as liabilities. Except as explained below Unibail-Rodamco has opted not to apply the hedge accounting option provided under IAS 39 and derivatives are therefore stated at fair value and any changes are recorded in the income statement.

The financial derivatives owned by Rodamco refer to the interest rate and currency hedging policy implemented by Rodamco. Concerning the currency derivatives, they aim at hedging the investments made in countries outside of the Euro-zone. Therefore for these currency derivatives, hedge accounting is applied, mainly net investment hedge.

Derivatives are valued by discounted estimated future cash flows based on the interest rate curve at year-end 2007. The valuation has been cross-checked against valuations by banks.

The mark-to-market of derivatives generated a net profit of €58.7 Mn (profit of +€60 Mn and loss of -€1.3 Mn) during the year 2007.

Regarding fair value hedge derivatives, a loss of €2 Mn has been recorded in other financial interest and a gain for the same amount has been recognised on the same line for the hedged item.

Concerning net investment hedge a loss of €10.3 Mn has been accounted for in equity and a gain of €2.3 Mn has been recorded in profit and loss.

Note 14 – Deferred tax

Year-end 2005							
(in millions of euros)	Year-beginning 2005	Increase	Decrease	Reclassifications	Changes in scope of consolidation	Year-end 2005	
Deferred tax liabilities	68.7	58.2	-1.5	-		58.6	184.0
Deferred tax liabilities on properties	43.3	58.2	-	-		-	101.5
Deferred tax on intangible assets	25.4	-	-1.5	-		58.6	82.5
Other deferred tax liabilities	9.1	-2.2	-	-		-4.3	2.6
- Doria tax consolidation group	9.3	-2.4	-	-		-4.3	2.6
- Others	-0.2	0.2	-	-		-	-
Total Deferred tax liabilities	77.8	56.0	-1.5	-		54.3	186.6

Year-end 2006							
(in millions of euros)	Year-beginning 2006	Increase	Decrease	Reclassifications	Changes in scope of consolidation	Year-end 2006	
Deferred tax liabilities	184.0	11.6	-7.8	-		13.8	201.6
Deferred tax liabilities on properties	101.5	11.6	-6.5	-		-	106.6
Deferred tax on intangible assets	82.5	-	-1.3	-		13.8	95.0
Other deferred tax liabilities	2.6	9.4	-13.5	-		-3.3	-4.8
- Doria tax consolidation group	2.6	9.3	-13.5	-		-	-1.6
- Others	-	0.1	-	-		-3.3	-3.2
Total Deferred tax liabilities	186.6	21.0	-21.3	-		10.5	196.8

Year-end 2007							
(in millions of euros)	Year-beginning 2007	Increase	Decrease	Reclassifications	Changes in scope of consolidation	Year-end 2007	
Deferred tax liabilities	201.6	53.2	-6.3	0.9		714.9	964.3
Deferred tax liabilities on investment properties	106.6	53.2	-5.0	0.9		716.8	872.5
Deferred tax on intangible assets	95.0	-	-1.3	-		-1.9	91.8
Other deferred tax liabilities	-4.8	-0.3	-1.8	26.1		-22.4	-3.2
- Doria tax consolidation group	-1.6	2.7	-	-2.2		-	-1.1
- Tax loss carry-forward	-	-4.0	1.0	27.0		-28.0	-4.0
- Others	-3.2	1.0	-2.8	1.3		5.6	1.9
Total Deferred tax liabilities	196.8	52.9	-8.1	27.0		692.5	961.1
Deferred tax assets							
Deferred tax assets on properties	-	-	-	-		-	-
Other deferred tax assets	-	-	-	-		-	-
Tax-loss carry-forward	-	-1.0	1.0	-27.0		-18.0	-45.0
Total Deferred tax assets	-	-1.0	1.0	-27.0		-18.0	-45.0

The change in deferred tax assets and deferred tax liabilities is mainly explained by the entry into the scope of consolidation of Rodamco. Deferred tax liabilities on properties refer to those countries where there is no tax efficient status for property companies comparable to that of the Netherlands (FBI) and France (SIIIC), that have a tax exemption on recurring income and capital gains on property sales.

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

Unrecognized deferred tax assets

(in millions of euros)	2007
Temporary differences investment properties	11.0
Tax losses carry-forward not recognized	98.3
Total unrecognized assets	109.3

The temporary differences and tax losses are mainly related to real estate operations in Germany (€68 Mn) and France (€33.3 Mn). Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available which can be offset against these assets.

Note 15 – Provisions

Year-end 2005								
(in millions of euros)	Year-beginning 2005	Allocations	Reversals used	Reversals not used	Discount	Changes in scope of consolidation	Other movements	Year-end 2005
Long-term provisions	47.8	22.9	-2.0	-23.7	-1.1	3.3	-14.5	32.7
Provisions for charges	0.8	-	-	-	-	-	-	0.8
Provisions for litigation	39.4	22.2	-0.4	-22.7	-1.1	3.2	-14.4	26.2
Other provisions	7.6	0.7	-1.6	-1.0	-	0.1	-0.1	5.7
Provisions for pension liabilities	2.1	0.1	-	-0.1	-	1.6	-	3.7
Short-term provisions	4.3	0.6	-3.8	-	-	-	14.5	15.6
Provisions for litigation	2.4	0.1	-2.0	-	-	-	14.4	14.9
Other provisions	1.9	0.5	-1.8	-	-	-	0.1	0.7
Total	54.2	23.6	-5.8	-23.8	-1.1	4.9	-	52.0

Year-end 2006								
(in millions of euros)	Year-beginning 2006	Allocations	Reversals used	Reversals not used	Discount	Changes in scope of consolidation	Other movements	Year-end 2006
Long-term provisions	32.7	4.8	-1.2	-7.3	0.7	0.3	0.5	30.5
Provisions for charges	0.8	-	-	-	-	-	-	0.8
Provisions for litigation	26.2	1.5	-0.7	-4.7	0.7	-	0.5	23.5
Other provisions	5.7	3.3	-0.5	-2.6	-	0.3	-	6.2
Provisions for pension liabilities	3.7	0.2	-0.2	-0.3	-	-	-	3.4
Short-term provisions	15.6	5.0	-1.3	-	0.4	1.2	-	20.9
Provisions for litigation	14.9	1.2	-0.5	-	0.4	-	-	16.0
Other provisions	0.7	3.8	-0.8	-	-	1.2	-	4.9
Total	52.0	10.0	-2.7	-7.6	1.1	1.5	0.5	54.8

Year-end 2007								
(in millions of euros)	Year-beginning 2007	Allocations	Reversals used	Reversals not used	Discount	Changes in scope of consolidation ⁽³⁾	Other movements	Year-end 2007
Long-term provisions	30.5	13.1	-5.6	-18.3	1.2	15.2	-7.1	29.0
Provisions for charges	0.8	1.3	-1.2	-	-	-	-	0.9
Provisions for litigation ⁽¹⁾	23.5	1.1	-	-17.0	1.2	9.3	-7.9	10.2
Other provisions	6.2	10.7	-4.4	-1.3	-	5.9	0.8	17.9
Provisions for pension liabilities	3.4	1.2	-	-0.4	-	5.0	-	9.2
Short-term provisions	20.9	16.7	-2.2	-15.2	-	2.0	8.2	30.4
Provisions for litigation ⁽²⁾	16.0	10.9	-0.6	-13.1	-	2.0	9.2	24.4
Other provisions	4.9	5.8	-1.6	-2.1	-	-	-1.0	6.0
Total	54.8	31.0	-7.8	-33.9	1.2	22.2	1.1	68.6

(1) Concerning Unibail's fiscal audit, an agreement was reached with the authorities over one of the notified tax adjustments which enabled a €7.8 Mn reversal of the provision recorded in the balance sheet as at December 31, 2006.

The balance of €10.2 Mn relates to tax adjustments that are still under discussion.

In Spain, a litigation concerning tax issues following tax controls ended during the second semester. Therefore, a tax provision of €6.5 Mn has been released.

(2) The litigation with the minority shareholder of the Cnit who disputed the terms of the take-over of Cnit SA by Unibail Holding in 2000 ended in the first half-year of 2007. A €12.5 Mn reversal was recorded.

A provision of €9 Mn has been recorded to cover a risk that occurred during an acquisition process.

(3) The changes in the scope of consolidation refer to Rodamco's entry and mainly consist of tax risk provisions of €11.3 Mn.

Note 16 – Amounts due on investments

As at December 31, 2007, the non-current balance comprised a potential earn-out concerning the 2006 shopping centre acquisition "Aupark" in Bratislava, Slovak Republic. The earn-out amount is based on the expected net rental income of 2008 and the adjustment has been discounted.

Note 17 – Amounts owed to shareholders

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

As at December 31, 2007, this item comprised the second 2007 interim dividend payment (€1.70 per share), paid on January 15, 2008 for shares as well as for the Bonds Redeemable for Shares in accordance with the decision made by the Management Board on December 6, 2007.

Note 18 – Amounts due to suppliers and other current debts

Trade payables by division (in millions of euros)	2005	2006	2007
Retail	23.1	20.7	59.5
Offices	7.1	4.9	3.6
Convention-Exhibition	54.1	62.6	42.1
Property services	4.8	3.0	3.7
Others	8.8	6.0	11.9
Total	97.9	97.2	120.8

Sundry creditors (in millions of euros)	2005	2006	2007
Due to customers	104.5	169.1	171.3
Due to partners	3.5	1.7	1.4
Other creditors	34.4	39.3	78.4 ⁽¹⁾
Total	142.4	210.1	251.1

Other liabilities (in millions of euros)	2005	2006	2007
Prepaid income	97.4	78.9	157.9 ⁽¹⁾
Total	97.4	78.9	157.9

(1) The changes mainly relate to the entry of Rodamco into the scope of consolidation for €41.5 Mn for "other creditors" and €62.0 Mn for "prepaid income".

Note 19 – Tax and social security liabilities

(in millions of euros)	2005	2006	2007
Tax liabilities	2.7	3.2	4.6
Total non-current	2.7	3.2	4.6
Social security liabilities	24.5	25.8	28.4
Value-added tax	87.3	38.1	49.3
Income tax due ⁽¹⁾	92.6	27.9	69.0
Other tax liabilities	3.6	2.7	1.2
Total current	208.0	94.5	147.9

(1) The change in this item mainly refers to the entry of Rodamco into the scope of consolidation.

5.3. Notes to the consolidated income statements

Rodamco only impacts the results of the second semester on the profit and loss.

Note 20 – Rental revenues

Rental income consists of rents and similar income (e.g. occupancy compensation, key money, parking revenues) invoiced for office properties and shopping centres during the financial year. The effects of rent-free periods, step rents and key monies are spread over the fixed term of the leases (see 'Accounting principles and consolidation methods' §1.6).

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 21 – Ground rents

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, and Paris Expo Porte de Versailles, to which the City of Paris authorities have granted an operating contract (concession) to operate the 'Parc des Expositions' exhibition centre at Porte de Versailles.

Note 22 – Net service charge expenses

These expenses are net of charges re-invoiced to tenants and relate mainly to vacant premises.

Note 23 – 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 24 – Administrative expenses

This item comprises head office and Group administrative expenses, expenses relating to development projects and depreciation charges for Unibail-Rodamco's head office.

Note 25 – Net other income

Revenues from other activities cover:

- fees for property services received by companies in the Convention-Exhibition division, which also includes Expositum's turnover as of 2005;
- fees for property management and maintenance services provided to offices and shopping centres. These fees are invoiced by Espace Expansion for its property management activities on behalf of owners outside the Unibail-Rodamco Group;
- fees for project development and consulting services. The internal margins generated on these construction and renovation operations, the costs of which are capitalised in the Group's individual company accounts, are eliminated;
- revenues from other property services, mainly invoiced by U2M;
- revenues from residual financing leases, which comprise lease payments net of related amortisation costs.

Other expenses

'Other expenses' comprise charges relating to property services, general costs and depreciation charges for related fixed assets.

Note 26 – Profit on disposal of investment property

Proceeds from the disposal of investment properties correspond to the disposal price received net of disposal costs. The carrying value of disposed assets corresponds to the latest market valuation recorded on the closing balance sheet for the previous financial year, plus works costs and capitalised expenses for the year, and adjusted for reversals of rent-free periods and step rents. See section on 2007 highlights - "other events" for details of the main asset disposals.

Note 27 – Valuation movements

This item reflects changes in the market valuation of investment properties (see "Accounting principles and consolidation methods" §1.5).

(in millions of euros)	2005	2006	2007
Retail	547.2	971.2	1,149.1
Offices	435.9	699.1	526.3
Convention-Exhibition	160.3	31.0	-8.2
Total	1,143.4	1,701.3	1,667.2

Note 28 – Amortisation of Goodwill

This item relates to the write off of the residual goodwill of Rodamco described in §3 – Highlights 2007 "Accounting for business combination".

Note 29 – Net financing costs

(in millions of euros)	2005	2006	2007
Financial income			
Security transactions	0.7	0.5	1.1
Other financial interest	0.7	5.4	8.0
Interest income on caps and swaps	39.0	38.9	58.5
Currency gains	1.0	0.9	0.7
Total financial income	41.4	45.7	68.3
Financial expenses (in millions of euros)			
Security transactions	-2.2	-9.0	-8.2
Interest on bonds	-93.4	-72.5	-136.4
Interest and expenses on loans	-19.0	-24.6	-56.9
Interest on partners' advances	-3.7	-5.2	-7.6
Other financial interest	-0.1	-0.1	-1.6
Interest expenses on caps and swaps	-39.3	-30.6	-33.5
Currency losses	-0.7	-1.1	-
Sub-total financial expenses	-158.4	-143.1	-244.2
Capitalised financial expenses	18.4	13.3	19.1
Total financial expenses	-140.0	-129.8	-225.1
Bonds redeemable for shares	-	-	-6.0
Net financial expenses	-98.6	-84.1	-162.8

Note 30 – Fair value adjustments and proceeds from the sales of derivatives

In 2005, changes in fair value of derivatives (caps and swaps) generated a loss of €2.3Mn on the sales of certain derivatives, while the rest of the portfolio was subject to a change in value of -€17.4 Mn.

In 2006, changes in fair value of derivatives (caps and swaps) generated a loss of €1.4 Mn on the sales of certain derivatives, while the rest of the portfolio was subject to a change in value of +€86.8 Mn.

In 2007, changes in fair value of derivatives (caps and swaps) generated a gain of €60 Mn and a loss of €1.3 Mn.

The amortisation of the fair value of the debt recognised at the entry of Rodamco amounted to €4.7 Mn.

Note 31 – Discounted payables and receivables

This item records the discounting of long term provisions and liabilities.

Note 32 – Share of the profit of associates and income on financial assets

This item breaks down as follows:

(in millions of euros)	Recurring profit	Fair value of investment property	Fair value of derivatives	Result
Income from stake in SCI Karanis consolidated under equity method	-1.3	-	-	-1.3
Income from stake in SCI Triangle des Gares consolidated under equity method	3.2	6.2	-	9.4
Income from other companies consolidated under equity method	0.2	-	-	0.2
Total share of income from companies consolidated under the equity method	2.1	6.2	-	8.3
Interest on the loan granted to Karanis	14.0	-	-	14.0
Interest on the loan granted to Triangle des Gares	0.9	-	-	0.9
Total interest on receivables	14.9	-	-	14.9

Note 33 – Profit on disposal of associates

This item mainly refers to the disposal of SCI Karanis, owner of the property Coeur Défense (see section 2007 highlights - other events).

Note 34 – Corporate income tax

(in millions of euros)	2005	2006	2007
Deferred tax on:			
- Change in fair value of investment property	-50.0	-12.6	-72.0
- Non recurring income	-	-1.4	20.0
- Recurring income	-5.3	-10.8	-10.0
Reversal for fiscal risk	-	5.4	8.6
Total tax	-55.3	-19.4	-53.4
Total tax due	-0.9	-24.8	-12.4

Reconciliation of effective tax rate	%	2007
Profit before tax and amortisation of goodwill		2,529.0
Income tax using the average tax rate	32.4 %	818.8
Tax exempt profits (incl effect of FBI and SIIC)	-29.6 %	-748.5
Tax exempt costs	0.1 %	3.3
Effect of tax losses utilized	-	-
Effect of tax provisions	-0.3 %	-8.6
Effect of non-recognized tax losses	0.2 %	5.3
Effect of change in tax rates	-0.5 %	-13.0
Other	-0.2 %	-3.8
	2.1 %⁽¹⁾	-53.4

(1) The very low tax rate of 2.1% is mainly due to tax exempt profits in the Netherlands and France following the FBI and SIIC regimes, respectively.

Note 35 – Minority interests

As at December 31, 2007, this item mainly comprised minority interests in Rodamco Europe's Group (€25.5 Mn) and minority interests in net profits from Les Quatre Temps (€78 Mn) and Forum des Halles (€44 Mn) shopping centres, as well as the newly-acquired Rennes Alma and Vélizy Usines Center in 2005 and Etrembières in 2006.

5.4. Notes to the consolidated cash flow statements

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.

Interest received on loans granted to associates is classified as cash flow from operating activities.

Since the business combination Unibail-Rodamco was made through issuing Unibail shares and bonds redeemable for shares, the impact on the treasury is limited to the following items:

- the total cost of the share and ORA issues amounted to €48.2 Mn;
- acquisition of Rodamco Europe's shares on the market for an amount of €242.8 Mn;
- the cash in Rodamco's accounts at the date of acquisition amounted to €14 Mn.

In 2007, €92.3 Mn were paid in January 2007 and April 2007 as interim dividend regarding the 2006 financial year. As at July 16, 2007, in accordance with the General Meeting of April 27, 2007, a total dividend of €182.0 Mn was distributed composed of €166.9 Mn paid for the ORA and the shares in circulation as at June 30, 2007 and the remainder of €15.1 Mn referred to the shares issued on July 13, 2007 after the closing of the subsequent period of the Public Exchange Offer. In October 2007 €155 Mn were paid for the shares and the ORA as interim dividend regarding the 2007 financial year.

Dividends paid in 2005 break down into: €1,043.3 Mn for the exceptional payout on January 7, 2005, €129.7 Mn for interim dividends and the dividend balance paid in respect of the 2004 financial year and €43.4 Mn for the interim dividend paid in October 2005.

The change in working capital in 2007 is mainly attributable to the increase of trade receivables from activity due to major new lettings (see note 8), and to VAT recovered in January 2008 on the acquisitions of co-ownership lots (deal France Printemps) in December 2007.

The change in working capital requirement in 2005 is mostly attributable to proceeds received on January 11, 2005 on the sale of the Quai Ouest building, the VAT payment on the disposal of Cité du Retiro in January 2006 and Expositium's change in working capital requirement.

Note 36 – Breakdown of acquisitions and disposals of consolidated subsidiaries

(in millions of euros)	2005	2006	2007
Acquisition price of shares	-255.4	-81.6	-326.7
Cash and current accounts acquired	-37.1	-4.6	18.4
Acquisitions net of cash acquired⁽¹⁾	-292.5	-86.2	-308.3
Net price of shares sold	13.4	90.0	382.8
Cash and current accounts sold	183.8	125.5	85.7
Sales net of cash sold⁽²⁾	197.2	215.5	468.5

(1) For 2007, it is mainly composed of the acquisition of Rodamco Europe's shares on the market for €238.7 Mn.

(2) For 2007, it refers to the disposal of Karanis' shares for €452.9 Mn.

Note 37 – Reconciliation of cash at year-end on the cash-flow statement and cash on the balance sheet

(in millions of euros)	2005	2006	2007
Available-for-sale investments	3.3	3.3	4.6
Cash	19.1	29.0	111.8
Current account to balance out cash flow	-6.4	-3.5	-4.7
Bank overdrafts	-26.4	-25.8	-14.8
Cash at year-end	-10.4	3.1	96.9

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 2005 (in millions of euros)	Categories in accordance with IAS 39	Carrying amount 2005.12	Amounts recognised in balance sheet according to IAS 39			Fair value
			amortised cost	fair value recognised in equity	fair value recognised in profit & loss	
Assets						
Loans	L&R	40.7	40.7	-	-	40.7
Derivatives at fair value	FAHfT	19.8	-	-	19.8	19.8
Trade receivables from activity	L&R	94.7	94.7	-	-	94.7
Other receivables ⁽¹⁾	L&R	48.3	48.3	-	-	48.3
Cash and equivalent	AfS	22.4	-	3.3	19.1	22.4
		225.9	183.7	3.3	38.9	225.9
Liabilities						
Bonds, borrowings and amounts due to credit institutions	FLAC	2,925.3	2,925.3	-	-	2,954.5
Derivatives at fair value	FLHfT	21.0	-	-	21.0	21.0
Guarantee deposits	FLAC	72.2	72.2	-	-	72.2
Amounts due to suppliers and other current debt ⁽²⁾	FLAC	262.6	262.6	-	-	262.6
		3,281.1	3,260.1	-	21.0	3,310.3

(1) Excluding prepaid expenses, service charges due and tax receivables.

(2) Excluding prepaid income and service charges billed.

Year-end 2006 (in millions of euros)	Categories in accordance with IAS 39	Carrying amount 2006.12	Amounts recognised in balance sheet according to IAS 39			Fair value
			amortised cost	fair value recognised in equity	fair value recognised in profit & loss	
Assets						
Loans	L&R	36.0	36.0	-	-	36.0
Derivatives at fair value	FAHFT	99.5	-	-	99.5	99.5
Trade receivables from activity	L&R	122.0	122.0	-	-	122.0
Other receivables ⁽¹⁾	L&R	49.0	49.0	-	-	49.0
Cash and equivalent	AFS	32.3	-	3.3	29.0	32.3
		338.8	207.0	3.3	128.5	338.8
Liabilities						
Bonds, borrowings and amounts due to credit institutions	FLAC	2,907.8	2,907.8	-	-	2,903.0
Derivatives at fair value	FLHFT	11.0	-	-	11.0	11.0
Guarantee deposits	FLAC	73.7	73.7	-	-	73.7
Amounts due to suppliers and other current debt ⁽²⁾	FLAC	340.1	340.1	-	-	340.1
		3,332.6	3,321.6	-	11.0	3,327.8

(1) Excluding prepaid expenses, service charges due and tax receivables.

(2) Excluding prepaid income and service charges billed.

Year-end 2007 (in millions of euros)	Categories in accordance with IAS 39	Carrying amount 2007.12	Amounts recognised in balance sheet according to IAS 39			Fair value
			amortised cost	fair value recognised in equity	fair value recognised in profit & loss	
Assets						
Loans	L&R	198.3	198.3	-	-	198.3
Derivatives at fair value	FAHFT	175.9	-	7.4	168.5	175.9
Trade receivables from activity	L&R	181.9	181.9	-	-	181.9
Other receivables ⁽¹⁾	L&R	96.5	96.5	-	-	96.5
Cash and equivalent	AFS	116.4	-	4.6	111.8	116.4
		769.0	476.7	12.0	280.3	769.0
Liabilities						
Bonds, borrowings and amounts due to credit institutions	FLAC	7,526.4	7,529.1	-	-2.7	7,472.6
Derivatives at fair value	FLHFT	32.0	-	0.1	31.9	32.0
Guarantee deposits	FLAC	138.0	138.0	-	-	138.0
Amounts due to suppliers and other current debt ⁽²⁾	FLAC	488.9	488.9	-	-	488.9
		8,185.3	8,156	0.1	29.2	8,131.5

(1) Excluding prepaid expenses, service charges due and tax receivables.

(2) Excluding prepaid income and service charges billed.

'Trade and other receivables', as well as 'Trade and other payables', mainly have short times of maturity. For this reason, their carrying amounts at the reporting date approximate the fair value.

Net gain/loss by category

Year-end 2005 (in millions of euros)	From interest	From Trading	From subsequent measurement			Net gain/loss
			at fair value	currency translation	impairment/reversal of impairment	
Loans & receivables	0.6	-	-	-	-	0.6
Available for sale financial assets	-	-	0.7	-	-	0.7
Financial instruments held for trading	-	-0.3	-	-	-	-0.3
Financial liabilities at amortised cost	-118.3	-	-	-	-	-118.3
	-117.7	-0.3	0.7	-	-	-117.3
Capitalised expenses						18.4
Other						0.3
Net financial expenses						-98.6

Year-end 2006 (in millions of euros)	From interest	From Trading	From subsequent measurement			Net gain/loss
			at fair value	currency translation	impairment/reversal of impairment	
Loans & receivables	0.8	-	-	-	-	0.8
Available for sale financial assets	-	-	5.0	-	-	5.0
Financial instruments held for trading	-	8.3	-	-	-	8.3
Financial liabilities at amortised cost	-111.2	-	-	-	-	-111.2
	-110.4	8.3	5.0	-	-	-97.1
Capitalised expenses						13.3
Other						-0.2
Net financial expenses						-84.0

Year-end 2007 (in millions of euros)	From interest	From Trading	From subsequent measurement			Net gain/loss
			at fair value	currency translation	impairment/reversal of impairment	
Loans & receivables	3.5	-	-	-	-	3.5
Available for sale financial assets	-	-	1.1	-	-	1.1
Financial instruments held for trading	-	25.0	-	-	-	25.0
Financial liabilities at amortised cost	-212.2	-	-	-	-	-212.2
	-208.7	25.0	1.1	-	-	-182.6
Capitalised expenses						19.1
Other						0.7
Net financial expenses						-162.8

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, including outstanding receivables. 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 an annual and more frequent review. 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 listed on the CAC 40 index. 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.

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 variable interest payments arising from the financial instruments were calculated using the last interest rate fixed before December 31, 2007.

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 millions of euros)	Carrying amount ⁽¹⁾ Dec 31, 2007	Less than 1 Year		1 year to 5 years		More than 5 years	
		Interest	Redemption	Interest	Redemption	Interest	Redemption
Bonds, borrowings and amounts due to credit institutions:							
Bonds and EMTN's	-3,426.0	-143.0	-776.0	-324.0	-2,150.0	-44.0	-500.0
Bank borrowings and other financial liabilities	-3,828.0	-168.0	-1,485.0	-395.0	-1,088.0	-74.0	-1,253.0
Financial derivatives:							
Derivative financial liabilities :							
Currency derivatives in connection with cash flow hedges	-0.1	-0.1	-	-0.1	-	-	-
Currency and Interest rate derivatives in connection with net investment hedges	-	-	-	-	-	-	-
Interest rate derivatives without a hedging relationship	-29.0	-138.6	-	-498.5	-	-321.2	-
Currency and Interest rate derivatives in connection with fair value hedges	-2.9	-1.6	-	-4.9	-	-	-
Derivative financial assets :							
Currency derivatives in connection with cash flow hedges	5.1	1.0	-	4.2	-	-	-
Currency and Interest rate derivatives in connection with net investment hedges	2.3	0.1	-	0.1	-	-	-
Interest rate derivatives without a hedging relationship	168.5	178.0	-	606.7	-	411.9	-
Currency and Interest rate derivatives in connection with fair value hedges	-	-	-	-	-	-	-

(1) corresponds to the amount of principal debt (see note 12).

Unibail-Rodamco's long term refinancing policy consists of diversifying the Group's expiry schedules and financial resources. Accordingly, bond issues represented 48% of financial debt at December 31, 2007, bank borrowings 37% and commercial paper 15%.

The commercial paper programme is backed by confirmed credit lines. These credit lines protect Unibail-Rodamco against the risk of a temporary or more sustained absence of lenders in the short or medium term debt markets. As at December 31, 2007 the total amount of these confirmed credit lines came to €1,273 Mn. These credit lines were provided by leading international banks. Their average duration is 4 years. As at December 31, 2007, €110Mn of these confirmed credit lines were drawn.

Moreover, the Group benefits from a syndicated bank loan of €700 Mn signed by Unibail in 2006, of which €60 Mn were still not drawn as at December 31, 2007. Furthermore, €870 Mn of new bilateral loans were concluded during the last quarter 2007 with several banks on a maturity between 1 year to 6 years. Only €270 Mn were drawn at the end of December 2007.

Interest rate risk

Unibail-Rodamco is exposed to interest rate fluctuations on its variable rate loans, which fund its investment policy and secure the cash position required. Unibail-Rodamco's strategy regarding interest rate risk is to minimise the impact that changes in rates could have on earnings and cash-flow and minimise the overall cost of financing. In order to implement this strategy, Unibail-Rodamco borrows at variable rates and uses derivatives (mainly caps and swaps) to hedge its interest rate exposure. The Group's market transactions are confined exclusively to those interest hedging activities. All transactions are managed centrally and independently by the Group.

Currency exchange rate risk

Regarding exchange rate risk, the Group aims to limit its net exposure to an acceptable level by taking up debt in the same currency, by using derivatives and by buying or selling foreign currencies at spot rates.

Counterparty risk

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

Measuring interest rate risk

Interest rate risk

(in millions of euros)	Outstanding total at Dec 31, 2007	
	Fixed rate	Variable rate
Financial liabilities	3,709.9	3,430.5
Financial assets	-	-116.4
Net financial liabilities before hedging programme	3,709.9	3,314.1
Hedging ⁽¹⁾	-1,423.8	1,423.8
Net financial liabilities after micro-hedging⁽²⁾	2,286.1	4,737.9
Swap rate hedging ⁽³⁾		-2,672.0
Net debt not covered by swaps		2,065.9
Cap and floor hedging		-900.0
Hedging balance	-	1,165.9

(1) No hedge accounting is applied except for one derivative whose hedged item amounts to €286 Mn.

(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, 2007, net financial debt stood at €7,024 Mn, excluding partners' current accounts and after taking cash surpluses into account (€116 Mn). Variable-rate debt and fixed-rate debt immediately converted into variable-rate debt accounted for 67% of net financial debt. This outstanding debt is hedged at 83% against an increase in variable rates.

Based on Unibail-Rodamco's existing debt situation as at December 31, 2007 and hedging instruments in place within the entire Group, an average interest rate rise (Euribor, Libor, Stibor) of 1% (100 basis points) during 2008 would have an estimated negative impact of -€11.1 Mn on the Group's net recurring result. Similarly, any further rise in interest rates of 1% would have an additional negative impact of €11.1 Mn. Conversely, a 1% (100 basis points) drop in interest rates would reduce financial expenses by an estimated €17.3 Mn and would enhance 2008 net recurring result by the equivalent amount.

Measuring currency exchange rate exposure

The Group has activities and investments in countries outside the Euro-zone, mainly in Sweden. Therefore, the Group is exposed to exchange rate risk on rental income as well as on net investments. Currency risk is covered by matching investments in a specific currency with debt in the same currency, or by using derivatives. Currency risk during the construction period of a building or shopping centre is covered as quickly as possible after the signing of the actual construction contract. Other monetary assets and liabilities held by the Group in currencies other than the Euro are managed by ensuring net exposure is kept to an acceptable level.

Main assets and liabilities in foreign currencies

(in millions of euros)

Currency	Assets	Liabilities	Net Exposure	Hedging instruments	Exposure net of hedges	Managed exposure net of hedges ⁽¹⁾
SEK	1,749.0	629.0	1,120.0	594.0	526.0	10.0
DKK	306.0	95.0	211.0	127.0	84.0	38.0
HUF	2.0	-	2.0	-	2.0	2.0
USD	206.0	63.0	143.0	43.0	100.0	1.0
SKK	-	-	-	-	-	-
CZK	13.0	152.0	-139.0	-151.0	12.0	12.0
PLN	1.0	-	1.0	-	1.0	1.0
Total	2,277.0	939.0	1,338.0	613.0	725.0	64.0

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

The main exposure concerns Swedish krona (SEK). If the exchange rate between the Swedish krona and the Euro should undergo a change of 10%, the impact on recurring income would be limited to €3.2 Mn. A 10% change in the EUR/SEK exchange rate would have a €48 Mn impact on shareholders' equity.

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 our fiscal status under the FBI and SIIC regimes in the Netherlands and France respectively), return capital to shareholders, issue new shares or buy-back outstanding shares or sell assets to reduce debt.

Unibail redeemable bonds ("ORA") issued in exchange of Rodamco's shares are only reimbursable in Unibail-Rodamco shares with no possible reimbursement in cash. The coupon corresponds to the dividend paid on Unibail-Rodamco shares. In view of its nature, it is, therefore, not considered as debt but as equity.

8. FINANCIAL COMMITMENTS AND GUARANTEES

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

Commitments given

Commitments given (in millions of euros)	Dec 31, 2005	Dec 31, 2006	Dec 31, 2007	Dec 31, 2007	Dec 31, 2007
	Unibail	Unibail	Unibail before combination	Rodamco	Unibail-Rodamco
Mortgages and first lien lenders	7.2	7.2	5.4	504.0	509.4
Commitments related to construction works ⁽¹⁾	267.1	203.3	192.0	-	192.0
Guarantees related to works contracts	77.6	1.2	1.2	-	1.2
Residual commitments related to works contracts	84.3	83.5	117.9	-	117.9
Residual commitments related to forward purchase agreements	5.0	64.6	53.8	1,469.0	1,522.8 ⁽²⁾
Liability warranties (capped) ⁽³⁾	42.1	16.1	9.0	-	9.0
Purchase undertakings and contingent fees	91.3	116.5	97.8 ⁽⁴⁾	18.0	115.8
Other guarantees given	4.2	0.5	1.2	78.6	79.8
Total	578.8	492.9	478.3	2,069.6	2,547.9

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

(2) Mainly concerns Rodamco's commitments linked to the building of new shopping centres and office buildings and extension of current existing shopping centres, such as Metropolis (Moscow) for €314.4 Mn, Parly 2 Extension (Paris) for €155.6 Mn, Tour Oxygène (Lyon) for €129.5 Mn, CCM Extension (Prague) for €126.9 Mn, and Breda for €101.1 Mn.

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

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

Other commitments given

- As part of the acquisition of 50.02% of Val Commerces (Etrembières shopping centre) in 2006, Unibail-Rodamco signed a promissory agreement with the minority partner to sell a share of SCI Val Commerces, if the Group's call option over the shares held by the minority partner were to be null and void, cancelled or terminated.
- As part of the acquisition of a 50% stake in Gestion TB, organiser of the Technibois exhibition, Exposium made a commitment to purchase at the end of the financial year 2008 all shares held by the co-shareholder at this date.

The Group has disclosed the "debt ratio" as this is the measure the Group uses to monitor capital. This ratio is calculated as the net financial debt expressed as a percentage of the portfolio valuation (including transfer taxes). As at December 31, 2007, net financial debt stood at €7,024 Mn excluding partners' current accounts and after taking cash surpluses into account (€116 Mn). The portfolio valuation (including transfer taxes) of the Unibail-Rodamco group amounted at the same date to €25,229 Mn. As at December 31, 2007, the calculated ratio stood at 28% in line with the levels recorded at December 31, 2006 (25% for Unibail on a stand alone basis and 30% for Rodamco).

- Unibail-Rodamco gave an earn-out commitment in the event that an extension permit is obtained for the Chelles 2 shopping centre before 2012. The maximum amount of this payment is €91.47 per square metre of contractual GLA (Gross Leasable Area), indexed according to the CCI (Construction Cost Index).
- Unibail-Rodamco has undertaken to retain its interests in the three subsidiaries that own the Docks de Rouen, Carré Sénart II and Rivetoile projects until these centres are opened to the public.
- Undertaking to sell shares in various exhibitions if the Group's call option is not exercised within a certain timeframe (price determined as a multiple of net operating income).
- Undertaking to acquire shares in the company that owns land at Ris-Orangis, scheduled for the construction of a shopping centre, contingent upon obtaining the requisite administrative consents.

- As part of the acquisition of 10% of the shares of Grandes Bruyères, a project to build a multi-brand store, Unibail signed an undertaking to acquire the remaining 90% contingent upon certain conditions.
- Unibail-Rodamco signed a memorandum of understanding with the Hans Dujsik Privatstiftung regarding the intended purchase of 140,400 m² in Shopping City Süd in Vienna (Austria). The transaction is expected to be closed in the second quarter of 2008 and Unibail-Rodamco would own 90% of the company holding the property.

Commitments received

Commitments received (in millions of euros)	Dec 31, 2005	Dec 31, 2006	Dec 31, 2007	Dec 31, 2007	Dec 31, 2007
	Unibail	Unibail	Unibail before combination	Rodamco	Unibail-Rodamco
Refinancing agreements obtained but not used ⁽¹⁾	1,163.2	1,090.2	1,333.0	551.0	1,884.0
Guarantees received relating to Hoguet Regulation	52.8	64.8	56.8	-	56.8
Guarantees received from tenants	25.1	32.7	161.3	-	161.3
First lien lenders	75.0	75.0	-	-	-
Other commitments received ⁽²⁾	300.5	378.1	359.0	8.6	367.6
Total	1,616.6	1,640.8	1,910.1	559.6	2,469.7

(1) As at December 2007, this amount comprises the unused confirmed credit lines (€1,163 Mn), the unused amount (€60 Mn) of the syndicated bank loan, the outstanding amount (€600 Mn) of new bilateral loans concluded during the last quarter 2007, as well as other committed lines (€61 Mn), generally used directly by subsidiaries. These agreements are usually accompanied by a requirement to meet specific target ratios based on revalued shareholders' equity and debt. This requirement has not changed since December 31, 2004. Certain credit lines are also subject to an early pre-payment (in full or in part) clause in the event of a change in ownership or a series of disposals reducing portfolio assets below a given threshold. Based on forecast budgets, excluding exceptional circumstances, these thresholds are not expected to be attained during the current year.

(2) Mainly liability warranties for acquisitions of companies which are also subject to bank guarantees for an amount of €3.8 Mn.

Other commitments received

- Following the acquisition of a 51% stake in the Rennes Alma and Vélizy Usines Center shopping centres, Unibail was awarded a promissory agreement by the minority shareholder to purchase the remaining 49%, which comes into effect between December 1, 2008 and November 30, 2009.
- Following the acquisition of Val Commerces (Etrembières shopping centre), an indemnity warranty was received payable in the event there proves to be an inaccuracy in the representations made regarding the asset's legal position. A similar warranty was also received with respect to the acquisition of Labex.
- Commitments received from the partners in the sale of interests in exhibitions, the prices being determined on a multiple of net operating income.
- Further to the acquisition in 2006 of a 50% stake in the Aupark shopping and entertainment centre (Slovak Republic), Rodamco has an option to extend its stake to 90%, as from 2013 onwards, either by the Group's offer to acquire the additional 40% stake, or by accepting the vendor's offer to sell it.

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 construction cost index. 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 turnover, with a minimum guaranteed rent, indexed and established so that the variable part of rents represents a small part of total rents. In 2007, variable rents accounted for just 2.1 % 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 tenure of the lease agreement.

Minimum guaranteed rents under leases

As at December 31, 2007, minimum future rents due under leases until the next possible termination date break down as follows:

Minimum future rents per year (in millions of euros)			
Year	Offices	Retail	Total
2008	204.2	732.9	937.0
2009	159.7	584.6	744.3
2010	136.3	438.9	575.3
2011	101.5	301.7	403.3
2012	88.6	226.4	315.0
2013	79.3	185.1	264.3
2014	70.1	154.4	224.4
2015	64.4	125.1	189.5
2016	30.7	104.1	134.9
2017	15.5	77.5	93.0
Beyond	16.9	171.6	188.5
Total	967.1	3,102.3	4,069.4

In the Convention-Exhibition portfolio, minimum future rents due within one year amounted to €33.7 Mn and those due in more than one year to €3.4 Mn.

Minimum future rents in relation to the exhibition organisation business amounted to €4.9 Mn, including €3.8 Mn due within one year and €1.1 Mn due in more than one year.

9. EMPLOYEE REMUNERATION AND BENEFITS

9.1. Personnel costs

Personnel costs (in millions of euros)	2005	2006	2007
Head office personnel costs	21.2	22.0	64.8
Personnel costs for property services activities	16.7	18.0	19.2
Personnel costs for exhibition organisation activities	14.7	22.0	24.1
Personnel costs for convention-exhibition centre management activities	15.0	14.5	14.7
Employee benefits ⁽¹⁾	4.1	4.2	5.6
Total	71.7	80.7	128.4

(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, S2B and U2M, as well as employees of Unibail-Rodamco SA, benefit from an employee profit-sharing plan and a profit-sharing agreement introduced in 2002. The profit-sharing agreement is based on the annual growth in pre-tax recurring cash flow per share and growth in NAV.

Employees belonging to the Paris-Expo UES benefit from an employee profit-sharing plan and a profit-sharing agreement renewed in 2006 based on growth in net operating income.

Exposium employees benefit from an employee profit-sharing plan and a profit-sharing agreement signed in 2004 based on the company's net operating income.

The following amounts were allocated to these schemes:

(in millions of euros)	2005	2006	2007
Regulated employee profit-sharing plan	1.2	2.2	0.9
Employee profit-sharing agreement	1.7	1.8	1.7

9.2. Number of employees

The average number of employees of the Group's companies breaks down as follows:

Countries	2005	2006	2007
Austria			62
Denmark			22
Spain			131
France	953	966	993
Poland			27
Netherlands			143
Czech Republic			37
Russia			5
Sweden			137
Total	953	966	1,557

(1) UES : Unité Économique et Sociale (Social and Economic Group)

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 millions of euros)	2007
Present value of funded obligations	31.0
Fair value of plan assets	25.0
Total liability for defined benefit obligations	6.0

(in millions of euros)	2007
Employee benefits as at June 30, 2007	7.0
Contributions paid	-2.0
Expenses recognised in the profit and loss account	1.0
Current service costs	1.0
Interest on obligations	1.0
Expected return on plan assets	-1.0
Employee benefits as at December 31, 2007	6.0

Principal actuarial assumptions used in 2007:

Discount rate	5.3%
Expected return on plan assets	4.1%/5.1%
Future salary increase	4.5%/3.75%
Future inflation	2.0%
Future pension increase	2.0%/3.0%

Company Savings Plan

Subscription to the Company Savings Plan is offered to employees who have been with the French subsidiaries of 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 Board of Directors, which also sets the subscription price. The subscription price is equal to the average share price over the last 20 market trading days prior to the meeting of the Board of Directors, to which a 20% discount is applied. A minimum and maximum voluntary payment is set and the amount subscribed must be fully paid by the employee. The Group also makes an employer contribution.

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 €1.3 Mn in 2007 compared with €1.2 Mn in 2006 and €2.6 Mn in 2005.

Stock-option plans

There are currently four stock-option plans in place for Management Board members and employees. The main characteristics:

- Plan authorised in 2000, relating to options allocated in 2000, 2001 and 2002, of which 126,870 options had not been exercised as at December 31, 2007. These stock-options have a life span of eight years and may be exercised as follows: 30% at the end of the second year after the date of allocation, 30% at the end of the third year and the remainder or all options at the end of the fourth year, it being stipulated that beneficiaries may not sell the shares before the end of the fourth year.
- Plan authorised in 2003, relating to options allocated in 2003, 2004 and 2005. These stock-options have a life span of seven years and may be exercised at any time in one or more instalments after the fourth 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 stock performance being higher in percentage terms than that of the benchmark EPRA index over the given period. As at December 31, 2007, unexercised options totalled 846,518 under the unconditional plan and 235,746 under the performance-related plan.
- Plan authorised in 2006, which only comprises stock-options subject to performance criteria. These stock-options have a lifespan of seven years and may be exercised at any time after the fourth anniversary of the date of allocation. The performance criteria are identical to those of the 2003 plan. As at December 31, 2007, a total of 354,500 options allocated had not been exercised.
- Plan authorised in 2007, which only comprises stock-options subject to performance criteria. These stock-options have a lifespan of seven years and may be exercised at any time after the fourth anniversary of the date of allocation. The performance criteria are identical to those of the 2003 plan. As at December 31, 2007, a total of 636,950 options allocated had not been exercised.

The table below shows allocated stock-options at the end of 2007:

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	
Plan 2000	2000	from 21/11/2002 to 20/11/2008	40.81	502,500	29,924	66,156	466,268	-	-	-
	2001	from 09/10/2003 to 08/10/2009	41.99	317,000	53,685	31,500	314,577	24,608	24,608	-
	2002	from 09/10/2004 to 08/10/2010	46.62	394,000	89,319	4,074	376,983	102,262	102,262	-
Plan 2003	2003	from 15/10/2007 to 14/10/2010	53.88	434,500	118,466	-	228,375	324,591	292,155	32,436
	2004	from 13/10/2008 to 12/10/2011	76.91	308,000	83,038	16,865	-	374,173	265,363	108,810
	2005	from 13/10/2009 to 12/10/2012	108.59	404,500	-	21,000	-	383,500	289,000	94,500
Plan 2006	2006	from 11/10/2010 to 10/10/2013	161.50	365,500	-	11,000	-	354,500	-	354,500
Plan 2007	2007	from 11/10/2011 to 11/10/2014	180.36	653,700	-	16,750	-	636,950	-	636,950
Total			3,379,700	374,432	167,345	1,386,203	2,200,584	973,388	1,227,196	

(1) Adjustments reflect stock-split, dividends paid from retained earnings division and other similar adjustments pursuant to regulations.

The table below shows the number and weighted average exercise prices of stock-options:

	2007		2006		2005	
	Number	Weighted average price (€)	Number	Weighted average price (€)	Number	Weighted average price (€)
In circulation at start of period	1,872,385	90.49	1,875,199	67.76	1,792,541	53.28
Allocated over the period	653,700	180.36	365,500	161.50	404,500	108.59
Cancelled over the period	-48,932	143.01	-7,455	89.66	-7,002	71.40
Exercised over the period	-276,569	52.48	-360,859	44.30	-314,840	37.70
Average share price on date of exercise		164.13		156.80		104.91
In circulation at end of period	2,200,584	120.82	1,872,385	90.49	1,875,199	67.76
On which exercisable at end of period	451,461	51.59	175,064	45.63	344,225	43.68

Stock-options allocated after November 7, 2002, i.e. those allocated in 2003 and subsequent years, are accounted for in accordance with IFRS 2. The expense recorded on the income statement in relation to stock-options came to €4.4 Mn in 2007, €3.5 Mn in 2006 and €1.7 Mn in 2005.

The performance-related stock-options allocated in 2007 were valued at €14.70 using a Monte Carlo model. This valuation is based on an exercise price of €180.36, a share price at the date of allocation of €184.60, an estimated lifespan 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 vesting period of four years.

The performance-related stock-options allocated in 2006 were valued at €11.70 using a Monte Carlo model. This valuation is based on an exercise price of €161.50, a share price at the date of allocation of €167.40, an estimated lifespan 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 vesting period of four years. It also takes account of the probability of Unibail-Rodamco achieving the market performance condition.

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. Options allocated in 2003 were valued at €9.30 for the unconditional scheme and €6.80 for the performance related scheme using a Monte Carlo model.

Since the inception of stock options' valuation, the stock options are valued by the independent expert Towers Perrin.

10. RELATED PARTY DISCLOSURES

Transactions with related companies

The consolidated financial statements include all of the companies in the Group's scope of consolidation (see 2 - Scope of consolidation).

The parent company is Unibail-Rodamco S.A.

To the Group's knowledge, there are no shareholders' pacts nor persons or groups of persons exercising or who could exercise control over the Group.

Unibail-Rodamco's transactions with related companies

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

(in millions of euros)	2005	2006	2007
SCI Karanis			
Loan	77.4	77.5	-
Recognised interest	7.8	8.2	-
Fees invoiced ⁽¹⁾	1.1	1.4	-
Rental payments ⁽²⁾	-0.8	-1.0	-
SCI Triangle des Gares			
Loan	19.6	20.0	19.7
Recognised interest	0.9	0.9	0.9
Fees invoiced ⁽¹⁾	0.4	0.7	0.8

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

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

All of these transactions are based on market prices.

Rodamco's transactions with related parties

A Share Purchase Plan was set up in 2002. The participants were entitled to receive an interest-free loan from the company to buy Rodamco Europe N.V. shares at the prevailing market price. Shares acquired under the scheme were to be held for at least three years. This plan ended in 2006.

As at December 31, 2007, all shares have been converted into Unibail-Rodamco shares, 938 shares of Unibail-Rodamco were held by the employees and the residual loan amounts to €0.1 Mn.

Transactions with other related parties

- Remuneration of Management Board: members of Management Board received a total remuneration of €2,870,999 (before tax) in 2007, comprising a variable amount of €690,000 in respect of 2006, as well as benefits (mainly company and pension valued at €259,109). In 2007, 2,666 bonus shares were allocated valued at €480,000 based on the share price on the date of allocation less two years of estimated dividends. In 2007, members of Management Board were allocated a total of 185,000 stock options, all of which are subject to performance criteria. Towers Perrin, an independent firm, valued each option at €14.70. For the financial year 2007, Management Board members received a global variable remuneration of €2,310,933 in 2008.

- Remuneration of Supervisory Board (2nd half-year 2007): total attendance fees of €362,925.
- Remuneration of the Board of Directors (1st half-year 2007): total directors' fees of €225,406.

Loans or guarantees granted to directors: None.

Transactions involving directors: None.

11. OTHER INFORMATION

Transactions after the accounting date

- On January 28, 2008 the Paris Chamber of Commerce and Industry ("CCIP") and Unibail-Rodamco Group announced the final signature of the agreement allowing the actual merger of their activities in the Convention-Exhibitions sector, regarding ownership and management of the venues as well as the organisation of exhibitions. This signature marks the achievement of a merger process initiated last year and authorised, after approval of the French Competition Authorities ("Conseil de Concurrence" with Official Bulletin of December 6, 2007), by the Economy, Finance and Employment Ministry and published in the "Journal Officiel" of January 25, 2008.

As of now, the management of the convention-exhibitions venue will take place under the new and sole brand name: VIPARIS and will regroup 9 important venues in the Paris Region.

The venues in question are:

- for the CCIP: Palais des Congrès in Paris, Parc d'Expositions de Paris-Nord Villepinte, Palais des Congrès de Versailles, Parc des Expositions de Paris Le Bourget,
- for Unibail-Rodamco: Parc des Expositions de la Porte de Versailles, the CNIT, Carrousel du Louvre, Espace Champerret, and Espace Grande Arche.

The ownership of these venues (except CNIT and Carrousel du Louvre) will be held at an equal share by CCIP and Unibail-Rodamco. As the management of these venues will be carried out by Unibail-Rodamco, they will be fully consolidated.

The merger of CCIP and Unibail-Rodamco's convention-exhibitions activities, also resulting in the combination of Comexpo and Expositium, creates "Comexposium" one of the leading organisers of exhibitions in France with more than 180 exhibitions representing 35,000 exhibitors and 4.1 million visitors per year.

This new entity will be managed and held jointly at an equal share by CCIP and Unibail-Rodamco. Therefore, the Group Expositium will no longer be fully consolidated but will be proportionally consolidated.

The change in method of consolidation would have had the following impacts based on the Balance Sheet as at December 31, 2007:

- Goodwill: - €77.1 Mn
- Intangible assets: - €119.5 Mn
- Deferred taxes: - €34.5 Mn
- Current assets: - €15.6 Mn
- Current liabilities: - €36.1 Mn

- On January 30, 2008, Unibail-Rodamco S.A and Rodamco Europe N.V. jointly announced having signed a sale and purchase agreement with IEF Capital N.V., a joint venture of Bouwfonds Asset Management and Inflation Exchange Fund for the divestment of a part of their Dutch retail portfolio for an amount of approximately €775 Mn. The transfer of ownership is planned to take place in April 2008.
- The property located at 1, Saint-Georges/34-36, rue de Provence, Paris 9th was sold on February 25, 2008.

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

At year-end 2007, 64,434 shares held in a registered custodian account were pledged, while no standard registered shares were pledged.

Statutory Auditors' Report on the consolidated financial statements

Year ended December 31, 2007
(Free translation of a French language original)

To the Shareholders,

Following our appointment as statutory auditors by your Shareholder's General Meeting, we have audited the accompanying consolidated financial statements of Unibail-Rodamco for the year ended December 31, 2007.

These consolidated financial statements have been approved by Management Board. Our role is to express an opinion on these financial statements based on our audit.

1. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with the 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our 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, 2007 and of the results of its operations for the year then ended in accordance with IFRSs as adopted by the European Union.

Without qualifying our opinion, we draw your attention to Note 3 ("2007 Highlights") to the financial statements relating to the accounting treatment of the business combination of Rodamco Europe NV and the write-off as at December 31, 2007 of its residual goodwill.

2. JUSTIFICATION OF ASSESSMENTS

In accordance with the requirements of Article L. 823-9 of French Company Law (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

- As detailed in Note 3 ("2007 Highlights") to the financial statements, the residual goodwill coming from the business combination of Rodamco Europe NV has been fully depreciated as at December 31, 2007. We have reviewed the assumptions retained for the purpose of the impairment test and assessed the reasonableness of its write-off.
- As indicated in notes 1.3. et 1.5 to the financial statements, the Group carries out on an annual basis an evaluation of goodwills and intangible fixed assets based on a discounted cash-flow approach. In accordance with professional standards applicable to accounting estimates assessment, and on the basis of documents available to date, we have notably appreciated the data and the assumptions retained by your Company to carry out evaluation, and have checked the accuracy of the calculations. On these bases, we assessed whether these estimates were reasonable.
- As stated in note 1.5 to the financial statements, the real estate portfolio is the subject of valuation procedures carried out by independent real estate appraisers. We ensured that the fair value of investment properties as stated in the consolidated balance sheet and in note 5.1 to the financial statements was determined in accordance with the valuations carried out by the aforesaid appraisers. Moreover, we have ensured that for the properties stated at historical cost in the consolidated financial statements (IAS 16), any depreciation was required taking into consideration these external appraisals.

The assessments were thus made in the context of the performance of our audit of the consolidated financial statements taken as a whole and therefore contributed to the formation of our audit opinion expressed in the first part of this report.

3. SPECIFIC VERIFICATION

In accordance with professional standards applicable in France, we have also verified the information given in the group's management report. We have no matters to report as to its fair presentation and conformity with the consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, March 17, 2008
The Statutory Auditors French original signed by

Deloitte Marque et Gendrot
represented by Joël Assayah

Ernst & Young Audit
represented by Bernard Heller

160 - 161



Legal information

I.	General information	164
II.	General information about the share capital	166
III.	Share capital and voting rights	177
IV.	Share capital and stock market performance	179
V.	Management Board and Supervisory Board	181
VI.	Other information	190
VII.	Risk factors	191

Legal Information

I. GENERAL INFORMATION

Company name

Unibail-Rodamco⁽¹⁾

Registered office and place of business:

5, boulevard Malesherbes – 75008 Paris⁽²⁾
Tel: +33 (0)1 53 43 74 37

Legal form and specific applicable legislation

Since 25 June 2007, the Company, which previously had a Board of Directors, is a joint stock company (*société anonyme*) with a Management Board and a Supervisory Board, governed by French legislation applicable to commercial companies and, in particular, the French Commercial Code (*Code de Commerce*).

Using the authorisation granted by the Extraordinary General Meeting of June 17, 2003, the Board of Directors, in its meeting of July 23, 2003, decided that the Company and its eligible subsidiaries would opt for the new tax regime applicable to Listed Property Investment Companies (SIIC) introduced by the 2003 French Finance Act (Article 208C of the French Tax Code - 'Code général des impôts') and implemented by decree no.2003-645 dated July 11, 2003. The option for the SIIC tax regime has been applied retroactively to January 1, 2003.

Attention is drawn to the following points:

- Prior to this date, and up to July 1, 1991, the Company was approved as a Sicomi (commercial and industrial property finance leasing company). The finance leasing agreements signed by Unibail prior to January 1, 1991, remain governed by the Sicomi regulations.
- Until November 28, 2002, the Company was also governed by the French Monetary and Financial Code (*'Code Monétaire et Financier'*) by virtue of its 'finance company' status⁽³⁾.

Term of the company

99 years from July 23, 1968.

Corporate object

In accordance with Article 2 of the Articles of Association, and since 25 June 2007, the corporate object of the Company in France and abroad, is:

- investment through the acquisition, development, construction, 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 object or likely to facilitate its achievement;
- acquiring, owning, divesting investments in any French or foreign legal entities with an activity directly or indirectly linked to the corporate object of the company or which would favour its development.

Commercial and Companies Registry

682 024 096 RCS Paris – SIRET 682 024 096 00047 – APE code: 702 C

Place where documents and information relating to the Company may be consulted

At the registered office: 5, boulevard Malesherbes – 75008 Paris⁽²⁾
Tel: +33 (0)1 53 43 74 37
www.unibail-rodamco.com

(1) Formerly UNIBAIL HOLDING, the Company changes its corporate name on June 25, 2007.

(2) The Company has decided to transfer its registered office to 7 place du Chancelier Adenauer, 75016 Paris, in May 2008.

(3) After running down its outstanding loans to zero, Unibail requested that the French banking regulator (CECEI) withdraw Unibail's 'finance company' status. As a result, on November 28, 2000, the CECEI made a decision to withdraw Unibail's 'finance company' status as from November 28, 2002.

Financial year

The financial year runs from January 1 to December 31.

Distribution of profits

Distribution pursuant to the Articles of Association

Distributable profit consists of the profit for the financial year, less the previous losses and the sums retained as reserves in accordance with the law, plus any profits carried forward. In addition to the allocation of the Company's distributable profits, the General Meeting may decide to distribute the sums deducted from available reserves, by indicating expressly from which reserves the deduction has been made. The dividends must however be drawn first from the distributable profit for the financial year.

Distributable sums consist of the total amount of the distributable profit and the reserves that the General Meeting decided to allocate.

After approving the financial statements and ascertaining the existence of distributable sums, the General Meeting determines the amount to be allocated to shareholders in the form of a dividend.

However, under the regulations applicable to Sicomi companies, at least 85% of the net income, calculated as for corporate income tax purposes, resulting from finance leasing contracts and benefiting from a tax exemption pursuant to Article 208-3 quater of the French Tax Code, shall be distributed, provided it does not exceed the net income for the fiscal year.

Dividend obligations and other consequences of adopting SIIC status⁽¹⁾

In addition to the rules stated in the Articles of Association, and pursuant to the adoption of the SIIC tax status, recurring income from the activities eligible for the SIIC status and capital gains on property sales covered by the regime are exempt from tax, provided that the dividend rule is respected, i.e. (i) 85% of the recurring income of Year N should be paid out in Year N+1 and (ii) 50% of the capital gains realized in Year N should be distributed no later than in Year N+2.

Administrative and management bodies

The duties of Chairman and CEO were performed by Mr. Guillaume Poitrial (appointed as Director at the General Meeting of Shareholders on April 27, 2006) from June 30, 2006, to June 24, 2007.

Following the General meeting of Shareholders on May 21, 2007, and the Unibail public exchange offer (PEO) on Rodamco Europe N.V., the Company was changed into a joint stock company with a management board and a supervisory board as from June 25, 2007. Mr. Guillaume Poitrial was appointed Chairman of the MB and CEO and Mr. Robert van Oordt was appointed Chairman of the Supervisory Board.

General Meetings of Shareholders

General Meetings of Shareholders are convened and deliberate in accordance with the law. All shareholders having such shareholder status for at least three days prior to the General Meeting can participate in such General Meeting in person or through a representative.

A single voting right is attached to each share. There are no preference shares.

Disclosure of ownership thresholds pursuant to the Articles of Association

Every shareholder who becomes the owner of a number of shares equal to or greater than 2% of the total number of shares, or equal to a multiple of this percentage, is bound within 15⁽²⁾ days of the date upon which any of these ownership thresholds is passed, to inform the Company of the total number of shares he/she owns, by registered letter with acknowledgment of receipt requested, addressed to the registered office (refer to Article 9 bis of the Articles of Association).

As Article 208 C II ter of the French Tax Code ("SIIC 4") provides that the company is subject to a 20% tax charge on distribution to any shareholder (other than individuals) holding at least 10% of the share capital and not subject to the distribution tax provided, i.e., at least equal to 2/3 of the tax borne in France under the common-law regime, the suggestion will be made at the next General Meeting of Shareholders called to vote on the accounts closed on December 31 2007, that the declaration obligations with respect to the thresholds under the Articles of Association be reinforced.

A shareholder in such situation shall, in the declaration of the passing of the threshold, under their responsibility, specify whether it is a concerned Shareholder (within the meaning of the Articles of Association after approval of the proposed modifications).

Should the shareholder fail to notify the Company in accordance with the conditions set out above, all shares in excess of the above thresholds shall forfeit their voting rights in any Shareholders' Meeting during a period of two years following the date of rectification of the notification, if the failure has been recorded and if, except the cases provided for in article 208C-II-Ter of the French Tax Code, one or more shareholders holding at least 2% of the share capital request so, in accordance with the conditions provided by law.

(2) It is proposed to the AGM in April 2008 to fix the duration at 10 days (Resolution no. 15)

(1) For detailed information on the terms and conditions of the SIIC regime, please refer to page 117 of the report.

II. GENERAL INFORMATION ABOUT THE SHARE CAPITAL

Conditions imposed by the Articles of Association in respect of changes to the share capital and to the respective rights attached to the various categories of shares

None.

Authorised share capital - Form of shares

The share capital as at December 31, 2007, amounted to €408,809,870, divided into 81,761,974 fully paid-up shares with a nominal value of €5 each.

At the shareholder's discretion, the shares are either registered or bearer shares⁽¹⁾.

Authorisations to increase the share capital

The following authorisations have been granted to the Board of Directors by the Extraordinary General Meeting of Shareholders:

Issue of ordinary shares to be subscribed for in cash, or of any negotiable securities giving access to the capital with maintaining shareholders' preferential subscription rights

The Combined General Meeting held on April 27, 2007, delegated to the Board of Directors its power, in accordance with Articles L.225-129-2 and L.228-92 of the French Commercial Code, to increase the share capital on one or more occasions by the issue with maintaining shareholders' preferential subscription rights, in France or abroad, of ordinary shares to be subscribed for in cash, or of negotiable securities giving access by any means to ordinary shares of the company, whether immediately and/or in the future, up to a maximum nominal value of €75,000,000, if necessary adjusted to preserve the rights of holders of negotiable securities giving access to shares. This authorisation was not implemented.

A new authorisation was granted by the Combined General Meeting held on May 21, 2007, cancelling that of April 27, 2007. The General Meeting delegated to the Board of Directors, its power, in accordance with Articles L.225-129-2 and L.228-92 of the French Commercial Code, to increase the share capital on one or more occasions by the issue, in France or abroad, with maintaining shareholders' preferential subscription rights (i) of ordinary shares to be subscribed for in cash, or of negotiable securities giving access by any means to ordinary shares of the company, whether immediately and/or in the future, up to a maximum nominal value of €75,000,000, if necessary adjusted to preserve the rights of holders of negotiable securities giving access to shares, and (ii) of negotiable securities representing Company debts that may not exceed a maximum nominal value of €1,000,000,000. This authorisation was granted for a term of twenty-six months.

Issue of ordinary shares to be subscribed for in cash, or of any negotiable securities giving access to the capital with the exclusion of shareholders' preferential subscription rights

The Combined General Meeting held on April 27, 2007 delegated to the Board of Directors, during a 26-month period, its power, in accordance with Articles L.225-129-2, L.225-135, L.225-136 and L.228-92 of the French Commercial Code, to increase the share capital on one or more occasions by the issue, in France or abroad with the exclusion of shareholders' preferential subscription rights, of ordinary shares to be subscribed for in cash, or of negotiable securities giving access by any means to ordinary shares of the company, whether immediately and/or in the future, up to a limit of 25% of the authorised share capital existing on the date of said General Meeting. This authorisation was not implemented.

A new authorisation was granted by the Combined General Meeting held on May 21, 2007, cancelling that of April 27, 2007. The Combined General Meeting delegated to the Board of Directors, its power, in accordance with Articles L.225-129-2, L.225-135 and L.228-92 of the French Commercial Code, to increase the share capital on one or more occasions by the issue, in France or abroad with the exclusion of shareholders' preferential subscription rights, of ordinary shares to be subscribed for in cash, or of negotiable securities giving access by any means to ordinary shares of the company, whether immediately and/or in the future, up to a limit of 25% of the share capital existing on the date of said General Meeting. This authorisation was granted for a term of twenty-six months.

Issue of ordinary shares with maintenance or exclusion of shareholders' preferential subscription rights

The Combined General Meeting held on April 27, 2007, delegated to the Board of Directors, in accordance with Article L.225-135-1 of the French Commercial Code, its power to increase the number of shares to be issued, with maintenance or exclusion of shareholders' preferential subscription rights within the thirty days of the subscription of the initial issue, with a limit of 15% of the initial issue over a period of 26 months. This authorisation was not implemented.

The Combined General Meeting held on May 21, 2007, cancelling that of April 27, 2007 delegated to the Board of Directors its power to decide to increase the number shares to the number of negotiable securities to be issued, at the same price as those set for the initial issue, within the limits set by applicable regulations and the overall threshold specified hereafter.

Issue of ordinary shares or of any negotiable securities giving access to the capital with the exclusion of shareholders' preferential subscription rights for the purpose of paying for capital contributions in the form of securities including in the context of a PEO

(1) Except as regards special provisions concerning the Articles of Association mechanism with respect to Article 208 C – II – ter of the French Tax Code.

The Combined General Meeting held on April 27, 2007, delegated to the Board of Directors, in accordance with Articles L.225-129-2, L.225-147 and L.228-148 of the French Commercial Code, its power to:

- issue ordinary shares or any negotiable securities giving access to the share capital, for the purpose of paying for securities transferred to the Company in the context of a PEO, for a term of twenty-six months;
- increase the share capital on one or more occasions, on a report from the auditor, by the issue of ordinary shares or of any negotiable securities giving access to the share capital, up to a limit of 10% of the authorised share capital on the date of the transaction, in order to pay for capital contributions to the company in the form of shares or negotiable securities giving access to share capital, when the provisions of Article L.225-148 do not apply, for a term of twenty-six months. This authorisation was not implemented.

A new authorisation was granted by the Combined General Meeting held on May 21, 2007, cancelling that granted on April 27, 2007. The Combined General Meeting delegated to the Board of Directors, when the provisions of Article L.225-148 of the French Commercial Code are not applicable, its power to increase the share capital on one or more occasions, on a report from the auditor, by the issue of ordinary shares or of any negotiable securities giving access to the share capital, up to a limit of 10% of the authorised share capital on the date of the transaction, in order to pay for capital contributions to the company in the form of shares or negotiable securities giving access to share capital, when the provisions of Article L.225-148 do not apply, for a term of twenty-six months.

The nominal value of the capital increase as set forth above shall be deducted from the threshold authorised for capital increases with exclusion of shareholders' preferential subscription rights authorised by the General Meeting on May 21, 2007.

Issue of ordinary shares and/or of any negotiable securities giving immediate or future access to the capital within the framework of the merger with Rodamco Europe N.V.

The Combined General Meeting held on May 21, 2007, delegated to the Board of Directors, in accordance with Articles L.225-129 through L.225-129-6, L.225-148 and L.228-92 of the French Commercial Code, its power, within the framework of the Rodamco Europe N.V. PEO, to issue ordinary shares and/or any negotiable securities giving immediate and/or future access to the share capital, in particular *Obligations Remboursables en Actions* (bonds redeemable in shares: "ORAs"); the maximum nominal value of the capital increases via the issue of ordinary shares or negotiable securities other than representative of negotiable securities, whether immediate or future ones, is set at €240,000,000, which may be adjusted to reflect additional shares, in order to protect the rights of shareholders, and the maximum nominal value of the negotiable securities representing Company debts, in particular ORAs, is set at €2,300,000,000.

Company Savings Plan

The Combined General Meeting held on April 25, 2005, authorised the Board of Directors, in accordance with Article L.225-129-5 of the French Commercial Code, to carry out, within the five years following the meeting in question, one or more capital increases reserved for the management and employees of Unibail or its subsidiaries that have subscribed to the Company and/or Group Savings Plan, within the limit of 1% of the fully-diluted capital.

A new authorisation was granted by the Combined General Meeting held on May 21, 2007. The Combined General Meeting delegated to the Board of Directors, in accordance with Article L.225-129-5 of the French Commercial Code, its power to carry out, within the five years following the meeting in question, one or more capital increases reserved for the management and employees of Unibail or its subsidiaries that have subscribed to the Company and/or Group Savings Plan, within the limit of a maximum nominal value of €1,000,000, not taking into account the nominal value of the Company's ordinary shares to be issues, as the case may be, as adjustments to protect the holders of rights attached to negotiable securities giving access to the share capital.

Issue of ordinary shares reserved for employees with exclusion of the shareholders' preferential subscription rights

The Combined General Meeting held on April 27, 2007, authorised the Board of Directors, in accordance with Article L.225-129-6 of the French Commercial Code, to carry out, within the five years following the meeting in question, one or more capital increases reserved for employees of Unibail-Rodamco or its subsidiaries, within the limit of €5,000,000, and the subscription price of the shares will be determined under the conditions provided by Article L.443-5 of the Labour Code.

Capitalisation of reserves

The Combined General Meeting held on April 27, 2007, delegated to the Board of Directors, during a 26-month period, its power, in accordance with Article L.225-129-2 of the French Commercial Code, to increase the share capital on one or more occasions by the incorporation of premiums, reserves, profits or other items that may be capitalised legally and in accordance with the Articles of Association, in the form of allocations of bonus shares or an increase in the nominal value of existing shares. This authorisation was not implemented.

A new authorisation was granted by the Combined General Meeting held on May 21, 2007, cancelling that granted on April 27, 2007. The Combined General Meeting delegated to the Board of Directors its power, in accordance with Articles L.225-129, L.225-129-2 and L.225-130 of the French Commercial Code, to increase the share capital on one or more occasions by the incorporation of premiums, reserves, profits or other items that may be capitalised legally and in accordance with the Articles of Association, in the form of allocations of bonus shares or an increase in the nominal value of existing shares, within a maximum nominal limit of €200,000,000 for a twenty-six month period.

Limitation of overall amount of authorised immediate or future capital increases

The General Meeting of Shareholders held on May 21, 2007, set (i) the maximum nominal amount for the capital increases via the issuing of ordinary shares or negotiable securities other than those representing debt, whether immediate or future, which might be implemented pursuant to the above delegations at €400,000,000 (including those resulting from the PEO), it being specified that this amount may be adjusted, as necessary, by the nominal value of the additional shares to be issued in order to protect the rights of the holders of negotiable securities giving access to the share capital (ii) the maximum nominal amount for the capital increases via the issuing of negotiable securities representing debt, whether immediate or future, which might be implemented pursuant to the above delegations at €3,300,000,000 (including those resulting from the PEO).

Transfer of the delegations of power granted to the Board of Directors to the Management Board

It is specified that, pursuant to a decision by the General Meeting of Shareholders held on May 21, 2007, all the delegations of power with respect to capital increases granted on May 21, 2007, as well as the prior delegations still in effect and reminded above, granted to the Board of Directors have been transferred to the Management Board as from June 25, 2007, date of the first settlement delivery following the Rodamco Europe N.V. PEO.

Share subscription and/or purchase option plans

The Combined General Meeting held on May 12, 2000 (Plan no.2), authorised the Board of Directors to grant the Group's managers and employees options to acquire newly-issued or existing shares, on one or more occasions during a five-year period, up to a limit of 2.5% of the fully diluted share capital.

The Combined General Meeting held on June 17, 2003 (Plan no.3), in accordance with Articles L.225-177 and following of the French Commercial Code, authorised the Board of Directors 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 one or more occasions during a 38-month period.

The Combined General Meeting held on April 27, 2006 (Plan no.4), in accordance with Articles L.225-177 and following of the French Commercial Code, authorised the Board of Directors 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 one or more occasions during a 38-month period.

Due to the Unibail's PEO on Rodamco Europe N.V. and consequently the increase of the staff of the Group, the Combined General Meeting held on May 21, 2007 (Plan no.5), in accordance with Articles L.225-177 and following of the French Commercial Code, authorised the Board of Directors 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 one or more occasions during a 38-month period.

This authorisation cancels for the future the authorisation granted by the General Meeting on April 27, 2006.

Bonus shares

The Combined General Meeting held on April 28, 2005, authorised the Board of Directors, in accordance with Articles L.225-197 and following the French Commercial Code, to allocate bonus shares, whether existing or to be issued, on one or more occasions, to the Company's managers and salaried members of staff and possibly those of associated companies within the meaning of Article L.225-197-2 of the French Commercial Code or some of them, under the conditions provided by law, up to a limit of 1% of the existing authorised share capital on the date of the General Meeting granting the authorisation. This authorisation was granted for a period of 38 months.

Table summarising authorisations to increase the share capital (as at December 31, 2007):

Type of authorisation	Amount authorised ⁽¹⁾	Date of General Meeting	Expiry date of authorisation	Beneficiaries	Issue terms and conditions**	Amount of authorisation used: number of shares issued/subscribed for or permanently allocated	Outstanding amount of authorisation: potential options/shares in acquisition period ⁽²⁾
Increases in the share capital reserved for Directors and employees, Stock Option Plan (Plan no.2)	2.5% of the fully diluted share capital	CGM of May 12, 2000	May 11, 2005	Group managers and employees	Powers delegated to Management Board to set terms and conditions. No discount	1,157,828	126,870
Increases in the share capital reserved for Directors and employees, Stock Option Plan (Plan no.3 and Plan no.3 Performance)	3% of the fully diluted share capital	CGM of June 17, 2003	August 16, 2006	Group managers and employees	Powers delegated to Management Board to set terms and conditions. No discount	228,375	1,082,264 o/w Plan no.3: 846,518 o/w Plan no.3 Performance: 235,746
Increase in the share capital reserved for managers and employees, Stock Option Plan (Plan no.4 Performance)	3% of the fully diluted share capital	CGM of April 27, 2006	June 26, 2009	Managers and Group employees	Powers delegated to Management Board to set terms and conditions. No discount.	0	354,500 options subject to performance conditions. Authorisation has been replaced since 2007 by the authorisation granted by the CGM of May 21, 2007
Increase in the share capital reserved for managers and employees, Stock Option Plan (Plan no.5 Performance)*	3% of the fully diluted share capital	CGM of May 21, 2007*	July 20, 2010	Managers and Group employees	Powers delegated to Management Board to set terms and conditions. No discount.	0	636 950 options subject to performance conditions
Increases in the share capital reserved for employees, Company Savings Plan	1% of the fully diluted share capital	CGM of April 28, 2005	April 27, 2010	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.	115.865 following subscriptions to Company Savings Plan	Amount can be increased up to 1% of the fully diluted share capital
	€1,000,000 nominal value	CGM of May 21, 2007*	July 20, 2009	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.	0	Not used
Increases in the share capital reserved for employees, PSR waived ⁽³⁾	€5,000,000 nominal value	CGM of April 27, 2007	April 26, 2012	Managers and Group employees	Powers delegated to Management Board to set terms and conditions. No discount	0	Not used
Increases in the share capital by incorporation of reserves	Subject to applicable law and provisions of the Articles of Association	CGM of April 28, 2005	June 27, 2007	Shareholders	Powers delegated to Management Board to set terms and conditions: bonus shares or increase in nominal value.	0	Not used/Replaced by the authorisation given by the CGM of April 27, 2007
		CGM of April 27, 2007	June 26, 2009			0	Not used/Replaced by the authorisation given by the CGM of May 21, 2007
	€200,000,000 nominal value	CGM of May 21, 2007*	July 20, 2009			0	Not used

Type of authorisation	Amount authorised ⁽¹⁾	Date of General Meeting	Expiry date of authorisation	Beneficiaries	Issue terms and conditions**	Amount of authorisation used: number of shares issued/subscribed for or permanently allocated	Outstanding amount of authorisation: potential options/shares in acquisition period ⁽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, possibly adjusted to preserve the rights of holders of negotiable securities giving access to shares	CGM of April 28, 2005	June 27, 2007	Shareholders	Power delegated to Management Board to set terms and conditions	0	Not used/Replaced by the authorisation given by the CGM of April 27, 2007
		CGM of April 27, 2007	June 26, 2009			0	Not used/Replaced by the authorisation given by the CGM of May 21, 2007
	€75,000,000 nominal value, possibly adjusted to preserve the rights of holders of negotiable securities giving access to shares + €1,000,000,000 nominal amount of securities representing claims	CGM of May 21, 2007*	July 20, 2009	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 PSR waived ⁽³⁾	25% of the authorised share capital on the date of the CGM of April 28, 2005	CGM of April 28, 2005	June 27, 2007	Certain shareholders and/or third parties	Powers delegated to Management Board to set terms and conditions: removal of the preferential subscription right with the possibility of a priority right. Average of the last 3 stock market prices and discount of 10% if issues involve less than 10% of the annual share capital	0	Not used/Replaced by the authorisation given by the CGM of April 27, 2007
	25% of the authorised share capital on the date of the CGM of April 27, 2007	CGM of April 27, 2007	June 26, 2009			0	Not used/Replaced by the authorisation given by the CGM of May 21, 2007
	€47,000,000 nominal value + €1,000,000,000 nominal amount of securities representing claims	CGM of May 21, 2007*	July 20, 2009		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	0	Not used

Type of authorisation	Amount authorised ⁽¹⁾	Date of General Meeting	Expiry date of authorisation	Beneficiaries	Issue terms and conditions**	Amount of authorisation used: number of shares issued/subscribed for or permanently allocated	Outstanding amount of authorisation: potential options/shares in acquisition period ⁽²⁾
Increase in the share capital by the issue of ordinary shares to be subscribed in cash, or of any negotiable securities or capital contributions in the form of securities, including PEO with PSR waived ⁽³⁾	If PEO: Article L 225-148 Capital contributions: 10% of the authorised share capital on the date of the transaction	CGM of April 28, 2005	June 27, 2007	Beneficiaries of the transaction	Powers delegated to Management Board to set terms and conditions: removal of the preferential subscription right	0	Not used/Replaced by the authorisation given by the CGM of April 27, 2007
		CGM of April 27, 2007	June 26, 2009			0	Not used/Replaced by the authorisation given by the CGM of May 21, 2007
		CGM of May 21, 2007*	July 20, 2009			0	Not used
Increase in the share capital, 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 + €2,300,000,000 nominal amount of securities representing claims (Oras)	CGM of 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 ORAs at the end of the PEO 46,530 ORAs were redeemed into shares as at december 31, 2007	
Allocation of bonus shares	1% of the authorised share capital on the date of the CGM of April 28, 2005	CGM of April 28, 2005	June 27, 2008	Managers and Group employees	Powers delegated to Management Board to set terms and conditions	0	11.157 ⁽⁴⁾

(1) For more details, refer to the exact text of the resolutions.

(2) After adjustments.

(3) Preferential subscription rights.

(4) The conditions of allocation, retention and, if applicable, performance are set by the Board for each allocation.

(*) Pursuant 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 at €3.3 billion nominal amount of debt securities.

(**) Pursuant to a decision by the General Meeting of shareholders held on May, 21, 2007, all of the delegations of power granted to the Board of Directors have been transferred to the Management Board.

Other securities giving 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 summarized below have been granted by taking into account exemplary behaviour, the increase in responsibility or the playing of key roles within the Group. There is no automatic allocations, neither in terms of their amount nor their frequency. No discount is applied.

From 2003 to 2005, the right to exercise the stock-options granted was partly subject to performance criteria (Plan no.3 Performance). Since 2006, the plans have been entirely subject to performance condition.

In accordance with the authorisation given by the Combined General Meeting held on May 12, 2000 (Plan no.2), the Board of Directors granted 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. The options have a duration of 8 years and may be exercised as follows: 30% at the end of the 2nd year following the date of allocation, 30% at the end of the 3rd year, and the balance or the entirety of the options at the end of the 4th year, on the understanding that the shares cannot be sold by the beneficiaries before the end of the 4th year.

1,213,500 options have been granted under Plan no.2, totalling 1,386,428 after adjustments made following the division of the nominal value by 3 in 2001 and the application of the adjustment coefficient of 1.2726 following the exceptional distribution of January 7, 2005 for all subscription options yet to be exercised. As at December 31, 2007, under Plan no.2, 1,157,828 new shares had been issued, and the potential number of new shares amounted to 126,870 after cancellations due to staff departures.

In accordance with the authorisation granted by the Combined General Meeting held on June 17, 2003 (Plan no.3 and Plan no.3 Performance), the Board of Directors granted the Group's managers and employees options to acquire newly-issued shares up to a limit of 3% of the fully-diluted share capital. The options have a duration of 7 years, and may be exercised at any time, on one or more occasions, as from the fourth anniversary of the date of their allocation by the Board of Directors. Following a proposal by the Nominations and Remuneration Committee, the Board of Directors, on October 15, 2003, approved the terms of two plans, one relating to a 'traditional' unconditional stock option plan (Plan no.3) and one relating to a stock option plan subject to performance criteria (Plan no.3 Performance).

Plan no.3 Performance is intended mainly for Unibail corporate responsible officers and members of Unibail's Executive Committee, although these persons also remain eligible for Plan no.3. The right to exercise options depends on Unibail-Rodamco overall stock market performance being higher in percentage terms than that of the EPRA benchmark index over the reference period (i.e. the period between the date on which the Board of Directors decides to grant options and the last trading day before the recipient exercises the options, which will be at the end of the fourth year, at the earliest, and at the end of plan's term, i.e. the end of the seventh year, at the latest).

Attention is drawn to the following points:

- (i) Unibail-Rodamco overall stock market performance is defined as the movement in Unibail-Rodamco's share price during the reference period, with all gross interim and final dividends reinvested on the date of their payment;
- (ii) the performance of the EPRA (European Public Real Estate Association) index is defined as the movement 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 dividends paid. The gross dividend figures included in the calculation of Unibail-Rodamco overall stock market performance are those published by Bloomberg, which serve as the basis for the EPRA Euro Zone Total Return index.

1,147,000 options have been granted under the Plans no.3 and no.3 Performance, totalling 1,348,504 after the application of the adjustment coefficient of 1.2726 following the exceptional distribution of January 7, 2005 for the subscription options under the 2003 and 2004 tranches. As at December 31, 2007, 104,917 options were exercised under Plan no.3, and the potential number of shares amounted to 846,518 after the cancellation of options due to staff departures. Under Plan no.3 Performance, 123,458 were exercised, bringing the potential number of shares to 235,746.

In accordance with the authorisation granted by the Combined General Meeting held on April 27, 2006 (Plan no.4 Performance), the Board of Directors can 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. The options have duration of 7 years, and may be exercised at any time, on one or more occasions, as from the fourth anniversary of the date of their allocation by the Board of Directors. Following a proposal by the Nominations and Remuneration Committee, the Board of Directors on October 11, 2006, exclusively approved a stock option plan subject to performance criteria (Plan no.4 Performance).

The right to exercise the options depends on Unibail-Rodamco overall stock market performance, on the same terms as apply to Plan no.3 Performance set out above. As at December 31, 2007, the potential number of new shares dependent on performance criteria (Plan no.4 Performance) was 354,500, after the cancellation of options due to staff departures.

In accordance with the authorisation granted by the Combined General Meeting held on May 21, 2007 (Plan no.5 Performance), the Management Board can 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. The options have duration of 7 years, and may be exercised at any time, on one or more occasions, as from the fourth anniversary of the date of their allocation by the Management Board. This authorization cancels for the future the authorization granted by the General Meeting on April 27, 2006 (Plan no.4 Performance). In agreement with the Supervisory Board and its specialized committee, the Management Board, on October 11, 2007, approved a stock option plan subject to performance criteria (Plan no.5 Performance).

The right to exercise the options depends on Unibail-Rodamco overall stock market performance, on the same terms as apply to Plan no.3 Performance and Plan no.4 Performance set out above. As at December 31, 2007, the potential number of new shares dependent on performance criteria (Plan no.5 Performance) was 636 950.

Stock option information as at December 31, 2007

Date of the plan	Plan no.2 Tranche 2000	Plan no.2 Tranche 2001	Plan no.2 Tranche 2002	Plan no.3 Tranche 2003 + Performance	Plan no.3 Tranche 2004 + Performance ⁽¹⁾	Plan no.3 Tranche 2005 + Performance ⁽¹⁾	Plan no.4 Tranche 2006 Performance ⁽¹⁾	Plan no.5 Tranche 2007 Performance ⁽¹⁾
Date of Board	21/11/2000	09/10/2001	09/10/2002	15/10/2003	13/10/2004	14/12/2005	11/10/2006	11/10/2007
Total number of shares that may be acquired through exercising options, of which:								
- by responsible officers	502,500	317,000	394,000	434,500	308,000	404,500	365,500	653,700
- by top ten employee option holders ⁽²⁾	75,000	0	136,000	115,000	90,000	60,000	40,000	185,000
Adjustment	70,313	90,867	112,500	197,500	90,000	169,000	146,500	127,000
End of lock-up period	29,924	53,685	89,319	118,466	83,038	-	-	-
Expiry date	21/11/2002	09/10/2003	09/10/2004	15/10/2007	13/10/2008	14/12/2009	11/10/2010	11/10/2011
Strike price (€)	20/11/2008	08/10/2009	08/10/2010	14/10/2010	12/10/2011	13/12/2012	10/10/2013	10/10/2014
Adjusted price (€) ⁽³⁾	52.72	53.44	59.33	68.57	97.88	108.59	161.50	180.36
Exercise terms (if the plan has more than one tranche)	40.81	41.99	46.62	53.88	76.91	-	-	-
Number of options subscribed as at December 31, 2007	See page 172 of this report	See page 172 of this report	See page 172 of this report	See page 172 of this report	See page 172 of this report	See page 172 of this report	See page 172 of this report	See page 172 of this report
Number of options cancelled	466,268	314,577	376,983	228,375	0	0	0	0
Outstanding options ⁽³⁾	66,156	31,500	4,074	0	16,865	21,000	11,000	16,750
	0	24,608	102,262	324,591	374,173	383,500	354,500	636,950

(1) The valuation of these options took into account the performance conditions applicable to some of these options.

In 2004, the valuation by the independent firm Towers Perrin amounted to a total of €3,262,000 for the total stock options granted in 2004.

In 2005, the valuation by the independent firm Towers Perrin amounted to a total of €4,961,000 for the total stock options granted in 2005.

In 2006, the valuation by the independent firm Towers Perrin amounted to a total of €4,276,000 for the total stock options granted in 2006.

In 2007, the valuation by the independent firm Towers Perrin amounted to a total of €8,802,000 for the total stock options granted in 2007.

(2) Under the non-discrimination principle, the number of employees mentioned may exceed ten in the event that they own the same number of options, or may be less than ten in the event that fewer than ten employees hold options under one of the plans. Each year the option holders list may vary.

(3) After taking into account the adjustment applied on January 7, 2005.

Bonus shares

In accordance with the authorisation granted by the Combined General Meeting held on April 28, 2005, the Board of Directors is authorised to allocate bonus shares during a 38-month period. Following the Board's adoption of the bonus shares plan by a resolution dated April 27, 2006, 11,157 bonus shares were allocated to the managers and employees of the Group including 2,666 bonus shares during the financial year 2007. It is specified that 230 shares subject to performance criteria granted in 2006 were cancelled.

Options to purchase existing shares and/or subscribe for new shares

Currently, there are no warrants in existence entitling the holder to purchase existing shares and/or subscribe for new shares.

Convertible bonds

Currently, Unibail has no outstanding convertible bonds.

ORAs

Following the PEO initiated by the Company with respect to Rodamco Europe N.V., 9,363,708 ORAs were issued in remuneration of part of the shares contributed by Rodamco Europe N.V.'s shareholders to the Offer. On December 31, 2007, 46,530 ORAs were redeemed into shares. The remaining number of ORAs is 9,317,178.

Share buyback programme

The Combined General Meeting held on April 27, 2007, authorised the Board of Directors, pursuant to Article L.225-209 of the French Commercial Code, to buy back its own 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, notably to allow the Company:

- (i) to reduce its share capital by cancelling shares in whole or in part in order to optimise earnings per share;
- (ii) to hold shares which may be granted to its managers and employees and those of affiliated companies under stock option plans, pursuant to the granting of existing bonus shares or under Company or inter-company Savings Plans;
- (iii) to hold shares enabling it to honour obligations in connection with debt securities convertible into shares;
- (iv) to hold shares that may be retained and subsequently used by way of exchange or payment in the context of external growth transactions (including new or increased equity interests);
- (v) to stimulate the market or the liquidity of the share through an investment service provider, in the context of a liquidity contract;
- (vi) to implement any new market practice that might be admitted by the A.M.F. and, more generally, to carry out any transaction that complies with the regulations in effect.

The maximum purchase price is set at €250 excluding fees and the minimum sale price at €150 excluding fees, based on a nominal value of €5. The total amount devoted to this share buyback programme cannot exceed 1.15 billion euros. This authorisation was not implemented.

The Combined General Meeting held on May 21, 2007, which cancelled the authorisation granted on April 27, 2007, authorised the Board of Directors, in accordance with Article L.225-209 of the French Commercial Code, for a period of eighteen months, to buy back its own 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, notably to allow the Company:

- (i) to reduce its share capital by cancelling shares in whole or in part;
- (ii) to hold shares which may be granted to its managers and employees and those of affiliated companies under stock option plans, pursuant to the granting of existing bonus shares or under Company or inter-company Savings Plans;
- (iii) to hold shares that may allow it to distribute shares when rights are exercised that are attached to securities giving access to the share capital via reimbursement, conversion, exchange, presentation of a note or any other means;
- (iv) to hold shares that may be retained and subsequently used by way of exchange or payment in the context of external growth transactions (including new or increased equity interests);
- (v) to stimulate the market or the liquidity of the share through an investment service provider, in the context of a liquidity contract and, more generally, to carry out any transaction that complies with the regulations in effect.

The maximum purchase price is set at €275 excluding fees and the minimum sale price at €150 excluding fees, based on a nominal value of €5. The total amount devoted to this share buyback programme cannot exceed 2 billion euros.

As indicated above, the authorisation to implement the share buyback programme was transferred to the Management Board as from June 25, 2007.

The Management Board shall propose that the shareholders, during the General Meeting to be held on April 29, 2008 (upon first convocation), renew this authorisation. The maximum purchase price shall be €275/share (excluding fees) and the minimum sale price shall be €150/share (excluding fees) based on a nominal value of €5.

Review of share buyback programme running from May 21, 2007, through December 31, 2007

On December 31, 2007, the Company held 11,157 treasury shares.

Under this share buyback programme authorised by the General Meeting held on May 21, 2007, the Company (i) acquired 185,000 shares according to market conditions, and (ii) has cancelled 173,843 treasury shares.

	Gross totals		Open positions on prospectus filing date	
	Purchases	Sales/transfers	Buy	Sell
Number of shares	185,000			
Average maximum maturity	-	-	-	-
Average transaction price (€/share)	139.32	-	-	-
Average strike price	-	-	-	-
Total amount	€25,774,197,50	-	-	-

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

At year-end 2007, 64,434 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, the Unibail 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 people involved may obtain their counter value from Caceis, with which the Company has its account.

Other securities giving entitlement to the share capital

None

Dividends

The amount of dividends paid over the last five years is shown on page 7 of this report. Dividends are paid out from profits, retained earnings and, if necessary, available reserves.

As yet, the Company has not used the authorisation provided for in Article 21 of the Articles of Association to distribute the dividend in the form of new shares.

The General Meeting held on April 27, 2007, fixed the dividend at €5 per share. Taking into account the interim dividends decided on by the Board of Directors at its meetings on October 11, 2006, December 14, 2006, and January 31, 2007, of €1 per share paid on October 16, 2006, January 15, 2007, and April 16, 2007, respectively, totalling €138.4 Mn, the final dividend of €2 per share paid on July 16, 2007, amounted to €163.3 Mn. The overall dividend in respect of the 2006 financial year amounted to €301.7 Mn.

The Management Board decided to pay two interim dividends in respect of the 2007 financial year, of €1.70 per share, to be paid as to €139.1 Mn each on October 15, 2007, and January 15, 2008. A third interim dividend of €1.70 per share will be paid on April 15, 2008. Subject to adoption by the General Meeting held on April 29, 2008, of an overall dividend of €7 per share, the final dividend (namely €1.90 per share) will be paid on July 15, 2008.

Dividends that remain unclaimed for a period of five years from the date they are made available for payment are paid over to the French Treasury, in accordance with Articles L.27 and R.46 of the French State Property Code (*Code du Domaine de l'État*).

Increases/decreases in Unibail'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
05/02/2003	Exercise of options (1995-1997) tranches)	31,085	47,081,740	€235,408,700	€546,811.30
23/04/2003	Exercise of options (1995-1998) tranches)	79,390	47,161,130	€235,805,650	€1,677,543.09
25/04/2003	Cancellation of shares	-1,729,863	45,431,267	€227,156,335	€89,709,921.00
16/07/2003	Company Savings Plan	46,522	45,477,789	€227,388,945	€1,907,402.00
23/07/2003	Exercise of options (1995-1998) tranches)	87,986	45,565,775	€227,828,875	€1,848,149.93
08/09/2003	Exercise of warrants ⁽¹⁾	189	45,565,964	€227,829,820	€6,855.00
15/10/2003	Exercise of options (1995-1998) tranches)	47,669	45,613,633	€228,068,165	€1,055,210.82
18/12/2003	Exercise of options (1995-1998) tranches)	31,275	45,644,908	€228,224,540	€733,929.70
30/12/2003	Cancellation of shares	-648,073	44,996,835	€224,984,175	€38,884,380.00
04/02/2004	Exercise of options (1996-1998) tranches)	31,682	45,028,517	€225,142,585	€704,611.72
12/05/2004	Exercise of options (1996-2000) tranches)	289,645	45,318,162	€226,590,810	€8,714,911.80
13/05/2004	Cancellation of shares	-570,000	44,748,162	€223,740,810	€38,594,700.00
13/07/2004	Company Savings Plan	41,514	44,789,676	€223,948,380	€2,458,043.94
28/07/2004	Exercise of options (1996-2001) tranches)	1,426	44,791,102	€223,955,510	€37,815.64
23/09/2004	Cancellation of shares	-5,692	44,785,410	€223,927,050	€406,978.00
13/10/2004	Exercise of options (1996-2001) tranches)	33,474	44,818,884	€224,094,420	€773,011.19
15/12/2004	Exercise of options (1996-2002) tranches)	541,437	45,360,321	€226,801,605	€23,323,152.62
28/04/2005	Exercise of options (1997-2002) tranches)	74,497	45,434,818	€227,174,090	€1,714,923.01
01/06/2005	Exercise of options (1998-2002) tranches)	30,596	45,465,414	€227,327,070	€643,617.40
12/07/2005	Company Savings Plan	55,983	45,521,397	€227,606,985	€3,937,305.73
21/07/2005	Exercise of options (1998-2002) tranches)	9,946	45,531,343	€227,656,715	€342,906.69
12/10/2005	Exercise of options (1998-2002) tranches)	11,649	45,542,992	€227,714,960	€411,075.69
14/12/2005	Exercise of options (1999-2002) tranches)	75,572	45,618,564	€228,092,820	€2,799,903.64
01/02/2006	Exercise of options (1998-2002) tranches)	122,490	45,741,054	€228,705,270	€4,757,584.35
27/04/2006	Exercise of options (1998-2002) tranches)	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 (1998-2002) tranches)	18,664	45,904,479	€229,522,395	€704,983.80
11/10/2006	Exercise of options (1998-2002) tranches)	8,934	45,913,413	€229,567,065	€341,859.29
14/12/2006	Exercise of options (1999-2002) tranches)	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	46,164,016	€230,730,080	€832,864.63
25/06/2007	Rodamco Europe NV PEO: 1 st 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: 2 nd 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 ORAs	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 ORAs	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 ORAs	10,954	81,772,493	€408,862,465	€2,098,786.40

⁽¹⁾ Issue of 2,081,500 warrants to subscribers to the increase in the share capital decided on by the Board of Directors on April 22, 1999, pursuant to powers delegated by the General Meeting of the same date. These warrants could be exercised until May 11, 2004, after adjustments, at the rate of 3.15 shares with a nominal value of €5 for 5 warrants and €130.

Note: Increases in the share capital associated with the exercise of options and ORAs are taken into account on the date of the first meeting of the Board of Directors 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 December 31, 2007, comprised 81,761,974 fully paid-up shares with a nominal value of €5 each. A 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 2005			Year-end 2006			Year-end 2007		
	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	45,216,928	98.88%	98.88%	45,846,113	99.40%	99.40%	81,402,337	99.56%	99.56%
Treasury shares	0	0%	0%	0	0%	0%	11,157	0.01%	0.01%
Company's responsible officers	271,639	0.59%	0.59%	56,345	0.12%	0.12%	127,997	0.16%	0.16%
Group Company Savings Plan	242,577	0.53%	0.53%	220,759	0.48%	0.48%	220,483	0.27%	0.27%

In accordance with Article 13 of the Articles of Association, the members of the Supervisory Board must each own at least one share. The shares owned by the members of the Supervisory Board and the members of the Management Board must be registered shares, pursuant to Article L.225-109 of the French Commercial Code.

Ownership threshold disclosures notified between February 1, 2007,⁽¹⁾ and January 31, 2008

As the best knowledge of the Company, based on the ownership threshold disclosures notified by the shareholders to the Company and/or the A.M.F., the latest information is set forth in the chart below:

Owner	Number of shares	% of share capital as of 31/12/2007	Number of voting rights	% of voting rights as of 31/12/2007
Stichting Pensionfonds ABP (number of shares based on the last notice of July 5, 2007: A.M.F. decision and notification no. 207C1331)	6,972,608	8.53%	6,972,608	8.53%
Cohen & Streers Inc. (number of shares based on a letter of September 5, 2007, sent to the Company)	3,271,183	4.00%	3,271,183	4.00%
Groupe Cr�dit Agricole SA (number of shares based on the last notice of June 28, 2007: A.M.F. decision and notification no. 207C1284)	2,508,253	3.07%	2,508,253	3.07%
Barclays Plc (number of shares based on the last notice of March 20, 2007: A.M.F. decision and notification no. 207C0532)	2,498,159	3.06%	2,498,159	3.06%
Cr�dit Agricole Asset Management (number of shares based on a letter of November 20, 2007, sent to the Company by registered mail)	2,406,565	2.94%	2,406,565	2.94%
Wellington Management Company, LLP (on behalf of clients) (number of shares based on the last notice of April 4, 2007: A.M.F. decision and notification no. 207C0614)	2,286,717	2.80%	2,286,717	2.80%
NATIXIS (number of shares based on a letter of July 5, 2007, sent to the Company)	1,995,789	2.44%	1,995,789	2.44%
UBS Global Asset Management (number of shares based on a letter of February 19, 2007, sent to the Company by registered mail)	1,343,334	1.64%	1,343,334	1.64%
Morgan Stanley & Co International (number of shares based on the last notice of October 31, 2007: A.M.F. decision and notification no. 207C2405)	1,261,577	1.54%	1,261,577	1.54%
UBS Investment Bank (number of shares based on a letter of June 26, 2007, sent to the Company)	756,278	0.92%	756,278	0.92%

As of December 31, 2007, there are 9,317,178 redeemable bonds in Unibail-Rodamco shares.

As 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's responsible officers (mandataires sociaux) and all other staff are subject to a Code of Ethics with respect to the transactions of the Company's securities carried out in a personal capacity. In particular they are prohibited from acquiring or transferring securities (or financial products associated with such securities) within the 30-day period preceding the publication of the annual or half-yearly results. The Company's responsible officers and certain of its employees, who by reason of their functions have access to insider information, are also classified as permanent insiders within the meaning of Article 622-2 of the A.M.F.'s general rules and regulations.

(1) Threshold disclosures notified prior to January 31, 2007, can be viewed on the A.M.F. website.

IV. SHARE CAPITAL AND STOCK MARKET PERFORMANCE

Shares

All shares forming the share capital are listed on the Eurolist market and are part of the CAC 40 (Paris), AEX (Amsterdam) and Euronext 100 indices.

Shares

	2001	2002	2003	2004	2005	2006	2007
Market capitalisation (€ m) ⁽¹⁾	2,661.4	3,190.8	3,345.5	5,252.7	5,127.5	8,537.4	12,257.8
Trading volume							
Average daily turnover (in thousands) after the share split	89.01	129.73	145.37	139.02	148.59	245.27	528.23
Share price (€) after the share split							
- High	66.0	70.9	76.0	117.5	122.40	187.9	239.3
- Low	48.7	54.0	55.1	73.0	88.2	111.8	137.3
- Latest closing price	57.1	67.8	74.4	115.8	112.4	185.1	149.9

(1) based on the last quoted price for the year

Trading volumes (number of shares and total value) in the last 18 months - Source Euronext, including off-system transactions

Shares

(based on intraday prices)

Month	Highest price (€)	Lowest price (€)	Volume traded	Amount traded (€m)
2004				
August	93.20	87.10	1,824,450	165.24
September	100.60	93.30	2,386,786	232.05
October	108.00	96.30	3,237,459	322.13
November	109.20	102.20	2,181,785	231.56
December	117.50	106.90	2,896,460	324.96
2005				
January	115.70	88.20	5,559,405	539.75
February	98.55	90.80	3,039,847	287.20
March	94.00	88.30	3,159,382	286.54
April	98.80	90.70	4,521,029	426.93
May	105.50	95.10	2,152,346	215.89
June	107.20	100.70	2,588,576	269.97
July	115.40	104.50	2,386,316	264.20
August	122.40	113.10	2,399,741	282.23
September	122.00	115.40	1,900,962	225.80
October	121.80	106.30	4,723,193	533.18
November	113.80	102.50	3,038,162	331.88
December	113.00	103.70	2,842,155	310.21
2006				
January	123.20	111.80	6,664,378	781.29
February	139.30	119.70	2,868,236	371.31
March	150.20	137.10	3,579,366	515.53
April	155.40	135.20	4,663,715	673.74
May	145.00	121.70	4,567,084	603.80
June	136.50	122.00	3,743,936	484.36
July	148.60	132.50	6,547,136	907.80
August	159.50	143.00	3,098,342	469.84
September	168.00	148.00	3,207,024	500.41
October	172.00	164.60	16,609,066	2,776.54
November	185.00	165.00	3,585,462	634.99
December	187.90	172.00	3,410,242	619.07
2007				
January	193.6	181.9	7,673,442	1,424,538
February	238.9	195.1	5,515,162	1,218,215
March	229.8	210.1	6,186,288	1,366,148
April	239.3	204.4	9,378,458	2,017,600
May	213.3	193.4	6,211,303	1,258,569
June	213.0	190.2	21,272,868	4,220,248
July	190.9	165.5	20,164,082	3,702,931
August	187.5	161.5	15,124,814	2,624,494
September	186.8	166.9	9,186,739	1,636,269
October	186.2	168.1	13,241,426	2,373,374
November	166.1	137.3	12,180,335	1,849,140
December	160.9	142.6	8,563,420	1,297,066

V. MANAGEMENT BOARD AND SUPERVISORY BOARD

1. COMPOSITION OF THE MANAGEMENT BOARD

<p>Mr. Guillaume Poitral Chairman of the Management Board</p> <p>First Mandate: June 26, 2007 AGM term expires: 2012</p> <p>Born on December 22, 1967</p>	<p>Current Functions and Mandates</p> <ul style="list-style-type: none"> • CEO of Unibail-Rodamco • Chairman of Board of Directors Paris Expo-Porte de Versailles • Chairman of Groupe Expositum Holding SAS and Doria SAS • Vice Chairman of the Supervisory Board of Salon International de l'Alimentation (SIAL) SA • Director of the Fédération des Sociétés Immobilières et Foncières • Chairman of the Supervisory Board of Rodamco Europe NV • Representative of Unibail-Rodamco on the Board of directors of l'Association pour la Formation Supérieure aux Métiers de l'Immobilier and of société Paris – Ile-de-France Capitale Économique • Permanent representative of Doria limited company (SAS), the manager of La Financière 5 Malesherbes • Representative of Paris Expo-Porte de Versailles SA on the Board of directors of Pavillon de l'Arseal and permanent representative of Unibail Participations SAS on the Supervisory Board of SEML Nouvelle du Parc du Futuroscope. Representative of Société Civile du Forum des Halles at the Board of Directors of SEMPARISEINE • Member of the Conseil de Développement Économique Durable de la Ville de Paris • Member of the Ethic committee of the Medef <p>Previous Mandates during the last 5 years</p> <ul style="list-style-type: none"> • Chairman and CEO of Unibail SA • Representative of Unibail-Rodamco, which is the parent company of the Waiméa limited company (SAS) <p>CV</p> <ul style="list-style-type: none"> • 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
<p>Mrs. Catherine POURRE Member of the Management Board</p> <p>First Mandate: June 26, 2007 AGM term expires: 2012</p> <p>Born on February 2, 1957</p>	<p>Current Functions and Mandates</p> <ul style="list-style-type: none"> • Chief Resources Officer of Unibail-Rodamco • Chairman and CEO of Société de Tayninh • Executive Vice-President of Doria SAS and Groupe Expositum Holding • Management Board member of Rodamco Europe N.V. • Chairman of Unibail Management SAS • Managing Director of Espace Expansion Immobilière • Director of Européenne de Salons, Expogestion and Société d'Exploitation du Parc des Expositions de la Ville de Paris • Permanent representative of Groupe Expositum Holding on the Supervisory Board of the SIAL and on the Board of directors of Expositum • Permanent representative of Doria on the Board of directors of Expositima and Internat <p>Previous Mandates during the last 5 years</p> <ul style="list-style-type: none"> • Executive Vice-President of Unibail in charge of Finance, Human Resources & IT, Legal Department and Property Engineering Department, Member of the Executive Committee. • Member of the Supervisory Board of SMP SE • Executive Vice-President of Société de Tayninh • Director of Expositum SA <p>CV</p> <ul style="list-style-type: none"> • Graduate from ESSEC Business School- Degree in CPA (Certified Public Accountant) • Started her career at PricewaterhouseCoopers became a Partner in 1989. • Executive Director of Cap Gemini Ernst & Young France in 1999 until she joined Unibail in 2002.
<p>Mr. Joost Bomhoff Member of the Management Board</p> <p>First Mandate: June 26, 2007 AGM term expires: 2012</p> <p>Born on November 18, 1948</p>	<p>Current Functions and Mandates</p> <ul style="list-style-type: none"> • Chief Development Officer of Unibail-Rodamco • Board Member of Rodamco Espana BV, Rodamco Northern Europe AB, Rodamco Europe Beheer BV, Rodamco Netherland BV, Rodamco Deutschland GmbH and Aupark AS. • Director of Rodamco Inversiones SLU, Rodamco Parques Comerciales SLU, Rodamco Ocio SLU, Rodamco Levante SLU, Rodamco Vallsur SLU, Rodamco Garbera SLU, Rodamco Proyecto Badajoz SLU, Rodamco Benidorm SLU, Promociones Generales Rodamco SLU, Proyectos Inmobiliarios New Visions SLU and Rodamco Europe Espana SAU <p>Previous Mandates during the last 5 years</p> <ul style="list-style-type: none"> • COO Retail Management and Management Board member of Rodamco Europe N.V. <p>CV</p> <ul style="list-style-type: none"> • Started his career with a consultancy firm followed by development companies • Joined Rodamco Europe in 1982 • In 1990, appointed executive Director of Rodamco Europe, responsible for building the shopping center portfolios in France and Spain

<p>Mr. Michel Dessolain Member of the Management Board</p> <p>First Mandate: June 26, 2007 AGM term expires: 2012</p> <p>Born on December 2, 1955</p>	<p>Current Functions and Mandates</p> <ul style="list-style-type: none"> • Chief Operating Officer of Unibail-Rodamco <p>Previous Mandates during the last 5 years</p> <ul style="list-style-type: none"> • General Manager of the Shopping Center Division of Unibail, Member of the Executive Committee • CEO of Société Foncière du 4-6 rue Louis Armand • Executive Vice President of Unibail Management SAS • Chairman of Uni-Commerces SAS, of Espace Expansion SAS, Toison d'Or SAS • Managing Director of Espace Coquelles, Immo-Limo and S.A.G.E <p>CV</p> <ul style="list-style-type: none"> • 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
<p>Mr. Willem Ledebor Member of the Management Board</p> <p>First Mandate: June 26, 2007 AGM term expires: 2012</p> <p>Born on April 25, 1954</p>	<p>Current Functions and Mandates</p> <ul style="list-style-type: none"> • Chief Investment Officer of Unibail-Rodamco • Board Member of Rodamco Espana BV, Rodamco Northern Europe AB, Rodamco Europe Beheer BV, RoProperty Holding BV, Stichting Rodamco, Rodamco Netherland BV, RRN Momentum BV, Rodamco Deutschland GmbH, Aupark AS, Rodamco Sverige AB and Rodamco Netherland Winkels BV • Director of Rodamco Inversiones SLU, Rodamco Parques Comerciales SLU, Rodamco Ocio SLU, Rodamco Levante SLU, Rodamco Vallsur SLU, Rodamco Garbera SLU, Rodamco Proyecto Badajoz SLU, Rodamco Benidorm SLU, Promociones Generales Rodamco SLU, Proyectos Inmobiliarios New Visions SLU and Rodamco Europe Espana SAU. <p>Previous Mandates during the last 5 years</p> <ul style="list-style-type: none"> • CIO Asset Selection and Management Board member of Rodamco Europe N.V. • Director of Cooperwing BV <p>CV</p> <ul style="list-style-type: none"> • Masters degree in law (Erasmus University) • Bachelors degree in Business Administration (University of Delft) • Started his career as a solicitor with International Law firm Nauta, specialising in bankruptcy law. Joined Rodamco in 1986 as General Counsel • From 1989 to 1994, Executive Director for Rodamco in Australia. In 1994, became responsible of the South East Asia portfolio development
<p>Mr. Peter van Rossum Member of the Management Board</p> <p>First Mandate: June 26, 2007 AGM term expires: 2012</p> <p>Born on May 31, 1956</p>	<p>Current Functions and Mandates</p> <ul style="list-style-type: none"> • Chief Financial Officer of Unibail-Rodamco • Management Board Member of Rodamco Europe N.V. • Board member of Rodamco Espana BV, Rodamco Europe Beheer BV and Rodamco Europe Finance BV. <p>Previous Mandates during the last 5 years</p> <ul style="list-style-type: none"> • 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 <p>CV</p> <ul style="list-style-type: none"> • Built extensive experience during 24 years in financial positions with Shell in Europe, Middle East, United States and Asia, most recently as Regional Finance Director for Shell's Exploration and Production business in Asia/Pacific. Before then, CFO at NAM, the Dutch upstream joint venture between Shell and Exxon. Joined Rodamco in 2006 as CFO

2. COMPOSITION OF THE SUPERVISORY BOARD (FROM JUNE 25, 2007)

<p>Mr. Robert F. W. van Oordt Chairman of the Supervisory Board</p> <p>Independent member</p> <p>Born on March 26, 1936</p> <p>First Mandate: June 25, 2007 AGM SB term expires: 2009</p> <p>Holds 50 UR shares</p> <p>Chairman of the Governance, Nomination & Remuneration Committee</p>	<p>Other Current Functions and Mandates</p> <ul style="list-style-type: none"> • Member Board of Directors Schering-Plough Corporation (USA) (Chairman Business Practices Oversight Committee and member of the Executive Committee) • Member Board of Directors Fortis Bank N.V. (Be) (Chairman Audit Committee) • Member Supervisory Board of Draka Holding N.V. (NL) (Chairman Audit & Governance Committee) <p>Previous Mandates during the last 5 years</p> <ul style="list-style-type: none"> • Member Board of Directors Nokia Corporation (FL) (Chairman Audit Committee) • Member Board of Directors s.a. Umicore n.v. (Be) (Chairman Audit Committee) • Chairman of the Supervisory Board Rodamco Europe N.V. (NL) (Chairman Nominating & Governance Committee. Initial appointments in 2001) <p>CV</p> <ul style="list-style-type: none"> • Masters Degree in Business Economics from Amsterdam University
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<p>Mr. François Jaclot Vice Chairman of the Supervisory Board</p> <p>Independent member</p> <p>Born on May 1, 1949</p> <p>First Mandate: June 25, 2007 AGM SB term expires: 2010</p> <p>Holds 35 U-R shares</p> <p>Chairman of the Audit Committee</p>	<p>Other Current Functions and Mandates</p> <ul style="list-style-type: none"> • Managing Director of FJ Consulting (SARL 100% held) • CEO of Financière du Bois du Roi (SAS 22% held) • CEO of SEREN (SA 4% held) <p>Previous Mandates during the last 5 years</p> <ul style="list-style-type: none"> • Member Board of Directors of Unibail since 2003 • Chairman of the Board of Directors of la Financière du Bois du Roi • CFO then Senior Advisor of Inbev (ex Interbrew) • Member of Board of Directors of Suez, M6 and Société Générale de Belgique <p>CV</p> <ul style="list-style-type: none"> • 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)
<p>Mr. Frans J.G.M. Cremers</p> <p>Independent member</p> <p>Born on February 7, 1952</p> <p>First Mandate: June 25, 2007 AGM SB term expires: 2010</p> <p>Holds 1 U-R share</p> <p>Member of the Supervisory Board</p> <p>Member of the Audit Committee</p>	<p>Other Current Functions and Mandates</p> <ul style="list-style-type: none"> • He holds Supervisory Board positions at NS N.V., Royal N.V., Vopak N.V., Fugro N.V. (Vice Chairman) Schiphol N.V. and Parcom Ventures B.V. • Member of the Capital Market Committee of AFM <p>Previous Mandates during the last 5 years</p> <ul style="list-style-type: none"> • Supervisory Board Member Rodamco Europe N.V. since the end of 2004 • Until the end of 2004, CFO and member of the Executive Board of VNU <p>CV</p> <ul style="list-style-type: none"> • Master Degree in Business Economics and a PhD in Business Finance; both from the Erasmus University • He was active in Royal/Dutch Shell for 21 years in Financial and Commercial positions all over the world, lastly as Finance Director of Shell Expo UK.
<p>Mr. Jacques Dermagne</p> <p>Born on November 28, 1937</p> <p>First Mandate: June 25, 2007 AGM SB term expires: 2010</p> <p>Holds 75 U-R shares</p> <p>Member of the Supervisory Board</p> <p>Member of the Governance, Nomination & Remuneration Committee</p>	<p>Other Current Functions and Mandates</p> <ul style="list-style-type: none"> • Chairman of the French Economic and Social Council <p>Previous Mandates during the last 5 years</p> <ul style="list-style-type: none"> • Member of the Board of Directors of Unibail since 1993 • Member of the Supervisory Board of Optorg, of France Convention, Devanlay, D.M.C., Cetelem • Member of Board of Directors of Rallye. <p>CV</p> <ul style="list-style-type: none"> • Masters Degree in Private Law
<p>Mr. Jean-Louis Laurens</p> <p>Independent member</p> <p>Born on August 31, 1954</p> <p>First Mandate: June 25, 2007 AGM SB term expires: 2009</p> <p>Holds 161 U-R shares</p> <p>Member of the Supervisory Board</p>	<p>Other Current Functions and Mandates</p> <ul style="list-style-type: none"> • Chairman of ROBECO Gestions • Chairman of the Executive Board of Banque ROBECO <p>Previous Mandates during the last 5 years</p> <ul style="list-style-type: none"> • Member of the Board of Directors of Unibail since April 2007 • Chairman and CEO of AXA Investment Managers Paris and Deputy CEO of AXA Investment Managers • Member of the Board of directors of AXA France Assurance <p>CV</p> <ul style="list-style-type: none"> • Graduate of the École des Hautes Études Commerciales • He has a Doctorate in Economics and a Masters Degree in Law

<p>Mr. Yves Lyon-Caen</p> <p>Independent member</p> <p>Born on June 29, 1950</p> <p>First Mandate: June 25, 2007 AGM SB term expires: 2008</p> <p>Holds 200 UR shares</p> <p>Member of the Supervisory Board</p> <p>Member of the Audit Committee</p>	<p>Other Current Functions and Mandates</p> <ul style="list-style-type: none"> Chairman of the Supervisory Board of Bénéteau S.A. and of Sucres & Denrées <p>Previous Mandates during the last 5 years</p> <ul style="list-style-type: none"> Member of the Board of Directors of Unibail since 2005 Member of the Board of Directors of Nexans (from 2005 to 2007) <p>CV</p> <ul style="list-style-type: none"> Law graduate of the Institut d'Études Politiques and former student of the École Nationale d'Administration
<p>Mr. Henri Moulard</p> <p>Independent member</p> <p>Born on May 2, 1938</p> <p>First Mandate: June 25, 2007 AGM SB term expires: 2008</p> <p>Holds 3 UR shares</p> <p>Member of the Supervisory Board</p> <p>Member of the Governance, Nomination & Remuneration Committee</p>	<p>Other Current Functions and Mandates</p> <ul style="list-style-type: none"> Chairman of HM & Associés and Invest in Europe Non voting member and Chairman of the Audit Committee of Crédit Agricole SA, LCL and Calyon (ex-Indosuez) Non voting Director, Chairman of the Governance, Nomination & Remuneration Committee and member of the Audit Committee of GFI Informatique Chairman of the Supervisory Board of Dixence, Vice Chairman of the Executive Committee of GERPRO Member of the Board of Directors of Burelle SA, Elf Aquitaine and La Française des Placements Investissements (Chairman of the Nomination Committee & member of the Governance Committee) Chairman of the Supervisory Board of Financière Centuria <p>Previous Mandates during the last 5 years</p> <ul style="list-style-type: none"> Member of the Board of Directors of Unibail since 1998 Chairman of the Board of Directors of Attijariwafa Bank Europe Member of the Board of Directors of Foncia (member of the Audit Committee), Attijariwafa Bank and Attijari Bank Tunis and Director of Atlamed SA. CEO of the Groupe Generali France (2001-2002) <p>CV</p> <ul style="list-style-type: none"> Graduate of the Institut d'Études Politiques, graduate in Private law and holds a Post Graduate Professional Degree (DES) in Public Law
<p>Mr. Bart R. Okkens</p> <p>Independent member</p> <p>Born on July 23, 1941</p> <p>First Mandate: June 25, 2007 AGM SB term expires: 2008</p> <p>Holds 300 UR shares</p> <p>Member of the Supervisory Board</p> <p>Member of the Governance, Nomination & Remuneration Committee</p>	<p>Other Current Functions and Mandates</p> <ul style="list-style-type: none"> Supervisory Board member of Stichting de Nationale Sporttotalisator (SNS), Huisman Special lifting Equipment Holding B.V. Chairman of the Supervisory Board of Esselink Groep BV, Bornet Group Rotterdam BV, Van Hoom Holding BV, Bergschenhoek Groep BV and the Boijmans van Beuningen museum Board member of Stichting RESERVE 1983, Stichting Continuïteit ICT and Stichting Administratiekandoor J. Van Dyk, and Board member of Stichting Administratiekantoor Golf Team Holland <p>Previous Mandates during the last 5 years</p> <ul style="list-style-type: none"> Vice Chairman Supervisory Board Rodamco Europe N.V. from april 2001 to June 2007 Supervisory Board member of Rijn-Schelde-Verolme Scheepswerven en Machinefabrieken N.V.(i.l.) Board member of Stichting Toezicht Certification Friesland Coberco Dairy Foods Chairman of Stichting Oranje Fonds and Stichting Rotterdam Topsport <p>CV</p> <ul style="list-style-type: none"> 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.
<p>Mr. Robert ter Haar</p> <p>Independent member</p> <p>Born on February 13, 1950</p> <p>First Mandate: June 25, 2007 AGM SB term expires: 2008</p> <p>Holds 50 UR shares</p> <p>Member of the Supervisory Board</p> <p>Member of the Audit Committee</p>	<p>Other Current Functions and Mandates</p> <ul style="list-style-type: none"> Supervisory Board Member of Royal Friesland Foods N.V., Maxeda B.V., Parcom Ventures B.V. (Chairman), and B.V. Sperwer Holding <p>Previous Mandates during the last 5 years</p> <ul style="list-style-type: none"> Supervisory Board Member Rodamco Europe N.V., from the end of 2004 to June 2007 CEO of Hagemeyer N.V until March 2004 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 Chairman of the Supervisory Board of Boekhandels Groep Nederland B.V. <p>CV</p> <ul style="list-style-type: none"> Masters Degree in Commercial and Corporate Law

<p>Mr. Jos W.B. Westerburgen</p> <p>Independent member</p> <p>Born on June 29, 1942</p> <p>First Mandate: June 25, 2007 AGM SB term expires: 2010</p> <p>Holds 664 UR shares</p> <p>Member of the Supervisory Board</p>	<p>Other Current Functions and Mandates</p> <ul style="list-style-type: none"> Supervisory Board member of ASML Holding N.V. (Chairman of the Remuneration Committee and of Selection and Nomination Committee) and Vice Chairman of the Board of the Association AEGON <p>Previous Mandates during the last 5 years</p> <ul style="list-style-type: none"> Supervisory Board Member Rodamco Europe N.V., since the end of 2004. He was member of the Supervisory Board of Gamma Holding N.V. (until 2003) and Unilever Nederland B.V. (until 2005) <p>CV</p> <ul style="list-style-type: none"> Holds a Masters Degree in Tax Law from Leiden University. He began his career with the Dutch Ministry of Finance, reaching Director level. He went on to join Unilever. Now retired, he was the former Company Secretary and Head of Tax at Unilever N.V. and Unilever plc.
<p>Proposed supervisory board memberships for approval at the next AGM</p>	
<p>Mrs. Mary Harris</p> <p>Born on April 29, 1966</p>	<p>Other Current Functions and Mandates</p> <ul style="list-style-type: none"> Currently Member of the Supervisory Board and Audit Committee of TNT N.V. and a Non-Executive Director of Sainsbury plc and a member of its Audit Committee <p>Previous mandates during the last 5 years</p> <ul style="list-style-type: none"> She held positions at Pepsi Beverages, Goldman Sachs and at private equity/venture capital firms. <p>CV</p> <ul style="list-style-type: none"> Mrs. Harris holds a Masters Degree in Law and a Bachelors Degree in Business Administration. She graduated from Oxford University and Harvard Business School She was Consultant and Partner at McKinsey & Cie in London, Amsterdam, China and South East Asia.
<p>Mr. Alec Pelmore</p> <p>Born on October 14, 1953</p>	<p>CV</p> <ul style="list-style-type: none"> Mr. Pelmore holds a 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 Nr. 1 for real estate in Europe for 12 out of 13 years from 1995 to 2007.

3. REMUNERATION OF THE EXECUTIVE CORPORATE OFFICERS

Mr. G. Poitrial fulfilled the duties of Chairman of the Board of Directors and Chief Executive Officer until June 25, 2007. He was assisted in the management of the Company by the Executive Committee, comprising seven senior executives (non-Board members) and chaired by Mr. Poitrial himself.

In his capacity as Chairman of the Board of Directors & CEO, Mr. G. Poitrial's remuneration consisted of a fixed gross annual income and a variable gross annual income determined on the basis of two Group performance indicators, to the exclusion of any qualitative criteria:

- net recurring profit and recurring EPS growth in excess of inflation during the period,
- creation of value during the period measured by the growth in excess of inflation of Net Asset Value (NAV) per share plus dividends per share distributed over the same period.

Furthermore, in the event of overperformance of these two indicators and in accordance with a predetermined formula, the Chairman and CEO was entitled to receive bonus shares. He was also eligible for stock-options.

As a Director and Chairman of the Board of Directors, Mr. G. Poitrial received attendance fees until June 25, 2007.

As of June 26, 2007, the date of the merger with Rodamco Europe N.V., a Management Board made up of six members was appointed and Mr. G. Poitrial assumed the duties of the Chairman of the Management Board and Chief Executive Officer. All Management Board members of Unibail-Rodamco SA are Responsible Corporate officers.

The Management Board remuneration policy was developed by the Governance, Nomination & Remuneration Committee of the Company, with the assistance of Towers Perrin as independent external advisors. The Supervisory Board approved this policy on June 26, 2007.

The direct remuneration of the Management Board members consists of 3 components:

- Fixed Income: the amount of the Fixed Income resulted from the analysis performed by the independent external advisors (Towers Perrin) based on a comparative study of the practices of CAC 40 company practices and major European real estate companies. Since June 26, 2007, the gross annual income of the Management Board Chairman is set at €700,000 and €400,000 for the other Management Board members.
- Short Term Incentive which represents an annual, variable cash bonus to be paid out immediately after the publication of the annual results following the year for which the STI is intended.

- The amount of Short Term Incentive for Management Board members (except the Chairman) is determined by the degree to which the Management Board and each individual member have achieved two sets of objectives:
 - i. Quantitative Targets capped at 50 % of Fixed Income:
According to a formula taking into consideration two group performance indicators:
 - The recurring net profit and the recurring EPS growth in excess of inflation and
 - The creation of value during the period, measured by the growth in excess of inflation of Net Asset Value per share, plus dividends distributed over the same period;
 - ii. Qualitative Targets capped at 50 % of Fixed Income which will be defined by the Governance, Nomination & Remuneration Committee (upon proposal of the CEO for the other Management Board members), discussed with each Management Board member, approved by the Governance, Nomination & Remuneration Committee/Supervisory Board and accepted by each Management Board member at the beginning of each calendar year.
 - The level of Short Term Incentive for the CEO (capped at 150% of Fixed Income) is exclusively determined by the degree to which the Management Board has achieved quantitative targets according to a formula based on the same group performance indicators as the one applied for the other Management Board members.
 - Other Benefits (pension, company car, mutual insurance coverage and social security and loss of employment coverage). Management Board members have the benefit of a company car, the Company's mutual insurance coverage and social security and loss of employment coverage relating to their status of Management Board members (type GSC for French members), as well as the benefit of the Company's supplementary pension plan.
- The Management Board members do not benefit from the profit-sharing scheme ("intéressement et participation"). They have access to the Company Savings Plan and are eligible for stock options.
- The Management Board members do not benefit from any contractual severance package.

3.1. Details of the remuneration of the Management Board members

Amount due in respect of the year (in euros)	G. Poitral			J. Bomhoff			M. Dessalain	K.W. Ledebøer			C. Pourre	P. van Rossum		
	2005 Unibail-Rodamco	2006 Unibail-Rodamco	2007 Unibail-Rodamco	2007 Rodamco Europe	2007 Unibail-Rodamco	Total	2007 Unibail-Rodamco	2007 Rodamco Europe	2007 Unibail-Rodamco	Total	2007 Unibail-Rodamco	2007 Rodamco Europe	2007 Unibail-Rodamco	Total
Fixed Income ⁽¹⁾	377,168	380,004	553,059	162,244	206,209	368,453	377,367	162,244	206,209	368,453	322,915	163,133	206,209	369,342
Short Term Incentive ⁽²⁾	380,000	380,000	923,333		254,200	254,200	335,000		234,200	234,200	330,000		234,200	234,200
Others Benefits ⁽³⁾	7,947	14,326	50,145	58,155	55,925	114,080	31,578	50,441	48,388	98,829	31,923	38,525	41,150	79,675
Bonus share in economic value ⁽⁴⁾	354,689	380,000												
Attendance fees until June 2007		32,344	28,125											
Total	1,119,804	1,186,674	1,554,662	220,399	516,334	736,733	743,945	212,685	488,797	701,482	684,838	201,658	481,559	683,217
Amount paid during the year 2007 (in euros)														
Fixed Income ⁽¹⁾	377,168	380,004	553,059	162,244	206,209	368,453	377,367	162,244	206,209	368,453	322,915	163,133	206,209	369,342
Short Term Incentive	303,892	380,000	380,000	140,161		140,161	110,000	140,161		140,161	200,000	108,000		108,000
Others Benefits ⁽³⁾	7,947	14,326	50,145	58,155	55,925	114,080	31,578	50,441	48,388	98,829	31,923	38,525	41,150	79,675
Bonus share in economic value ⁽⁴⁾		354,689	380,000								99,900			
Attendance fees until June 2007		10,547	49,922 ⁽⁵⁾											
Total	689,007	1,139,566	1,413,126	360,560	262,134	622,694	518,945	352,846	254,597	607,443	654,738	309,658	247,359	557,017

(1) From June 26, 2007 the annual fixed income amounted to €700,000 for the Management Board Chairman and €400,000 for the others Management Board members.

(2) Short term incentive due in respect of the year, payable the following year.

(3) Including pension contribution.

(4) Bonus shares awarded, based on the valuation under IFRS in the consolidated financial statements, i.e. €141.53/share in 2006 and €180 /share in 2007.

(5) Double attendance fee as Chairman of the Board of Directors – including the last quarter 2006 and variable amount in respect of the year 2006.

Pursuant to AMF recommendations and Afep-Medef recommendations concerning compensation of Management Board members of listed companies (January 2007), the previous table on page 185 contains a presentation of gross remunerations received in respect of the financial years and gross remunerations paid during 2007.

The table above takes into account:

- The appointment of Mr G. Poitral as CEO of Unibail Holding in April 28, 2005, then as Chairman and CEO of Unibail in June 30, 2006 without any change in the basis of calculation of his remuneration, and his appointment as Chairman of the Management Board and CEO as of June, 26 2007.
- All Management Board members were appointed on June 26, 2007, notwithstanding the amounts mentioned in respect of the financial year 2007:
 - i. Previously, Mrs. C. Pourre was Executive Vice President of Unibail Group and Mr. M. Dessolain was General Manager of the Shopping Centre Division of Unibail Group. Neither one was a member of the Board of Directors of Unibail Holding SA.
 - ii. Messrs J. Bomhoff (COO Retail Management), K. W. Ledebøer (CIO Asset Selection) and P. Van Rossum (CFO) were members of the Rodamco Europe N.V. Management Board until June 2007. Their remuneration appears in the column "Rodamco Europe".

3.2. Details of stock-options granted to the Management Board members during the financial year 2007 (art. L.225-184 of the French Commercial Code) and top ten allocations to executives excluding Company Responsible Officers – *mandataires sociaux*

The total number of options allocated in October 2007 is 653 700 stock-options representing 1,13 % of the share capital. All stock options granted in 2007 (Plan 5 performance) are subject to a performance condition: the right to exercise options depends on Unibail-Rodamco's overall stock market performance being higher in percentage terms than that of the EPRA benchmark index over the reference period. (i.e the period between the date on which the Supervisory Board members and/or Management Board members decides to grant options, which will be at the end on the fourth year, at the earliest, and the end of plan's term, i.e. the end of the seventh year, at the latest).

Attention is drawn to the following points:

- (i) Unibail-Rodamco's overall stock market performance is defined as the movement in Unibail-Rodamco's share price during the reference period, with all gross interim and final dividends reinvested on the date of their payment;
- (ii) the performance of the EPRA (European Public Real Estate Association) index is defined as the movement 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 dividends paid. The gross dividend figures included in the calculation of Unibail-Rodamco's overall stock market performance are those published by Bloomberg, which serve as the basis for the EPRA Euro Zone Total Return index.

Names	Number of options granted in October 2007 ⁽¹⁾	Subscription price	Expiry date	Plan ⁽²⁾	Economic value ⁽³⁾
Mr. G. Poitral	40,000	€180.36	10/10/2014	Plan 5 Performance	€588,000
Mr J. Bomhoff	35,000	€180.36	10/10/2014	Plan 5 Performance	€514,500
Mr Dessolain	20,000	€180.36	10/10/2014	Plan 5 Performance	€294,000
Mr K.W. Ledebøer	35,000	€180.36	10/10/2014	Plan 5 Performance	€514,500
Mrs. C. Pourre	20,000	€180.36	10/10/2014	Plan 5 Performance	€294,000
Mr P. van Rossum	35,000	€180.36	10/10/2014	Plan 5 Performance	€514,500
Top ten allocations of options to executives (excluding Company Responsible Officers) – Overall information	127,000	€180.36	10/10/2014	Plan 5 Performance	€1,866,900

(1) All subject to performance conditions - see above

(2) See page 172 of this report

(3) Based on the option valuation carried out by the independent external advisors Towers Perrin for the purposes of accounting under IFRS in the consolidated financial statements, each option has a value of €14.70.

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 Governance, Nomination & Remuneration Committee and the Supervisory Board (upon proposal by the CEO for the non-CEO Management Board members).

For options granted in 2007 and onward, all Management Board members have to keep a personal investment in Unibail-Rodamco shares until they leave the Company, equivalent to 30% of the capital gain (net of tax) on the date of exercise of the Stock-options granted. This rule will be applied until they own the equivalent in Unibail-Rodamco shares of 2 years (3 years for the CEO) of Fixed Income. The shares may result from any Unibail-Rodamco Stock-option plan Management Board members have been the beneficiary of.

4. FEE ALLOCATED TO SUPERVISORY BOARD MEMBERS – CONSEIL DE SURVEILLANCE (JUNE 25 – DECEMBER 31, 2007)

The total annual amount of the fee allocated to the Supervisory Board members (fixed by the General Meeting on May 21, 2007) is €875 000. The attendance fees to be paid to each Supervisory Board member were fixed by the Supervisory Board (during its June 26, 2007 meeting):

- Supervisory Board fee:
The yearly Supervisory Board attendance fee has been set at €52,000 per member (fixed portion of 75% and variable portion of 25%, allocated according to attendance regularity). The fixed portion is paid quarterly and the variable portion at year-end. The Chairman and Vice Chairman of the Supervisory Board, respectively are paid a supplementary fee of €45,000 and €15,000. An additional fee of €1,350 is paid to Supervisory Board members attending a meeting (or several related meetings) of the Supervisory Board and/or relevant Supervisory Board-committees held outside their country of residence.
- Supervisory Board committees fees:
Yearly attendance fee for Committees have been set at €20,000 for the Chairman of the Audit Committee and at €20,000 for the Chairman of Governance, Nomination and Remuneration Committee and at €10,000 for the other Committee members. An additional fee of €1,350 is paid to members attending a meeting (or several related meetings) of the Supervisory Board and/or relevant Supervisory Board committees held outside the country of residence.

Attendance fee paid to the Supervisory Board members, in 2007

Mr. Frans J.G.M Cremers	€36,400.00 ⁽¹⁾
Mr. Jacques Dermagne	€29,375.00
Mr. François Jaclot	€46,200.00
Mr. Robert ter Haar	€36,400.00 ⁽¹⁾
Mr. Jeans-Louis Laurens	€24,100.00
Mr. Yves Lyon-Caen	€29,375.00
Mr. Henri Moulard	€29,375.00
Mr. Bart R. Okkens	€36,400.00 ⁽¹⁾
Mr. Robert F.W. van Oordt	€65,250.00 ⁽¹⁾
Mr. Jos W.B. Westerburgen	€30,050.00 ⁽¹⁾

(1) Before deduction by Unibail-Rodamco of a withholding tax (25%)

5. FEE ALLOCATED TO THE BOARD OF DIRECTORS – CONSEIL D'ADMINISTRATION (JANUARY 1 – JUNE 24, 2007)

The Combined General Meeting of April 8, 2004 set the total annual amount of fee allocated to Board of Directors at €350 000. The Board of Directors had laid down the following allocation rules:

- Board fee:
The attendance fee for the members of the ex-Unibail S.A. Board were set at €22,500 per director (75% fixed and 25% variable according to attendance regularity). Double attendance fee were awarded to the Chairman & CEO.
- Audit Committee fee:
Yearly attendance fee for the Committee were set at €20,000 for the Chairman and €10,000 for the other members.
- Nomination & Remuneration Committee fee:
Yearly attendance fee for the Committee were set at €15,000 for the Chairman and €7,500 for the other members.

Attendance fee paid to the Board of Director's members in 2007

M. Guillaume Poirin ⁽¹⁾	€49,922.00
Mr. Jacques Dermagne	€17,812.50
Mr. François Jaclot ⁽²⁾	€54,062.50
Mr. Jean Claude Jolain (until April 27, 2007)	€19,062.50
Mr. Bernard Michel	€14,062.50
Mr. Henri Moulard	€21,562.50
Mr. Yves Lyon Caen	€19,062.50
Mr. Jean Jacques Rosa (until April 27, 2007)	€12,187.50
Mr. Claude Tendil	€15,562.50
Mr. Jean-Louis Solal	€14,062.50
Mr. Jean-Louis Laurens (from April 27, 2007)	€ 9,843.75

(1) Double attendance fee as Chairman of the Board of Directors – including the last quarter 2006 and variable amount in respect of the year 2006.

(2) Including an extra-attendance fee of €30,000 for his contribution during the Exchange Public Offer initiated on Rodamco Europe N.V.

6. DETAILS OF STOCK-OPTIONS EXERCIZED BY MANAGEMENT BOARD MEMBERS DURING THE FINANCIAL YEAR 2007 (ART. L.225-184 OF THE FRENCH COMMERCIAL CODE) AND TOP TEN EXERCISES BY EXECUTIVES EXCLUDING COMPANY RESPONSIBLE OFFICERS – MANDATAIRES SOCIAUX

Names	Number of options exercised	Weighted average strike price	Expiry date	Plan	Gross amount exercise
Mr. G. Poitrial	5,156	€46.62	08/10/2010	Plan no.2 – tranche 2002	€ 240,372
	25,452	€53,88	14/10/2010	Plan no.3 – tranche 2003	€1,371,353
	25,452	€53,88	14/10/2010	Plan no.3 – tranche 2003 Perf.	€1,371,353
Mrs. C. Pourre	2,561	€53,88	14/10/2010	Plan no.3 – tranche 2003 Perf.	€ 137,986
Top ten exercises of options by executives excluding Company Responsible Officers – Overall information	75,867	€52.33	08/10/2010 14/10/2010	Plan no.2 – tranche 2002 Plan no.3 – tranche 2003	€3,970,120

7. NUMBER OF UNIBAIL-RODAMCO SHARES/STOCK-OPTIONS/BONUS SHARES HELD AT DECEMBER 31, 2007 BY THE MANAGEMENT BOARD MEMBERS (ART. L 225-102-1 FRENCH COMMERCIAL CODE)

Names	Unibail-Rodamco shares	Stock options non exercised	Bonus shares locked up
Management Board			
Mr. G. Poitrial	106,715	178,178	4,796
Mr. J. Bomhoff	2,312	35,000	-
Mr. M. Dessolain	12,158	121,748	500
Mr. K.W. Ledeboer	1,792	35,000	-
Mrs. C. Pourre	3,481	116,070	1,261
Mr. P. van Rossum	-	35,000	-

8. INFORMATION ON SHARE TRANSACTIONS AND PERMANENT INSIDERS

In accordance with the more stringent disclosure requirements of the A.M.F. General Regulations, persons with management responsibilities within the Company have been informed of the disclosure rules (also applicable to 'individuals with a close personal relationship' with such persons) with which they must comply in relation to any dealings with the Company's shares, both as regards the A.M.F. and the Company itself.

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 A.M.F. a list of persons qualified as permanent insiders.

9. PROSPECTUS REGULATIONS – NEGATIVE DECLARATION

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).

VI. OTHER INFORMATION

1. FEES PAID TO STATUTORY AUDITORS AND OTHER PROFESSIONALS IN THEIR NETWORKS (IN EUROS THOUSANDS)

	Ernst & Young				Deloitte Marque & Gendrot				Others			
	Amount (ex. VAT)		%		Amount (ex. VAT)		%		Amount (ex. VAT)		%	
	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007
Audit												
Statutory audit, certification, review of company and consolidated financial statements												
Issuer ⁽¹⁾	263	379	24%	25%	229	325	100%	88%	0	0	0%	
Fully consolidated subsidiaries	675	873	61%	59%	0	0	0%		96	2,173 ⁽²⁾	100%	
Other engagements and services directly related to the statutory audit engagement												
Issuer ⁽¹⁾	47	161	4%	11%		44		12%				
Fully consolidated subsidiaries	130	74	12%	5%		0						
Subtotal	1,115	1,487	100%	100%	229	369	100%	100%	96	2,173	100%	
Other services rendered by the network to fully consolidated subsidiaries												
Legal, tax, employee-related												
Others (provide details if > 10% of audit fee)										696		
Subtotal	0	0	0%	0%	0	0	0%	0%	0	696	0%	0%
Total	1,115	1,487	100%	99.80%	229	369	100%	100%	96	2,869	100%	0%

(1) The issuer is understood to be the parent company.

(2) Including €2129K Fee paid to PricewaterhouseCooper, Statutory Auditors of Rodamco Europe, for the full year 2007.

2. 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 amounted to €2.9 Mn for the year 2007. For each appraisor's firm, the invoiced fees represent less than 10% of their turnover.

3. INSURANCE

Unibail-Rodamco is covered by a comprehensive insurance scheme, which is underwritten by leading insurance companies. The Insurance Department manages these insurance policies – except some local policies which are subscribed locally - in connection with the insurance brokers.

The property assets are insured for their reconstruction value (regularly assessed by property insurance valuers). Business interruption and loss of rents are also insured.

Unibail-Rodamco has also taken out a general liability insurance covering any incurring financial damages to third parties.

In terms of terrorism risks, Unibail-Rodamco's assets remain fully covered up to their insured amounts, or within the limits of indemnity.

Construction projects and renovation works on properties are covered by Contractor's All Risks and Inherent Defects insurance policies.

The 2007 premium came to €8.3 Mn including premiums which were invoiced to tenants or to other co-owners as a part of their service charges with the Group acting as the administrator of the assets.

By negotiating the renewal terms of its insurance policies at year-end 2007 and enhancing its risk prevention policy, Unibail-Rodamco managed to reduce its 2008 premium budget while improving some of its covers. The harmonization of the insurance policies will be pursued in 2008.

Claims are handled locally by each region.

No significant loss arose in 2007.

VII. 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 manage controllable risk factors, notably: operational, financial and legal risks to which the Unibail-Rodamco Group and its subsidiaries are exposed, even if these risks can never be totally eliminated.

The monitoring procedures and management components implemented by Unibail-Rodamco are described in the 'Insurance and risk cover' section, as well as in the internal control systems section of the Chairman's Report.

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 unknown or of which the occurrence is not considered at the filing date of this Registration Document as 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'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, conventions-exhibitions and associated services. Apart from risk factors specific to each asset, the Group's activities are exposed to factors beyond its control and specific systemic risks, such as the cyclical nature of the sector in which it operates. The Group's strategy and policies aim at curbing the negative effects of these risks. However, sudden changes in the economic, financial, currency, regulatory, geopolitical, political, social, health and ecological environment may have an adverse impact on the Group, the value of its assets, its results, its development plans and/or its investment activities.

Risks arising from property asset construction and refurbishment projects

Unibail-Rodamco conducts development activities in the office, shopping centre and conventions-exhibitions property segments, the principal risks of which are linked to: 1). securing the requisite legal authorisations (building permits, CDEC administrative authorisations), 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, which could potentially affect Unibail-Rodamco's operating performance.

Legal, regulatory, tax, environmental and insurance-related risks

Legal and regulatory risks

Unibail-Rodamco has to comply with regulations in various fields, notably: urban planning, construction and operating permits, health and safety (in particular, in assets open to the public), the environment, lease law, labour regulations, corporate and tax law, notably under the provisions of the SIIC⁽¹⁾ regime and FBI⁽²⁾ regime for Rodamco Europe N.V.. Changes in the regulatory framework could require Unibail-Rodamco to adapt its business activities, its assets or its strategy, possibly leading to a negative impact on the value of its property portfolio or its results, increasing its expenses, slowing, or even halting 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, contractual responsibility, employers' liabilities, penal issues) and is subject to tax and administrative audits.

Tax risks linked to SIIC status

Unibail-Rodamco is subject to the French SIIC tax regime, which enables it to benefit from a corporate income tax exemption provided that it meets certain obligations. If Unibail-Rodamco does not respect these obligations it would be liable to standard corporate income tax which would have a negative impact on its business activities and its results. Likewise, if one or more shareholders, acting together, would reach the 60% ownership threshold in voting rights the Company would lose its SIIC status; bearing in mind that Unibail-Rodamco has a 100% free float, at the date of the registration of the reference document.

Unibail-Rodamco could be faced with a supplementary 20% tax charge based on distribution paid out, free of tax to a tax-exempt shareholder (other than natural persons) that owns at least 10% of Unibail-Rodamco's share capital, if Unibail-Rodamco is not in a position to off-set this tax charge to the single relevant shareholder.

Finally, Unibail-Rodamco remains exposed to changes in the tax rules currently in force.

Environmental risks

As a property owner Unibail-Rodamco has, in each country where it is active, to comply with local environmental regulations. Failure to comply with these local environmental regulations or regulatory changes may potentially lead to higher expenses or hamper the development of the Group's activities, thereby potentially affecting Unibail-Rodamco's results.

(1) Listed Property Investment Companies SIIC – *Sociétés d'Investissements Immobiliers Cotées*.

(2) Fiscal Investment Institution.

Insurance-related risks

Since the Unibail-Rodamco Group depends on the insurance markets and its financial ability to raise capital to cover risks, it may experience, for instance, owing to limited availability capacity in the marketplace, insurance shortfalls or find it impossible to cover all or part of certain risks.

Risks associated with Unibail-Rodamco's financing policy and Unibail-Rodamco's financial activities

Market risks

Market risks (interest rate risk, currency risk and counterparty risk) are described in the 'Financial resources - Market risk management' section of this Registration Document.

Liquidity risks

Unibail-Rodamco's strategy depends on its ability to raise financial resources, either in the form of borrowings or equity capital, so that it can finance its ongoing activities and its investments. It is possible (for instance in the event of a crash in the bond or equity markets, events affecting the property market, a downgrade in Unibail-Rodamco's credit rating or a change in Unibail-Rodamco's business activities, financial situation or ownership structure) that the Group – at any given point of time - lacks the desired access to the liquidity and cash resources that it needs and may thus struggle to raise the required funds or to secure them on attractive terms.

Risk of possible conflicts of interest

Risks of conflicts of interest with companies where Unibail-Rodamco is the majority shareholder

Unibail-Rodamco is the majority shareholder of several companies with several minority shareholders (see pages 118-124). In certain circumstances, these situations may raise potential conflicts of interest and/or generate potential claims from minority shareholders of those subsidiaries.

Risks Related to Unibail-Rodamco Securities

Volatility in the price of Unibail-Rodamco Securities

Stock markets may experience major fluctuations, including those which are unrelated to the results of the companies whose shares are traded on regulated markets. The price of Unibail-Rodamco's securities (shares and ORA –bonds redeemable in Unibail-Rodamco shares) could be volatile and could be affected by several events affecting Unibail-Rodamco, its competitors or the financial markets in general.

For example, the price of Unibail-Rodamco's securities could fluctuate appreciably in response to various factors and events, among which could be included: changes in the liquidity of the market for Unibail-Rodamco shares; variations in the financial results of Unibail-Rodamco or of 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; the promulgation of any new law or regulation or any change in the interpretation of existing laws and regulations relating to Unibail-Rodamco's business, market fluctuations.

Risks Concerning the Dutch FBI Status

Rodamco Europe N.V., the main Unibail-Rodamco subsidiary, is an FBI (Fiscal Investment Institution) for Dutch tax purposes. Under this status, it benefits from a zero tax rate for its Dutch operations, subject to meeting certain requirements, one of which relates to the composition of its shareholders.

Although the current situation, whereby Unibail-Rodamco holds nearly all the Rodamco Europe N.V. shares is not in line with the FBI shareholders requirements, the Dutch Ministry of Finance has confirmed that Rodamco Europe N.V. will be allowed to maintain its FBI status for a grace period of two years after Settlement date (25 June 2007), provided that, in particular, Unibail-Rodamco obtains FBI status within such period.

In order to obtain FBI status within this two-year period, Unibail-Rodamco must fulfil all FBI Requirements. Consequently Unibail-Rodamco may need to reorganize or restructure some of its activities, which may have an adverse effect on its business, results of operations or financial conditions.

Should Unibail-Rodamco prove unable to obtain FBI status within the grace period of two years, then Rodamco Europe N.V. would become subject to corporate income tax.



Report of the Chairman of the Supervisory Board

REPORT OF THE CHAIRMAN OF THE SUPERVISORY BOARD	196
I. Board of Directors: (ex-Unibail – January 1 to June 24, 2007)	196
II. Supervisory Board: (Unibail-Rodamco S.A.) June 25 to December 31, 2007	200
III. Internal Control Systems	204
STATUTORY AUDITORS' REPORT	208

Report of the Chairman of the Supervisory Board

on the arrangements for planning and organising the work of the Group's Board of Directors and the Supervisory Board and on the Group's internal control procedures for the financial year ending 31 December 2007. (Section L 225-68 of the French Commercial Code).

As usual, this report covers a twelve month period; in this case, the period between January 1 and December 31, 2007. Since Unibail-Rodamco S.A. was formed half way through 2007, this report consists of two parts. The first addresses the period from January 1 to June 24, 2007 when Unibail operated under the leadership of a Board of Directors. The second part covers the period from June 25 till December 31, 2007, highlighting the arrangements for planning and organising the work of Unibail-Rodamco's Supervisory Board, including the control procedures in place at the Company.

This report was prepared in close cooperation with the Unibail-Rodamco's Management Board, the Group's Director of Internal Audit and the Group's General Counsel. In addition, it was discussed with the Group's Statutory Auditors.

I. BOARD OF DIRECTORS: (ex-UNIBAIL – JANUARY 1 TO JUNE 24, 2007)

1. FUNCTIONING OF THE BOARD OF DIRECTORS

1.1. Purpose and powers

The Board of Directors of Unibail determined the Group's strategy and watched over its implementation subject to the powers granted by the Shareholders' General Meeting and as laid down in the Company's Articles of Association or internal by-laws. From October 9, 2002 till June 24, 2007, Unibail's internal by-laws have governed the internal procedures and defined the powers of its Board, in terms of:

- Definition of the Group's strategy and direction;
- Prior approval of acquisitions, disposals or investments within the framework of the Group's adopted strategy and in excess of €300 Mn;
- Prior approval of acquisitions or investments outside the framework of the Group's adopted strategy, except for those under €25 Mn; and
- Any takeover or public exchange bids.

1.2. Composition

The Board was made up of ten directors from 1 January to 24 June 2007. Seven directors were defined as independent directors according to the Bouton report criteria. Next to the Chairman & CEO, two directors did not qualify as being independent on the sole criterion of their total term in office on Unibail's Board exceeding twelve years.

Members of the Board of Directors of Unibail

Name	Age	Main position until June 24, 2007	Year first appointed	Mandate expired on
Guillaume Poitral	40	Chairman & CEO of Unibail	2006	24 June 2007
Jacques Dermagne	70	Chairman of the French Economic and Social Council	1993	24 June 2007
François Jaclot Independent member	58	Managing Director of FJ Consulting	2003	24 June 2007
Jean-Claude Jolain	64	Chairman & CEO of SAGI and Villes Services Plus	1989	24 June 2007
Jean-Louis Laurens Independent member	53	Chairman of Robeco Gestions; CEO of Banque Robeco	2007	24 June 2007
Yves Lyon-Caen Independent member	57	Chairman of the Supervisory Board of Bénéteau S.A. and of Sucres & Denrées	2005	24 June 2007
Bernard Michel Independent member	60	Member of the Executive Committee of Crédit Agricole S.A.	2006	24 June 2007
Henri Moulard Independent member	69	Chairman of HM & Associés and of Invest in Europe; non voting member and Chairman of the Audit Committee of Crédit Agricole SA, LCL and Calyon (ex-Induosuez)	1998	24 June 2007
Jean-Jacques Rosa Independent member	66	University Professor at the Institut d'Etudes Politiques, Paris	1998	24 June 2007
Jean-Louis Solal Independent member	79	Former company manager	2004	24 June 2007
Claude Tendil Independent member	62	Chairman & CEO of Generali France	2003	24 June 2007

1.3. Meetings, attendance and information

According to the internal rules, the Board of Directors must hold at least five Board meetings per year as per a pre-set schedule. Extraordinary meetings could be held if specific reasons so required. To encourage effective attendance at Board meetings, regular attendance of the Board members was taken into consideration for the variable part of the Board fees.

Notices were sent at least eight days before Board meetings (except for urgent matters) and always included a detailed agenda. Board members received a comprehensive report covering the topics on the agenda five days before the meeting; the internal rules stipulating a minimum of 48 hours.

Whenever necessary, Board members were sent letters of advice and opinions issued by the Company's tax, legal and accounting counsel. To ensure that Board members were fully informed on the industry segment and current Group events, they regularly received press reviews and financial reports on the Company, its competitors and on relevant industry developments.

1.4. Summary of Board activity

From 1 January to 24 June 2007, the Board of Directors met five times. Overall attendance at these meetings was 81%.

In addition to items and decisions within the statutory scope of the Board (approval of accounts, appropriation of profits, budgets), the Board discussed all major actions taken during the first half 2007, both internally (organisation, appointments, procedures, code of ethics, internal control, etc.) and externally (acquisitions, disposals, marketing operations, the Group's markets and strategy, development projects, financial policy, etc.). Specific attention was devoted to the share exchange bid on Rodamco Europe N.V and to the joint-venture project with the Paris Chamber of Commerce concerning Unibail's convention-exhibition activities.

The Board specifically focused on, examined or approved the following matters:

- Revaluation of net assets;
- Dividend payment policy, financial resources, company financial statements and Group consolidated accounts;
- Remuneration of the Chairman & CEO and the Executive Vice-President;
- (Re)appointment of directors;
- Company Share Savings Plan and bonus share attributions.

Board members were sent the work and recommendations of its committees and the statutory auditors. The minutes of the Audit Committee were appended to those of the Board.

1.5. Remuneration

The attendance fees for the members of the Unibail Board were set at €22,500 per director (75% fixed and 25% variable according to attendance regularity). A double attendance fee was awarded to the Chairman & CEO.

At the beginning of 2007, the Nomination and Remuneration Committee presented the Board with an analysis of Unibail's practices compared with the recommendations of the AFEP-Medef report of January 2007 on the remuneration of managers and responsible officers, from which it appears that the Company has applied all the recommendations for a number of years.

1.6. Limitations on the powers of the Chairman & CEO set by the Board

The Chairman & CEO had full powers to implement the strategy set yearly by the Board, subject to its prior approval for:

- Acquisitions or disposals of individual assets or portfolios (directly or indirectly through corporate structures) amounting to a total commitment in excess of €300 Mn;
- Investments in internal development projects amounting to a total commitment in excess of €300 Mn;
- Friendly or hostile takeover bids or share exchange bids, regardless of the size of the operation and the regulated market on which the target company is listed;
- Transactions outside the framework of the Group's strategy with overall commitment in excess of €25 Mn.

These limitations applied to all transactions carried out by the Company and its subsidiaries.

2. FUNCTIONING OF THE SPECIALISED COMMITTEES SET UP BY THE BOARD OF DIRECTORS

Two specialised committees assisted the Board of Directors: the Audit Committee and the Nominations and Remuneration Committee, both provided with internal rules.

2.1. Audit Committee

Tasks

Its main role was to carry out preliminary reviews of accounts and risks in order to provide the members of the Board of Directors with more detailed information and facilitate their task of approving the Company's financial statements and consolidated accounts.

In this context and in accordance with its internal rules, the Audit Committee examined the following areas and issued an opinion on them to the Board of Directors:

- Accounting methods and principles, in particular the standards and scope of consolidation, with a view to achieving completeness, continuity and comparability;
- Yearly or half-yearly financial statements and consolidated accounts and account-clarifying business information, asset valuations, off-balance sheet commitments and cash position;
- Company financial policy and relevant risks;
- Organisation of internal and risk control and activity reports for these services.

Members

The Audit Committee consisted of three directors including two independent directors. One of the independent directors was appointed as the Committee's Chairman.

In addition to the Statutory Auditors, the following managers regularly attended Committee meetings: Chairman & CEO, Executive Vice President, Accounting and Tax Manager, Financial Resources Manager and Audit & Risk Manager.

Meetings and information

In accordance with the internal rules, the Audit Committee had to hold at least two meetings in 2007. The meetings were to be held at least 48 hours before Board meetings. The Audit Committee could also hold additional meetings at the request of the Board, its Chairman or a majority of its members in order to discuss any matter within its scope.

The Committee could meet with Company employees and the Statutory Auditors without the presence of senior management.

The Committee could also be assisted by any outside party.

Summary of Audit Committee activity

The Committee met once in the first half of 2007 with an attendance rate of 100%.

The Audit Committee's agenda was set by its Chairman. The members received a comprehensive report covering the topics on the agenda three days before the meeting was held.

The financial statements presented to the Audit Committee described the accounting rules, commented on and analysed risks, including any off-balance sheet items. This report was submitted to the Statutory Auditors for their opinion. The Audit Committee also received details of annual audit plans, together with conclusions and recommendations and any follow-up action taken. The Audit Committee was informed of the Statutory Auditors' fees paid for their main assignment and of any fees paid by the Company for their advisory services.

The minutes of Committee meetings were appended to those of the Board of Directors.

In addition to the share exchange bid on Rodamco Europe N.V and the joint-venture project with the Paris Chamber of Commerce, in the first half-year period of 2007, the Audit Committee was specifically involved in and/or issued an opinion on:

- Company account manner of preparation;
- Group revalued net asset determination procedure;
- The application of accounting standards, treatment of disposals and off-balance sheet commitments;
- The review of the 2006 annual results;
- The organisation and methods of Group internal control and assignments of the Internal Audit Department;
- The Chairman's report on the functioning of the Board and internal control procedures.

Remuneration

Yearly attendance fees for the Committee were set at €20,000 for the Chairman and €10,000 for the other members.

2.2. Nominations and Remuneration Committee

Tasks

The Committee assisted the Board of Directors in determining the remuneration of corporate executive officers, Group remuneration policy including stock-option plans and bonus share attributions, selection of future directors with their performance and independence appraisals for appointment during General Meetings.

Members

The Nominations and Remuneration Committee was made up of three directors, two being independent according to the Bouton report criteria. The Chairman & CEO attended the Committee meetings unless the discussions affected him directly.

Meetings and information

In accordance with internal rules, the Committee had to hold at least two meetings a year. Other meetings could be organised according to Company's business requirements. Meetings were to be held at least 48 hours before Board meetings. The Committee could also hold additional meetings at the request of the Board, its own Chairman or the majority of its members in order to discuss any matter within its scope.

The Committee's agenda was set by its Chairman. The members received a comprehensive report covering the topics on the agenda three days before the meeting was held. The minutes were drawn up at the close of every meeting.

The Nominations and Remuneration Committee could also be assisted by any outside party if necessary and draw on such assistance before deciding on the remuneration of key managers, the allocation of stock options or granting bonus shares.

Summary of Nominations and Remuneration Committee activity

The Committee met once in the first half of 2007 with an attendance rate of 100%.

In the first half of 2007, the Committee was specifically involved in and/or issued an opinion on:

- The remuneration of the Chairman & CEO and his performance assessment for 2006;
- The remuneration of the Executive Vice President;
- The review of directors' independence;
- The renewal and appointment of directors;
- The terms and conditions governing the payment of attendance fees;
- The allocation of stock-options, bonus share attributions (including General Meeting reports) and the Group's remuneration policy.

Remuneration

Yearly attendance fees for the Committee were set at €15,000 for the Chairman and €7,500 for the other members.

II. SUPERVISORY BOARD: (UNIBAIL-RODAMCO S.A.) JUNE 25 TO DECEMBER 31, 2007

1. FUNCTIONING OF THE SUPERVISORY BOARD

1.1. Purpose and powers

In accordance with French law, the Company's new Articles of Association⁽¹⁾ were approved by the Company's shareholders on 21 May 2007 and they, as well as the Charter of its Supervisory Board⁽¹⁾, became effective on June 25, 2007. 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 fulfill its duties.

Moreover, 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 ascertains the information disclosed about the Company's corporate governance structure and its actual implementation. It assesses the functioning of the Management Board, the Supervisory Board and their individual members. It handles and settles conflicts of interests and any discrepancies as to the functioning of the Management Board.

1.2. Limitation on the powers of the Management Board by the Supervisory Board

Pursuant to Section 11.5 of the Company's Articles of Association authorising the Supervisory Board to restrict the powers of the Management Board, the Supervisory Board, in its Charter, drew up the list of operations or Management Board decisions requiring its prior approval:

- Acquisitions, investments (including capital expenditures for internal development), interest acquisitions and off-balance sheet commitments exceeding €25 Mn (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 Mn (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 [immeuble par nature] or interest) exceeding €300 Mn (consolidated figure);
- These thresholds are raised to €500 Mn (consolidated figure) for urgent operations and decisions; subject to prior dialogue between the CEO, the Chairman and the Vice-Chairman of the Supervisory Board.
- Indebtedness or security interest in excess of €300 Mn (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 Mn (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 in the Company's dividend policy and proposals for interim - or full dividend payments.

The Supervisory Board is informed of pending operations in excess of €100 Mn but below €300 Mn.

1.3. Composition

The Supervisory Board can consist of 8 (minimum) to 14 (maximum) members, to be appointed by the Company's shareholders. Supervisory Board members are appointed for a three-year term and may be re-elected.

Since June 25, 2007, the Supervisory Board has been made up of ten members. All are termed independent members⁽²⁾ except for Mr. J. Dermagne since his tenure as a member of the Boards, of Unibail S.A. and of Unibail-Rodamco S.A. combined, exceeds twelve years.

According to the recommendations by AFEP-Medef on effective terms for Board members, four members of Unibail-Rodamco's Supervisory Board were appointed for one year, two for two years and four for three years.

The age limit for the Company's Supervisory Board members is 75, while at least two-third of its members must be 70, or younger.

(1) Available on the Company's website and at its registered office.

(2) Based on Bouton report's criteria and Company's criteria defined in the Supervisory Board charter.

Members of the Supervisory Board of Unibail-Rodamco S.A.

Name	Age	Positions next to Supervisory Board membership ⁽¹⁾ Unibail-Rodamco S.A.	Year first appointed	AGM SB term expires
Robert F. W. van Oordt Chairman Independent member	71	Member Board of Directors of Schering-Plough Corporation (USA) Member Board of Directors Fortis Bank N.V. (Be) Member Supervisory Board Draka Holding N.V. (NL)	2007	2009
François Jaclot Vice-Chairman Independent member	58	Managing Director of FJ Consulting	2007	2010
Frans J.G.M. Cremers Independent member	56	Member Supervisory Board of S.N.S. N.V., Royal, Vopak N.V., Fugro N.V. (Vice-Chairman), Schiphol N.V. and Parcoms Ventures B.V.	2007	2010
Jacques Dermagne	70	Chairman of the French Economic and Social Council	2007	2010
Robert ter Haar Independent member	58	Chairman Supervisory Board Parcom Ventures B.V. Member of the Supervisory Boards of Royal Friesland Foods N.V., Maxeda B.V., and Sperwer Holding B.V.	2007	2008
Jean-Louis Laurens Independent member	53	Chairman of Robeco Gestions CEO of Banque Robeco	2007	2009
Yves Lyon-Caen Independent member	57	Chairman of the Supervisory Board of Bénéteau S.A. and of Sucres & Denrées	2007	2008
Henri Moulard Independent member	69	Chairman of HM & Associés and of Invest in Europe; non voting member and Chairman Audit Committee of Crédit Agricole SA, LCL and Calyon (ex-Induosuez)	2007	2008
Bart R. Okkens Independent member	66	Member Supervisory Board of the Stichting de Nationale Sporttotalisator (SNS), Huisman Special lifting Equipment Holding B.V.	2007	2008
Jos W.B. Westerburgen Independent member	65	Member Supervisory Board of the ASML Holding N.V.	2007	2010

(1) For full information please consult the Legal information part (pages 180-185).

1.4. Meetings, attendance and information

According to its Charter, the Supervisory Board meets at least five times a year as per a pre-set schedule. Extraordinary meetings may be held for specific requirements at the written request of the Supervisory Board's Chairman, of at least one-third of the members of the Supervisory or any of the members of the Management Board.

To encourage effective attendance at Supervisory Board meetings, regular attendance of its members is taken into consideration for the payment of the variable portion of the Supervisory Board fee. The Statutory Auditors attend the yearly and half-year meetings of the Supervisory Board where the financial statements for those periods are reviewed.

Notices are sent at least three days before Board meetings (except in unusual circumstances). Notices always include a detailed agenda and well-documented files on the issues at hand.

Whenever necessary, Supervisory Board members are sent letters of advice and opinions issued by the Company's tax-, legal-, accounting- or risk managers. To ensure that Supervisory Board members are fully informed on developments in the respective industry segments and/or events taking place within the Group, they regularly receive press reviews and financial reports on Unibail-Rodamco, its competitors and on industry matters.

1.5. Summary of Supervisory Board activities (June 25 to December 31, 2007)

The Supervisory Board of Unibail-Rodamco S.A. held four meetings in the second half of 2007. Overall attendance at these meetings was 90%.

In addition to items and decisions within its statutory scope (approval of Company charters, appointment of Management Board members, audit of six-monthly financial accounts), the Supervisory Board discussed all major actions taken in the second half of 2007, both internally (organisation and key appointments within the Group, integration process, internal audit, etc.) and externally (e.g. acquisitions, disposals, the Group's strategy, development projects, financial policy, etc.).

The Supervisory Board was in particular informed of, examined or approved the following matters:

- Appointment of Management Board members, including their employment contracts and related remuneration;
- Proposal to increase the Supervisory Board to twelve members, including detailed background information on and qualifications of two new candidates;
- Revaluation of net assets, Company financial statements and Group consolidated accounts as of 25 June, 2007;
- The Management Board report for the third quarter 2007;
- The five-year Group business plan, financial resources (including the updated E.M.T.N. program) and borrowing requirements for the second six-month period of 2007;
- Company application in order to meet Dutch FBI tax status requirements;
- Growth and divestiture projects and operations; including the J.V. project with the Paris Chamber of Commerce concerning the Group's convention-exhibition activities;
- Company dividend payment policy and interim dividend payment decisions;
- Implementation of a stock option plan and the total allocation of stock option grants;
- Implementation of the Company's 2007 share buyback program;
- Launching, in the Netherlands, of a squeeze-out procedure concerning the remaining shares of Rodamco Europe N.V.;
- Realisation of plans to fully integrate Unibail S.A. and Rodamco Europe N.V.;
- Reviewing and where required updating the Supervisory Board and SB-Committee Charters.

Moreover, Supervisory Board members were sent or informed of the work and recommendations of its specialised committees and those of the Statutory Auditors. The minutes of the Audit Committee and those of the Governance, Nomination, & Remuneration Committee were appended to those of the Board.

1.6. Remuneration

The yearly Supervisory Board attendance fee was set at €52,000 per member (fixed portion of 75% and variable portion of 25 %, allocated according to attendance regularity). The fixed portion is paid quarterly and the variable portion at year-end. The Chairman and Vice-Chairman of the Supervisory Board are respectively paid a supplementary fee of €45,000 and €15,000. An additional fee of €1,350 is paid to SB members attending a meeting (or several related meetings) of the Supervisory Board and/or relevant SB-committees held outside their country of residence.

2. FUNCTIONING OF THE SPECIALISED COMMITTEES SET UP BY THE SUPERVISORY BOARD

Two specialised committees assist the Supervisory Board: the Audit Committee and the Governance, Nomination and Remuneration Committee. Those committees are provided with separate Charters passed on 26 June 2007⁽¹⁾⁽²⁾.

2.1. Audit Committee

Tasks

Its main role is to provide oversight over financial matters, internal control and risk management.

In this context and in accordance with its Charter, the Committee examines the following areas before issuing an opinion to the Supervisory Board:

- Quarterly review of the financial statements and consolidated accounts, business information, asset valuation, off-balance sheet commitments and cash position;
- Supervision of the Management Board and production of recommendations about internal management controls, risk control and implementation of Company-relevant financial legislation;
- The Company's financial policy (accounting methods, impact of new legislation, etc.) financing and tax planning;
- Evaluation and/or adoption of the Statutory Auditors' recommendations;
- Control of relations with the Statutory Auditors; assessment of independence, involvement and remuneration.

In addition, the Audit Committee issues an opinion about the proposals for designation and/or renewal of the mandate of the Company's Statutory Auditors. It reports with the Management Board to the Supervisory Board on changes in Statutory Auditor relations, in particular their independent status.

(1) Amended on 20 December 2007 for the Audit Committee.

(2) Available on the Company's web site and at its registered office.

Composition

The Audit Committee consists of four independent members.

Management Board members attend the meetings unless decided otherwise by the Committee. The Audit Committee may also decide that only the Chairman of the Management Board (CEO) and/or the Group's Chief Financial Officer (CFO) or the Statutory Auditors be present. The Group's Finance Director, the Group's Controller and the Group's Director of Internal Audit & Risk Management attend the meeting at the request of the Audit Committee.

Meetings and information

The Audit Committee meets at least on a quarterly basis, or whenever one or more Supervisory Board or Management Board members have requested a meeting. It meets at least once a year with the Statutory Auditors without the members of the Management Board being present. The Committee's agenda is drawn up by its Chairman. Three days before an Audit Committee meeting, members receive a well-documented file on the issues to be dealt with.

The Supervisory Board is informed of the proceedings and decisions of the Audit Committee during its meeting following that of the Audit Committee. The Audit Committee minutes are appended to the minutes of the Supervisory Board.

Summary of Audit Committee activity

The Audit Committee met three times in the second half of 2007. Member attendance rate was 91%.

During the second half of 2007, the Audit Committee reached decisions or issued opinions on:

- Revaluation of net assets, the Company's financial statements and consolidated accounts per 30 June 2007;
- The Management Board report for the third quarter of 2007;
- Company dividend payment policy and interim dividend payment decisions;
- The funding of the Group's five-year business plan, financial resources, borrowing requirements for the second half of 2007 (including the updating of the E.M.T.N. program and inter company credit lines);
- The internal audit report for the first six-month period of 2007, the internal audit charter and the audit plan for 2008;
- Implementation of the Company's 2007 share buy-back program;
- Launching, in the Netherlands, of the squeeze-out procedure concerning the remaining shares of Rodamco Europe N.V.;
- Company application in order to meet the Dutch FBI tax status requirements;
- Working terms and conditions of the Statutory Auditors for the closing of year 2007 accounts;
- Updating its Charter.

Remuneration

Yearly attendance fees for the Committee have been set at €20,000 for the Chairman and €10,000 for the other members. An additional fee of €1,350 is paid to members attending a meeting (or several related meetings) of the Supervisory Board and/or relevant SB-committees held outside the country of residence.

2.2. Governance, Nomination and Remuneration Committee – GN&RC

Tasks

The GN&RC's main role is to examine all issues falling within its scope of action and advise the Supervisory Board. Its tasks specifically include the formulation of the Group's remuneration policy and related remuneration arrangements (fixed income, short-term incentive, long-term incentive and pensions) for Management Board members, developing profiles and screening criteria for Supervisory Board members, including the remuneration policy and related arrangements. It initiates proposals for the renewal and appointment of Supervisory Board and Management Board members. It assesses the performance of Supervisory Board and Management Board members on a regular basis.

Composition

The Governance, Nomination and Remuneration Committee consists of four members; three of which are considered to be independent.

In addition to its members, the Chairman of the Management Board (CEO) attends the meetings of the GN&RC, as well as other U-R managers as invited by the Committee Chairman.

Meetings and information

The Committee meets at least three times a year and at the request of one or more Supervisory Board or Management Board members. The Committee's agenda is drawn up by its Chairman. Three days before a Committee meeting, its members receive a well-documented file(s) on the issues dealt with. The Supervisory Board is informed of the proceedings and decisions of the Governance, Nomination and Remuneration Committee during the meeting following that of the Committee.

Summary of GN&RC activity

Prior to having been formally appointed by the AGM (effective on June 25, 2007), the members of the GN&RC met twice in order to discuss and formulate proposals on the appointment of and the employment conditions, remuneration policy and related arrangements for the members Unibail-Rodamco's newly formed Management Board.

Subsequent to June 25, 2007, the Committee met twice during the second half of 2007.

Member attendance rate was 100%.

During the second six-month period of 2007, the GN&RC reached decisions or issued opinions on:

- The appointment of Management Board members, their employment contracts, the remuneration policy and all related remuneration arrangements for the members of the Management Board;
- New long term incentive arrangements, including the allocation of stock-options and the discontinuation of the Company's bonus share plan.

In January 2008, in accordance with its charter⁽¹⁾, the Committee shall:

- Take the lead in assessing the functioning of the Supervisory Board and the Management Board;
- The re-appointment of four Supervisory Board members and proposals to appoint two new members;
- Review the independence of the Supervisory Board members against a set of specific criteria;
- Conduct the yearly Supervisory Board profile review.

Remuneration

Yearly attendance fees for the Committee have been set at €20,000 for the Chairman and €10,000 for the other members. An additional fee of €1,350 is paid to members attending a meeting (or several related meetings) of the Supervisory Board and/or relevant SB-committees held outside their country of residence.

3. REMUNERATION OF THE MANAGEMENT BOARD MEMBERS⁽²⁾

The Management Board remuneration policy has been developed by the Governance Nomination & Remuneration Committee and approved by the Supervisory Board on June 26, 2007.

The remuneration of all the Management Board members consists of 4 components : (i) Fixed Income (FI), (ii) Short Term Incentive (STI), (iii) Long Term Incentive (LTI) made of stock-options subject to performance conditions and (iv) other benefits (company car, insurance, company pension plan, etc.).

The Management Board members do not benefit from any severance packages.

III. INTERNAL CONTROL SYSTEMS

The Unibail-Rodamco Group is present in the commercial property sector, more specifically in the area of development, management and regular refurbishment of shopping centres and offices as well as 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 are aimed at limiting the negative effects of these risks. However, sudden changes in the geopolitical, political, social, economic, financial, monetary, regulatory, health and ecological environments can have a negative impact on the Group resulting in a decrease in asset values, an increase in certain costs, or to further investment operations being delayed or even jeopardised.

More controllable risk factors are managed through the Group's internal control systems, which are 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 in-house rules.**

The Group's internal control systems are tuned to the Internal Control reference framework drafted by the AMF working group and are based on (i) standardised procedures; (ii) the accountability of managers in charge of the business; (iii) a committee-based decision-making process for acquisitions, disposals and refurbishment/construction projects; and (iv) a segregation of duties between the executive and control functions.

As of June 25, 2007, Unibail-Rodamco is run by a Management Board, composed of 6 members, which manages all of the Group's activities. The Management Board holds regular fortnightly as well as ad hoc meetings whenever required. It acts as the decision-making body for issues requiring the involvement of the Group's senior management due to their financial significance or strategic and/or cross-functional nature. Its main focus areas are set out in the Management Board's Charter, which is available on the Group's web site.

(1) Available on the Company's website and at its registered office.

(2) For full details, please consult the legal information part (see pages 185 to 187).

The Group's control environment comprises:

- a **Code of ethics** which covers the Group's core values and rules of conduct, with particular emphasis on conflicts of interests, confidentiality of information and transactions involving the Company's shares;
- an **organization manual** describing core processes and main internal controls;
- **Job descriptions and an appraisal system** based on performance targets covering the entire Group;
- a **set of delegation of authority and responsibility rules and limits**, spanning all the Group's activities. They will be updated in 2008 to incorporate Rodamco Europe;
- **Procedures** of a general and specific nature applicable to each business;
- **Series of less formal instructions** and recommendations that nevertheless form an integral part of the internal control system.

The main risks monitored by these internal control systems are as follows.

1. INVESTMENT AND DIVESTMENT AUTHORIZATION

Corporate development or property acquisition projects are always discussed by the relevant Business Review Committee. This Committee comprises the Chief Executive Officer, the Chief Development Officer (for corporate operations), the Chief Investment Officer and the Chief Operating Officer (for retail operations) as well as the Regional Managing Director involved and regional investment teams. This Committee determines whether a transaction is worth pursuing and investigating and, if so, appoints a project manager.

A legal, financial, technical and commercial review of these transactions is subsequently presented to an ad-hoc committee comprising the same members. This Committee approves the value creation strategy, the assumptions made and the offer price, subject to a more in-depth audit (data room) and to the final approval by the Management Board. Various financial models (e.g. discounted cash flows, peer comparisons, etc.) have been developed and provide the basis for this committee's assessment.

During the annual budget review with each region, a disposal schedule is drawn up for mature properties. These 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 the legal aspects of all its property assets in France. This centralised organisation makes it easier to prepare data rooms when selling properties, and helps to improve the liquidity of these assets. This system of organising legal documentation will be extended in the future to Rodamco Europe's portfolio of assets.

Unibail-Rodamco's property assets are valued twice a year by external experts. This enables the Group to assess their market value while also verifying and validating the internal assumptions used to determine the selling prices or rental values of its properties.

Most of the teams involved in reviewing and managing these transactions have experience in mergers & acquisitions acquired at investment banks, law firms or other institutions specialising in this area of business. Whenever required, the Group relies on external experts such as lawyers, tax specialists, auditors or consultants.

In accordance with the new authorization rules of the Group (following the merger), any transactions exceeding €100 Mn (or under €25 Mn if outside the Group's strategy and/or outside the European Union member states) are subject to the final approval of the Management Board, bearing in mind that acquisitions, disposals or investments exceeding €300 Mn within the Group's strategy and/or the European Union member states must obtain prior approval by the Supervisory Board of Unibail-Rodamco.

Similarly, any transactions exceeding € 25 Mn outside the Group's strategy and/or outside the European Union member states must obtain prior approval by the Supervisory Board.

2. RISKS ASSOCIATED WITH THE MANAGEMENT OF CONSTRUCTION AND REFURBISHMENT PROJECTS

Unibail-Rodamco, except in exceptional cases, selects big and reputable contractors for its construction and refurbishment projects by issuing invitations to tender based on a set of clear specifications. The final choice of contractors is made after a comparative analysis of the written offers has been carried out. Any discrepancies in relation to the original budget must be explained.

In addition, Unibail-Rodamco employs building experts within its own organisation. They act as project managers (*maîtrise d'ouvrage déléguée*) whose main tasks are to ensure 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, budget monitoring and internal rate of return of each project is reviewed on a quarterly basis at Group level.

Asset protection risks

In addition to the insurance coverage taken out for its properties (discussed in the section "Insurance"), Unibail-Rodamco regularly arranges inspections of any technical facilities that could potentially have a bearing on the environment and/or personal safety such as: fire-fighting equipment, ventilation and air conditioning systems, electric installations and elevators.

To protect against health risks, the Group has issued a Health & Safety Manual to be used for all its main properties (ex-Unibail scope) and will extend it to other French assets (ex-Rodamco Europe scope) in 2008. This manual provides a single and comprehensive source of information on the management of environmental risks such as: water, air, lead, asbestos and Legionnaire's disease. Outside of France, such risks are, in compliance with local legal obligations, managed under the responsibility of each Regional Managing Director.

3. RISKS ASSOCIATED WITH PROPERTY LEASING AND ANCILLARY SERVICES

The marketing of assets is handled by dedicated teams, with support from leading external brokers (in the Office division). Targets (e.g. prices, deadlines and prospective tenants) are defined within each region in collaboration with a team at Group level and presented to the Management Board for approval. For the most important leases in terms of value, any special terms and conditions (e.g. price, term, security etc.) 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 minimises the insolvency risk which is widely spread across them. Regarding the offices portfolio, the Group's main tenants are blue-chip companies. As at 31 December 2007, 87% of French office tenants are blue-chip companies either rated "investment grade" or non rated.

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 two and six months' rent.

The amounts due under the leasing agreements are invoiced by the Group's property management companies. A centralised procedural manual, available on Unibail-Rodamco's intranet site, describes how invoicing and the recovery of rents and service charges are organised and monitored.

Payments for ancillary services provided by the Convention-Exhibition division are generally received in advance, thereby reducing the risk of unpaid debts.

Late payment reminders are automatically issued in respect of late payments and monitored by a special "default" committee in each region which decides on the pre-litigation or actual litigation action to be taken.

3.1. Financial risks

Sensitivity to interest rate movement, liquidity and counterparty risks are monitored by Group Treasury on the basis of the policy defined by the Group's Asset & Liability Committee, which has six members including three 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's Treasury department, which provides each member with a comprehensive report on the Group's interest rate position, liquidity projections, outstanding confirmed credit lines, proposed refinancing or hedging operations (if applicable), and the details of any refinancing operations completed since the last Asset-Liability Committee meeting as well as the monitoring of the counterparty risks.

The Group's market trading guidelines (for hedging operations and transactions involving Unibail-Rodamco shares) and transaction control guidelines are formally set out in two procedures, ensuring the segregation of duties between execution and control functions.

To minimise fraud and embezzlement risks, the Group has implemented a secure payments procedure and has formalised the rules for opening, changing and closing bank accounts.

3.2. Legal risks

Legal risks are monitored by the Group's Legal Department, which ensures that Unibail-Rodamco strictly complies with the regulations governing its operations. This department also protects the Group's legal interests in any contractual agreements.

The Group's Legal Department reports to the Chief Resources Officer. It employs lawyers specialised in local legal regulations, except in Nordic countries where outside law firms are used. Whenever necessary, this department enlists the assistance of external lawyers and experts.

In France, the Group's Legal Department has also implemented systematic information procedures to keep senior management informed immediately of any new risks or of any events likely to alter the assessment of an existing risk. In 2008, this procedure will be extended to all regions.

In addition, each local legal department provides the Group's General Counsel with formal progress reports on the Group's main outstanding disputes.

It should further be noted that there is a centralized procedure for letters with a receipt confirmation at the Group's French registered office. Every day, a copy of the first page of these letters is automatically sent to the Chief Executive Officer, the Chief Resources Officer, the General Counsel and the Group Director of Internal Audit.

3.3. Information Technology risks

A breakdown of Unibail-Rodamco's information systems is, although potentially troublesome, not considered as a critical risk for the Group's business operations.

Unibail-Rodamco IT risk management is based mainly on regular and formalised data backup procedures and on their storage off-site. Both Unibail-Rodamco and Rodamco Europe have signed computer services contracts which aim to ensure that critical operations can be resumed within a reasonable time frame in the event of a major incident.

Concerning SAP applications, the Group has outsourced its platform to a specialized company which has its own recovery plan in case of an incident. SAP is used in Spain, the Netherlands and France as well as in Northern Europe which finalizes its implementation. Due to the merger, some procedures will be updated in 2008.

3.4. Risks associated with the production of financial and accounting data

Accounting systems can also be a source of financial risks, particularly in the context of end-of-period accounting, consolidation of the accounts or accounting for off-balance sheet obligations.

Accounting processes are handled by local and corporate teams using multiple information systems. Both Unibail-Rodamco and Rodamco Europe are using manuals with accounting procedures and instructions describing the segregation of duties between accounting, execution and control.

Unibail-Rodamco maintains an analytical accounting system for each property, event and exhibition, allowing it to monitor its budgets closely.

The figures produced at the end of each accounting period are double-checked by the Group's Controller's Department, which analyses any discrepancies between the budget and end-of-period forecasts. A process has been launched early in 2008 to harmonize and industrialize the production of the Group's key financial performance indicators.

To date, consolidation is centralized and carried out in Paris by a dedicated team of the Group's Consolidation Department on the perimeter of the Group with a sub-consolidation in Amsterdam on the perimeter of ex-Rodamco Europe. The main checks carried out when consolidating the accounts are the following:

- Variations in controlling shares of subsidiaries and investments are tracked to ensure appropriate treatment at the cut-off date;
- Accounting totals for each individual company are reconciled with the totals calculated by the consolidation system;
- Adjustments to consolidated figures are analysed and explained in a report; and
- Variation analyses related to budgets and forecasts are checked.

The rules for off-balance sheet commitments have been defined in specific procedures in order to ensure that each commitment is centrally logged by the Legal Department. Subsequently, they are recorded by the Accounting Department before being brought to the attention of the Supervisory Board.

The Group's financial and accounting information is then verified by the Statutory Auditors before it is presented and explained to the Group's Audit Committee and, ultimately, the Supervisory Board.

The appraisal of the internal control system is carried out by the Group's Internal Audit Department which conducts regular assignments in all the Group's business units, based on the annual audit plan approved by the Management Board and the 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, to respond rapidly to urgent issues and/or treatment of new risks or problems. Audit reports are submitted to the Group's Management Board, while a summary of audit assignments is sent to the Group's Audit Committee on a quarterly basis.

Unibail-Rodamco's Internal Audit Charter sets out the different missions of the audit function and requires the department to report directly to the Chief Executive Officer and to the Chairman of the Audit Committee, thus ensuring its genuine independence.

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

Statutory Auditors' Report

Prepared in accordance with Article L.225-235 of French Company Law (Code de Commerce) on the report prepared by the Chairman of the Supervisory Board of Unibail-Rodamco on the internal control procedures relating to the preparation and processing of accounting and financial information.

Year ended December 31, 2007

To the Shareholders,

In our capacity as Statutory Auditors of Unibail-Rodamco and in accordance with Article L.225-235 of French Company Law (Code de Commerce), we hereby report on the report prepared by the Chairman of the Supervisory Board of your company in accordance with Article L.225-68 of French Company Law (*Code de Commerce*) for the year ended December 31, 2007.

It is the Chairman's responsibility to describe in his report the preparation and organization of the Supervisory Board's work and the internal control procedures implemented by the company.

It is our responsibility to report to you on the information contained in the Chairman's report in respect of the internal control procedures relating to the preparation and processing of the accounting and financial information.

We conducted our work in accordance with the relevant French professional standard. This standard requires that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control procedures relating to the preparation and processing of the accounting and financial information. These procedures consisted mainly in:

- obtaining an understanding of the internal control procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report and existing documentation are based;
- obtaining an understanding of the work involved in the preparation of this information and existing documentation;
- determining if any significant weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the company's internal control procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Supervisory Board in accordance with Article L.225-68 of French Company Law (Code de Commerce).

Neuilly-sur-Seine and Paris-La Défense, March 17, 2008
The Statutory Auditors French original signed by

Deloitte Marque et 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 to satisfy and legal and regulatory requirements.

The information listed below has been published or disclosed since 1 January 2007.

Publication date Matter/filing number	Information	Place of inspection
Press releases other than the ones regarding financial matters		
05.03.2008	Unibail-Rodamco secures right to develop Stockholm's largest shopping centre.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
07.02.2008	2007 Annual results	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
30.01.2008	Unibail-Rodamco sells part of its Dutch trading portfolio for approximately €775 million.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
28.01.2008	CCIP and Unibail-Rodamco merge their Convention-Exhibition business and launch a new extension at Paris-Nord Villepinte.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
10.01.2008	Proposal to sell assets in the Netherlands and Belgium.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
21.12.2007	Proposal to purchase 140,400 m ² of the Shopping City South shopping centre in Vienna, Austria.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
14.12.2007	Mandatory buy-out of Rodamco Europe shares.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
10.12.2007	Squeeze-out.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
04.09.2007	Supplement to the information filed with the AMF on 27 August 2007.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
27.08.2007	Unibail-Rodamco: strong operating performance supported by good fundamentals.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
23.08.2007	Unibail-Rodamco opens a 15,000 m ² extension to the Aupark shopping centre in Bratislava, Slovakia.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
11.07.2007	Unibail-Rodamco holds 95.74% of Rodamco shares after reopening of the public share exchange offer.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
25.06.2007	Unibail becomes "Unibail-Rodamco" and is reincorporated as a French Société Anonyme with a Management Board and Supervisory Board.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
21.06.2007	A successful offer creates the European leader in commercial property: 80% of Rodamco shares were tendered to Unibail's offer.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
31.05.2007	NYSE Euronext announces Unibail's inclusion in the CAC 40 index as of 18 June 2007.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
21 and 22.05.2007	Unibail shareholders' meeting on 21 May 2007.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
21.05.2007	Unibail makes a public share exchange offer for the entire share capital of Rodamco Europe.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
27.04.2007	Shareholders' meeting of 27 April 2007: recurring earnings per share target revised up.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
20.04.2007	PGGM and Rodamco directors undertake to tender their Rodamco shares to the offer.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
10.04.2007	Rodamco and Unibail create the European leader in commercial property.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
08.02.2007	Convention-Exhibition division – proposed merger between CCIP and Unibail.	www.unibail-rodamco.com www.amf-france.org

(1) Information provider registered by the AMF for regulated information issuance.

Publication date Matter/filing number	Information	Place of inspection
Annual financial statements – Shelf-registration documents – Share buyback programme – Regulatory information		
04.03.2008	Disclosure of outstanding shares and voting rights	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
07.02.2008	Unibail-Rodamco announces 15.4% growth in recurring earnings per share in 2007.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
05.02.2008	Monthly disclosure of trading in treasury shares.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
05.02.2008	Disclosure of outstanding shares and voting rights.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
09.01.2008	Interim dividend paid on 15 January 2008.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
07.01.2008	Monthly disclosure of trading in treasury shares.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
07.01.2008	Disclosure of outstanding shares and voting rights.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
19.12.2007	Monthly disclosure of trading in treasury shares.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
12.12.2007	Disclosure of outstanding shares and voting rights.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
23.11.2007	Disclosure of trading in treasury shares.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
15.11.2007	Acquisition of further Rodamco Europe shares.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
31.10.2007	Disclosure of outstanding shares and voting rights.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
26.10.2007	3 rd quarter 2007 revenue.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
12.10.2007	Interim dividend paid on 15 October 2007.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
05.10.2007	Annual disclosure form.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
05.10.2007	Disclosure of outstanding shares and voting rights.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
30.08.2007	Amendment to share buyback programme authorized at the shareholders' meeting of 21 May 2007.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
27.08.2007	2007 half-year results.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
24.07.2007	Share buyback programme - description of share buyback programme authorized at the shareholders' meeting of 21 May 2007.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
18.07.2007	Disclosure of outstanding shares and voting rights.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
16.07.2007	Disclosure of outstanding shares and voting rights.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
07.06.2007	Share buyback programme, May 2007.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
06.06.2007	Disclosure of fees paid to statutory auditors and members of their networks.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
05.06.2007	Quarterly reporting.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
04.05.2007	Share buyback programme.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
02.04.2007	Annual report 2006.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
02.04.2007	Report by the Chairman of the Board of Directors.	www.unibail-rodamco.com www.hugingroup.com ⁽¹⁾
01.02.2007	2006 annual results.	www.unibail-rodamco.com www.amf-france.org

(1) Information provider registered by the AMF for regulated information issuance.

Publication date Matter/filing number	Information	Place of inspection
Balo Publications		
15.02.2008 Bulletin no. 20	Quarterly revenue and financial position.	http://balo.journal-officiel.gouv.fr
26.10.2007 Bulletin no. 129	Quarterly revenue and financial position.	http://balo.journal-officiel.gouv.fr
07.09.2007 Bulletin no. 108	Interim financial statements.	http://balo.journal-officiel.gouv.fr
10.08.2007 Bulletin no. 96	Consolidated revenue – quarterly revenue and financial position.	http://balo.journal-officiel.gouv.fr
16.07.2007 Bulletin no. 85	Addition to the legal notices published in the Bulletin d'Annonces Légales Obligatoires on 23 May 2007 and 27 June 2007.	http://balo.journal-officiel.gouv.fr
27.06.2007 Bulletin no. 77	Addition to the legal notice published in the Bulletin d'Annonces Légales Obligatoires on 23 May 2007.	http://balo.journal-officiel.gouv.fr
23.05.2007 Bulletin no. 62	- Issue of new shares and mandatory convertible bonds (MCB) with waiver of pre-emptive rights; - Approval of the annual and consolidated financial statements at the shareholders' meeting of 27 April 2007.	http://balo.journal-officiel.gouv.fr
11.05.2007 Bulletin no. 57	1 st quarter 2007 revenue.	http://balo.journal-officiel.gouv.fr
04.05.2007 Bulletin no. 54	Notice of shareholders' meeting to be held on 21 May 2007.	http://balo.journal-officiel.gouv.fr
20.04.2007 Bulletin no. 48	Second notice of shareholders' meeting to be held on 27 April 2007.	http://balo.journal-officiel.gouv.fr
16.04.2007 Bulletin no. 46	Notice of meeting.	http://balo.journal-officiel.gouv.fr
02.04.2007 Bulletin no. 40	Notice of shareholders' meeting to be held on 18 April 2007.	http://balo.journal-officiel.gouv.fr
21.03.2007 Bulletin no. 35	Annual financial statements.	http://balo.journal-officiel.gouv.fr
09.03.2007 Bulletin no. 30	Notice of meeting.	http://balo.journal-officiel.gouv.fr
12.02.2007 Bulletin no. 19	Consolidated revenue and comparatives.	http://balo.journal-officiel.gouv.fr

Publication date Matter/filing number	Information	Place of inspection
Information filed at the commercial court		
03.03.2008 Filing no. 21080	Capital increase	www.infogreffe.fr
09.01.2008 Filing no. 1978	Capital increase.	www.infogreffe.fr
16.11.07 Filing no. 101049	Capital increases, updated bylaws.	www.infogreffe.fr
07.08.07 Filing no. 71836	Capital increases, amendments to bylaws, updated bylaws.	www.infogreffe.fr
18.07.07 Filing no. 64901	Delegation of authority.	www.infogreffe.fr
18.07.07 Filing no. 64899	Delegation of authority.	www.infogreffe.fr
16.07.2007 Filing no. 63635	Change of corporate governance method, amendment to the corporate object, change of name, revision of the bylaws, election of members of the Supervisory Board, authorization to issue new shares (excerpt from minutes of the Board meeting held on 21.05.2007). Decision to increase share capital (excerpt from minutes of the Board meeting held on 21.06.2007). Capital increase, amendment to the corporate object, change of name, change of corporate governance method (deed of 25.06.2007) and updated bylaws. Election of the Chairman of the Supervisory Board, election of the Vice-Chairman of the Supervisory Board, election of members of the Management Board, election of the Chairman of the Management Board (excerpt from the minutes of the Management Board meeting held on 26.06.2007).	www.infogreffe.fr
07.06.2007 Filing no. 50319	Election of directors (excerpt from minutes of the Board meeting held on 27.04.2007).	www.infogreffe.fr
07.06.2007 Filing no. 50314	Expiry of a Director's term of office (excerpt from the minutes of the Board meeting held on 31.01.2007).	www.infogreffe.fr
07.06.2007 Filing no. 50312	Capital increase (excerpt from the minutes of the Board meeting held on 27.04.2007).	www.infogreffe.fr
05.06.2007 Filing no. 49398	Delegation of authority.	www.infogreffe.fr
05.02.2007 Filing no. 11996	Capital increase (excerpt from the minutes of the Board meeting held on 31.01.2007 and updated bylaws).	www.infogreffe.fr
09.01.2007 Filing no. 1999	Capital increase (excerpt from the minutes of the Board meeting held on 14.12.2006 and updated bylaws).	www.infogreffe.fr

PERSONS RESPONSIBLE FOR THIS DOCUMENT, FOR THE FINANCIAL INFORMATION AND FOR AUDITING THE ACCOUNTS

PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT (*DOCUMENT DE RÉFÉRENCE*)

Guillaume Poirinal, Chairman of the Management Board of Unibail-Rodamco

Declaration by the person responsible for the Registration Document

To the best of my knowledge, after taking all necessary measures, the data contained in this registration document gives an accurate and fair view of the financial situation of the Company and the information contained within is free from any material misstatement.

I have obtained from the statutory auditors their end-of-audit letter, which states they have verified the information on the financial position of the Company and the company accounts included in this Registration Document as well reading the totality of this Registration Document

The statutory auditors have issued a report on the historical financial information included in this present Registration Document (page 161), without qualifying the opinion expressed, have drawn the following comment :

- In the statutory auditors' report on the consolidated financial statements closed December 31, 2007 drawing the attention to note 3 ("2007 highlights") to the financial statements relating to the accounting treatment of the business combination of Rodamco Europe N.V. and the write-off as at December 31, 2007 of its residual goodwill.

Guillaume Poirinal

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
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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 Auditors

Barbier, Frinault et autres
41, rue Ybry
92576 Neuilly-sur-Seine Cedex

Mazars & Guerard
61, rue Henri Régnault
92075 Paris-La Défense Cedex

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's website at www.unibail.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 Holding's Articles of Association and parent company accounts may be consulted at the headquarters of the Company – 5, boulevard Malesherbes – 75008 Paris⁽¹⁾ and on the website www.unibail-rodamco.com, or obtained on demand.

(1) Transferred in May 2008 to 7, place du Chancelier Adenauer – 75016 Paris.

Concordance table of the registration

The table below sets out the principal categories required under the European Regulation (CE) 809/2004.

Category of appendix 1 of European Regulation (CE) 809/2004	Page number of the registration document
1. Responsible persons	
1.1. Persons responsible for the information included in the reference document	213
1.2. Declaration of the persons responsible for the reference document	213
2. Statutory auditors of accounts	
2.1. Name and address of the statutory auditors	213
2.2. Resignation of the statutory auditors	n.a.
3. Selected information	
3.1. Historic information	6-7
3.2. Interim information	n.a.
4. Risk factors	191, 192
5. Information on the issuer	
5.1. History and evolution of the Company	
5.1.1. Corporate name and trade name	164
5.1.2. Registration centre and number	164
5.1.3. Date of incorporation and statutory length of life	164
5.1.4. Head office and legal form	164
5.1.5. Important events	n.a.
5.2. Investments	
5.2.1. Description of the year's main investments	81, 83
5.2.2. Description of investments in progress	81, 83
5.2.3. Description of future investments	n.a.
6. Overview of activities	
6.1. Main activities	12-29
6.1.1. Nature of the operations	12-29
6.1.2. New products or new developments	12-29
6.2. Main markets	12-29
6.3. Exceptional events	n.a.
6.4. Possible dependencies	n.a.
7. Organisational chart	
7.1. Description of the Group	78-86
7.2. List of significant subsidiaries	119-124
8. Property ownership	
8.1. Significant fixed assets	64-75
8.2. Environmental issues possibly influencing the usage of property	40-50
9. Analysis of the financial position and results	
9.1. Financial position	95-99
9.2. Operating profit	
9.2.1. Important elements	78-86, 106-109
9.2.2. Important changes	78-86, 106-109
9.2.3. Influencing factors	n.a.

10. Cash-flow and share capital	
10.1. Share capital of the issuer	111-113
10.2. Sources and cash-flow amounts	110
10.3. Terms of borrowings and financial structure	95-99
10.4. Share capital restrictions that could affect the activities of the issuer	n.a.
10.5. Forecast of financial sources	95-99
11. Research and development patent licences	n.a.
12. Information on market trends	
12.1. Principal trends which impacted production and revenues	79, 81, 84
12.2. Trends which may impact future activity	n.a.
13. Forecasts or estimates of profit	
13.1. Main assumptions underlying forecasts and estimates	87-94
13.2. Report of the independant statutory auditors	n.a.
13.3. Forecast or estimate of net profit	n.a.
13.4. Forecast of profit included in an existing prospectus	n.a.
14. Supervisory bodies, directors, control and executive management	
14.1. Supervisory bodies and directors	164-169, 181-185
14.2. Conflicts of interest regarding supervisory bodies and directors	n.a.
15. Remuneration and benefits	
15.1. Remuneration paid and benefits in kind	185-189
15.2. Provisioned amounts for pensions, retirements, or other benefits	
16. Functioning of supervisory bodies and directors	
16.1. Expiry of current mandates	164-169
16.2. Service contracts linking members of supervisory bodies	
16.3. Information on the Audit Committee and the Remunerations Committee	204-206
16.4. Corporate governance	35-36
17. Employees	
17.1. Number of employees	157
17.2. Profit sharing and stock-options	158-159
17.3. Agreements for employees to subscribe to the share capital	158
18. Main shareholders	
18.1. Shareholders holding more than 5% of share capital	178
18.2. Different voting rights	177
18.3. Direct or indirect holding or control of the issuer	177
18.4. Known agreements with the issuer which could engender a change of control	n.a.
19. Related party transactions	159-160

Category of appendix 1 of European Regulation (CE) 809/2004	Page number of the registration document
20. Financial information concerning the portfolio, financial position and results	
20.1. Background financial information	06-07
20.2. Pro-forma financial information	129
20.3. Financial statements	106-160
20.4. Verification of annual historic information	
20.4.1. Audit certificate of annual historical information	n.a.
20.4.2. Other information reviewed by the statutory auditors	n.a.
20.4.3. Sources of information not reviewed by the statutory auditors	n.a.
20.5. Dates of previous financial information	
20.5.1. Most recent financial year for which the financial information has been audited	105
20.6. Interim financial information	
20.6.1. Audited quarterly or half-yearly information	n.a.
20.6.2. Quarterly or half-yearly information not audited	n.a.
20.7. Dividend distribution policy	
20.7.1. Amount of dividends per share	07, 86
20.8. Court proceedings and disputes	n.a.
20.9. Significant changes in financial position or business activity	n.a.
21. Supplementary Information	
21.1. Company share capital	
21.1.1. Subscribed capital	166-168
21.1.2. Non-representative shares	n.a.
21.1.3. Number, book value and nominal value of treasury shares	166
21.1.4. Amount of securities giving access to share capital	172-176
21.1.5. Information relating to the conditions applying to acquisition of shares issued but not yet paid up	n.a.
21.1.6. Information relating to the share capital of group companies subject to options	n.a.
21.1.7. Historical information on share capital	166
21.2. Applied regulations and articles of association	
21.2.1. Corporate purpose	164
21.2.2. Synopsis of the articles of association	164-165
21.2.3. Description of rights and privileges	165
21.2.4. Description of actions required to modify shareholders' rights	166
21.2.5. Description of conditions for convening shareholders' meetings	165
21.2.6. Change-of-control provisions	n.a.
21.2.7. Rules defining the thresholds for disclosure of shareholdings	165
21.2.8. Description of conditions governing changes in capital	166
22. Important contracts	n.a.
23. Information from third parties, expert statements and interest statements	n.a.
23.1. Expert statements	n.a.
23.2. Third party information	n.a.
24. Documents publicly available	164
25. Information on shareholdings	138

In application of article 28 of European Regulation 809/2004 on prospectus documents, the following are included for reference purposes:

- The consolidated accounts for the 2005 financial year prepared in accordance with French accounting standards, including reports pertaining to statutory auditors, lodged at the AMF (Autorité des Marchés Financiers) on March 14, 2006 under the reference number D-06-0129.
- The consolidated accounts for the 2006 financial year prepared in accordance with French accounting standards, including reports pertaining to statutory auditors, lodged at the AMF (Autorité des Marchés Financiers) on March 13, 2007.

This is a free translation into English of the Registration Document issued in French and filed at the AMF⁽¹⁾ on April 10, 2008 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.



(1) L'Autorité des Marchés Financiers (The French Stock Market Authorities)

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