

## PRESS RELEASE

### RODAMCO EUROPE REPORTS 5.2% INCREASE IN DIRECT RESULT AFTER TAX IN FIRST NINE MONTHS 2005

#### Highlights first nine months 2005

*(The 2004 figures have been restated under IFRS for comparison purposes)*

- Direct result after tax up 5.2% to €255.6 million (9 mths. 2004: €243.0 million) driven by a 7.2% increase in gross rental income;
- Direct result after tax per share €2.85 (9 mths. 2004: €2.71);
- Net shareholders profit up 242.0% to €937.3 million, which includes indirect result after tax of €681.7 million (9 mths. 2004: €31.1 million);
- Net rental income up 7.5% to €369.6 million (9 mths. 2004: €343.7 million), like for like growth of net rental income was 4%;
- Overall occupancy rate remained stable at 97% (9 mths. 2004: 96.6%) with retail occupancy rate stable at 98.2%;
- Investment portfolio increased 15.5% to €8.7 billion; 88% of portfolio invested in the retail sector (9 mths. 2004: 86%);
- Triple NAV (NNNAV) per share rose 18.1% to €57.86<sup>1</sup> (year-end 2004: 49.01<sup>2</sup>);
- Direct result after tax for full year 2005 forecast to grow with around 6%.

#### NEW IFRS ACCOUNTING PRINCIPLES

Until 2004, Rodamco Europe NV ('Rodamco Europe') has prepared its financial statements in accordance with Generally Accepted Accounting Principles in the Netherlands (Dutch GAAP). As from January 1, 2005, Rodamco Europe prepares its financial information (including comparative figures 2004) in accordance with International Financial Reporting Standards (IFRS). The first nine months 2005 figures including comparative figures 2004 are prepared on the basis of IFRS. The main IFRS accounting policies applied by Rodamco Europe and the effects of the IFRS transition for Rodamco Europe are set out in a separate document 'IFRS@work', released on May 23, 2005.

It is emphasized that Rodamco Europe's accounting policies and financial information presented in this press release are prepared on the current status of IFRS standards and interpretations. The accounting policies and the financial information may be subject to change as a result of revisions and/or change of interpretations of IFRS standards by the International Accounting Standards Board (IASB), position and conclusions of the European Commission on IFRS and further development of industry interpretations. For these reasons, preparing interim financial figures 2005 as well as comparative figures 2004 at any time before December 31, 2005 involves management making assumptions about the standards and interpretations expected to be effective and the accounting policies expected to be adopted when management prepares its first complete set of IFRS financial statements as at December 31, 2005. The restated information will be updated as necessary for any such changes, should they occur. The IFRS@work document is available on the website of Rodamco Europe ([www.rodamco.com](http://www.rodamco.com)).

<sup>1</sup> Before interim dividend 2005 of €1.25 per share

<sup>2</sup> Before final dividend 2004 of €1.90 per share



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**Rotterdam, November 14 2005 – Rodamco Europe, the largest publicly listed property investment and management company in the retail sector in Europe, is continuing its good results in the first nine months 2005. Based on the current standards and interpretations of International Financial Reporting Standards (IFRS), direct result after tax is up 5.2% and Triple NAV per share grew by 18.1% to €57.86<sup>3</sup>. Rodamco Europe is focusing on two items in evaluating its performance under IFRS: direct result after tax for its operational performance and Triple NAV for the intrinsic value. Triple NAV growth was supported by the very strong re-valuation result, which was also the main contributor to the 242.0% growth of net shareholders profit in the first 9 months 2005.**

*CEO Maarten Hulshoff: “We are pleased with the strong results during the third quarter 2005, which are mainly due to Rodamco Europe’s active retail management and focus on top quality retail in dominant locations in key European cities. In the third quarter 2005, Jones Lang LaSalle carried out an assessment on approximately 70% of our total property portfolio and the outcome explicitly confirms the continuous investor sentiment for the top quality retail investments and cross-border investment activity across Europe. This is also clearly reflected in the €744 million increase of the value of our property portfolio in the first nine months of 2005.*

*The review of our total pipeline portfolio shows the strength of Rodamco Europe, which illustrates our access to new investment projects and the opportunities that exist in regards to expanding our standing investment portfolio. We are especially pleased with our strong pipeline portfolio in a time when the yield shift is strong and a high quality retail property is scarce. The total pipeline portfolio of €2.4 billion of which €1.1 billion is externally committed, provides us with a stable platform for further growth and strong rental growth potential estimated at a total of 22% over the next few years.*

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<sup>3</sup> IFRS ignores some business aspects in valuing real estate companies. In line with industry practice Rodamco Europe therefore allows for some adjustments in the shareholders’ equity, reflected in triple net asset value (NNNAV). As explained on page 5, the adjustments are: discounted value deferred tax, valuation surplus on pipeline projects and marked-to-market value of loans and borrowings.



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## **RENTAL INCOME**

Net rental income under IFRS increased 7.5% to €369.6 million, compared to €343.7 million in the first 9 months 2004 and the gross rental income increased 7.2% to €434.2 million (9 mths. 2004: €405.1 million). The gross rental income increase is primarily a result of rent generated from acquisitions during the later part of 2004 (€7.3 million; mainly Väsby and Croix Dampierre) and in 2005 (€7.1 million; 'Stadshart Amstelveen'), from properties coming into operation (€10.9 million; mainly the shopping centers Piazza and Carnisse Veste in 2004, and Parquesur and partly Woensel in 2005), rent increases of €10.3 million and decreased doubtful debtors of €6.0 million.

The increase in gross rental income was partially offset by the effect of disposals (mainly offices) with a total negative effect of €9.4 million on rental income in the first nine months 2005.

Overall occupancy per end of September 2005 remained stable at 97.0%, with retail occupancy stable at 98.2%.

Like-for-like growth in net rental income was 4.0%, which was well above the weighted average inflation rate. Especially France, Spain and Central Europe showed strong like-for-like growth. On the other hand like-for-like growth in Sweden and the Netherlands was limited due to low indexation.

Operating expenses (including net service charges and property operating expenses) increased with 5.2% to €64.6 million for the first nine months 2005 (9 mths. 2004: €61.4 million), which is lower than the 7.2% growth rate of gross rental income.

## **VALUATION RESULT AND RESULT ON DISPOSALS<sup>4</sup>**

The result on the revaluation of Rodamco Europe's property portfolio increased to €744.2 million in the first 9 months 2005, of which €500.6 million in Q3 2005. The strong valuation result on Rodamco Europe's high quality investment portfolio (around 70% is A\* and A quality) in dominant and prime locations is driven by the current strong investor appetite in a low interest rate environment.

In addition to the current valuation policy, Rodamco Europe's external local appraisers in the countries were requested to express their opinion on the applicable valuation yields, confirming the continuing yield compression in the retail investment markets.

Subsequently, Rodamco Europe's Management Board decided, as communicated to the market through the press release of October 18 2005, to retain one international appraiser, Jones Lang LaSalle (JLL), to perform an assessment of all applicable valuation yields for approximately 70% of its investment portfolio, mainly comprising of the large scale A\* and A quality shopping center assets.

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<sup>4</sup> Under IFRS, property assets consist of investment property (accounted for at fair value), renovation projects (accounted for at fair value) and pipeline projects (accounted for at cost less impairments), the latter previously under Dutch GAAP recorded at fair value.



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The remaining 30% of our investment portfolio consists of relatively smaller shopping center assets, high street shops, offices and warehouses, assets encountering less yield compression.

The motive for this group-wide valuation exercise is a combination of the lack of transaction evidence and the continuous investor appetite for top quality retail property investments across continental Europe. JLL confirmed the yield compression in the various retail markets across Europe, with strong yield shifts not only in France and Spain, but also in the Nordic and Central European countries. This yield assessment has been fully taken into account for this part of the investment portfolio resulting in an overall yield shift of approximately 30 bp for total investment portfolio. The net initial yield on the total investment portfolio was 6.3%<sup>5</sup> on September 30 2005.

Valuation results on investment properties in all sectors were positive during the first nine months 2005 (€719 million), revaluations on retail investment properties were €704 million, offices showed a positive revaluation of €7 million and logistic €8 million. Revaluations in all countries over the period were in total positive as well: the Netherlands (€50 million), Spain (€161 million), the Nordic countries (€153 million), France (€280 million), Central Europe (€71 million) and other countries (€4 million). Approximately 82% of the valuation result is attributed to a yield shift, while the remaining 18% is attributable to increased rental income.

A valuation result of €24.7 million was realized on pipeline projects with the opening of the Parquesur extension in Spain, Vier Meren, Spazio and Piazza in the Netherlands. This was offset by some impairment on the value of office pipeline projects in the Netherlands.

Rodamco Europe divested a total of €130 million of assets, mainly consisting of the sale of MECC in the Netherlands (€71 million) and Hallunda in Sweden (€24 million), some smaller retail assets (the Netherlands and France) and logistics assets (Spain). As a result of these divestments a net gain of €5.7 million was reported in the first nine months 2005.

## **ADMINISTRATIVE EXPENSES**

The administrative expenses (formerly referred to as 'management costs') increased 9.2% to €29.6 million in the first nine months 2005 compared to €27.1 million in the same period 2004. This was due to the growth of the investment portfolio and to other investments being made to further increase Rodamco Europe's competitive edge in the market and an increase of valuation expenses due to the above mentioned Pan European valuation.

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<sup>5</sup> Net initial yield based on estimated annual net rental income expressed as percentage of net open market value is 6.3%

Net initial yield based on estimated annual net rental income expressed as percentage of gross open market value (including transfer cost) is 6.1%



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### **OTHER INCOME**

Other income of €2.1 million related to the recovery of expenses in the second quarter from the pipeline project Azul Talavera, which has been removed from Rodamco Europe's committed pipeline project list.

### **NET FINANCING RESULT**

Net interest expenses increased 17.4% from €70.2 million in the first 9 months 2004 to €82.4 million in the same period 2005, which is slightly above the increase in the average net debt with 15.1%. The total net debt increased from €2.6 billion at the end of September 2004 to €3.0 billion at the end of September 2005. The average interest rate decreased to 3.87% at 30 September 2005 (4.22% at the end of September 2004). The lower average interest rate was compensated by lower interest income.

Under IFRS the foreign exchange result (minus €0.7 million) and the change in fair value of financial instruments are also included in the net financing result. Over the first nine months 2005, a positive fair value result financial instruments of €2.5 million was reported, primarily arising on interest rate swaps not being directly linked to specific loans, thus not subject to hedge accounting treatment.

### **TAXES**

The change in deferred tax position as a result of valuation results and the realization of deferred tax assets (loss carry forwards) resulted in €70.6 million of deferred income tax expense (9 mths. 2004: €26.3 million).

The deferred tax expenses are calculated using the effective tax rates for those countries where there is no tax efficient status like in the Netherlands (FBI) and in France (SIIC).

Income tax expense (the actual income tax being paid) amounted to €2.6 million, compared to €2.8 million in the same period 2004.

### **NET SHAREHOLDERS' PROFIT**

Net Profit (based on IFRS) not only takes the direct result after tax into account, but also includes non-cash items ('indirect result after tax') such as the valuation result, the result on divestments, the fair value result of financial instruments and the deferred tax expense. The net profit under IFRS fully includes the minority share. The net shareholders' profit (net profit attributable to Rodamco Europe's shareholders) excludes minority interest and is used under IFRS as the main indicator for Rodamco Europe's overall performance. The 7.5% increase in net rental income compared to the same period 2004, but especially the strong increase of the valuation result in the nine month period under review has led to the 242.0% growth in net shareholders' profit to €937.3 million.



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### **DIRECT RESULT AFTER TAX**

Rodamco Europe focuses on direct result after tax as the key performance indicator of its operational performance and for its dividend policy. Direct result after tax is approximating the cash earnings of the company over the period. Direct result after tax comprises of net rental income, other income and expenses minus the administrative expenses (also referred to as EBITDAV) minus the net interest expenses, the net foreign exchange result and income tax expense. Direct result after tax increased 5.2% to €255.6 million in the first nine months 2005, compared to €243.0 million in the same period 2004. This was largely driven by the 4.0% like-for-like growth in net rental income, the pipeline projects coming into operation and the net effect of acquisitions and divestments.

### **RESULTS PER SHARE**

Direct result after tax per share increased 5.2% to €2.85 in the first nine months 2005, compared to €2.71 in the comparable period of 2004. The net shareholders profit per share according to IFRS amounts to €10.46 for the period up to the first nine months 2005, an increase of 242.0% compared to €3.06 in the same period 2004.

### **TRIPLE NET ASSET VALUE**

IFRS ignores some business aspects in valuing real estate companies. In line with industry practice Rodamco Europe therefore allows for some adjustments in the shareholders equity, reflected in triple net asset value ("Triple NAV" or "NNNAV").

Net asset value:	5,037 mln
Valuation surplus on pipeline projects:	67 mln
Nominal deferred tax:	309 mln
Discount deferred taxes:	-131 mln
Marked-to-market value of loans and borrowings:	<u>-95 mln</u>
Triple NAV	5,187 mln

The Triple NAV increased by 18.1% to €5,187 million per September 30 2005, or €57.86 per share (year-end 2004: €49.01) after final dividend 2004, but before interim dividend 2005 of €1.25 per share that has been paid in October 2005.



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## **STRATEGIC PERFORMANCE**

### **PROPERTY ASSETS**

Property assets increased by €1,164 million to €8,682 million in the first nine months 2005 compared to €7,518 million at the end of December 2004. Main items were the increased valuations of investment property (€719.5 million), the 'Stadshart Amstelveen' acquisition (gross €316 million), capital expenditures in pipeline projects (€234 million) and divestments (€130 million).

During the 3rd quarter 2005, the following investments and divestments have taken place:

- On September 24 2005, Rodamco Europe opened its shopping center 'Vier Meren', the Netherlands for a total market value of around €97 million, generating a net initial yield of around 6.4%; the yield on Total Development Costs (TDC) was 8.1%;
- On September 1 2005, Rodamco Europe signed an agreement with ECE to develop the Arkády Pankrác shopping center in Prague, Czech Republic. Rodamco Europe will have a 75% share ownership at completion with a total investment of ca €72 million, at an estimated net initial yield of 7.4%;
- On July 15 2005, Rodamco Europe signed an agreement to, per 31 December 2005, divest the shopping center Sollentuna, Sweden for a total amount of SEK 42 million (ca €4.5 million).

### **FINANCING DEVELOPMENTS**

Net financing increased to €3.0 billion at the end of September 2005, mainly as a result of the acquisition of 'Stadshart Amstelveen', which was fully debt financed. Approximately 67% of outstanding debt was fixed rate funded per September 30 2005, and the average interest rate at that date was 3.87% (year-end 2004: 4.35%). The average interest rate decreased towards the end of the first nine months 2005.

### **CASH FLOW**

Total net cash flow from operations (before investments and financing) increased from €233 million (9 mths. 2004) to €260 million in the first nine months 2005. In the same period, net investments in property assets used €445 million of this cash flow. Together with the payment of €170 million 2004 final dividend and working capital changes this required additional net financing of €295 million. Total cash position has decreased with €33 million to €31 million during the first nine months 2005.



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### **SUBSEQUENT EVENTS**

- On November 10 2005, Rodamco Europe acquired the pipeline project 'Tour Oxygène' on a turnkey basis for €121 million. Scheduled delivery is Q4 2008;
- On November 10 2005, Rodamco Europe opened two extension projects on existing centers: Bahia Sur, in Andalucia, and Albacenter in Castilla la Mancha, Spain. The development cost for the two shopping centers was €34 million, with a net initial yield of 6.8%;
- On November 9 2005, Rodamco Europe opened its shopping center 'Centrum Chodov' in Prague, Czech Republic. The total commitment was €138 million, generating an estimated net initial yield of 9.2%;
- On October 28 2005, Rodamco Europe opened the shopping center Spazio, in Zoetermeer the Netherlands for a market value of €57 million, generating a net initial yield of 7.1%;
- On October 14 2005, an interim dividend of €1.25 (H1 2004: €1.15) was paid;
- On October 11 2005, Rodamco Europe announced the acquisition of a 54% share (of the retail space) of the shopping center Jumbo, Finland for a total amount of €135 million. The transfer will take place November 30, 2005, The shopping center was acquired through an asset swap where Rodamco Europe at the same time sold three office buildings located in Paris and Munich. Rodamco Europe acquired the share in the shopping center at a net initial yield of 6.1%. The office buildings in France were sold at an average net initial yield of 6.0% and the office building in Germany at a net initial yield of 6.5%.

### **OUTLOOK**

Rodamco Europe expects direct result after tax, (this figure excludes the (indirect) valuation result, fair value result on derivatives, gains/losses on disposals and deferred tax expense) over the full year 2005 to increase to around 6.0%, which is an upward revision of the previously indicated 5.1%. This is mainly the result of the acquisition of Stadshart Amstelveen and 'Centrum Chodov' coming into operation earlier than planned.

This outlook is based on the current property and pipeline portfolio and disregards changes in IFRS policies, the potential effects of additional acquisitions and divestments and the potential effects of significant changes in exchange rates, interest rates and the economic situation.

### **FINANCIAL CALENDAR**

6 March 2006

Publication of 2005 results

20 April 2006

2005 General Annual Shareholders meeting







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*Certain of the statements contained in this release are statements of future expectations and other forward-looking statements. These expectations are based on management's current views and assumptions and involve known and unknown risks and uncertainties. The outlook is based on the current property portfolio and disregards the potential effects of acquisitions and divestments, or significant changes in exchange and interest rates. Actual results, performance or events may differ materially from those in such statements due to, among other things, (i) general economic conditions, in particular economic conditions in Rodamco Europe's core markets, (ii) performance of financial markets, (iii) interest rate levels, (iv) currency exchange rates, (v) changes in laws and regulations, and (vi) changes in the policies of governments and/or regulatory authorities. Rodamco Europe assumes no obligation to update any forward-looking information contained in this document.*



All figures in € mln

Consolidated profit and loss account (unaudited)	01/01 - 30/09/2005	01/01 - 30/09/2004	Difference	01/07 - 30/09/2005	01/07 - 30/09/2004	Difference
	9 months	9 months		3 months	3 months	
Gross rental income	434.2	405.1	7.2%	146.0	135.2	8.0%
Net service charge expenses	-4.2	-5.6		-1.4	-0.7	
Property operating expenses	-60.4	-55.8		-18.1	-18.9	
<b>Net rental income</b>	<b>369.6</b>	<b>343.7</b>	<b>7.5%</b>	<b>126.5</b>	<b>115.6</b>	<b>9.4%</b>
Valuation results investment property	719.5	61.7		483.2	28.8	
Valuation results renovation projects	0.0	0.0		0.0	0.0	
Valuation results pipeline projects	24.7	-4.4		17.4	0.6	
<b>Valuation result</b>	<b>744.2</b>	<b>57.3</b>		<b>500.6</b>	<b>29.4</b>	
Net result on disposal of investment property	5.7	0.1		3.4	1.5	
Administrative expenses	-29.6	-27.1	9.2%	-10.1	-8.5	18.8%
Other income	2.1	0.0		0.0	0.0	
<b>Net operating profit</b>	<b>1,092.0</b>	<b>374.0</b>	<b>192.0%</b>	<b>620.4</b>	<b>138.0</b>	<b>349.6%</b>
Net interest expenses	-82.4	-70.2		-28.4	-23.5	
Fair value result financial instruments	2.5	0.0		1.5	0.0	
Net foreign exchange result	-0.7	0.0		-1.1	0.0	
<b>Net financing result</b>	<b>-80.6</b>	<b>-70.2</b>	<b>14.8%</b>	<b>-28.0</b>	<b>-23.5</b>	<b>19.2%</b>
<b>Income before tax</b>	<b>1,011.4</b>	<b>303.8</b>	<b>232.9%</b>	<b>592.4</b>	<b>114.5</b>	<b>417.4%</b>
Deferred income tax expense	-70.6	-26.3		-64.1	-9.0	
Income tax expense	-2.6	-2.8		-1.1	-2.1	
<b>Net profit</b>	<b>938.2</b>	<b>274.7</b>	<b>241.5%</b>	<b>527.2</b>	<b>103.4</b>	<b>409.9%</b>
<u>Attributable to:</u>						
Minority interest	0.9	0.6		0.3	0.2	
<b>Equity holders of the parent (net shareholders' profit)</b>	<b>937.3</b>	<b>274.1</b>	<b>242.0%</b>	<b>526.9</b>	<b>103.2</b>	<b>410.6%</b>

#### NEW IFRS ACCOUNTING PRINCIPLES

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Split net shareholders' profit (unaudited)	01/01 - 30/09/2005	01/01 - 30/09/2004	Difference	01/07 - 30/09/2005	01/07 - 30/09/2004	Difference
	9 months	9 months		3 months	3 months	
Direct result after tax	255.6	243.0	5.2%	85.6	81.3	5.3%
Indirect result after tax	681.7	31.1		441.3	21.9	
<b>Net shareholders' profit</b>	<b>937.3</b>	<b>274.1</b>	<b>242.0%</b>	<b>526.9</b>	<b>103.2</b>	<b>410.6%</b>

All figures in € mln		
Consolidated balance sheet (unaudited)	as per 30/09/2005	as per 31/12/2004
Investment property	8,282	7,056
Renovation projects	9	9
Pipeline projects	391	453
	<u>8,682</u>	<u>7,518</u>
Property, plant & equipment	10	8
Deferred tax assets	24	29
Derivative financial instruments	20	0
Deferred lease incentives	8	5
<b>Total non current assets</b>	<b>8,744</b>	<b>7,560</b>
Income tax receivable	3	13
Trade and other receivables	88	69
Cash and banks	37	65
<b>Total current assets</b>	<b>128</b>	<b>147</b>
<b>Total Assets</b>	<b><u>8,872</u></b>	<b><u>7,707</u></b>
<b>Shareholders' equity</b>	<b>5,037</b>	<b>4,297</b>
Minority interest	8	7
<b>Total equity</b>	<b>5,045</b>	<b>4,304</b>
Bonds	1,372	1,197
Interest bearing loans and borrowings	1,489	1,571
Derivative financial instruments	38	0
	<u>2,899</u>	<u>2,768</u>
Employee benefits	5	5
Deferred tax liabilities	333	364
Deferred lease incentives	4	0
<b>Total non current liabilities</b>	<b>3,241</b>	<b>3,137</b>
Bank overdraft	6	0
Bonds and interest bearing loans and borrowings	212	22
Trade and other payables	367	237
Provisions	1	7
<b>Total current liabilities</b>	<b>586</b>	<b>266</b>
<b>Total Equity &amp; Liabilities</b>	<b><u>8,872</u></b>	<b><u>7,707</u></b>

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Triple NAV ("NNNAV") (unaudited)	as per 30/09/2005	as per 31/12/2004
<b>Shareholders' equity</b>	<b>5,037</b>	<b>4,297</b>
add: nominal net deferred tax liability	309	335
add: market value surplus on pipeline projects	67	22
Adjust: marked-to-market of loans and borrowings	-95	-96
	<u>281</u>	<u>261</u>
<b>Triple NAV ("NNNAV") before tax</b>	<b>5,318</b>	<b>4,558</b>
Add: discount of deferred taxes	-131	-165
<b>Triple NAV ("NNNAV") after tax (*)</b>	<b>5,187</b>	<b>4,393</b>

\* NNNAV is the net asset value when all assets and liabilities are valued at their respective market values. NNNAV is not reflecting potential gains on transfer costs when selling shares instead of assets.

<b>All figures in € mln</b>		
<b>Consolidated Cash flow statement</b> (unaudited)	<b>01/01 - 30/09/2005</b> <b>9 months</b>	<b>01/01 - 30/09/2004</b> <b>9 months</b>
<b>Net profit</b>	<b>938.2</b>	<b>274.7</b>
Adjustments for :		
Valuation result	-744.2	-57.3
Deferred income tax expense	70.6	26.3
Fair value result financial instruments	-2.5	0.0
Other movements	-1.9	-10.9
	<u>-678.0</u>	<u>-41.9</u>
<b>Cash flow from operations</b>	<b>260.2</b>	<b>232.8</b>
Movement in trade and other receivables	-7.2	26.7
Movement in trade and other payables	29.3	-75.6
Other movements	5.7	-9.1
	<u>27.8</u>	<u>-58.0</u>
<b>Cash flow from operating activities</b>	<b>288.0</b>	<b>174.8</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Divestments/(investments) in investment property	-210.3	105.4
Divestments/(investments) in renovation projects	0.0	-8.8
Divestments/(investments) in pipeline projects	-230.4	-215.3
Other divestments/(investments)	-4.7	0.0
<b>Cash flow from investing activities</b>	<b>-445.4</b>	<b>-118.7</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from interest bearing loans and other borrowings	798.8	1,116.9
Repayment of interest bearing loans and other borrowings	-504.3	-989.6
Dividend paid	-170.3	-156.9
<b>Cash flow from financing activities</b>	<b>124.2</b>	<b>-29.6</b>
<b>Net increase/(decrease) in cash and banks</b>	<b>-33.2</b>	<b>26.5</b>
Cash and banks as at January 1	64.9	95.5
Effect of exchange rate fluctuations on cash held	-0.7	-0.5
<b>Cash and banks as per September 30</b>	<b>31.0</b>	<b>121.5</b>

**NEW IFRS ACCOUNTING PRINCIPLES**

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All figures in €			
Figures per share (unaudited)	01/01 - 30/09/2005	01/01 - 30/09/2004	Difference
	9 months	9 months	
Direct result per share *	€ 2.85	€ 2.71	5.2%
Indirect result per share *	€ 7.61	€ 0.35	
Net shareholders profit per share *	€ 10.46	€ 3.06	242.0%
	<b>as per</b>	<b>as per</b>	
	<b>30/09/2005</b>	<b>31/12/2004</b>	
NAV per share start of period	€ 47.94 **	€ 46.31 **	
NAV per share end of period	€ 56.19 ***	€ 47.94 **	
<b>NNNAV per share end of period</b>	<b>€ 57.86 ***</b>	<b>€ 49.01 **</b>	18.1%
Share price (end of period)	€ 71.90	€ 58.40	23.1%
Premium/(discount) to NNNAV	24.3%	19.2%	
Number of shares outstanding (mln)	89.6	89.6	
* based on average shares outstanding			
** before distribution of final dividend			
*** before distribution of interim dividend			

All figures in € mln			
Key figures (unaudited)	as per	as per	Difference
	30/09/2005	31/12/2004	
Property assets end of period	8,682	7,518	15.5%
Shareholders' equity end of period	5,037	4,297	17.2%
Market capitalisation end of period	6,445	5,235	23.1%
Occupancy end of period	97.0%	97.0%	
Total expense ratio	2.87% *	2.92% *	
Net financing end of period	3,042	2,725	11.6%
Net financing as % of property assets (Loan-to-Value)	35.0%	36.3%	
EBITDAV as % of net financing costs (Interest Coverage)	4.2 **	4.2 **	
* According to the Dutch Investment Institutions Supervision Act or Wtb the expense ratio is reported by investment institutions in order to provide clear and comparable information on the level of costs. The expense ratio is calculated, in accordance with 'Further Regulations on the Supervision of Investment Companies 2005', as the percentage of total costs (excluding interest expenses external loans) to the weighted average net asset value over the last five quarters.			
** EBITDAV = Net Rental Income and other income/expenses less administrative expenses			

#### NEW IFRS ACCOUNTING PRINCIPLES

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All figures in € mln Consolidated Statement of Changes in Equity (unaudited)	Share capital	Capital reserves	Revaluation reserve	Other reserves	Currency Translation reserve	Hedging reserve	Retained earnings	Net Profit	Shareholders' equity	Minority interest	Total Equity	Reconciliation Shareholders' Equity 2004		
												Shareholders' equity (Dutch GAAP)	IFRS adjustments to the Shareholders' equity	Shareholders' equity (IFRS)
Balance January 1, 2004	717	2,956	322	84			251		4,330		4,330	4,330		4,330
Reclassifications to IFRS presentation				-84			84		0		0	0		0
Adjustment to IFRS accounting principles							-168		-168	7	-161	0	-168	-168
<b>Restated Balance at January 1, 2004</b>	<b>717</b>	<b>2,956</b>	<b>322</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>167</b>	<b>-</b>	<b>4,162</b>	<b>7</b>	<b>4,169</b>	<b>4,330</b>	<b>-168</b>	<b>4,162</b>
Net Profit for the period 1/1/2004-30/09/2004								299	299		299	299		299
Currency translation result 1/1/2004-30/09/2004					4				4		4	4		4
Other movements 1/1/2004-30/09/2004			1						1		1	1		1
Distributed final dividend 2003							-157		-157		-157	-157		-157
Adjustment to IFRS accounting principles								-25	-25		-25	0	-25	-25
<b>Restated Balance at September 30, 2004</b>	<b>717</b>	<b>2,956</b>	<b>323</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>10</b>	<b>274</b>	<b>4,284</b>	<b>7</b>	<b>4,291</b>	<b>4,477</b>	<b>-193</b>	<b>4,284</b>
Net Profit for the period 01/10/2004-31/12/2004								117	117		117	117		117
Currency translation result 01/10/2004-31/12/2004					-1				-1		-1	-1		-1
Other movements 01/10/2004-31/12/2004			3						3		3	3		3
Distributed interim dividend 2004							-103		-103		-103	-103		-103
Appropriation of net profit 2003			48				-48		0		0	0		0
Capital reduction									0	-1	-1	0		0
Adjustment to IFRS accounting principles								-3	-3	1	-2	0	-3	-3
<b>Restated Balance at December 31, 2004</b>	<b>717</b>	<b>2,956</b>	<b>374</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>-141</b>	<b>388</b>	<b>4,297</b>	<b>7</b>	<b>4,304</b>	<b>4,493</b>	<b>-196</b>	<b>4,297</b>
Adjustment to IFRS accounting principles (IAS 32/IAS 39)							-18		-18		-18			-18
IFRS reclassification within equity			-170				170		0		0			0
Net Profit for the period 1/1/2005-30/09/2005								937	937	1	938			938
Distributed final dividend 2004							-170		-170		-170			-170
Appropriation of net profit 2004			95				293	-388	0		0			0
Currency translation result 1/1/2005-30/09/2005					-5				-5		-5			-5
Movement hedging reserve 1/1/2005-30/09/2005						-4			-4		-4			-4
<b>Balance at September 30, 2005</b>	<b>717</b>	<b>2,956</b>	<b>299</b>	<b>-</b>	<b>-2</b>	<b>-4</b>	<b>134</b>	<b>937</b>	<b>5,037</b>	<b>8</b>	<b>5,045</b>			

#### NEW IFRS ACCOUNTING PRINCIPLES

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All figures in € mln	DUTCH GAAP	IAS 12	IAS 16	IAS 23	IAS 16	IAS 40	IAS 40	IAS 19	IAS 27	IAS 28	IAS 37	IAS 18	IFRS
Reconciliation 2004 net profit from Dutch GAAP to IFRS (unaudited)	01/01/2004 -30/09/2004	Deferred Tax	Pipeline Projects	Interest Capitalisation	Non capex pipeline	Capex/ Maintenance	Renovation projects	Pensions	Consolidation	Associates	Provisions	Service charges	01/01/2004 -30/09/2004
Gross rental income	406.3						0.2		0.7		-0.1	-2.0	405.1
Net service charge expenses	-											-5.6	-5.6
Property operating expenses	-60.4				-0.2	-3.3	-0.1		-0.1		0.4	7.9	-55.8
<b>Net rental income</b>	<b>345.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-0.2</b>	<b>-3.3</b>	<b>0.1</b>	<b>-</b>	<b>0.6</b>	<b>-</b>	<b>0.3</b>	<b>0.3</b>	<b>343.7</b>
Valuation results investment property	57.9						3.8						61.7
Valuation results renovation projects	-												-
Valuation results pipeline projects	7.4		-11.0	-0.8									-4.4
<b>Valuation result</b>	<b>65.3</b>	<b>-</b>	<b>-11.0</b>	<b>-0.8</b>	<b>-</b>	<b>3.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57.3</b>
Net result on disposal of investment property	0.1												0.1
Administrative expenses	-26.4				-0.4							-0.3	-27.1
<b>Net operating profit</b>	<b>384.9</b>	<b>-</b>	<b>-11.0</b>	<b>-0.8</b>	<b>-0.6</b>	<b>0.5</b>	<b>0.1</b>	<b>-</b>	<b>0.6</b>	<b>-</b>	<b>0.3</b>	<b>-</b>	<b>374.0</b>
Net interest expenses	-71.7			2.0		-0.5							-70.2
Fair value result financial instruments	-												-
Net foreign exchange result	-												-
<b>Net financing result</b>	<b>-71.7</b>	<b>-</b>	<b>-</b>	<b>2.0</b>	<b>-</b>	<b>-0.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-70.2</b>
<b>Profit before tax</b>	<b>313.2</b>	<b>-</b>	<b>-11.0</b>	<b>1.2</b>	<b>-0.6</b>	<b>-</b>	<b>0.1</b>	<b>-</b>	<b>0.6</b>	<b>-</b>	<b>0.3</b>	<b>-</b>	<b>303.8</b>
Deferred income tax expense	-12.3	-14.0											-26.3
Income tax expense	-2.3	-0.5											-2.8
<b>Net profit</b>	<b>298.6</b>	<b>-14.5</b>	<b>-11.0</b>	<b>1.2</b>	<b>-0.6</b>	<b>-</b>	<b>0.1</b>	<b>-</b>	<b>0.6</b>	<b>-</b>	<b>0.3</b>	<b>-</b>	<b>274.7</b>
<b>Attributable to :</b>													
Minority interest	-								0.6				0.6
Equity holders of the parent (Net Shareholders' profit)	<b>298.6</b>	<b>-14.5</b>	<b>-11.0</b>	<b>1.2</b>	<b>-0.6</b>	<b>-</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.3</b>	<b>-</b>	<b>274.1</b>
Direct Result	245.5	-0.5	-	2.0	-0.6	-3.8	0.1	-	-	-	0.3	-	243.0
Indirect result	53.1	-14.0	-11.0	-0.8	-	3.8	-	-	-	-	-	-	31.1
<b>Net Shareholders' profit</b>	<b>298.6</b>	<b>-14.5</b>	<b>-11.0</b>	<b>1.2</b>	<b>-0.6</b>	<b>-</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.3</b>	<b>-</b>	<b>274.1</b>

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Segment information as per September 30, 2005  
(unaudited)

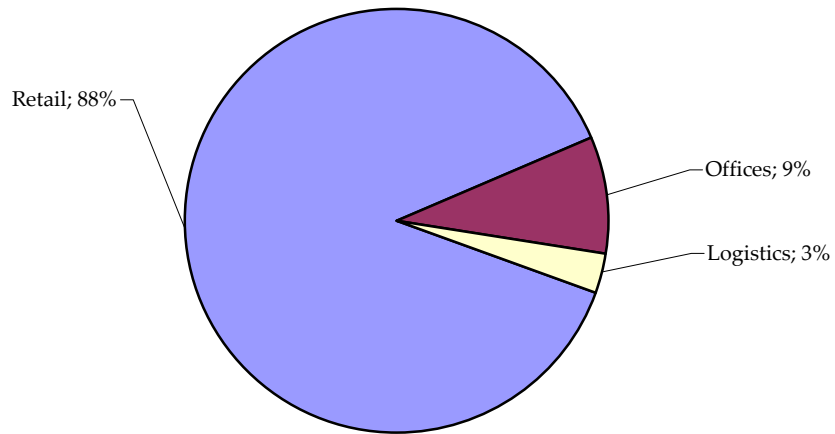
Geographical Segments All figures in € mln (unaudited)	Netherlands		France		Spain		Nordic Countries	
	2005	2004	2005	2004	2005	2004	2005	2004
Gross rental income	155.6	146.4	71.0	65.3	61.9	57.7	89.3	84.2
Net service charge expenses	-1.1	-1.0	-1.2	-1.4	-0.7	-1.1	-	-
Property operating expenses	-20.9	-18.1	-4.1	-3.7	-4.4	-4.2	-25.9	-25.3
<b>Net rental income</b>	<b>133.6</b>	<b>127.3</b>	<b>65.7</b>	<b>60.2</b>	<b>56.8</b>	<b>52.4</b>	<b>63.4</b>	<b>58.9</b>
Valuation result	65.4	21.0	280.0	23.5	171.0	8.5	153.0	9.5
			Central Europe		Germany/Belgium /Ukraine		Consolidated group	
			2005	2004	2005	2004	2005	2004
Gross rental income			37.4	34.1	19.0	17.4	434.2	405.1
Net service charge expenses			-0.5	-0.4	-0.7	-1.7	-4.2	-5.6
Property operating expenses			-3.0	-1.8	-2.1	-2.7	-60.4	-55.8
<b>Net rental income</b>			<b>33.9</b>	<b>31.9</b>	<b>16.2</b>	<b>13.0</b>	<b>369.6</b>	<b>343.7</b>
Valuation result			70.8	9.4	4.0	-14.6	744.2	57.3

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Segment information as per September 30, 2005  
 (as a percentage of Property Assets)  
 (unaudited)

**Sector spread of property assets %**  
 (as at 30/09/2005)



**Geographical spread of property assets %**  
 (as at 30/09/2005)

