



## PRESS RELEASE

### RODAMCO EUROPE REPORTS 5.1% INCREASE IN DIRECT RESULT AFTER TAX IN FIRST HALF YEAR 2005

#### Highlights first six months 2005

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

- Direct result after tax up 5.1% to €170.0 million (H1 2004: €161.7 million) driven by a 6.8% increase in gross rental income;
- Direct result after tax per share €1.90 (H1 2004: €1.80);
- Net shareholders profit up 140.1% to €410.4 million, which includes indirect result after tax of €240.4 million (H1 2004: €9.2 million);
- Net rental income up 6.6% to €243.1 million (H1 2004: €228.1 million), like for like growth of net rental income was 3.8%;
- Overall occupancy rates increased to 97.1% (H1 2004: 96.5%) with retail occupancy stable at 98.2%;
- Investment portfolio increased 7.6% to €8.1 billion; 88% of portfolio invested in the retail sector (H1 2004: 86%);
- Triple NAV (NNNAV) per share rose 4.5% to €51.23<sup>1</sup> (year-end 2004: €49.01<sup>2</sup>);
- Direct result after tax for full year 2005 forecasted to grow at least in line with H1 growth (5.1%);
- Interim dividend of €1.25 (H1 2004: €1.15), payable on 14 October 2005.

#### **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 half year 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

**Rotterdam, August 15 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 six months 2005. Based on the current standards and interpretations of International Financial Reporting Standards (IFRS), direct result after tax is up 5.1% and Triple NAV per share grew by 4.5% to €51.23. Rodamco Europe is focusing on these two items in evaluating its performance under IFRS: direct result after tax for its operational performance and Triple NAV for the intrinsic value, where assets as well as liabilities have been adjusted to market values (if not already done so under the requirements of IFRS). Triple NAV growth was supported by the very strong valuation result, which was also the main contributor to the 140.1% growth of net shareholders profit in the first half 2005.**

*CEO Maarten Hulshoff: “Rodamco Europe’s strategy to focus on top quality retail in dominant locations in its key markets, whilst further emphasizing the management of our retail properties, continues to contribute to solid and positive results. The upward revision in valuations continues due to strong investor demand in retail property and the high quality of Rodamco Europe’s investment portfolio. The latter is also confirmed by our stable and high occupancy rates. Rodamco Europe’s strong local organizations and our total pipeline project portfolio of €1.8 billion (€ 0.9 billion committed) offer a stable platform for further growth. This is expected to accelerate somewhat in the second half of 2005 due to the acquisition of ‘Stadshart Amstelveen’ and pipeline projects coming into operation. The rental growth potential from the current investment and committed pipeline portfolio coming into operation can be estimated at a total of 19% over the next few years.”*

## **RENTAL INCOME**

Net rental income under IFRS increased 6.6% to €243.1 million, compared to €228.1 million in the first half 2004. Gross rental income increased 6.8% to €288.2 million (H1 2004: €269.9 million). The gross rental income increase is primarily a result of rent generated from acquisitions during the later part of 2004 (€5.4 million; mainly Väsby and Croix Dampierre) and in 2005 (€2.3 million; ‘Stadshart Amstelveen’), from properties coming into operation (€5.8 million; mainly the shopping centers Piazza and Carnisse Veste in 2004 and Parquesur in 2005), rent increases amounting to €5.7 million and decreased doubtful debtors of €3.7 million. This was partially offset by the effect of disposals (mainly offices) with a total negative effect of €5.2 million on rental income in the first six months 2005. Overall occupancy per end of June 2005 increased to 97.1% with retail occupancy remaining stable at 98.2%.

Like-for-like growth in net rental income was 3.8%, 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 was limited due to its low indexation (inflation rate well below 1%) and depreciation of the SEK. In the Netherlands, the challenging market circumstances have had little impact on rental income due to Rodamco Europe’s high quality portfolio, although the market climate has negatively affected the reversionary potential.

Operating expenses (including net service charges and property operating expenses) increased with 7.9% to €45.1 million for the first six months 2005 (H1 2004: €41.8 million), somewhat higher than the 6.8% growth rate of gross rental income, but in line with Rodamco Europe’s statement at Q1 2005.

## **VALUATION RESULT AND RESULT ON DISPOSALS**

Under IFRS, property assets consist of investment property (booked at fair value), renovation projects (booked at fair value) and pipeline projects (booked at cost less impairments), the latter previously under Dutch GAAP recorded at fair value. Results on the valuation of Rodamco Europe's property assets increased to a total €243.6 million in the first half 2005. The valuation result was €27.9 million during the same period 2004. The strong valuation result is driven by Rodamco Europe's focus on high quality retail assets (over 65% is A\* and A quality) in dominant and prime locations, its stable high occupancy rates, further divestments of offices and especially the low interest rate environment leading to lower investment yields currently enjoyed in the retail property market. Approximately 60% of this amount is attributed to a yield shift taking place, while the remaining 40% is attributable to increased rental income. The net initial yield for the total investment portfolio was on 30 June 2005 6.6%.

A valuation result of just over €10 million was realized on pipeline projects with the opening of the Parquesur extension in Spain. This was off-set by some impairment on the value of (office) pipeline projects in the Netherlands (minus €3 million).

Valuation results on retail investment properties were positive during the first six months 2005 (€233 million), as were the retail revaluations in all countries over the period: the Netherlands (€22 million), Spain (€35 million), the Nordic countries (€50 million), France (€104 million), Central Europe (€19 million) and other countries (€3 million). Also logistics showed positive revaluations (€5 million), while offices were negative (minus €1 million).

Rodamco Europe divested a total of €106 million of assets, mainly consisting of the sale of MECC in the Netherlands (€71 million), retail units (the Netherlands) and smaller logistics units (Spain). As a result of these divestments a net gain of €2.3 million was reported in the first half 2005.

## **ADMINISTRATIVE EXPENSES**

The administrative expenses (formerly referred to as 'management costs') increased 4.8% to €19.5 million in the first six months 2005 compared to €18.6 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. Growth of the administrative expenses, however, is expected to be somewhat higher in the second half 2005.

## **OTHER INCOME**

Other income of €2.1 million related to the recovery of expenses from the pipeline project Azul Talavera, which was recently removed from Rodamco Europe's committed pipeline project list.

## **NET FINANCING RESULT**

Net interest expenses increased from €46.7 million in the first half 2004 to €54.0 million in the same period 2005, which was largely in line with the increase of average net debt. Total net financing increased from €2.5 billion at the end of June 2004 to €3.0 billion at the end of June 2005. The average interest rate decreased, especially towards the end of the period, to 3.99% at 30 June 2005 (4.30% at the end of June 2004).

Under IFRS the foreign exchange result (plus €0.4 million) and the change in fair value of financial instruments are also included in the net financing result. All derivative instruments entered into by Rodamco Europe are used for hedging interest and currency risks. Over the first half 2005, a positive fair value result financial instruments of €1.0 million is reported, primarily arising on interest rate swaps not being 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 €6.5 million of deferred income tax expense (H1 2004: €17.3 million).

The introduction of the SIIC regime for the full French portfolio as of the beginning of 2005 was effected in Q2 2005. This resulted, as earlier reported, in €104 million exit tax in total to be paid over the coming 4 years and in a one-off gain on deferred taxes of €27.7 million, which counterbalanced the deferred taxes arising from the positive valuation result of €244 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 €1.5 million, compared to €0.7 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 6.6% increase in net rental income compared to the same period 2004, but especially the strong increase of the valuation result in the six month period under review has led to the 140.1% growth in net shareholders' profit to €410.4 million.

## **DIRECT RESULT AFTER TAX**

Under IFRS, 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 5.1% to €170.0 million in the first half 2005, compared to €161.7 million in the same period 2004. This was largely driven by the 3.8% like-for-like growth in net rental income, the pipeline projects coming into operation, and the net effect of acquisitions and divestments.

## **(INTERIM) DIVIDEND POLICY**

In the coming years, Rodamco Europe's dividend policy focuses on growing the dividend in line with direct result after tax and within a payout range of 85-95% of the direct result after tax. Within this policy, Rodamco Europe aims to distribute an interim dividend each year which will be approximately 40% of the previous year (full) dividend. For 2005 an interim dividend of €1.25 per share (41.0% of 2004 (full) dividend of €3.05) will be paid to shareholders on 14 October 2005 (2004: €1.15).

## **RESULTS PER SHARE**

Direct result after tax per share increased 5.1% to €1.90 in the first half of 2005, compared to €1.80 in the comparable period of 2004. The net shareholders profit per share according to IFRS amounts to €4.58 for the period up to the first six months 2005, an increase of 140.1% compared to €1.91 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").

The adjustments reflect 1) the deferred tax position, which has been valued at the effective (nominal) tax basis and rates under IFRS, whereas the discounted value is better reflecting the market reality in transactions, 2) the (net of tax) valuation surplus on pipeline projects (valued at cost under IFRS) and 3) the (net of tax) marked-to-market value of loans and borrowings outstanding (valued at amortized cost under IFRS). The Triple NAV increased by 4.5% to €4,592 million per June 30 2005, or €51.23 per share (year-end 2004: €49.01) after final dividend 2004, but before interim dividend 2005 of €1.25 per share that will be paid in October 2005.

## **STRATEGIC PERFORMANCE**

### **PROPERTY ASSETS**

Property assets increased by €571 million to €8,089 million in the first six months 2005 compared to €7,518 million at the end of December 2004. Main items were the increased valuations of investment property (€236 million), the 'Stadshart Amstelveen' acquisition (gross €316 million), capital expenditures in pipeline projects (€139 million), and divestments (€106 million).

During the 2nd quarter 2005, the following investments and divestments have taken place:

- On May 19 2005, Rodamco Europe closed the acquisition of 'Stadshart Amstelveen', the Netherlands for a total amount of €296 million.
- On May 19 2005 Rodamco Europe divested MECC, the Netherlands for a total amount of €70.6 million.
- On May 12 2005, Rodamco Europe opened the €110 million extension at Parquesur, Spain.

### **FINANCING DEVELOPMENTS**

Net financing at the end of June 2005 increased to €3.0 billion, 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 June 30 2005 and the average interest rate at that date was 3.99% (year-end 2004: 4.35%). The average interest rate decreased towards the end of the first six months, amongst others as a result of an interest rate cut in Sweden. It is Rodamco Europe's policy to cover non-euro investments by the same currency financing.

### **CASH FLOW**

Total net cash flow from operations (before investments and financing) increased from €160 million (H1 2004) to €174 million in the first six months 2005. In the same period, net investments in property assets used €368 million of this cash flow, together with the payment of €170 million 2004 final dividend and working capital changes, requiring additional net financing of €319 million. Total cash position has decreased €24 million to €42 million during the first six months 2005.

## **SUBSEQUENT EVENTS**

### **PIPELINE**

- The pipeline project Chodov, Czech Republic, will come into operation earlier than previously communicated. The opening to the public has been advanced from Q2 2006 to 9 November 2005.
- Rodamco Europe has added Forum Nacka, Stockholm, Sweden to its list of committed pipeline projects in Q3 2005. The shopping center is the fourth largest in the Nordic portfolio and will be extended for a total amount of SEK 1,085 million (€ 118 million) at a net initial yield 7.0%. An additional 22,100 m<sup>2</sup> GLA, 820 new parking places and 69 units will be added before the completion in Q4 2008.
- Rodamco Europe has added the extension of Nova Lund, Sweden to its list of committed pipeline projects in Q3 2005. The shopping center will be expanded for a total amount of ca SEK 90 million (€10 million). The net initial yield is approximately 6.9%. The extension will be completed in the autumn of 2006.
- Rodamco Europe has added the extension of Väsby shopping center, Sweden to its committed pipeline projects in Q3 2005. The shopping center will be expanded for a total amount of SEK 110 million (€12 million) with a net initial yield of 7.7%. The extension will be completed in Q4 2006.

### **FUNDING**

- On August 12 2005, Rodamco Europe signed its new stand-by facility with eleven banks for a total amount of €600 million at improved terms, extending the facility to at least 2010. The facility is replacing the current €500 million facility.

### **DIVESTMENT**

- On August 12 2005, Rodamco Europe divested Hallunda Centrum in Stockholm, Sweden. The shopping center has been sold to the Danish company Ejendomsvaekst A/S for for a total amount of €30 million. Net initial yield 6.7%.
- On July 15 2005, Rodamco Europe divested its 50% share stake in Sollentuna Centrum, Sweden. The stake has been sold to NCC for a total amount of €4.5 million.
- On July 8 2005, Rodamco Europe removed the shopping center Azul Talavera, Spain, from its committed pipeline list.

## **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 with at least the same percentage as the first half 2005 (+5.1%). This is a slight upward revision of the previously indicated "approximately 5%". This is mainly the result of slightly higher rental income expectations and the favorable interest rate developments.

The above 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

7 October 2005	ex (interim) dividend date
14 October 2005	(interim) dividend payment date
14 November 2005	Publication of first nine months 2005 results
6 March 2006	Publication of 2005 results
20 April 2006	2005 General Annual Shareholders meeting

## INTEREST OF MAJOR INVESTORS

Statement pursuant to Article 21, paragraph 2, sections b) and c) of the Dutch Decree on the Supervision of Investment Institutions. To Rodamco Europe's knowledge, in the first six months of 2005, there were no parties which qualify as major investors within the meaning of the Decree.

## IFRS

As from 2005, Rodamco Europe reports under the new International Financial Reporting Standards (IFRS). The 2004 figures in this press release have been presented according to the IFRS guidelines for comparative purposes. (For more information on the transition to IFRS you are referred to a separate document "IFRS@work" which can be downloaded from the website [www.rodamco.com](http://www.rodamco.com) or is available from Rodamco Europe (+31 (0) 10 217 6400 or [investors@rodamco.com](mailto:investors@rodamco.com)). This document has not been audited by external auditors and is of a provisional nature because the IFRS standards and interpretations may still be subject to change.

## COMPANY PROFILE RODAMCO EUROPE N.V.

Top quality shops and shopping centers form 88% of Rodamco Europe's €8.1 billion investment portfolio. Rodamco Europe is both investor and direct manager of its dominant shopping centers, mostly in its home markets The Netherlands, Sweden, France and Spain. This makes Rodamco Europe the largest listed property investment and management company in the retail sector in Europe. Rodamco Europe has a 'single A with stable outlook' rating from Standard & Poor's. Rodamco Europe NV is an independent investment company with variable capital and qualifies as a Fiscal Investment Institution (FBI) under Dutch Law. No corporate income tax is due in the Netherlands when all conditions of the Dutch Tax Act have been adhered to. Also, Rodamco Europe qualifies as a "Société d'investissements immobiliers cotées" (SIIC) under French law. When the conditions under the SIIC regime are fulfilled, no corporate income tax is due in France on current income from, and realized capital gains on, French real estate. Rodamco Europe is listed on the Stock Exchanges in Amsterdam, Paris, Frankfurt and Brussels. A Euronext 100 company, Rodamco Europe is included in the Euronext Amsterdam Midkap Index (AMX) and in the MSCI World Index. For more information on Rodamco Europe, visit our website: [www.Rodamco.com](http://www.Rodamco.com). The website includes, amongst other, the analyst presentation relating to this press release and the IFRS document "IFRS@work".

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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 - 30/06/2005	01/01 - 30/06/2004	Difference	01/04 - 30/06/2005	01/04 - 30/06/2004	Difference
	6 months	6 months		3 months	3 months	
Gross rental income	288.2	269.9	6.8%	145.7	137.3	6.1%
Net service charge expenses	-2.8	-4.9		-1.2	-2.9	
Property operating expenses	-42.3	-36.9		-22.5	-18.4	
<b>Net rental income</b>	<b>243.1</b>	<b>228.1</b>	<b>6.6%</b>	<b>122.0</b>	<b>116.0</b>	<b>5.2%</b>
Valuation results investment property	236.3	32.9		163.3	33.3	
Valuation results renovation projects	0.0	0.0		0.0	0.0	
Valuation results pipeline projects	7.3	-5.0		8.2	-2.8	
<b>Valuation result</b>	<b>243.6</b>	<b>27.9</b>		<b>171.5</b>	<b>30.5</b>	
Net result on disposal of investment property	2.3	-1.4		1.9	-1.6	
Administrative expenses	-19.5	-18.6	4.8%	-10.0	-9.8	2.0%
Other income	2.1	0.0		2.1	0.0	
<b>Net operating profit</b>	<b>471.6</b>	<b>236.0</b>	<b>99.8%</b>	<b>287.5</b>	<b>135.1</b>	<b>112.8%</b>
Net interest expenses	-54.0	-46.7		-27.8	-23.3	
Fair value result financial instruments	1.0	0.0		-0.5	0.0	
Net foreign exchange result	0.4	0.0		0.6	0.0	
<b>Net financing result</b>	<b>-52.6</b>	<b>-46.7</b>	<b>12.6%</b>	<b>-27.7</b>	<b>-23.3</b>	<b>18.9%</b>
<b>Income before tax</b>	<b>419.0</b>	<b>189.3</b>	<b>121.3%</b>	<b>259.8</b>	<b>111.8</b>	<b>132.4%</b>
Deferred income tax expense	-6.5	-17.3		6.5	-14.1	
Income tax expense	-1.5	-0.7		-0.6	-0.2	
<b>Net profit</b>	<b>411.0</b>	<b>171.3</b>	<b>139.9%</b>	<b>265.7</b>	<b>97.5</b>	<b>172.5%</b>
<u>Attributable to:</u>						
Minority interest	0.6	0.4		0.4	0.2	
<b>Equity holders of the parent (net shareholders' profit)</b>	<b>410.4</b>	<b>170.9</b>	<b>140.1%</b>	<b>265.3</b>	<b>97.3</b>	<b>172.7%</b>

#### NEW IFRS ACCOUNTING PRINCIPLES

As from 2005, Rodamco Europe prepares and presents its financial information (including comparative figures 2004) in accordance with Rodamco's preliminary adoption of International Financial Reporting Standards (IFRS) accounting policies as part of its transition to IFRS for the year ending December 31, 2005. The accounting policies comply with the IFRS standards and interpretations that the company expects to be applicable as of December 31, 2005. As IFRS standards and interpretations are still subject to change, the accounting policies adopted by Rodamco may change consequently. For the main accounting policies applied by Rodamco Europe under IFRS, reference is made to the annual report 2004 and the separate document "IFRS@work", of which the latest version is available on the website ([www.rodamco.com](http://www.rodamco.com)) of Rodamco Europe.

Split net shareholders' profit (unaudited)	01/01 - 30/06/2005	01/01 - 30/06/2004	Difference	01/04 - 30/06/2005	01/04 - 30/06/2004	Difference
	6 months	6 months		3 months	3 months	
Direct result after tax	170.0	161.7	5.1%	85.9	82.5	4.1%
Indirect result after tax	240.4	9.2		179.4	14.8	
<b>Net shareholders' profit</b>	<b>410.4</b>	<b>170.9</b>	<b>140.1%</b>	<b>265.3</b>	<b>97.3</b>	<b>172.7%</b>

All figures in € mln		
Consolidated balance sheet (unaudited)	as per 30/06/2005	as per 31/12/2004
Investment property	7,666	7,056
Renovation projects	9	9
Pipeline projects	414	453
	<u>8,089</u>	<u>7,518</u>
Property, plant & equipment	9	8
Deferred tax assets	28	29
Derivative financial instruments	23	0
Deferred lease incentives	8	5
<b>Total non current assets</b>	<b>8,157</b>	<b>7,560</b>
Income tax receivable	2	13
Trade and other receivables	80	69
Cash and banks	42	65
<b>Total current assets</b>	<b>124</b>	<b>147</b>
<b>Total Assets</b>	<b><u>8,281</u></b>	<b><u>7,707</u></b>
<b>Shareholders' equity</b>	<b>4,506</b>	<b>4,297</b>
Minority interest	8	7
<b>Total equity</b>	<b>4,514</b>	<b>4,304</b>
Bonds	1,371	1,197
Interest bearing loans and borrowings	1,374	1,571
Derivative financial instruments	42	0
	<u>2,787</u>	<u>2,768</u>
Employee benefits	6	5
Deferred tax liabilities	272	364
Deferred lease incentives	3	0
<b>Total non current liabilities</b>	<b>3,068</b>	<b>3,137</b>
Bonds and interest bearing loans and borrowings	339	22
Trade and other payables	358	237
Provisions	2	7
<b>Total current liabilities</b>	<b>699</b>	<b>266</b>
<b>Total Equity &amp; Liabilities</b>	<b><u>8,281</u></b>	<b><u>7,707</u></b>
<b>NEW IFRS ACCOUNTING PRINCIPLES</b>		
As from 2005, Rodamco Europe prepares and presents its financial information (including comparative figures 2004) in accordance with Rodamco's preliminary adoption of International Financial Reporting Standards (IFRS) accounting policies as part of its transition to IFRS for the year ending December 31, 2005. The accounting policies comply with the IFRS standards and interpretations that the company expects to be applicable as of December 31, 2005. As IFRS standards and interpretations are still subject to change, the accounting policies adopted by Rodamco may change consequently. For the main accounting policies applied by Rodamco Europe under IFRS, reference is made to the annual report 2004 and the separate document "IFRS@work", of which the latest version is available on the website ( <a href="http://www.rodamco.com">www.rodamco.com</a> ) of Rodamco Europe.		

Triple NAV ("NNNAV") (unaudited)	as per 30/06/2005	as per 31/12/2004
<b>Shareholders' equity</b>	<b>4,506</b>	<b>4,297</b>
add: nominal net deferred tax liability	244	335
add: market value surplus on pipeline projects	49	22
Adjust: marked-to-market of loans and borrowings	-106	-96
	<u>187</u>	<u>261</u>
<b>Triple NAV ("NNNAV") before tax</b>	<b>4,693</b>	<b>4,558</b>
Add: discount of deferred taxes	-101	-165
<b>Triple NAV ("NNNAV") after tax (*)</b>	<b>4,592</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 - 30/06/2005</b> <b>6 months</b>	<b>01/01 - 30/06/2004</b> <b>6 months</b>
<b>Net profit</b>	<b>411.0</b>	<b>171.3</b>
Adjustments for :		
Valuation result	-243.6	-27.9
Deferred income tax expense	6.5	17.3
Fair value result financial instruments	-1.0	0.0
Other movements	0.6	-1.1
	<u>-237.5</u>	<u>-11.7</u>
<b>Cash flow from operations</b>	<b>173.5</b>	<b>159.6</b>
Movement in trade and other receivables	0.8	33.8
Movement in trade and other payables	15.0	-60.4
Other movements	6.8	-14.6
	<u>22.6</u>	<u>-41.2</u>
<b>Cash flow from operating activities</b>	<b>196.1</b>	<b>118.4</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Divestments/(investments) in investment property	-229.7	57.7
Divestments/(investments) in renovation projects	-0.2	-8.8
Divestments/(investments) in pipeline projects	-137.3	-116.7
Other divestments/(investments)	-1.2	-0.3
<b>Cash flow from investing activities</b>	<b>-368.4</b>	<b>-68.1</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from interest bearing loans and other borrowings	776.1	964.1
Repayment of interest bearing loans and other borrowings	-457.2	-881.8
Dividend paid	-170.3	-156.9
<b>Cash flow from financing activities</b>	<b>148.6</b>	<b>-74.6</b>
<b>Net increase/(decrease) in cash and banks</b>	<b>-23.7</b>	<b>-24.3</b>
Cash and banks as at January 1	64.9	95.5
Effect of exchange rate fluctuations on cash held	0.3	0.7
<b>Cash and banks as at June 30</b>	<b>41.5</b>	<b>71.9</b>

**NEW IFRS ACCOUNTING PRINCIPLES**

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All figures in €			
Figures per share (unaudited)	01/01 - 30/06/2005	01/01 - 30/06/2004	Difference
	6 months	6 months	
Direct result per share *	€ 1.90	€ 1.80	5.1%
Indirect result per share *	€ 2.68	€ 0.11	
Net shareholders profit per share *	€ 4.58	€ 1.91	140.1%
	<b>as per</b>	<b>as per</b>	
	<b>30/06/2005</b>	<b>31/12/2004</b>	
NAV per share start of period	€ 47.94 **	€ 46.31 **	
NAV per share end of period	€ 50.27 ***	€ 47.94 **	
<b>NNNAV per share end of period</b>	<b>€ 51.23 ***</b>	<b>€ 49.01 **</b>	
Share price (end of period)	€ 67.75	€ 58.40	16.0%
Premium/(discount) to NNNAV	32.3%	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
	30/06/2005	31/12/2004	
Property assets end of period	8,089	7,518	7.6%
Shareholders' equity end of period	4,506	4,297	4.9%
Market capitalisation end of period	6,073	5,235	16.0%
Occupancy end of period	97.1%	97.0%	
Expense ratio	5.53% *	5.31% *	
Net financing end of period	3,042	2,725	11.6%
Net financing as % of property assets (Loan-to-Value)	37.6%	36.2%	
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 as the percentage of total costs to the 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>0</b>	<b>0</b>	<b>0</b>	<b>167</b>	<b>0</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 1/1/2004-30/06/2004								184	184		184	184		184
Currency translation result 1/1/2004-30/06/2004									0		0	0		0
Other movements 1/1/2004-30/06/2004			-1						-1		-1	-1		-1
Distributed final dividend 2003							-157		-157		-157	-157		-157
Adjustment to IFRS accounting principles							-13		-13		-13	0	-13	-13
<b>Restated Balance at June 30, 2004</b>	<b>717</b>	<b>2,956</b>	<b>321</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>171</b>	<b>4,175</b>	<b>7</b>	<b>4,182</b>	<b>4,356</b>	<b>-181</b>	<b>4,175</b>
Net Profit for the period 01/07/2004-31/12/2004								232	232		232	232		232
Currency translation result 01/07/2004-31/12/2004					3				3		3	3		3
Other movements 01/07/2004-31/12/2004			5						5		5	5		5
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							-15		-15	1	-14	0	-15	-15
<b>Restated Balance at December 31, 2004</b>	<b>717</b>	<b>2,956</b>	<b>374</b>	<b>0</b>	<b>3</b>	<b>0</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 1/1/2005-30/06/2005								410	410	1	411			411
Distributed final dividend 2004							-170		-170		-170			-170
Appropriation of net profit 2004			95				293	-388	0		0			0
Currency translation result 1/1/2005-30/06/2005					-6				-6		-6			-6
Movement hedging reserve 1/1/2005-30/06/2005						-7			-7		-7			-7
<b>Balance at June 30, 2005</b>	<b>717</b>	<b>2,956</b>	<b>299</b>	<b>0</b>	<b>-3</b>	<b>-7</b>	<b>134</b>	<b>410</b>	<b>4,506</b>	<b>8</b>	<b>4,514</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 -30/06/2004	Deferred Tax	Pipeline Projects	Interest Capitalisation	Non capex pipeline	Capex/ Maintenance	Renovation projects	Pensions	Consolidation	Associates	Provisions	Service charges	01/01/2004 -30/06/2004
Gross rental income	270.7						0.1		0.5		-0.1	-1.3	269.9
Net service charge expenses	-											-4.9	-4.9
Property operating expenses	-43.2					-2.1	-0.1		-0.1		2.3	6.3	-36.9
<b>Net rental income</b>	<b>227.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-2.1</b>	<b>-</b>	<b>-</b>	<b>0.4</b>	<b>-</b>	<b>2.2</b>	<b>0.1</b>	<b>228.1</b>
Valuation results investment property	30.5						2.4						32.9
Valuation results renovation projects	-												-
Valuation results pipeline projects	1.4		-5.6	-0.8									-5.0
<b>Valuation result</b>	<b>31.9</b>	<b>-</b>	<b>-5.6</b>	<b>-0.8</b>	<b>-</b>	<b>2.4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27.9</b>
Net result on disposal of investment property	-1.4												-1.4
Administrative expenses	-18.3				-0.2							-0.1	-18.6
<b>Net operating profit</b>	<b>239.7</b>	<b>-</b>	<b>-5.6</b>	<b>-0.8</b>	<b>-0.2</b>	<b>0.3</b>	<b>-</b>	<b>-</b>	<b>0.4</b>	<b>-</b>	<b>2.2</b>	<b>-</b>	<b>236.0</b>
Net interest expenses	-48.0			1.6		-0.3							-46.7
Fair value result financial instruments	-												-
Net foreign exchange result	-												-
<b>Net financing result</b>	<b>-48.0</b>	<b>-</b>	<b>-</b>	<b>1.6</b>	<b>-</b>	<b>-0.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-46.7</b>
<b>Profit before tax</b>	<b>191.7</b>	<b>-</b>	<b>-5.6</b>	<b>0.8</b>	<b>-0.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.4</b>	<b>-</b>	<b>2.2</b>	<b>-</b>	<b>189.3</b>
Deferred income tax expense	-6.9	-10.4											-17.3
Income tax expense	-0.4	-0.3											-0.7
<b>Net profit</b>	<b>184.4</b>	<b>-10.7</b>	<b>-5.6</b>	<b>0.8</b>	<b>-0.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.4</b>	<b>-</b>	<b>2.2</b>	<b>-</b>	<b>171.3</b>
<b>Attributable to :</b>													
Minority interest	-								0.4				0.4
Equity holders of the parent (Net Shareholders' profit)	<b>184.4</b>	<b>-10.7</b>	<b>-5.6</b>	<b>0.8</b>	<b>-0.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.2</b>	<b>-</b>	<b>170.9</b>
Direct Result	160.8	-0.3	-	1.6	-0.2	-2.4	-	-	-	-	2.2	-	161.7
Indirect result	23.6	-10.4	-5.6	-0.8	-	2.4	-	-	-	-	-	-	9.2
<b>Net Shareholders' profit</b>	<b>184.4</b>	<b>-10.7</b>	<b>-5.6</b>	<b>0.8</b>	<b>-0.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.2</b>	<b>-</b>	<b>170.9</b>

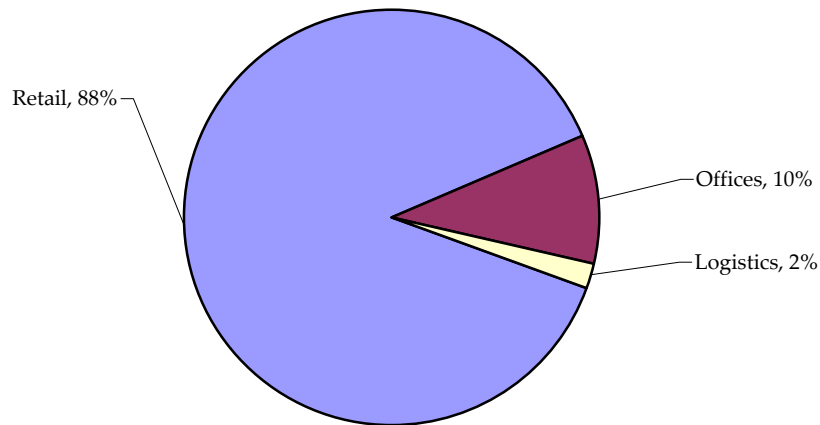
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Segment information as at June 30, 2005  
(as a percentage of Property Assets)  
(unaudited)

**Sector spread of property assets %  
(as at 30/06/2005)**



**Geographical spread of property assets %  
(as at 30/06/2005)**

