UNIBAIL-RODAMCO-WESTFIELD

THE PREMIER GLOBAL DEVELOPER
AND OPERATOR OF FLAGSHIP DESTINATIONS

UNIVERSAL REGISTRATION DOCUMENT 2019

UNIBAIL-RODAMCO-WESTFIELD SE

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2019

UNIVERSAL REGISTRATION DOCUMENT

AUTORITÉ DES MARCHÉS FINANCIERS

AMF

This Universal Registration Document has been filed on March 25, 2020 with the *Autorité des Marchés Financiers* (French Financial Markets Authority), as competent authority under Regulation (EU) 2017/1129, without prior approval in accordance with Article 9 of this Regulation.

The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if it is supplemented by a securities note and, if applicable, a summary together with any amendments to the Universal Registration Document. All shall be approved by the *Autorité des Marchés Financiers* in accordance with Regulation (EU) 2017/1129.

CHAPTER 1

PRESENTATION OF THE GROUP

1.1 KEY FACTS

90
SHOPPING CENTRES

16
OFFICES AND OTHERS BUILDINGS[1]

10
CONVENTION & EXHIBITION VENUES[2]

1.2 Bn
FOOTFALL

+3.7%
TENANT SALES GROWTH[3]

>3,600
EMPLOYEES

€2,491 Mn
NET RENTAL INCOME

€12.37
ADJUSTED RECURRING EARNINGS PER SHARE

€5.4
DIVIDEND PER SHARE

€65.3 Bn
GROSS MARKET VALUE

€8.3 Bn
PIPELINE

€217.50
GOING CONCERN NAV PER SHARE

(1) Only standalone offices >10,000 sqm and offices affixed to a Shopping Centre >15,000 sqm, includes La Vaguada offices.
(2) Excluding Palais des Sports.
(3) Groupwide.

1.2 HISTORY

UNIBAIL

1968
Worms & Cie, a Paris based banking group, creates Unibail as a real estate financial leasing company (Sicomi) managed by Arc Union/Espace Expansion.

1972
Listing of Unibail on the Paris Stock Exchange.

1988
First significant acquisition, Sliminco, one of the two Crédit Lyonnais Sicomis.

1992
Léon Bressler succeeds Jean Meynial as Chief Executive Officer. Unibail starts to focus on the property investment sector, and to phase out involvement in lease financing. The strategy is to become a specialised owner, developer and manager of Shopping Centres and Offices. Unibail concentrates on large-size and differentiated assets.

1992-1995
Build up of a property portfolio with close to 30 Shopping Centres located in France, including the Forum des Halles, Les Quatre Temps and the CNIT, and substantial office properties in Paris and La Défense, for example Tour Ariane.

1995
Takeover of Arc Union, Unibail becomes self-managed and self-administered. Espace Expansion, the main shopping centre operator in France, becomes its subsidiary.

1996-2000
Acquisition of the Cœur Défense project, the Vivendi portfolio and Porte de Versailles.

2001
Delivery of Cœur Défense.

2003
France introduces a REIT regime taxing real estate and capital gains from property disposals at the level of the shareholders of a SIIC. Unibail opts for the SIIC status.

2006
Guillaume Poitrinal succeeds Léon Bressler as Chief Executive Officer and Chairman of the Board of Directors.

RODAMCO

1979
Robeco, a Rotterdam based fund manager, creates Rodamco, a diversified global real estate investment fund (FBI) listed in Amsterdam with investments in Europe, the United States and Asia.

1980s
Rodamco is one of the top global real estate investment funds with investments in the United States, United Kingdom, Europe and Asia.

1994-1996
Acquisition of Suez Spain and CEGEP (Parly 2, Lyon Part-Dieu).

1999
Rodamco splits into four regionally focused real estate companies, including Rodamco Europe.

2000
Listing of Rodamco Europe in Amsterdam.

2000-2005
Acquisitions in Sweden (Skanska portfolio), in the Czech Republic (Intershop Holding), in The Netherlands (Amvest), in Poland (Galeria Mokotow), in Austria (Donauzentrum) and in Slovakia (Aupark).

UNIBAIL-RODAMCO

2007
Merger of Unibail and Rodamco Europe creating the European leader in commercial Real Estate. The Group was incorporated as a limited liability company (*société anonyme*) with a two-tier governance structure with a Management Board and a Supervisory Board. Listed in Paris and Amsterdam, the new entity is included in the CAC40 and AEX25 indices.

2008
Unibail-Rodamco and the Chamber of Commerce and Industry of Paris (CCIP) merge their Convention & Exhibition activities to form Viparis and Comexposium. Viparis, with ten venues in the Paris region, is responsible for the management and development of the sites. Comexposium is the European leader in the organisation of large-scale trade shows, fairs and congresses. Acquisition of Shopping City Süd in Vienna and La Maquinista in Barcelona.

2009
Unibail-Rodamco becomes a European company (Societas Europaea) and is now formally known as Unibail-Rodamco SE.

2010
Acquisition of Simon Ivanhoe's portfolio in Poland (Arkadia, Wilenska…) and France. Disposal of €1.5 Bn of non-core assets.

2011
Acquisition of Galeria Mokotow's full ownership in Warsaw and of Splau in Barcelona. Disposal of €1.1 Bn of assets.

2012
Acquisition of a 51% stake in mfi AG, Germany's second largest shopping centre operator, investor and developer. Creation of the 4 star shopping experience.

2013
Christophe Cuvillier succeeds Guillaume Poitrinal as Chief Executive Officer and Chairman of the Management Board. Launch of "Unexpected shopping" advertising campaign. Partnership with Socri to develop Polygone Riviera, the first lifestyle open air shopping centre in France bringing art and shopping together.

2014
Partnership with CPPIB on CentrO (Germany). Signature of agreements with the city of Hamburg to develop Überseequartier and with the city of Brussels to develop Mall of Europe. Disposal of €2.4 Bn of non-core assets.

2015
Delivery of Mall of Scandinavia, the largest shopping centre in Scandinavia at the forefront of the Group's standards. Disposal of Comexposium to Charterhouse Capital Partners LLP.

2016
Launch of Unibail-Rodamco's CSR strategy "Better Places 2030" and launch of UR Link's first season to foster development of retail start-ups.

2017
Unibail-Rodamco announces it has entered into an agreement with Westfield Corporation to create the world's premier developer and operator of flagship shopping destinations.

WESTFIELD

1959
John Saunders and Frank Lowy open their first shopping centre, Westfield Plaza, in Blacktown, in the outer suburbs of Sydney, Australia.

1960
Westfield is listed on the Sydney Stock Exchange.

1966
Burwood, the first shopping centre branded with the Westfield logo, opens in Australia.

1977
Westfield enters America with the acquisition of Trumbull (Connecticut) on the East Coast.

1994
The $1 Bn CenterMark transaction with 19 centres, triples Westfield portfolio in the United States.

1996
Westfield America Trust was listed on the ASX enabling Australian investors to make direct investments in the United States retail property market.

1998
Westfield acquired the $1.4 Bn TrizecHahn portfolio adding a further 12 properties to the Group's Californian portfolio.

2000
Westfield enters the United Kingdom, with the acquisition of a centre in Notthingham followed by the establishment of a joint venture interest in nine prime town centre and urban locations.

2002
Westfield becomes one of the largest retail property groups in the United States with the acquisition of nine shopping centres from Richard E Jacobs and 14 Shopping Centres from Rodamco.

2004
Birth of the Westfield Group, consisting of Westfield Holdings, Westfield Trust and Westfield America Trust.

2008
Opening of Westfield London, the United Kingdom's largest shopping centre with more than 280 stores, attracting 23 million visitors in the first year.

2011
Westfield Stratford City opens, transforming the east side of London, and the gateway to the 2012 London Olympics.

2014
Split of the Australian and New Zealand business from other international operations.

2016
Westfield's most ambitious project in the United States, the $1.5 Bn World Trade Center, opens.

UNIBAIL-RODAMCO-WESTFIELD

2018
Acquisition of Westfield Corporation by Unibail-Rodamco and the creation of URW, the world's leading premier developer and operator of Flagship destinations.

1.3 STRATEGY AND BUSINESS MODEL

INTRODUCTION – The premier global developer and operator of Flagship destinations

Unibail-Rodamco-Westfield (**"URW"** or **"the Group"**) is the premier global developer and operator of Flagship destinations. Founded in 1968, Unibail merged with Rodamco Europe in 2007 to form Unibail-Rodamco, which in 2018 acquired Westfield Corporation ("Westfield") to become Unibail-Rodamco-Westfield, combining two of the strongest and most respected names in the real estate industry to build on their respective legacies.

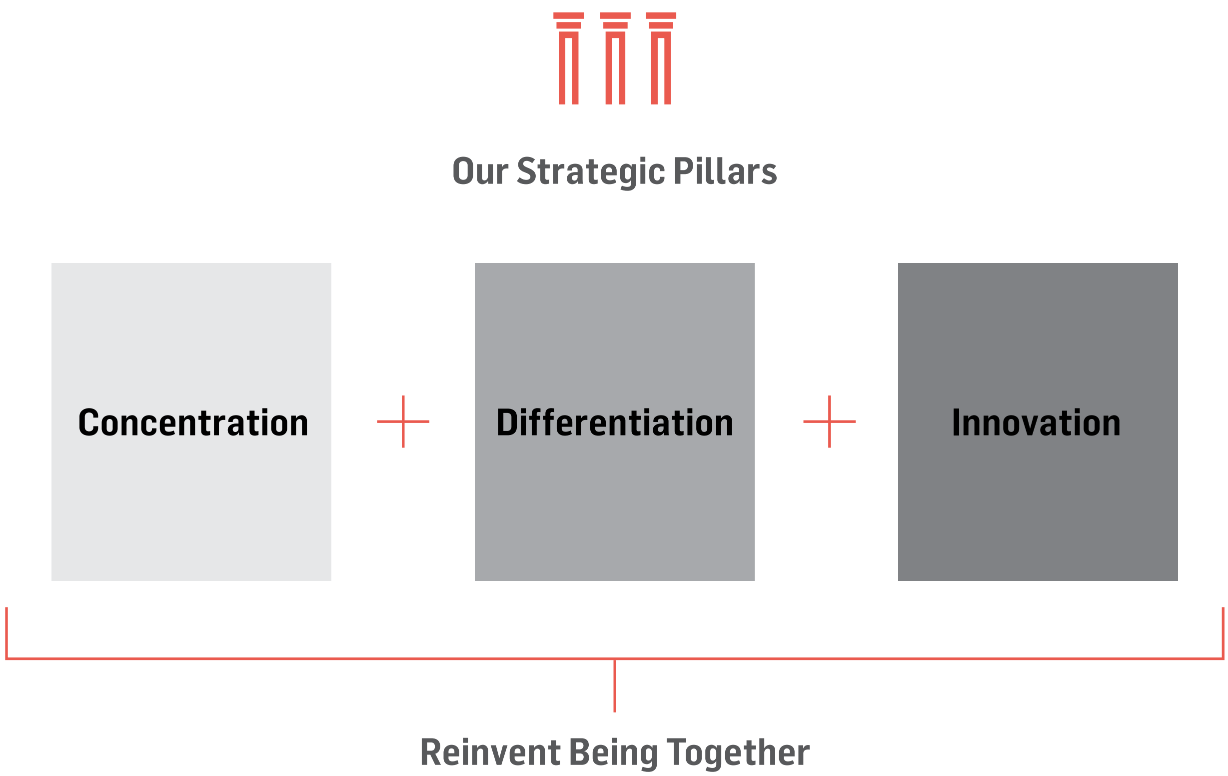
The Group owns and operates 90 shopping centres in 12 countries, of which 55 are Flagships. URW believes that well connected prime assets in the best locations will thrive and continue to generate sustained rental income growth. Following the transformational acquisition of Westfield in 2018, the Group has a unique transatlantic platform with exposure to the wealthiest and most attractive cities in Europe and the United States. The Group's high-quality developments will further enhance this position. The Group also owns and develops office buildings and owns and operates Convention & Exhibition venues in the Paris region.

THE GROUP'S BUSINESS STRATEGY

The Group's strategy is based on three pillars: concentration, differentiation and innovation. The CSR strategy, captured in the "Better Places 2030" programme, is an integral part of these pillars.

The three pillars enable URW to pursue its mission: "Reinvent Being Together". The places created by URW participate in shaping and improving the cities where it operates. The Group aims to provide a seamless online-offline shopping experience, in an entertaining, contemporary and eco-friendly environment. It intends to make positive contributions to the social, environmental and economic well-being of the communities in which it operates.

This strategy has allowed URW to generate strong growth and outperform the market, driving returns and long-term value creation for shareholders.



Concentration

URW **concentrates** on the best assets in key cities. The Group's operations are focused on Flagship destinations in the leading cities in Europe and the United States, large office buildings in the Paris region, select airports in the United States, and major Convention & Exhibition venues in and around Paris. URW has a disciplined asset rotation strategy, which is based on disposing those assets that no longer meet its demanding return criteria, while investing in its Flagship assets or new high quality developments. As at December 31, 2019, the Group's proportionate total portfolio was valued at €65.3 Bn, of which 86% in retail, 6% in offices, 5% in Convention & Exhibition venues and 3% in associated services. This portfolio of high-quality assets and a strategy of active investment and divestment, development, leasing, and operating management drives URW's growth.

The Group provides a unique platform for retailers and brand events and offers an unparalleled experience for customers. The URW platform, with circa 1.2 billion annual visits to its centres per year, is connecting customers in the wealthiest catchment areas with the best brands and retailers. The visitor base of all assets multiplies the Group's consumers insights and influence and enhances its value to retailers and brands, making URW a critical partner for such operators globally.

The Group also has a strategy to significantly increase the densification of its portfolio by adding office, residential, hotel and other "mixed-use" projects where relevant. URW is already leveraging its key strengths to reinvent city districts in London, Paris, Hamburg, Brussels and San Diego. The Group's unique know-how across retail, offices and hotels, and flexible approach to funding models, will allow it to maximize value on its exceptional and highly connected retail locations. 57% of the GLA of its €8.3 Bn development pipeline consists of mixed-use projects.

Differentiation

URW **differentiates** by re-inventing the retail and user experience through outstanding services, bold digital marketing, unique architecture and design, premium retailers, and inspiring events. The Group participates in shaping and improving the cities in which it is present and has a major influence on how people live, work, shop, connect and are entertained. URW anticipates consumer trends and intends to make positive contributions to the social, environmental and economic well-being of its communities.

The Group's asset management differentiation strategy is based on re-designing, re-tenanting and re-marketing to improve assets and services in the entire portfolio. URW attracts new and differentiating retailers through active tenant rotation and drives footfall by introducing new brands, executing on a dynamic events strategy and offering high-quality services.

URW is leveraging the world-famous Westfield brand, the strongest in the industry and the only global shopping centre brand, by gradually introducing it to a number of its Continental European Flagship assets. In 2019 the first ten shopping centres in Continental Europe have been rebranded (7 in France, 1 in the Czech Republic, 1 in Sweden and 1 in Poland).

The Westfield brand is the only global B2B and B2C brand for retail, leisure, entertainment and dining destinations. It is already a "signature" brand for the most iconic centres such as Westfield London and Westfield Stratford City in London, Westfield Les 4 Temps in Paris, Westfield Mall of Scandinavia in Stockholm, Westfield Century City and Westfield UTC in California, and Westfield World Trade Center in New York City. The brand is famous for providing outstanding experiences for its visitors, with a very broad range of retailers, high-quality services and concerts and events. The Westfield experience goes far beyond shopping: Westfield destinations are where people can come together to create real human connections. The introduction of the Westfield brand has been supported by the launch of the Group's first Pan-European marketing campaign: Come Together.

Innovation

URW **innovates** by seizing technological opportunities to explore new business models, create value, generate growth, and stay ahead of the curve. As the best ideas can also come from outside the Group, its open innovation platform is set up to connect with leading experts, build partnerships with other corporates and think tanks, invest alongside venture capital funds and share new ideas and solutions.

Innovation is at the heart of URW's strategy, with the aim to be the preferred partner for brands and retailers and the go-to destination for customers, to strengthen *desire, impact* and *agility*.

Strengthen desire. The Group designs appealing mixed-use destinations where people can shop, work, and come together to share memorable experiences, and ensures a seamless customer experience by continuously enhancing the standards of service to be the preferred partner for digital-native and sustainable retailers entering the physical retail space.

Strengthen impact. The Group builds omnichannel marketplaces that harness the power of digital and data to generate unprecedented value for cutting-edge retailers. URW is leveraging data and digital infrastructure to better interact with customers and create more value from every surface by merging online and offline logistics operations to meet omnichannel standards.

Strengthen agility. The Group leverages new technologies to better manage buildings and create new revenue streams through IoT and Cloud technologies.

PRUDENT BALANCE SHEET MANAGEMENT

URW maintains a robust capital structure to support the Group's strategy. Its sound credit metrics have enabled the Group to maintain the average cost of debt at a low 1.6% in 2019 and extend the average debt maturity to a record 8.2 years. By disposing those assets that no longer meet its demanding return criteria, URW is able to finance its value accretive development pipeline. The Group undertakes select development projects, in line with its concentration strategy, disciplined capital allocation and high internal return requirements.

This prudent and disciplined strategy has allowed URW to optimize its cost of capital and deliver strong underlying growth to its shareholders.

THE GROUP'S CORPORATE SOCIAL RESPONSIBILITY STRATEGY

Corporate Social Responsibility ("CSR") is at the very heart of URW's business strategy, as an accelerator of progress and innovation. In 2016, the Group launched its Better Places 2030 CSR strategy, building on the objectives outlined in the Paris Climate Agreement and taking them one step further. Better Places 2030 combines both an ambitious objective to reduce the environmental footprint and increase social engagement, integrating CSR into the Group's entire value chain. The Group's CSR ambition subscribes to a larger global vision, adapted to the challenges of the industry and to the various activities in the locations in which it operates. The Group relies on both the quality of its assets and collective power of its teams to raise awareness, mobilise and provide practical solutions that will facilitate the transition towards a low carbon economy. Through its civic engagement and job creation initiatives, the Group is actively involved in the communities in which it operates.

The Better Places 2030 CSR strategy was extended to all regions of the Group in 2019 as part of URW's global integration agenda. The Group's commitment to address climate change across its value chain and halve its carbon footprint is more fundamental than ever. Better Places 2030 also tackles new environmental challenges like biodiversity, responsible consumption and the circular economy.

Better Places 2030 is based on 3 pillars:

- Better spaces: cut carbon emissions across the value chain by -50%, across scopes 1, 2 and 3 (including the carbon emissions of stakeholders that URW can influence but does not control directly like construction, operations, tenant energy consumption, transportation of employees and visitors)
- Better communities: be a catalyst for growth within the communities in which the Group operates
- Better together: empower URW's people to become sustainability & diversity change-makers

URW is the first listed real estate company to engage in such a comprehensive strategy and is a leader of change. This strategy has been recognized and rewarded: URW in 2019 was ranked global Sector Leader by GRESB among all listed retail real estate companies worldwide for the second year in a row, included in the CDP "A" list, and obtained ISS ESG's "Prime" status.

OUTLOOK

Thanks to its strategy, the URW portfolio is at the forefront of the changes in a rapidly evolving retail environment. The impact of these changes on physical retail include the rationalisation of store footprints, increasing importance of flagship stores, the transformation of categories and merchandising within shopping centres, an expanded focus on dining, entertainment and leisure and integration of digital technology.

A major shift is occurring in the retail industry as access to digital and mobile technology coupled with ubiquitous connectivity has empowered consumers with unsurpassed access and information. Today's consumer can instantly compare prices and offerings, and can easily switch between brands and products. E-commerce market share continues to grow and increasingly consumers, and especially younger demographics, are choosing experiences over tangible goods, and shifting spend away from the traditional retail categories to experiential categories including eating out and leisure activities.

Research shows however that physical locations remain critical, which is underlined by the strong footfall growth URW recorded in its centres in 2019, with younger generations being an important driver despite their online savviness. In the future the vast majority of consumer spend will touch both physical stores and online, thus stores will remain hugely valuable for customer engagement, marketing and branding, regardless of where the actual transaction take place. Stores are the opportunity for retailers to truly differentiate themselves, enabling them to create real showrooms that represent the deeper meaning and identity of the brand, offer great experiences, provide expert advice, as well as serving as fulfilment hubs.

Even Digital Native Vertical Brands (DNVBs) have recognized the need for physical locations, to attract the increasingly critical, selective and experience-oriented customers, and build a relationship with them. DNVBs such as Amazon, Bonobos, Peloton, and Warby Parker have elected to open stores in URW Flagship centres, acknowledging the quality of the URW centres and active and innovation-oriented asset management and embracing the omni-channel strategy. This allows them to benefit from the Halo effect (the additional spend online in a catchment area after opening a shop there). In addition, physical stores allow omni-channel retailers to reduce both delivery and return costs, by implementing Buy Online Pickup in Store ("BOPIS") and return in store.

At the forefront of innovation, URW's more than 3,600 talented professionals are preparing for future generations of customers. Their skills, engagement and teamwork are key to driving performance and generating superior value. The team's skills lie across a range of disciplines, from engineering, finance and human resources to marketing, retail, digital, design, development, operations and leasing. The Group fosters an environment that celebrates new ideas, engagement, and individual development. URW is committed to diversity and promotes an inclusive culture where people are positively encouraged to succeed. In 2019, following a broad consultation with its employees, the Group launched its new values, "Together at URW".

ADJUSTED RECURRING EARNINGS PER SHARE ("AREPS") GUIDANCE AND DIVIDEND

On February 12, 2020, the Group announced its 2019 results and proposed a dividend of €10.80 per stapled share. There were only a limited number of COVID-19 cases outside China at that time. Since then, the COVID-19 pandemic has evolved significantly and at a very rapid pace.

Governments and business are employing stringent measures to slow the spread of the COVID-19 virus, as described in the press releases issued by the Group on March 16 and 19. There is currently a lack of clarity about whether further measures will be deployed and significant uncertainty about the duration and impact of the COVID-19 pandemic on the operations of the Group.

Consequently, on March 23, 2020, the Group announced that:

It withdrew its 2020 AREPS guidance and that it expects to provide an update of its guidance when it can reliably estimate the duration, severity, and consequences of the current situation;

To satisfy its REIT dividend distribution obligations, it would pay an interim cash dividend of €5.40 per share, as planned, on March 26, 2020, and that such payment would cover the Group's distribution obligations for 2019; and

Taking a prudent view of the uncertainties about the duration and impact of the crisis, and in order to further augment the Group's strong liquidity position, it decided to cancel the payment of the final dividend of €5.40 per share.

URW will continue to focus on the strength of its asset portfolio, its capital allocation priorities and the preservation of its strong liquidity position, in addition to the health and safety of its employees and communities.

OUR VISION

THE PREMIER GLOBAL DEVELOPER AND OPERATOR OF FLAGSHIP DESTINATIONS

In a rapidly changing environment

STRUCTURAL CHANGES IN RETAIL

TRANSITION TOWARD A GREENER ECONOMY

Will be delivered by 3 strategic objectives

WE CONCENTRATE on the best assets in the world's most dynamic cities

WE DIFFERENTIATE the retail experience through outstanding services, bold digital marketing, unique designs, premium retailers, and inspiring events

WE INNOVATE seizing external opportunities brought by technology to explore new business models, create value, generate growth, and stay ahead of the curve

That mobilise our resources

EMPLOYEES

- **3,626** skilled employees
- **49%** male, **51%** female

ASSETS

- **90** Shopping Centres with 8.9 Mn sqm GLA(1)
- **16** Office Buildings(2) with 0.3 Mn sqm GLA(1)
- **10** Convention & Exhibition with 0.6 Mn sqm GLA(1)

CAPITAL

- **€65.3 Bn** total GMV(3)
- **€26.4 Bn** net debt(3)
- **1.6%** average cost of debt
- **8.2 years** average debt maturity
- **38.6%** LTV(4) & "A" category credit rating(5)
- **€31.9 Bn** shareholders' equity

INTELLECTUAL PROPERTY

- Westfield's international brand equity
- Group signature destination concepts
- A dedicated innovation lab
- URW link, the Group's open innovation platform
- An internal Concept Studio

(1) Excluding assets under redevelopment, total complex.
(2) Only standalone offices >10,000 sqm and offices affixed to a Shopping Centre >15,000 sqm, includes La Vaguada offices.
(3) On a proportionate basis.
(4) On an IFRS basis, excluding €2,039 Mn of goodwill as per the Group's European leverage covenants.
(5) A2 Moody's / A S&P.

Via our value chain

BUILDING AND RENOVATION
- **€8.3 Bn** development pipeline
- Ambitious mixed-use projects, fully integrated in the communities
- Constantly challenging the status quo to deliver the best customer experience

LEASING
- Ensure we offer the best tenant mix and brands to our visitors

PROPERTY MANAGEMENT
- Ensure premium quality services for our visitors

INVESTMENT & DIVESTMENT
- Invest on the highest quality assets in vibrant dynamic destinations
- Divest non-core or mature assets

To produce outstanding outputs

ASSETS
- **90%** of owned and managed shopping centers are certified BREEAM In-Use in Continental Europe, of which 42% rated "Outstanding" for "Building Management (Part 2)"
- **100%** of European portfolio supplied with Green Electricity[(1)]
- **67%** of European assets connected to Metro or Tram lines[(2)]
- **19** of the Group's assets among the top 30 European assets by footfall[(3)]

SHAREHOLDERS AND CREDITORS
- **€12.37** AREPS[(4)]
- **€5.4** Dividend per share
- **€213.30** EPRA NAV per share

RETAILERS
- **+4.7%** tenant sales growth in Continental Europe shopping centres
- **+4.7%** tenant sales growth in United Kingdom shopping centres
- **+1.6%** tenant sales growth in United States shopping centres[(5)]

VISITORS
- **circa 1.2 billion** visits in 2019

EMPLOYEES
- **475** employees were promoted
- **67** employees benefitted from international mobility
- **5.7%** of employees made a lateral career move within the Group

SOCIO-ECONOMIC FOOTPRINT
- **62,266** jobs hosted by our continental European shopping centres

COMMUNITIES
- "URW for Jobs" conducted in **40** shopping centres in Continental Europe and in the UK. **758** jobs and training placements provided/**1,428** job-seekers trained
- **2,000+** employees took part in URW Community Day in May 2019, supporting **80** civic initiatives in partnership with non-profit and public partners
- Over **18,000** volunteering hours contributed by employees
- **100%** of our shopping centres work with local or national charities, hosting at least one social or environmental event each year

MOBILITY
- **70%** of the Group's standing assets equipped with electrical vehicle charging spaces

(1) Except for a temporary interruption in green electricity supply during 2019 for Pasing Arcaden and Gera Arcaden.
(2) Based on assets referenced in CACI Retail Markets 2019 ranking – Property portfolio as at 31/12/2018.
(3) In countries where Unibail-Rodamco-Westfield operates, in Mn visitors, 2018. Source: Sites Commerciaux June 2019. Evry 2 has been added with the footfall disclosed on the landlords website, and Shopping City Süd footfall restated to include the entire complex.
(4) Adjusted Recurring Earnings Per Share.
(5) Tenant sales excluding Department Stores and Tesla.

1.4 BUSINESS OVERVIEW

BUSINESS SEGMENTS

a) Retail

As at December 31, 2019, URW owned 90 Shopping Centres, of which 55 are Flagships[1]. URW continuously reinforces the attractiveness of its assets by re-designing them: upgrading the layout; re-tenanting them: renewing the tenant mix; and re-marketing them: enhancing the shopping experience through special events.

Total proportionate Net Rental Income (NRI) of the shopping centre portfolio in 2019 amounted to €2,293.2 Mn, an increase of +19.9%. This growth resulted mainly from the acquisition of Westfield (+€359.7 Mn, corresponding to 12 months of NRI in 2019 and seven months in 2018) and from the growth in the retail segment in Continental Europe due to like-for-like growth and deliveries, offset by the negative impact of disposals and a weaker SEK, among other factors.

	Net Rental Income (€ Mn)		
Region	**2019**	2018	%
France(*)	**663.4**	647.2	+2.5%
Central Europe	**223.0**	211.6	+5.4%
Spain	**156.8**	155.5	+0.8%
Nordics	**122.7**	141.5	-13.3%
Austria	**111.4**	107.6	+3.5%
Germany	**143.5**	139.6	+2.8%
The Netherlands	**62.4**	59.0	+5.8%
US	**652.8**	351.1	n.m.
UK	**157.3**	99.4	n.m.
TOTAL NRI	**2,293.2**	1,912.4	+19.9%

* In 2019, Les Boutiques du Palais was reclassified from France Shopping Centres to Convention & Exhibition (C&E). 2018 was restated accordingly.

Figures may not add up due to rounding

b) Offices & Others

URW develops and owns large, efficient office buildings and hotels in prime locations in the Paris central business district, La Défense and elsewhere in the Paris region. URW also owns office, hotel and residential assets in the United States, the Nordics and certain other countries in which URW operates. URW's investment strategy is driven by development and renovation opportunities on a counter-cyclical basis.

In 2019, the proportionate NRI from Offices & Others amounted to €102.9 Mn, a -30.1% decrease compared to 2018, primarily due to the disposals in 2018 and 2019, partially offset by the Westfield acquisition.

	Net Rental Income (€ Mn)		
Region	**2019**	2018	%
France(*)	**72.0**	123.8	-41.8%
Nordics	**10.0**	11.0	-9.0%
Other countries	**7.5**	5.6	+33.2%
US	**13.3**	8.4	n.m.
TOTAL NRI	**102.9**	148.8	-30.1%

* Includes the NRI from the hotels Novotel Lyon Confluence, Pullman Montparnasse and CNIT Hilton previously included in the Convention & Exhibition segment. 2018 was restated accordingly.

Figures may not add up due to rounding

(1) Assets of a certain size and/or with footfall in excess of 10 million per year, substantial growth potential for the Group based on their appeal to both retailers and visitors, iconic architecture or design and a strong footprint in their area.

c) Convention & Exhibition

The Convention & Exhibition activity is exclusively located in the Paris region and consists of a real estate venues and services company (Viparis). Viparis is a world leader jointly owned with the Chamber of Commerce and Industry of Paris Île-de-France (CCIR), but operated and fully consolidated by URW.

The Convention & Exhibition business has a seasonal results pattern, with annual, biennial and triennial shows, and an uneven distribution of shows during the year.

In total, 708 events were held in Viparis venues during 2019, of which 241 shows, 96 congresses and 371 corporate events. Viparis' EBITDA(2) increased by +€16.6 Mn (+13.1%) compared to the reported EBITDA (€126.7 Mn) for 2017.

PORTFOLIO BREAKDOWN

NET RENTAL INCOME AND RECURRING NET RESULT

€ Mn***	FY-2019	FY-2018	Growth	Like-for-like Growth(*)
Shopping Centres(**)	2,293.2	1,912.4	+19.9%	+3.1%
Offices & Others(***)	102.9	148.8	-30.1%	-1.2%
Convention & Exhibition(**)(***)	95.1	99.8	-4.7%	+3.4%
Net Rental Income	2,491.2	2,161.0	+15.3%	+3.0%
Recurring Net Result (Group share)	1,759.7	1,609.8	+9.3%	

	FY-2019	FY-2018	Growth	Like-for-like Growth(*)
Recurring EPS	12.72	13.15	-3.3%	
ADJUSTED RECURRING EPS	12.37	12.92	-4.3%	

* Net Rental Income excluding acquisitions, divestments, transfers to and from pipeline (extensions, brownfields or redevelopment of an asset when operations are stopped to enable works), all other changes resulting in any change to square metres and currency exchange rate differences in the periods analysed.

** In 2019, Les Boutiques du Palais was reclassified from France Shopping Centres to Convention & Exhibition (C&E). 2018 was restated accordingly.

*** In 2019, the hotels CNIT Hilton, Novotel Lyon Confluence and Pullman Montparnasse were reclassified from Convention & Exhibition to Offices & Others (France). 2018 was restated accordingly.

VALUATION SPLIT PER ACTIVITY

	Proportionate		IFRS		Group share	
Asset portfolio valuation – 31/12/2019	(€ Mn)	%	(€ Mn)	%	(€ Mn)	%
Shopping Centres	56,495	86%	53,995	86%	49,474	87%
Offices & Others	4,186	6%	4,106	7%	4,088	7%
Convention & Exhibition	2,984	5%	2,985	5%	1,560	3%
Services	1,676	3%	1,676	3%	1,587	3%
TOTAL	65,341	100%	62,762	100%	56,708	100%

(2) EBITDA restated for triennial events (in-Cosmetics 2019) and Palais des Congrès de Versailles (no longer managed by Viparis since December 31, 2018).

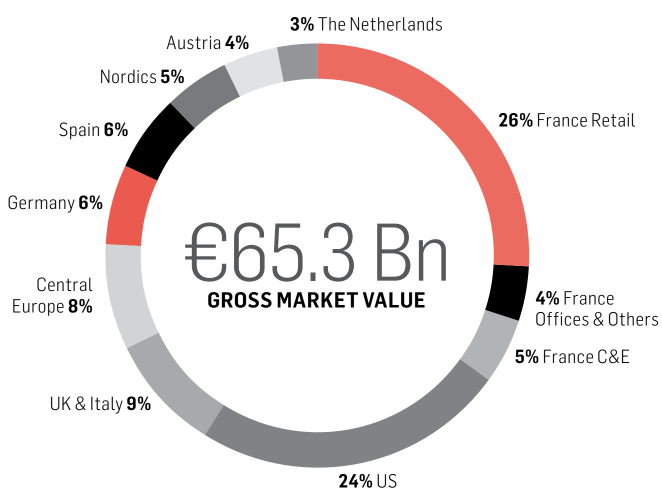
VALUATION SPLIT PER ACTIVITY AND REGION

Valuation split per region

	31/12/2019		31/12/2018	
Valuation of Shopping Centre portfolio	(€ Mn)	%	(€ Mn)	%
France	16,571	29%	16,282	29%
Central Europe	5,408	10%	5,321	9%
Spain	3,827	7%	3,703	7%
Nordics	3,282	6%	3,486	6%
Germany	3,591	6%	3,756	7%
Austria	2,510	4%	2,583	5%
The Netherlands	1,703	3%	1,631	3%
US	15,204	27%	14,933	26%
UK & Italy	4,454	8%	4,818	9%
TOTAL	56,495	100%	56,514	100%

	31/12/2019		31/12/2018	
Valuation of Offices & Others portfolio	(€ Mn)	%	(€ Mn)	%
France	2,830	68%	2,879	73%
Nordics	171	4%	168	4%
Other countries	411	10%	144	4%
US	356	8%	302	8%
UK & Italy	419	10%	432	11%
TOTAL	4,186	100%	3,924	100%

The chart below shows the split of GMV per region as at December 31, 2019, including assets accounted for using the equity method:



Figures may not add up due to rounding

DEVELOPMENT PIPELINE

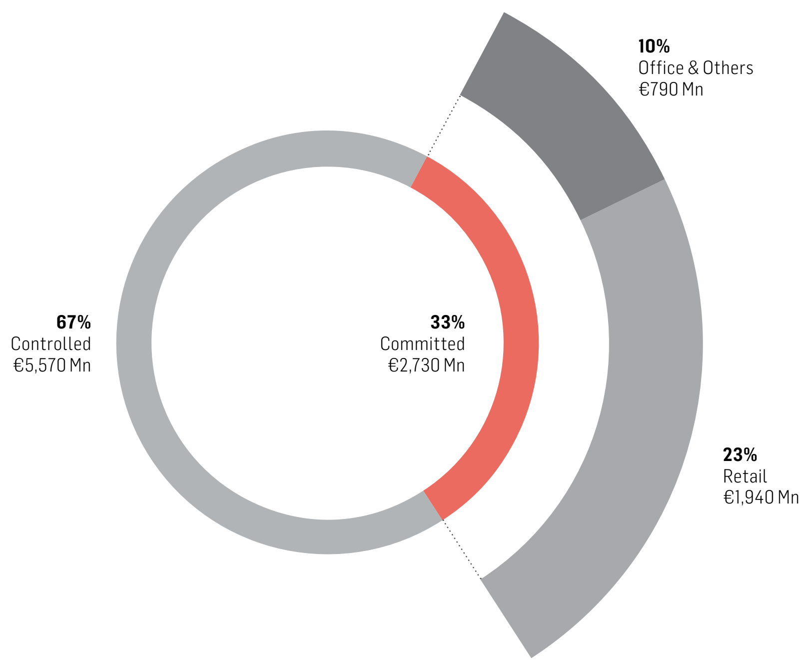
The table below shows the evolution of URW's development pipeline between December 31, 2018, and December 31, 2019:

(€ Bn)	31/12/2019	31/12/2018
Committed projects[1]	2.7	
Controlled projects[2]	5.6	
URW TOTAL INVESTMENT COST	8.3	11.9

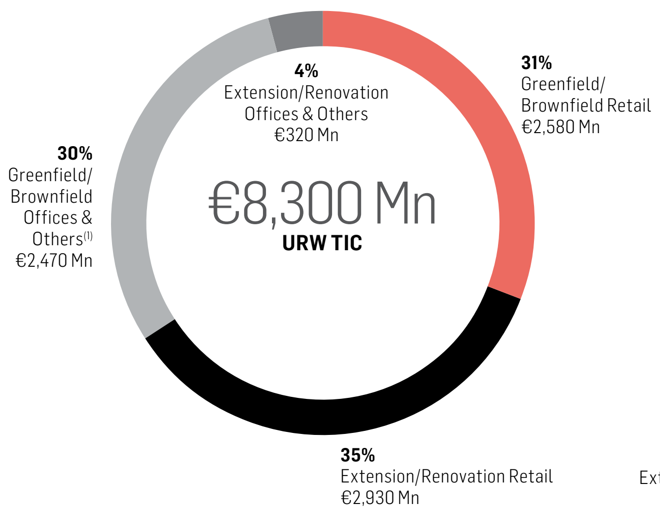
Figures may not add up due to rounding.
(1) Committed: projects for which URW owns the land or building rights and has obtained:
- all necessary administrative authorisations and permits;
- approvals of JV partners (if applicable);
- approvals of URW's internal governing bodies to start superstructure construction works; and
- on which such works have started.

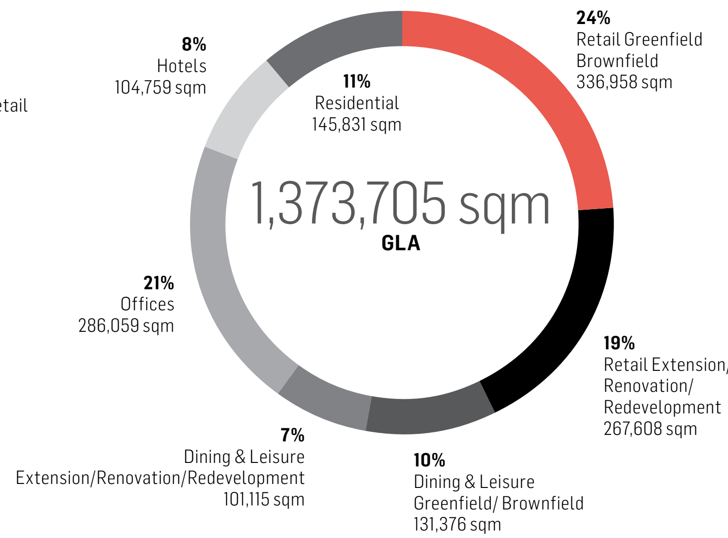
(2) Controlled: projects at an advanced stage of studies, for which URW controls the land or building rights, and all required administrative authorisations have been filed or are expected to be filed shortly. There can be no assurance these will become "Committed" projects, as this will be subject to having obtained all required administrative approvals, as well as those of JV partners (if applicable), and of URW's internal governing bodies to start superstructure works.

DEVELOPMENT PIPELINE BY PROJECT PHASE

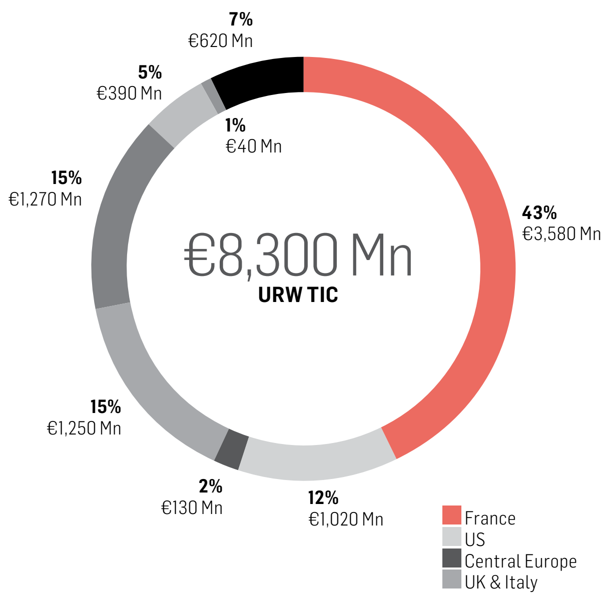


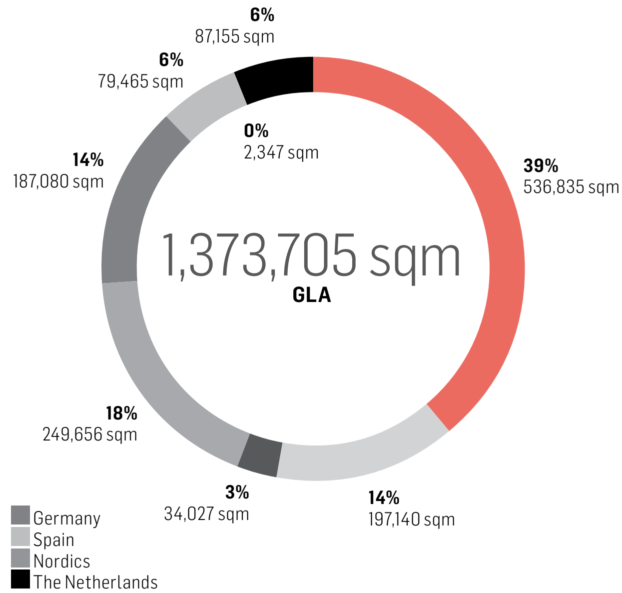
DEVELOPMENT PIPELINE BY CATEGORY AND REGION[(1)]





(1) Including Residential and Hotel units.





(1) Figures may not add up due to rounding.

1.5 PORTFOLIO

1.5.1 FRANCE: SHOPPING CENTRES

Portfolio as at December 31, 2019	GLA of the whole complex sqm	Parking spaces	Catchment area *(in million people)*	Number of visits *(in million)*	Year of acquisition	Construction (C) Refurbishment (R) date	Occupancy (EPRA definition)	GLA of the property owning companies sqm	% URW's share	% of consoli-dation	Total space according to consoli-dation sqm	Consoli-dation method
Shopping Centres in the Paris Region												
Westfield Carré Sénart (Lieusaint) Carrefour, Galeries Lafayette, Apple; 209 units, a cinema complex and shopping park	155,700	7,700	2.7(*)	15.7	1994/99	2002 (C) 2006/07 (C) 2012 (C) 2017 (C) 2019	96.0%	129,600	100%	100%	129,600	FC
Westfield Les 4 Temps (La Défense) Auchan, Castorama, C&A, PicWicToys, Apple; 217 units and a cinema complex	141,200	5,400(1)	11.7(*)	44.3	1992/95/99 2011 2016	1981 (R) 2006/08	99.4%	136,500	53%	100%	136,500	FC
Westfield Parly 2 (Le Chesnay) Printemps, BHV, FNAC, Decathlon, Apple; 187 units and a cinema complex	127,300	4,560	8.9(*)	12.1	2004 2012 2018	1969/87 (R) 2011 (R) 2015 (C) 2017 (C) 2019	98.6%	102,800	50%	100%	102,800	FC
Westfield Vélizy 2 (Vélizy-Villacoublay) Auchan, Printemps, FNAC, PicWicToys, Apple; 192 units and a cinema complex	124,300	6,500	9.7(*)	15.8	1994 2007	(R) 2005/07 (C) 2019	99.7%	86,700	100%	100%	86,700	FC
Westfield Rosny 2 (Rosny-sous-Bois) Carrefour, Galeries Lafayette, FNAC, C&A, Apple; 167 units and a cinema complex	114,500	6,070	11.7(*)	14.5	1994 2001 2010 2016 2018	1973 (R) 1997 (C) 2011 (R) 2015	95.9%	32,400 29,200 20,600	26% 100% 50%	n.a. 100% 100%	49,800	FC & EM-JV
Aéroville (Roissy-en-France) Auchan, Decathlon, New Yorker, Furet du Nord, King Jouet; 163 units and a cinema complex	84,900	4,450	4.4(*)	9.2		2013	94.3%	84,900	100%	100%	84,900	FC
Westfield Forum des Halles (Paris 1st) FNAC, H&M, Monoprix, Go Sport, Nike; 137 units and a cinema complex	75,600	1,150	14.8(*)	53.8	1994 2010 2016	1979/86 (R) 1996 (C) 2016	99.1%	75,600	65%	100%	75,600	FC
So Ouest (Levallois-Perret) Leclerc, Boulanger, Go Sport, H&M; 108 units and a cinema complex	56,900	1,700(1)	8.6	7.6	2006 2010	(C) 2012/2015	99.1%	52,100	100%	100%	52,100	FC
Ulis 2 (Les Ulis) Carrefour, C&A, Go Sport; 86 units and a cinema complex	54,000	3,200(1)	2.5	5.8	1994	1973 (R) 1998/99	92.9%	25,200	100%	100%	25,200	FC
CNIT (La Défense) FNAC, Decathlon, Monoprix; 28 units	28,400	330(2)	11.7	15.1	1999	1989 (R) 2009	98.9%	28,400	100%	100%	28,400	FC
L'Usine Mode et Maison (Vélizy-Villacoublay) Galeries Lafayette; 74 units	21,000	1,270	6.2	0.8	2005	1986 (R) 2011	75.7%	21,000	100%	100%	21,000	FC
Galerie Gaîté (Paris 15th) Darty	n.a.	2,030(3)	6.7	n.a.	1998	1976 (R) 2000/01	n.a.	n.a.	100%	100%	n.a.	FC
Carrousel du Louvre (Paris 1st) Printemps, Nature & Découvertes; 36 units	13,400	670(1)(4)	6.8	15.9	1999	1993 (R) 2009	89.9%	13,400	100%	100%	13,400	FC
Sub-total Shopping Centres in the Paris Region											**806,000**	

Catchment area: determined according to CACI gravity model (*) or less than 30 minutes from the Shopping Centre.
(1) Car parks not owned by URW.
(2) Car parks are owned by CNIT C&E and are shared between CNIT C&E, CNIT Offices and CNIT Retail.
(3) Gaîté Montparnasse car parks are shared between Pullman hotel, Gaîté shopping gallery and offices.
(4) The Carrousel du Louvre car park is shared between the shopping centre and the exhibition space.

Portfolio as at December 31, 2019	GLA of the whole complex sqm	Parking spaces	Catchment area *(in million people)*	Number of visits *(in million)*	Year of acquisition	Construction (C) Refurbishment (R) date	Occupancy (EPRA definition)	GLA of the property owning companies sqm	% URW's share	% of consoli-dation	Total space according to consoli-dation sqm	Consoli-dation method
Shopping Centres in the French Provinces												
La Part-Dieu (Lyon) Carrefour, Galeries Lafayette, Decathlon, C&A, FNAC; 211 units and a cinema complex	124,900	1,350	4.0(*)	30.4	2004 2016	1975 (R) 2001/02 (C) 2009/10 (R) 2011	98.1%	82,100	100%	100%	82,100	FC
La Toison d'Or (Dijon) Primark, Carrefour, Cultura, Boulanger, Apple; 149 units	78,700	3,700	1.2(*)	8.3	1994 2017	1990 (C) 2013	98.9%	49,200	100%	100%	49,200	FC
Polygone Riviera (Cagnes-sur-Mer) Printemps, H&M, Zara, Primark, FNAC; 112 units, a cinema complex and a casino	74,900	3,500	1.5(*)	7.1	2017	(C) 2015	95.8%	68,800	100%	100%	68,800	FC
Westfield Euralille (Lille) Carrefour, Go Sport, Primark; 112 units	67,700	2,900(1)	3.5(*)	16.8	1994 2010	1994 (R) 2015	97.0%	51,600	76%	100%	51,600	FC
Villeneuve 2 (Villeneuve-d'Ascq) Auchan, C&A, Zara; 129 units	56,700	3,500(1)	1.8	12.3		1977 (R) 2004/06 (R) 2018	97.2%	32,200	100%	100%	32,200	FC
Lyon Confluence (Lyon) Carrefour, Joué Club, Decathlon, Apple; 91 units and a cinema complex	53,800	1,430	1.6	10.2		2012	98.3%	53,800	100%	100%	53,800	FC
Rennes Alma (Rennes) Carrefour, Printemps; 110 units	46,500	2,690	1.3(*)	7.2	2005 2007	1971 (R) 1990 (C) 2013	99.2%	32,500	100%	100%	32,500	FC
La Valentine (Marseille) Printemps, Darty, FNAC; 70 units	39,500	1,650	1.4	n.a.	2007 2017 2018	1982 (R) 1999	100.0%	19,000	100%	100%	19,000	FC
Sub-total Shopping Centres in the French Provinces											**389,200**	

Catchment area: determined according to CACI gravity model (*) or less than 30 minutes from the Shopping Centre.
(1) Car parks not owned by URW.

Portfolio as at December 31, 2019	GLA of the whole complex sqm	Parking spaces	Catchment area *(in million people)*	Number of visits *(in million)*	Year of acquisition	Construction (C) Refurbishment (R) date	Occupancy (EPRA definition)	GLA of the property owning companies sqm	% URW's share	% of consoli-dation	Total space according to consoli-dation sqm	Consoli-dation method
Other Holdings												
Bel-Est (Bagnolet) Auchan; 58 units	48,800	2,000	3.8	n.a.	2010	1992	91.8%	500 5,000	100% 35%	100% 35%	2,300	FC
Aquaboulevard (Paris 15th) Decathlon, water park, fitness center, event area, food court; 3 stores and a cinema complex	38,500	1,000	n.a.	n.a.	2006 2008	1990	100.0%	32,500	100%	100%	32,500	FC
Maine Montparnasse (Paris 15th) 1 Naf Naf store	35,500	1,900	n.a.	n.a.	2007		100.0%	200	100%	100%	200	FC
Villabe (Villabe) Carrefour, PicWicToys; 56 units	35,300	2,400	1.3	n.a.	2010 2012 2013 2015	1992	73.6%	4,600 5,800	100% 49%	100% 49%	7,400	FC
Bobigny 2 (Bobigny) Auchan; 50 units and a cinema complex	26,900	1,110	4.0	n.a.	2004	1974	43.2%	7,900	100%	100%	7,900	FC
Go Sport (Saintes)	2,500	n.a.	n.a.	n.a.	2007		0.0%	2,500	100%	100%	2,500	FC
Sub-total Other Holdings											52,800	
Total (according to the scope of consolidation)											**1,248,000**	

Catchment area: less than 30 minutes from the Shopping Centre.

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1.5.2 FRANCE: CONVENTION & EXHIBITION

Portfolio as at December 31, 2019	Total floor space sqm	Parking spaces	Year of acquisition	Construction (C) Refurbishment (R) date	% URW's share	% of consolidation	Total space according to consolidation sqm	Description	Consolidation method
Property and Operation									
Paris Nord Villepinte	246,300	13,000	2008	Hall 7 in 2010	50%	100%	246,300	9 exhibition halls, 45 conference rooms of which 3 auditoriums	FC
Paris Porte de Versailles (Paris 15th)	221,500	3,930	2000	(C) Hall 5 in 2003 (R) Pavillon 7 in 2017 (C) Pavillion 6 in 2019	50%	100%	221,500	7 exhibition halls (from 19,000 to 70,000 sqm), of which 1 convention centre with a 5,200 seat plenary room 2 hotels: Novotel and Mama Shelter	FC
Le Palais des Congrès de Paris (Paris 17th)	48,000	1,780[2]	2008	1993	50%	100%	48,000	82 meeting rooms, 18 conference rooms 4 auditoriums	FC
CNIT (La Défense)	24,000	1,100[1]	1999	(R) 2007	100%	100%	24,000	Exhibition and convention space	FC
Espace Champerret (Paris 17th)	8,500	1,480[2]	1989/1995	(R) 2008	50%	100%	8,500	Exhibition space (trade shows)	FC
Carrousel du Louvre (Expos) (Paris 1st)	6,500	4,300[2]	1999	1993 (R) 2016	100%	100%	6,500	Exhibition space (trade and fashion shows, corporate events)	FC
Espace Grande Arche (La Défense)	5,000	n.a.	2001	(R) 2003	50%	100%	5,000	Flexible space covering 5,000 sqm	FC
Operation									
Paris, Le Bourget	79,700	1,500	2008	1952 2005	50%	100%	n.a.	5 exhibition halls, 7 conference rooms of which 1 auditorium	FC
Palais des Congrès d'Issy-les-Moulineaux	3,000	n.a.	2009	(R) 2018	48%	100%	n.a.	14 conference rooms of which 1 auditorium	FC
Hôtel Salomon de Rothschild (Paris 8th)	1,300	n.a.	2014	(R) 2007 (R) 2010 (R) 2016	50%	100%	n.a.	8 18th century rooms 1 reception room	FC
Palais des Sports (Paris 15th)	n.a.	n.a.	2002	1960	25%	50%	n.a.	Flexible entertainment or convention room from 2,000 to 4,200 seats	EM-JV
Total (according to the scope of consolidation)							**559,800**		

(1) Car parks are owned by CNIT C&E and shared between CNIT C&E, CNIT Offices and CNIT Retail.
(2) Car parks not owned by URW.

1.5.3 FRANCE: OFFICES

Portfolio* as at December 31, 2019	Total floor space sqm	Parking spaces	Year of acquisition	Construction (C) Refurbishment (R) date	Occupancy (EPRA definition)	Total floor space of the property owning companies sqm	% URW's share	% of consoli-dation	Total space according to consoli-dation sqm	Main tenants *(in terms of rental income)*	Consoli-dation method
Paris CBD, Paris and Western Paris Outskirts											
Paris 15th											
Le Sextant	13,400	140	2009	(C) 1998	73.7%	13,400	100%	100%	13,400	Direct Energie, APEC, Alloresto	FC
Paris 16th									**13,400**		
7, place du Chancelier-Adenauer	12,100	150	1999	(R) 2008	100.0%	12,100	100%	100%	12,100	Unibail-Rodamco-Westfield	FC
Sub-total "Paris CBD"									**12,100**		
Paris - La Défense											
Les Villages de l'Arche	41,900	1,550	1999	(R) 2006 (R) 2016(1)	94.2%	41,900	100%	100%	41,900	Orange, Orange Cyber Défense, Genegis, Ageas, SMI, M2I, Groupe Lucien Barrière, CIAMT	FC
CNIT (Offices)	37,100	1,120(2)	1999	(R) 2009	95.5%	37,100	100%	100%	37,100	SNCF, ESSEC, IFSI, Châteauform	FC
CNIT (Hotel)	10,800	n.a.	1999	(R) 2008	100.0%	10,800	100%	100%	10,800	Hilton	FC
Sub-total "Paris - La Défense"									**89,800**		
Issy-les-Moulineaux											
Shift	46,700	480	1999	(R) 2019	100%	46,700	100%	100%	46,700	Nestlé	FC
Sub-total "Issy"									**46,700**		
Other office buildings in Paris and Western Paris region											
Gaîté-Montparnasse(3) (Offices) (Paris 14th)	n.a.	n.a.	1998	(C) 1974	n.a.	n.a.	100%	100%	n.a.		FC
Gaîté-Montparnasse(3) (Hotel) (Paris 14th)	n.a.	n.a.	1998	(R) 2012	n.a.	n.a.	100%	100%	n.a.	Pullman Hotel	FC
29, rue du Port (Nanterre)	10,300	90	2010	(C) 1989	100.0%	10,300	100%	100%	10,300	Xylem Water Solutions France	FC
Le Blériot (Rueil Malmaison)	3,400	70	2016	(C) 1989	0.0%	3,400	100%	100%	3,400		FC
Sub-total of other office assets in Paris and Western Paris region									**13,700**		
Other											
Tour Rosny (Rosny-sous-Bois)	13,100	200	2017 2018	(C) 1975	29.9%	13,100	100%	100%	13,100		FC
Versailles Chantiers (Versailles)	16,300	150	2016	(C) 2019	66.0%	16,300	100%	100%	16,300	Léon Grosse, Stop & Work, France Habitation, SMA BTP	FC
Novotel (Lyon)	7,600	n.a.	2012	(C) 2012	100.0%	7,600	100%	100%	7,600	Novotel	FC
Sub-total Other									**37,000**		
Total (according to the scope of consolidation)									**212,700**		

* And related: shops in office buildings, light-industrial space.
(1) Refurbishment of Village 3 and Village 4 buildings.
(2) Car parks are owned by CNIT C&E and shared between CNIT C&E, CNIT Offices and CNIT Retail.
(3) Currently under redevelopment

1.5.4 CENTRAL EUROPE: SHOPPING CENTRES

Portfolio as at December 31, 2019	GLA of the whole complex sqm	Parking spaces	Catchment area *(in million people)*	Number of visits *(in million)*	Year of acquisition	Construction (C) Refurbishment (R) date	Occupancy (EPRA definition)	GLA of the property owning companies sqm	% URW's share	% of consoli-dation	Total space according to consoli-dation sqm	Consoli-dation method
Czech Republic												
Centrum Cerny Most (Prague) Superdry, H&M, Nespresso, Aw Lab, Sinsay; 175 units and a cinema complex	107,600	3,720	1.7	12.4	2000	(C) 1997 (C) 2013	100.0%	107,600	100%	100%	107,600	FC
Westfield Chodov (Prague) Armani Exchange, Hugo Boss, Zara, Vapiano, Douglas; 302 units and a cinema complex	101,400	3,430	2.8	19.2	2005 2014	(C) 2005 (C+R) 2014 (C+R) 2017	98.7%	101,400	100%	100%	101,400	FC
Metropole Zlicin (Prague) Gant, Reserved, Rituals; 125 units and a cinema complex	54,100	1,800	1.5	8.4	2017	(C) 2002 (C) 2004	97.5%	54,100	50%	100%	54,100	FC
Sub-total Shopping Centres in Czech Republic											**263,100**	
Poland												
Westfield Arkadia (Warsaw) Victoria's Secret, H&M, Zara, Douglas, Mango; 222 units and a cinema complex	117,800	3,900	2.7	18.1	2010	(C) 2004 (C) 2017	99.2%	79,600	100%	100%	79,600	79,600
Wroclavia (Wroclaw) H&M, Zara, Reserved, Peek & Cloppenburg, CCC; 191 units and a cinema complex	72,500	2,080	0.7	16.2		(C) 2017	97.4%	72,500	100%	100%	72,500	FC
Galeria Mokotow (Warsaw) H&M, KappAhl, Peek & Cloppenburg, Zara, Royal Collection; 250 units and a cinema complex	68,300	2,240	1.9	11.6	2003 2011	(C) 2000 (C) 2002 (C) 2006 (C) 2013	98.3%	68,300	100%	100%	68,300	FC
Zlote Tarasy[(1)] (Warsaw) H&M, Zara, Van Graaf, Douglas, Victoria's Secret, Reserved; 187 units and a cinema complex	66,400	1,130	2.0	20.4	2007 2012 2013	(C) 2007	n.a.	66,400	100%	n.a.	n.a.	EM-A
CH Ursynow (Warsaw) OBI, Auchan, Lider, Go Sport, RTV EURO AGD; 31 units	46,300	1,680	1.5	5.0	2014	(C) 1998	95.5%	n.a.	5%	n.a.	n.a.	EM-JV
Wilenska (Warsaw) Go Sport, RTV EURO AGD; 95 units	41,100	1,100	1.7	14.9	2010	(C) 2002	97.3%	19,200	100%	100%	19,200	FC
Sub-total Shopping Centres in Poland											**239,600**	
Slovak Republic												
Aupark (Bratislava) Zara, H&M, Gant, Kiehl's, Tous, Peek & Cloppenburg; 220 units and a cinema complex	60,100	1,900	0.7	11.8	2006 2011 2018	(C) 2001 (R) 2015	99.8%	60,100	100%	100%	60,100	FC
Sub-total Shopping Centres in Slovak Republic											**60,100**	
Total (according to the scope of consolidation)											**562,800**	

Catchment area: less than 30 minutes from the Shopping Centre.
(1) Not managed by URW.

1.5.5 CENTRAL EUROPE: OFFICES

Portfolio as at December 31, 2019	Total floor space sqm	Year of acquisition	Construction (C) Refurbishment (R) date	Total floor space of the property owning companies sqm	% URW's share	% of consolidation	Total space according to consolidation sqm	Consolidation method
Poland								
Wilenska Offices (Warsaw)	13,500	2010	2002	4,800	100%	100%	4,800	FC
Wroclavia Offices (Wroclaw)	8,500		(C) 2017	8,500	100%	100%	8,500	FC
Total (according to the scope of consolidation)							**13,300**	

1.5.6 SPAIN: SHOPPING CENTRES

Portfolio as at December 31, 2019	GLA of the whole complex sqm	Parking spaces	Catchment area *(in million people)*	Number of visits *(in million)*	Year of acquisition	Construction (C) Refurbishment (R) date	Occupancy (EPRA definition)	GLA of the property owning companies sqm	% URW's share	% of consoli-dation	Total space according to consoli-dation sqm	Consoli-dation method
Parquesur (Madrid) El Corte Inglés, Leroy Merlin, Media Markt, Fnac; 204 units and a Cinema complex	151,200	5,980	5.7	20.0	1994	(C) 1989 (C) 2005	99.9%	125,400	100%	100%	125,400	FC
Bonaire (Valencia) Primark, H&M, Zara, C&A, Fnac; 152 units and a Cinema complex	135,000	5,700	1.8	11.2	2001	(C) 2001 (R) 2003 (R) 2012 (R) 2016	98.8%	55,700	100%	100%	55,700	FC
La Vaguada "Madrid 2" (Madrid) Alcampo, El Corte Inglés, Disney, Zara, Hema; 242 units and a Cinema complex	85,500	3,600	5.3	20.9	1995	(C) 1983 (R) 2003	98.1%	39,400	100%	100%	39,400	FC
La Maquinista (Barcelona) Zara, Media Markt, H&M, Apple; 220 units and a Cinema complex	77,700	5,500	4.6	17.0	2008	(C) 2000 (C) 2010 (R) 2012	99.8%	65,300	51%	100%	65,300	FC
Glòries (Barcelona) H&M, Zara, Pull&Bear, Fnac, Uniqlo; 137 units and a Cinema complex	68,800	2,270[(1)]	4.4	14.1	1998	(C) 1995 (R) 2001 (R) 2014/15 (R) 2016 (R) 2017	98.9%	40,800	100%	100%	40,800	FC
Splau (Barcelona) Primark, Media Markt, Zara, Mercadona; 155 units and a Cinema complex	55,400	2,800	4.2	10.2	2011	(C) 2010	99.6%	55,400	100%	100%	55,400	FC
Garbera (San Sebastian) Media Markt, Forum, H&M, Zara, Toys 'R' Us; 69 units	40,000	2,780	0.5	4.0	2002	(C) 1997 (R) 2002 (R) 2014	100.0%	25,300	100%	100%	25,300	FC
Equinoccio (Madrid) Decathlon, Ilusiona, Espacio Casa, Fit Up; 35 units and a Cinema complex	36,800	1,410	5.2	3.6	1998	(C) 1998 (R) 2000/08 (C) 2012 (R) 2015	93.8%	33,900	100%	100%	33,900	FC
Total (according to the scope of consolidation)											**441,200**	

Catchment area: less than 30 minutes from the Shopping Centre.
(1) Car Parks partly owned by URW.

1.5.7 SPAIN: OFFICES

Portfolio as at December 31, 2019	Total floor space sqm	Year of acquisition	Construction (C) Refurbishment (R) date	Total floor space of the property owning companies sqm	% URW's share	% of consolidation	Total space according to consolidation sqm	Consolidation method
La Vaguada Offices (Madrid)	10,300	2018		10,300	100%	100%	10,300	FC
Total (according to the scope of consolidation)							**10,300**	

1.5.8 NORDICS: SHOPPING CENTRES

Portfolio as at December 31, 2019	GLA of the whole complex sqm	Parking spaces	Catchment area *(in million people)*	Number of visits *(in million)*	Year of acquisition	Construction (C) Refurbishment (R) date	Occupancy (EPRA definition)	GLA of the property owning companies sqm	% URW's share	% of consoli-dation	Total space according to consoli-dation sqm	Consoli-dation method
Sweden												
Westfield Mall of Scandinavia (Greater Stockholm) H&M, Zara, Mango, & other Stories, Under Armour, Victoria's Secret; 218 units and a cinema complex	103,500	3,530	1.6	14.9		(C) 2015	99.2%	103,500	100%	100%	103,500	FC
Täby Centrum (Greater Stockholm) H&M, G-Star, Apple, Mango, Rituals, Stadium; 245 units and a cinema complex	83,800	2,670	0.8	12.7	1997	(C) 1968/1969 (R) 1975/1992/2015	94.6%	83,800	100%	100%	83,800	FC
Nacka Forum (Greater Stockholm) H&M, Zara, Jumpyard, Media Markt, New Yorker, Ahléns; 143 units	56,900	1,750	1.7	6.9	1996	(R) 1990/1997/2008	97.5%	56,900	100%	100%	56,900	FC
Solna Centrum (Greater Stockholm) Stadium, H&M, Hemköp, Systembolaget, Lidl; 20 units	49,800	1,270	2.0	7.0	1985	(C) 1962/1965/1992 (R) 2012/2013	90.8%	49,800	100%	100%	49,800	FC
Sub-total Shopping Centres in Sweden											**294,000**	
Denmark												
Fisketorvet (Copenhagen) Fotex Hypermarket, Silvan, Bahne, Sport24; 122 units and a cinema complex	58,700	1,600	1.0	7.8	2000	2000 (R) 2013	97.2%	58,700	100%	100%	58,700	FC
Sub-total Shopping Centres in Denmark											**58,700**	
Total (according to the scope of consolidation)											**352,700**	

Catchment area: less than 30 minutes from the Shopping Centre.

1.5.9 NORDICS: OFFICES

Portfolio as at December 31, 2019	Total floor space sqm	Year of acquisition	Construction (C) Refurbishment (R) date	Total floor space of the property owning companies sqm	% URW's share	% of consolidation	Total space according to consolidation sqm	Consolidation method
Sweden								
Solna Centrum (Greater Stockholm) Offices and 108 apartments	29,800	1985	1962/1965/1992	29,800	100%	100%	29,800	FC
Täby Centrum (Greater Stockholm)	21,500	1997	1968/1969 1975/1992	21,500	100%	100%	21,500	FC
Nacka Forum (Greater Stockholm)	13,400	1996	1990/1997/2008	13,400	100%	100%	13,400	FC
Total (according to the scope of consolidation)							**64,700**	

1.5.10 AUSTRIA: SHOPPING CENTRES

Portfolio as at December 31, 2019	GLA of the whole complex sqm	Parking spaces	Catchment area *(in million people)*	Number of visits *(in million)*	Year of acquisition	Construction (C) Refurbishment (R) date	Occupancy (EPRA definition)	GLA of the property owning companies sqm	% URW's share	% of consoli-dation	Total space according to consoli-dation sqm	Consoli-dation method
Shopping City Süd (SCS) (Vienna) Zara, H&M, Primark, P&C, Saturn; 282 units and a cinema complex	201,200	9,700	2.0	24.7	2008	(C) 1976/ 2002/2012 (R) 2013	99.1%	138,600	100%	100%	138,600	FC
Donau Zentrum (Vienna) Interspar, Zara, H&M, P&C, C&A; 261 units and a cinema complex	126,600	3,000	1.7	18.7	2003	(C) 1975/2000/2006/ 2008/2010 (R) 2012	98.7%	126,600	100%	100%	126,600	FC
Total (according to the scope of consolidation)											**265,200**	

Catchment area: less than 30 minutes from the Shopping Centre.

1.5.11 AUSTRIA: OFFICES

Portfolio as at December 31, 2019	Total floor space sqm	Year of acquisition	Construction (C) Refurbishment (R) date	Total floor space of the property owning companies sqm	% URW's share	% of consolidation	Total space according to consolidation sqm	Consolidation method
Donauzentrum (Vienna)	9,500	2003	1975 1985	9,500	100%	100%	9,500	FC
Shopping City Süd (SCS) (Vienna)	9,000	2008	1989	9,000	100%	100%	9,000	FC
Total (according to the scope of consolidation)							**18,500**	

1.5.12 GERMANY: SHOPPING CENTRES

Portfolio as at December 31, 2019	GLA of the whole complex sqm	Parking spaces	Catchment area *(in million people)*	Number of visits *(in million)*	Year of acquisition	Construction (C) Refurbishment (R) date	Occupancy (EPRA definition)	GLA of the property owning companies sqm	% URW's share	% of consoli-dation	Total space according to consoli-dation sqm	Consoli-dation method
CentrO (Oberhausen) Kaufhof, Sinn, Saturn, P&C, H&M; 216 units and a cinema complex	242,700	12,000	3.3	15.2	2014	(C) 1996	97.6%	235,800	50%	50%	117,900	EM-JV
Ruhr Park (Bochum) Karstadt, Kaufland, Sinn, MediaMarkt, H&M; 164 units and a cinema complex	119,500	4,416	3.8	10.9	2012	(C) 1964 (R) 2015	97.3%	110,800	65%	100%	110,800	FC
Paunsdorf Center (Leipzig) Kaufland, MediaMarkt, Decathlon, C&A, H&M; 172 units	113,700	7,300	0.9	7.6	2012	(C) 1994 (R) 2012	91.2%	113,700	26%	50%	56,900	EM-JV
Gropius Passagen (Berlin) Kaufland, Karstadt, P&C, SpieleMax, H&M; 146 units and a cinema complex	94,700	2,014	3.0	9.2	2012	(C) 1964 (R) 1997 (R) 2019	n.a.	94,700	10%	n.a.	n.a.	EM-A
Höfe am Brühl (Leipzig) MediaMarkt, Müller, H&M, New Yorker, Edeka; 130 units	51,300	820	1.1	13.7	2012	(C) 2012	95.0%	51,300	51%	100%	51,300	FC
Pasing Arcaden (Munich) MediaMarkt, Müller, HIT, C&A, H&M; 153 units	46,300	943	2.1	10.9	2012	(C) 2011 (C) 2013	99.3%	46,300	51%	100%	46,300	FC
Palais Vest (Recklinghausen) Kaufland, MediaMarkt, Reserved, H&M, C&A; 119 units	45,800	970	2.3	9.1	2012	(C) 2014	93.0%	45,800	51%	100%	45,800	FC
Minto (Mönchengladbach) Saturn, H&M, Reserved, Sportscheck, Müller; 111 units	41,500	905	1.5	8.6		(C) 2015	96.7%	41,500	51%	100%	41,500	FC
Gera Arcaden (Gera) Kaufland, Medimax, H&M, C&A, New Yorker; 84 units	33,300	1,309	0.3	6.8	2012	(C) 1998 (R) 2008	97.4%	33,300	51%	100%	33,300	FC
Total (according to the scope of consolidation)											**503,800**	

Catchment area: less than 30 minutes from the Shopping Centre.

1.5.13 GERMANY: OFFICES

Portfolio as at December 31, 2019	Total floor space sqm	Year of acquisition	Construction (C) Refurbishment (R) date	Total floor space of the property owning companies sqm	% URW's share	% of consolidation	Total space according to consolidation sqm	Consolidation method
Pasing Arcaden (Munich)	6,800	2012		6,800	51%	100%	6,800	FC
Gera Arcaden (Gera)	5,000	2012		5,000	51%	100%	5,000	FC
Höfe am Brühl (Leipzig)	4,900	2012	(C) 2012	4,900	51%	100%	4,900	FC
Total (according to the scope of consolidation)							**16,700**	

1.5.14 THE NETHERLANDS: SHOPPING CENTRES

Portfolio as at December 31, 2019	GLA of the whole complex sqm	Parking spaces	Catchment area *(in million people)*	Number of visits *(in million)*	Year of acquisition	Construction (C) Refurbishment (R) date	Occupancy (EPRA definition)	GLA of the property owning companies sqm	% URW's share	% of consolidation	Total space according to consolidation sqm	Consolidation method
Citymall Almere (Almere) Media Markt, H&M, HEMA, Zara, Pull & Bear; 137 units and a cinema complex	89,500	1,588(1)	1.1	8.9	2002	(C) 2002 (R) 2008	91.8%	87,000	100%	100%	87,000	FC
Stadshart Zoetermeer (Zoetermeer) Albert Heijn XL, H&M, Primark, HEMA, Media Markt; 123 units	84,100	3,270(2)	2.4	9.7	1983	(C) 1983 (R) 2005	94.9%	54,900	100%	100%	54,900	FC
Stadshart Amstelveen (Amstelveen) De Bijenkorf, H&M, HEMA, Albert Heijn, Zara; 140 units	81,300	2,780(2)	2.6	9.3	2005	(C) 1960 (R) 1998	93.8%	58,100	100%	100%	58,100	FC
Westfield Mall of the Netherlands (the Hague region)(3) Albert Heijn, HEMA, Jumbo, Media Markt; 95 units (280 units at completion)	n.a.	1,180(2)	2.9	n.a.	1990	(C) 1971 (R) 2000	n.a.	n.a.	100%	100%	n.a.	FC
Sub-total Shopping Centres in The Netherlands											**200,000**	
Other holdings												
De Els (Waalwijk) 11 units	14,500	500(1)	n.a.	n.a.	1990	(C) 1975 (R) 1990	n.a.	1,200	100%	100%	1,200	FC
Kerkstraat (Hilversum) C&A 2 units	12,200	70	n.a.	n.a.	1993	n.a.	n.a.	10,300	100%	100%	10,300	FC
In den Vijfhoek (Oldenzaal) 34 units	8,100	340(1)	n.a.	n.a.	1980	(C) 1980	n.a.	7,900	100%	100%	7,900	FC
Zoetelaarpassage (Almere) Lidl; 20 units	6,500	n.a.	n.a.	n.a.	1983	(C) 1983	n.a.	6,500	100%	100%	6,500	FC
Oosterdijk (Sneek) 2 units	1,500	n.a.	n.a.	n.a.	1988	n.a.	n.a.	1,000	100%	100%	1,000	FC
Sub-total Other holdings in The Netherlands											26,900	
Total (according to the scope of consolidation)											**226,900**	

Catchment area: less than 30 minutes from the Shopping Centre.
(1) Car parks not owned by URW.
(2) Car parks partly owned by URW and are shared between retail and office.
(3) Undergoing substantial extension and renovation.

1.5.15 THE NETHERLANDS: OFFICES

Portfolio as at December 31, 2019	Total floor space sqm	Year of acquisition	Construction (C) Refurbishment (R) date	Total floor space of the property owning companies sqm	% URW's share	% of consolidation	Total space according to consolidation sqm	Consolidation method
Stadshart Zoetermeer (Zoetermeer)	11,500	1983/2005	n.a.	5,400	100%	100%	5,400	FC
Stadshart Amstelveen (Amstelveen)	6,700	2005/2016	(C) 1999	6,100	100%	100%	6,100	FC
Total (according to the scope of consolidation)							**11,500**	

1.5.16 UNITED STATES: SHOPPING CENTRES

Portfolio as at December 31, 2019	GLA of the whole complex sqm	Parking spaces	Catchment area *(in million people)*	Number of visits *(in million)*	Year of acquisition	Construction (C) Refurbishment (R) date	GLA Occupancy	GLA of the property owning companies sqm	% URW's share	% of consolidation	Total space according to consolidation sqm	Consolidation method
United States Flagship												
Westfield Garden State Plaza (Paramus, New Jersey) Neiman Marcus, Nordstrom, Macy's, Gucci, Louis Vuitton, Apple, Anthropologie, H&M, Zara; 305 units	185,500	10,831	1.3	18.4	1996	(C) 1957 (R) 1997, 2007, 2014	93.2%	95,400	50%	50%	47,700	EM-JV
Westfield Topanga[1] (Canoga Park, California) Nordstrom, Neiman Marcus, Macy's, H&M, Zara, Apple, Tesla, Gucci, Louis Vuitton, The Cheesecake Factory, Costco; 349 units and a gym	177,700	6,143	0.8	19.0	1994	(C) 1964 (R) 1994, 2006, 2008, 2019	96.4%	96,300	55%	55%	53,000	EM-JV
Westfield Southcenter (Seattle, Washington) Macy's, Nordstrom, Apple, H&M, Sephora, UNIQLO, Coach, Din Tai Fung, The Cheesecake Factory; 255 units, a grocer, and a cinema complex	156,600	6,701	1.4	13.7	2002	(C) 1968 (R) 2008, 2012	96.3%	75,500	55%	55%	41,500	EM-JV
Westfield Old Orchard (Skokie, Illinois) Nordstrom, Apple, Tiffany & Co. The Cheesecake Factory; 151 units and a cinema complex	146,700	7,840	1.0	11.8	2002	(C) 1956 (R) 2007, 2011, 2013	95.8%	68,300	100%	100%	68,300	FC
Westfield Santa Anita (Santa Anita, California) Nordstrom, Macy's, Zara, Sephora, UNIQLO, Din Tai Fung, The Cheesecake Factory; 259 units; Gold's Gym, and a cinema complex	137,200	6,199	1.5	15.7	1998	(C) 1974 (R) 1994, 2004, 2009, 2012	97.1%	89,300	49%	49%	43,800	EM-JV
Westfield Valley Fair (Santa Clara, California) Nordstrom, Macy's, Louis Vuitton, Prada, Cartier, Ferragamo, Balenciaga, Zara, Din Tai Fung; 252 units	130,000	7,200	1.7	n.a.	1998	(C) 1986 (R) 2002, 2013, 2016	98.6%	61,700	50%	50%	30,900	EM-JV
Westfield UTC (San Diego, California) Macy's, Nordstrom, Pirch, Tiffany & Co., Lululemon, Tesla, Apple, Javier's, Din Tai Fung; 243 units and a cinema complex	128,300	4,924	0.9	14.6	1998	(C) 1977 (R) 1998, 2007, 2012, 2017	99.1%[2]	83,400	50%	50%	41,700	EM-JV
Westfield Annapolis (Annapolis, Maryland) Nordstrom, Apple, Lululemon, Zara; 247 units and a cinema complex	127,000	5,973	0.8	8.8	1994	(C) 1980 (R) 2007	95.5%	71,200	55%	55%	39,200	EM-JV
Westfield Century City (Los Angeles, California) Macy's, Nordstrom, Bloomingdales, Eataly, Equinox, Gelson's, Javier's, Din Tai Fung; 275 units and a cinema complex	124,700	4,851	1.4	19.0	2002	(C) 1964 (R) 2006, 2013, 2017	98.9%[2]	91,000	100%	100%	91,000	FC
Westfield Galleria at Roseville (Roseville, California) Macy's, Nordstrom, Apple, Tesla, Restoration Hardware, Louis Vuitton; 236 units	124,000	6,312	0.9	11.6	2002	(C) 2002 (R) 2008, 2018	96.1%	63,400	100%	100%	63,400	FC

Portfolio as at December 31, 2019	GLA of the whole complex sqm	Parking spaces	Catchment area *(in million people)*	Number of visits *(in million)*	Year of acquisition	Construction (C) Refurbishment (R) date	GLA Occupancy	GLA of the property owning companies sqm	% URW's share	% of consolidation	Total space according to consolidation sqm	Consolidation method
Westfield San Francisco Centre & Emporium (San Francisco, California) Bloomingdale's, Rolex, Burberry, Tiffany & Co., Bespoke, Zara; 195 units and a cinema complex	109,900	-	2.0	13.4	2002	(C) 1988 (R) 2006	90.5%	32,900 16,600	50% 100%	50% 100%	33,100	FC & EM-JV
Westfield Culver City (Culver City, California) Macy's, Target, Nordstrom Rack, Best Buy, H&M; 190 units, Gold's Gym, and Trader Joe's	98,700	4,285	1.7	11.5	1998	(C) 1975 (R) 2009, 2012	98.5%	63,000	55%	55%	34,700	EM-JV
Westfield Montgomery (Bethesda, Maryland) Nordstrom, Apple, Tesla, The Cheesecake Factory; 226 units, a bowling alley, and a cinema complex	97,100	5,831	0.9	n.a.	1994	(C) 1968 (R) 2001, 2014, 2016	92.2%	57,100	50%	50%	28,600	EM-JV
Westfield Fashion Square (Sherman Oaks, California) Macy's, Bloomingdale's, H&M, Apple, Sephora, Tesla, Coach; 148 units	80,000	3,856	0.7	6.0	2002	(C) 1961 (R) 2012	98.8%	33,300	50%	50%	16,700	EM-JV
Westfield World Trade Center (New York, New York) Eataly, Apple, Hugo Boss, H&M, Victoria's Secret; 111 units	30,300	0	7.9	n.a.	2012	(C) 2016	96.2%	30,300	100%	100%	30,300	FC
Sub-total Flagship Shopping Centres in the US											**663,900**	
United States Regional												
Westfield Wheaton (Wheaton, Maryland) Costco, Target, Macy's, H&M, L.A. Fitness; 177 units and a cinema complex	140,000	6,053	0.8	11.5	1997	(C) 1960 (R) 2005, 2013, 2016	93.8%	68,400	53%	53%	36,300	EM-JV
Westfield North County (Escondido, California) Apple, Coach, H&M, Old Navy, Michael Kors; 198 units	117,300	5,752	0.7	8.8	1994	(C) 1986 (R) 2006, 2012, 2014	92.1%	62,700	55%	55%	34,500	EM-JV
Westfield Countryside (Clearwater, Florida) Dillard's, GameTime, P.F. Changs, Bar Louie; 176 units and a cinema complex	117,000	5,712	0.5	6.5	2002	(C) 1975 (R) 2009, 2012	92.5%	43,200	50%	50%	21,600	EM-JV
Westfield Mission Valley (San Diego, California) Nordstrom Rack, Bloomingdale's Outlet, Ulta, West Elm; 132 units and a cinema complex	110,900	5,898	1.4	15.1	1994	(C) 1961 (R) 1997, 1998, 2004, 2007	94.8%	75,800	42%	42%	31,800	EM-JV
Westfield Oakridge (San Jose, California) Apple, H&M, Hollister, Nordstrom Rack, Sephora; 207 units and a cinema complex	106,900	4,399	0.8	11.6	1998	(C) 1973 (R) 2003	97.7%	73,500	55%	55%	40,400	EM-JV
Westfield Brandon (Brandon, Florida) Apple, Sephora, Lego, Dick's Sporting Goods, The Cheesecake Factory, P.F. Changs; 212 units	106,800	5,101	0.8	9.0	2002	(C) 1995 (R) 2007	95.2%	61,300	50%	50%	30,700	EM-JV
Westfield Citrus Park (Tampa, Florida) Abercrombie & Fitch, Sephora, BJ's Restaurant & Brewhouse; 154 units and a cinema complex	106,300	5,610	0.5	4.9	2002	(C) 1999 (R) 2007	87.4%	46,800	50%	50%	23,400	EM-JV

Portfolio as at December 31, 2019	GLA of the whole complex sqm	Parking spaces	Catchment area *(in million people)*	Number of visits *(in million)*	Year of acquisition	Construction (C) Refurbishment (R) date	GLA Occupancy	GLA of the property owning companies sqm	% URW's share	% of consoli-dation	Total space according to consoli-dation sqm	Consoli-dation method
Westfield Trumbull (Trumbull, Connecticut) Target, Macy's, Lord & Taylor, Apple, The Cheesecake Factory, Michael Kors, Ulta, H&M, Sephora; 166 units	105,000	4,436	0.4	7.6	1996	(C) 1962 (R) 2008, 2010	92.6%	42,200	53%	53%	22,400	EM-JV
Westfield Broward (Plantation, Florida) Victoria's Secret, H&M, G by Guess, Brio, Hollister; 124 units and a cinema complex	97,500	4,775	0.6	4.2	2007	(C) 1978 (R) 2014	94.8%	30,400	50%	50%	15,200	EM-JV
Westfield Plaza Bonita (National City, California) Nordstrom Rack, H&M, Disney Store, Hollister, M.A.C.; 196 units and a cinema complex	94,500	4,586	0.7	10.6	1994	(C) 1981 (R) 2008, 2011	95.1%	55,000	55%	55%	30,300	EM-JV
Westfield South Shore (Bay Shore, New York) Macy's, Lord & Taylor, Dick's Sporting Goods, The Cheesecake Factory, Michael Kors, Victoria's Secret, Ulta, Sephora; 134 units	92,600	4,922	0.4	5.7	1996	(C) 1963 (R) 1998, 2013	95.5%	62,800	100%	100%	62,800	FC
Westfield Palm Desert (Palm Desert, California) Barnes & Noble, Dick's Sporting Goods, H&M, Hollister; 154 units and a cinema complex	91,600	4,326	0.4	7.4	1999	(C) 1983 (R) 2001, 2004, 2014	88.4%	45,900	53%	53%	24,300	EM-JV
Westfield Valencia (Valencia, California) Macy's, Apple, H&M, Sephora, The Cheesecake Factory; 236 units, Gold's Gym, and a cinema complex	90,900	4,312	0.3	8.6	2005	(C) 1992 (R) 2010, 2019	92.6%	60,600	50%	50%	30,300	EM-JV
Westfield Meriden (Meriden, Connecticut) Macy's, Boscov's, Dick's Sporting Goods, TJ Maxx, H&M, Ulta, Victoria's Secret, Old Navy; 118 units	83,900	4,065	0.4	3.4	1994	(C) 1971 (R) 1999, 2015	83.3%	57,600	100%	100%	57,600	FC
Sub-total Regional Shopping Centre in the US											**461,600**	
Other Assets												
Westfield Sunrise (Massapequa, New York) Macy's, Dick's Sporting Goods, Homegoods, H&M, Victoria's Secret, Dave & Busters, XSport Fitness, Bar Louie; 150 units	110,600	6,064	0.4	n.a.	2005	(C) 1973 (R) 2015, 2017	82.3%	54,700	100%	100%	54,700	FC
Westfield Sarasota (Sarasota, Florida) Costco, H&M; 112 units and a cinema complex	92,900	4,500	0.3	n.a.	2003	(C) 1977 (R) 2007, 2012	71.8%	33,700	50%	50%	16,900	EM-JV
Westfield Siesta Key (Sarasota, Florida) Macy's, L.A. Fitness; 54 units and a cinema complex	40,800	1,846	0.3	n.a.	2003	(C) 1956 (R) 2016	74.7%	26,700	50%	50%	13,400	EM-JV
Sub-total Other Assets in the United States											**85,000**	
Total (according to the scope of consolidation)											**1,210,500**	

Catchment area: less than 30 minutes from the Shopping Centre.
(1) Including "The Village".
(2) Excluding non-commissioned space.

1.5.17 UNITED STATES: OFFICES

Portfolio as at December 31, 2019	Total floor space sqm	Year of acquisition	Construction (C) Refurbishment (R) date	Total floor space of the property owning companies sqm	% URW's share	% of consolidation	Total space according to consolidation sqm	Consolidation method
San Francisco Centre (San Francisco, California)	32,200	1996 2002	(R) 2006	22,400 9,800	50% 100%	50% 100%	21,000	FC & EM-JV
Palisade at Westfield UTC (San Diego, California) 300 apartments	26,800		(C) 2019	26,800	50%	50%	13,400	EM-JV
Wheaton Office (Wheaton, Maryland)	18,700	1997		15,800	53%	53%	8,400	EM-JV
Old Orchard Office (Skokie, Illinois)	7,500	2002	(C) 1956	7,500	100%	100%	7,500	FC
Corbin Office (New York, New York)	3,700	2014	2014	3,700	100%	100%	3,700	FC
Ownesmouth Office (Canoga Park, California)	3,600	1994	(C) 1978 (R) 1994	3,600	55%	55%	2,000	EM-JV
Total (according to the scope of consolidation)							**56,000**	

1.5.18 UNITED KINGDOM: SHOPPING CENTRES

Portfolio as at December 31, 2019	GLA of the whole complex sqm	Parking spaces	Catchment area *(in million people)*	Number of visits *(in million)*	Year of acquisition	Construction (C) Refurbishment (R) date	Occupancy (EPRA definition)	GLA of the property owning companies sqm	% URW's share	% of consolidation	Total space according to consolidation sqm	Consolidation method
Westfield London (London, Shepherds Bush) John Lewis, Debenhams, House of Fraser, Kidzania, M&S, Next, Vue, Waitrose; 468 units and a cinema complex	235,900	5,200	3.3	31.2	2008	(C) 2008 (R) 2018	89.2%	235,900	50%	50%	117,950	JO
Westfield Stratford City (London, Stratford) John Lewis, M&S, Waitrose, Vue, All Star Lanes, Aspers Casino; 319 units and a cinema complex	183,400	4,700	5.3	52.9	2011	(C) 2011	96.0%	183,400	50%	50%	91,700	EM-JV
Sub-total Shopping Centres in the United Kingdom											**209,650**	
Other holdings												
Centrale (Croydon) Debenhams, House of Fraser, H&M, Zara, Next, Sports Direct, Metro Bank; 77 units	74,100	950	1.9	n.a.	2013	(C) 1988 Drummond centres (R) 2004	n.a.	74,100	50%	50%	37,050	EM-JV
Whitgift (Croydon) M&S, Sainsbury's, Boots, New Look, River Island, H&M, Superdry; 172 units	n.a.	397	1.9	n.a.	2013	(C) 1970	n.a.	n.a.	50%	50%	n.a.	EM-JV
Sub-total Other holdings in the United Kingdom											**37,050**	
Total (according to the scope of consolidation)											**246,700**	

Catchment area: calculated by CACI.

1.5.19 UNITED KINGDOM: OFFICES

Portfolio as at December 31, 2019	Total floor space sqm	Year of acquisition	Construction (C) Refurbishment (R) date	Total floor space of the property owning companies sqm	% URW's share	% of consolidation	Total space according to consolidation sqm	Consolidation method
Westfield London (London)	13,400	2008	(C) 2018	13,400	50%	50%	6,700	JO
Total (according to the scope of consolidation)							**6,700**	

1.6 OVERVIEW OF VALUATION REPORTS PREPARED BY UNIBAIL-RODAMCO-WESTFIELD'S INDEDEPENDANT EXTERNAL APPRAISERS FOR EUROPEAN ASSETS

SCOPE OF INSTRUCTIONS

In accordance with your instructions we have undertaken valuations of the various freehold and leasehold property interests as at December 31, 2019 (the "valuation date") either held directly by Unibail-Rodamco-Westfield (the "Company") or held in a Joint Venture where the Company holds a share, as referred to in our valuation reports for each individual property. This Overview letter has been prepared for inclusion in the Company's accounts.

The valuations have been undertaken by our local valuation teams in each relevant country and have been reviewed by the Pan European Valuation teams of all three valuation firms. In arriving at an opinion of Fair Value (as defined in IFRS 13) for each property we have taken into consideration European wide investment transaction activity and not solely any investment activity in the domestic market.

We can confirm that we did not receive fees from the Company representing more than 10% of our respective turnovers.

We can also confirm that our opinion of Fair Value has been reviewed against other valuations conducted across Europe, if applicable, for consistency of approach and consideration of the evidence and sentiment in the market place.

The valuations have been based upon the discounted cash-flow or yield methodologies that are regularly used for these types of properties.

Following the wide and competitive tender process led by the Company in the first quarter of 2015, we confirm that, in situations where an appraisal firm saw its valuation mandate renewed for a given asset, the appraisal signatory of such asset was replaced by a new signatory as of June 2015, in accordance with RICS recommendations.

Following the acquisition of Westfield by Unibail-Rodamco, the European freehold and leasehold property interests either held directly by Westfield or held in a Joint Venture where Westfield held a share have been added to our valuation mandate.

BASIS OF VALUATION AND ASSUMPTIONS

We set out below the basis and assumptions we have used in preparing our Valuation.

We confirm that the valuations have been made in accordance with the appropriate sections of the current Practice Statements contained within the RICS Valuation – Professional Standards (the "Red Book"). This is an internationally accepted basis of valuation. Our valuations are fully compliant with IFRS accounting standards and IVSC valuation standards and guidance.

The valuations have been also prepared in accordance with the AMF recommendations regarding the presentation of valuation parameters of listed real estate companies, published February 8, 2010.

We can confirm that we have prepared our valuations as External Valuers as defined in the Royal Institution of Chartered Surveyors Valuation Standards and our valuations have been prepared in accordance with our General Principles.

Our valuations are prepared on the basis of Fair Value and are reported as gross values (Fair value gross of any deduction made for typical purchaser costs).

DATE OF VALUATION

The effective date of valuation is 31 December 2019.

INFORMATION

We have requested Company management to confirm that the information which it has supplied to us in respect of the property and its lessees is both comprehensive and correct in all material aspects. It follows that we have made an assumption that details of all matters likely to affect value within their collective knowledge such as operating expenses, committed capital expenditures, financial elements including any doubtful debtors, sales based rental levels, prospective and signed leasing deals, lease incentives and all rent roll information and vacant units have been made available to us and that the information is up to date in all material aspects.

FLOOR AREAS

We have not measured the property and have relied on the areas which have been supplied to us.

ENVIRONMENTAL INVESTIGATIONS AND GROUND CONDITIONS

We were not instructed to carry out a site survey or environmental assessment nor have we investigated any historical records, to establish whether any land or premises are or have been, contaminated. Unless we have been provided with information to the contrary, we assume that properties are not, nor are likely to be, affected by land contamination and that there are no ground conditions which would affect their present or future use.

PLANNING

We have not seen planning consents and we assume that properties have been erected and are being occupied and used in accordance with all necessary consents and that there are no outstanding statutory notices. We assume that buildings comply with all statutory and Local Authority requirements including building, fire and health and safety regulations. We also assume that any extensions currently under construction satisfy all planning regulations and all necessary permits are in place.

TITLE AND TENANCIES

We have relied upon tenancy schedules, summaries of additional income, non-recoverable costs and capital expenditure and business plans which have been supplied to us.

Our valuations assume that, other than disclosed in our reports, there is good and marketable title to the properties and that they are free of any undisclosed burdens, outgoings, restrictions or charges. We have not read documents of title and for the purposes of our advice have accepted the details of tenure, tenancies and all other relevant information, which have been supplied by the Company.

CONDITION

We have reflected the general condition of the property as noted during our inspections. We were not instructed to carry out a structural survey but we have reflected any apparent wants of repair in our opinion of the value as appropriate. The property has been valued on the basis of the Company's advice except where we have been specifically advised to the contrary, that no harmful materials have been used in its construction.

TAXATION

Our valuations are prepared on the basis of Fair Value and are reported as gross values (Fair value gross of any deduction made for typical purchaser costs). No allowance has been made in our valuations for expenses of realisation or for any taxation, which may arise in the event of a disposal. However, when we have used the discounted cash flow (DCF) methodology, we have deducted registration duty and transaction costs at the end of the model for the assessment of the exit value. All rental and capital values stated are exclusive of Valued Added Tax.

CONFIDENTIALITY AND PUBLICATION

Finally and in accordance with our normal practise we confirm that our valuations are confidential to the party to whom it is addressed for the specific purpose to which they refer. No responsibility whatsoever is accepted to any third party and neither the whole of our valuation reports, nor any part, nor references thereto may be published in any document, statement or circular, nor in any communication with third parties without our prior written approval of the form and context in which it will appear. In signing this Overview, each appraiser does so on its behalf for its own valuation work only.

Yours faithfully,

Christian Luft MRICS
Director
For and on behalf of JLL Limited

Jean-Philippe Carmarans MRICS
Director
For and on behalf of Cushman & Wakefield

Geoffroy Schmitt
Partner
For and on behalf of PwC Corporate Finance

1.7 OVERVIEW OF VALUATION REPORTS PREPARED BY UNIBAIL-RODAMCO-WESTFIELD'S INDEDEPENDANT EXTERNAL APPRAISERS FOR AMERICAN ASSETS

SCOPE OF INSTRUCTIONS

In accordance with your instructions we have undertaken valuations of the various freehold and leasehold property interests as at December 31, 2019 (the "valuation date") either held directly by Unibail-Rodamco-Westfield (the "Company") or held in a Joint Venture where the Company holds a share, as referred to in our valuation reports for each individual property. This Overview letter has been prepared for inclusion in the Company's accounts.

The valuations have been undertaken by our local valuation teams in each relevant country and have been reviewed by the Pan American Valuation teams of all two valuation firms. In arriving at an opinion of Fair Value (as defined in IFRS 13) for each property we have taken into consideration American wide investment transaction activity and not solely any investment activity in the local market.

We can confirm that we did not receive fees from the Company representing more than 10% of our respective turnovers.

We can also confirm that our opinion of Fair Value has been reviewed against other valuations conducted across the United States, if applicable, for consistency of approach and consideration of the evidence and sentiment in the market place.

The valuations have been based upon the discounted cash-flow or yield methodologies that are regularly used for these types of properties.

We confirm that, in situations where an appraisal firm saw its valuation mandate renewed for a given asset, the appraisal signatory of such asset did not exceed two consecutive mandates of four years, in accordance with RICS recommendations.

BASIS OF VALUATION AND ASSUMPTIONS

We set out below the basis and assumptions we have used in preparing our Valuation.

We confirm that the valuations have been made in accordance with the appropriate sections of the current Practice Statements contained within the RICS Valuation – Professional Standards (the "Red Book"). This is an internationally accepted basis of valuation. Our valuations are fully compliant with IFRS accounting standards and IVSC valuation standards and guidance.

The valuations have been also prepared in accordance with the AMF recommendations regarding the presentation of valuation parameters of listed real estate companies, published February 8, 2010.

We can confirm that we have prepared our valuations as External Valuers as defined in the Royal Institution of Chartered Surveyors Valuation Standards and our valuations have been prepared in accordance with our General Principles.

Our valuations are prepared on the basis of Fair Value and are reported as gross values (Fair Value gross of any deduction made for typical purchaser costs) and as net values (Fair Value after deduction of typical purchaser costs).

DATE OF VALUATION

The effective date of valuation is 31 December 2019.

INFORMATION

We have requested Company management to confirm that the information which it has supplied to us in respect of the property and its lessees is both comprehensive and correct in all material aspects. It follows that we have made an assumption that details of all matters likely to affect value within their collective knowledge such as operating expenses, committed capital expenditures, financial elements including any doubtful debtors, sales based rental levels, prospective and signed leasing deals, lease incentives and all rent roll information and vacant units have been made available to us and that the information is up to date in all material aspects.

FLOOR AREAS

We have not measured the property and have relied on the areas which have been supplied to us.

ENVIRONMENTAL INVESTIGATIONS AND GROUND CONDITIONS

We were not instructed to carry out a site survey or environmental assessment nor have we investigated any historical records, to establish whether any land or premises are or have been, contaminated. Unless we have been provided with information to the contrary, we assume that properties are not, nor are likely to be, affected by land contamination and that there are no ground conditions which would affect their present or future use.

PLANNING

We have not seen planning consents and we assume that properties have been erected and are being occupied and used in accordance with all necessary consents and that there are no outstanding statutory notices. We assume that buildings comply with all statutory and Local Authority requirements including building, fire and health and safety regulations. We also assume that any extensions currently under construction satisfy all planning regulations and all necessary permits are in place.

TITLE AND TENANCIES

We have relied upon tenancy schedules, summaries of additional income, non-recoverable costs and capital expenditure and business plans which have been supplied to us.

Our valuations assume that, other than disclosed in our reports, there is good and marketable title to the properties and that they are free of any undisclosed burdens, outgoings, restrictions or charges. We have not read documents of title and for the purposes of our advice have accepted the details of tenure, tenancies and all other relevant information, which have been supplied by the Company.

CONDITION

We have reflected the general condition of the property as noted during our inspections. We were not instructed to carry out a structural survey but we have reflected any apparent wants of repair in our opinion of the value as appropriate. The property has been valued on the basis of the Company's advice except where we have been specifically advised to the contrary, that no harmful materials have been used in its construction.

TAXATION

Our valuations are prepared on the basis of Fair Value and are reported as gross values (Fair Value gross of any deduction made for typical purchaser costs) and as net values (Fair Value after deduction of typical purchaser costs). In addition, when we have used the discounted cash flow (DCF) methodology, we have deducted registration duty and transaction costs at the end of the model for the assessment of the exit value. All rental and capital values stated are exclusive of Valued Added Tax.

CONFIDENTIALITY AND PUBLICATION

Finally and in accordance with our normal practise we confirm that our valuations are confidential to the party to whom it is addressed for the specific purpose to which they refer. No responsibility whatsoever is accepted to any third party and neither the whole of our valuation reports, nor any part, nor references thereto may be published in any document, statement or circular, nor in any communication with third parties without our prior written approval of the form and context in which it will appear. In signing this Overview, each appraiser does so on its behalf for its own valuation work only.

Yours faithfully,

Deborah A. Jackson, CRE, FRICS
Senior Managing Director
For and on behalf of Cushman & Wakefield

Duff & Phelps, LLC
For and on behalf of Duff & Phelps

1.8 STRUCTURE

URW Group comprises two main legal entities:

- Unibail-Rodamco-Westfield SE with a registered office in France and
- WFD Unibail-Rodamco N.V., with a registered office in The Netherlands.

The shares of Unibail-Rodamco-Westfield SE and the Class A shares of WFD Unibail-Rodamco N.V. are stapled together (the "**Stapled Shares**") such that holders hold an interest in both Unibail-Rodamco-Westfield SE and WFD Unibail-Rodamco N.V. as if they held an interest in a single (combined) company. Any holder of a Stapled Share has the rights and obligations of both a shareholder of Unibail-Rodamco-Westfield SE and a shareholder of WFD Unibail-Rodamco N.V.:

- The right to attend and to vote at general meetings of both companies, the right to receive dividend paid by both companies.
- The obligation to disclose threshold crossing in both companies to the French Market Authorities for URW SE and to the Dutch Market Authorities for WFD Unibail-Rodamco N.V. and all disclosure requirements described in the Articles of Association of both companies.

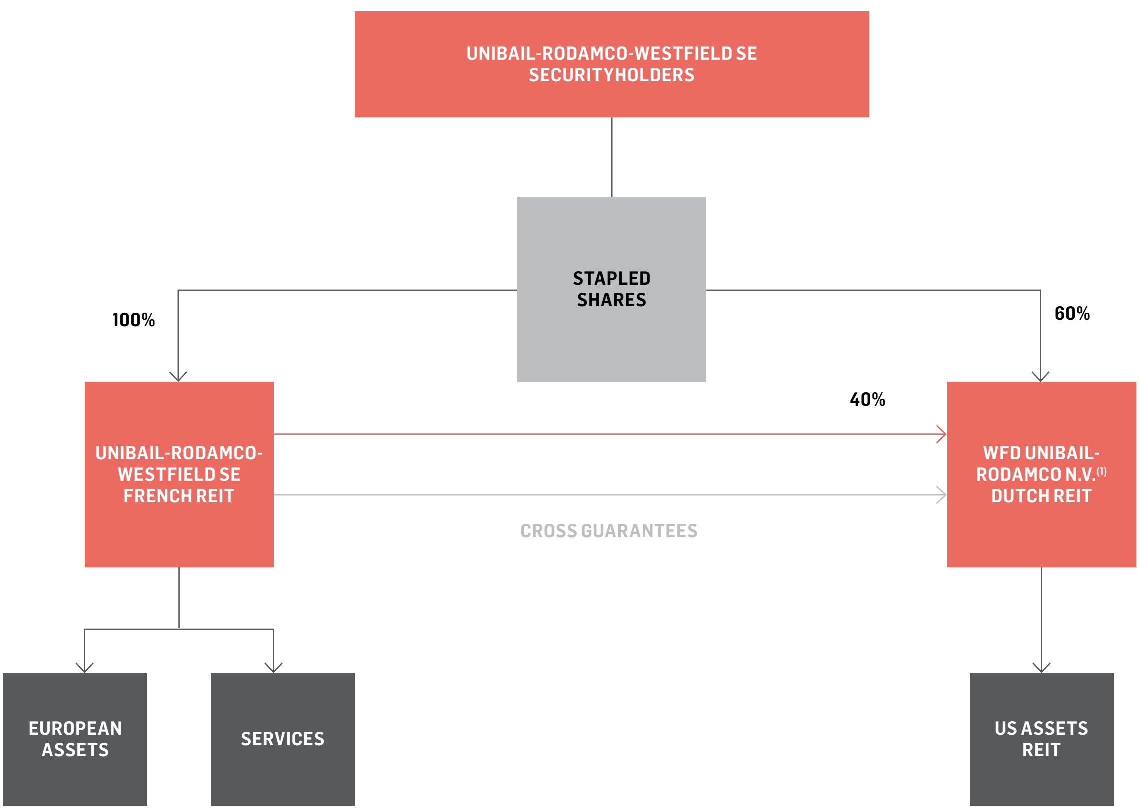
The Stapled Shares are traded on the regulated markets of Euronext Amsterdam and Euronext Paris. In addition, a secondary listing on the Australian Securities Exchange has been established to allow former Westfield Corporation shareholders to trade Stapled Shares locally in the form of Chess Depositary Interests ("CDIs").

The structure has been designed to take into account the interests of all former Unibail-Rodamco and Westfield Corporation shareholders by preserving the respective REIT regimes. URW Group operates under the *Sociétés d'Investissements Immobiliers Cotées* regime (SIIC) in France, the *Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario* regime (SOCIMI) in Spain, the *Fiscal Investment Institution* regime (*fiscale beleggingsinstelling*, FII) in The Netherlands and the Real Estate Investment Trust (REIT) regime in the United Kingdom and United States.

While both entities have separate decision-making corporate bodies, independent Supervisory Boards and Management Boards, the Senior Management Team acts as the Group's main internal body for coordination between both entities, and is responsible for the implementation of their shared strategy and business policies, and provides advice on key business decisions to the governing bodies of Unibail-Rodamco-Westfield SE and WFD Unibail-Rodamco N.V. The Senior Management Team is composed of top executives of both entities, and reflects the geographical and functional diversity of URW Group.

Unibail-Rodamco-Westfield SE consolidated financial statements cover Unibail-Rodamco-Westfield SE and its controlled undertakings, consolidating WFD Unibail-Rodamco N.V. and its controlled undertakings, representing a comprehensive overview of the Group.

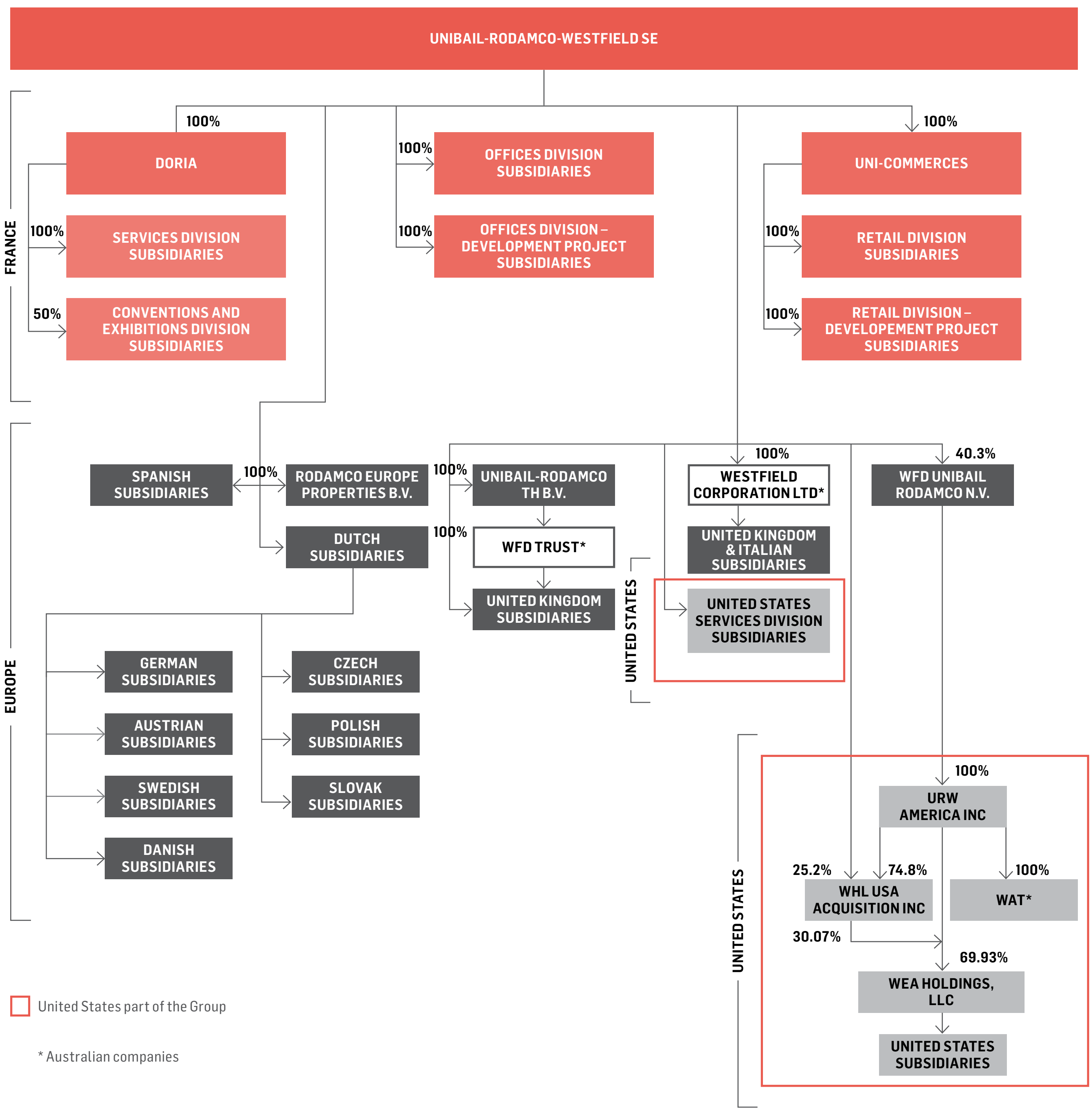
For any further information related to WFD Unibail-Rodamco N.V., please refer to its Annual Report available on its website (http://www.wfd-unibail-rodamco-nv.com/en/investors/financial-information).



(1) Also owns selected Dutch assets

1.9 SIMPLIFIED GROUP ORGANISATIONAL CHART

As at December 31, 2019 is as follows:



CHAPTER 2

CORPORATE SOCIAL RESPONSIBILITY

"Corporate Social Responsibility has been part of our DNA for more than a decade. I believe we have the power to positively impact the environment and local communities in all our regions and all our assets. Our shopping centres welcome 1.2 billion visits annually in 12 countries, our office buildings are home to hundreds of companies, our convention and exhibition venues host millions of visitors from all over the world. The potential is immense, so is our responsibility".

CHRISTOPHE CUVILLIER
Group Chief Executive Officer

2.1 OUR SUSTAINABILITY STRATEGY

2.1.1 BUSINESS MODEL

The Unibail-Rodamco-Westfield business model is presented in Sections 1.3 Business model and 1.4 Business overview.

2.1.2 CSR CHALLENGES AND OPPORTUNITIES

2.1.2.1 MATERIALITY MATRIX

In 2018, Unibail-Rodamco-Westfield updated its materiality matrix to identify its main priorities. An external advisory firm supported the Group in this process to ensure the robustness and neutrality of the methodology.

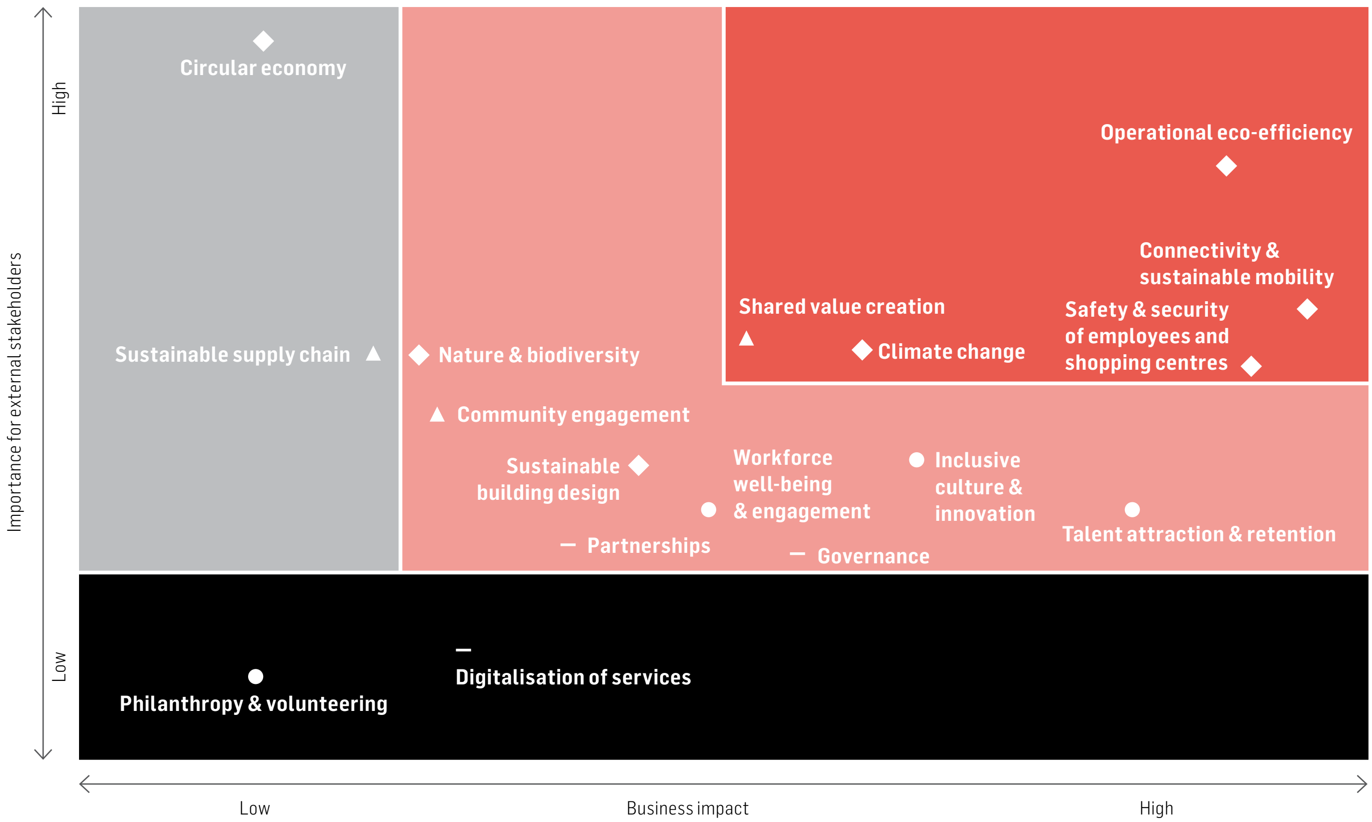
This work was done on the basis of a detailed analysis of the main CSR reporting standards[1], investor expectations[2], underlying market trends, best practices observed in the Real Estate industry and beyond, as well as insight from NGOs and experts.

In total, over thirty external and internal stakeholders, representative of the Group's different regions and businesses, were consulted to rank the CSR topics, according to their level of expectation (for the external stakeholders) and the impact on the Unibail-Rodamco-Westfield business model (for the internal stakeholders).

The main priorities identified, in line with market trends up to 2030 and the parallel work done on risks (see Section 2.1.2.2 CSR risks and opportunities), resulted in three new CSR focus areas being determined for the Group (see Section 2.1.3 Priorities of the Group CSR strategy).

(1) Global Reporting Initiative Construction and Real Estate Supplement, Sustainability Accounting Standards Board.
(2) As represented by questions and analysis frameworks from the Dow Jones Sutainability Index, MSCI, VigeoEiris, ISS-Oekom, GRESB, FTSE4Good.

UNIBAIL-RODAMCO-WESTFIELD'S MATERIALITY MATRIX



Key

◆ Pillar 1 – Better Spaces ▲ Pillar 2 – Better Communities ● Pillar 3 – Better Together — Transversal

Top priority issues
- Operational efficiency
- Connectivity and sustainable mobility
- Shared value creation
- Climate change
- Safety & security of employees and shopping centres

Important issues
- Sustainable building design
- Nature & biodiversity
- Inclusive culture & innovation
- Workforce well-being & engagement
- Talent attraction & retention
- Community engagement
- Partnerships
- Governance

Key issues for external stakeholders
- Circular economy
- Sustainable supply chain

Less material issues
- Digitisation of services
- Philanthropy and volunteering

2.1.2.2 CSR RISKS AND OPPORTUNITIES

In 2018, in response to the Directive related to the disclosure of non-financial information[1], Unibail-Rodamco-Westfield identified and assessed its main CSR risks, using the Group risk assessment methodology taking into account three impact criteria: financial, legal, and reputational. In line with the spirit of the regulation, the analysis provided below presents gross risks (before the implementation of management measures).

The Group CSR risk universe was defined on the basis of both the CSR priorities highlighted by the Group's materiality analysis (see Section 2.1.2.1 Materiality matrix) and the sector-based CSR risk universe established by the work done in 2018 in partnership with the French Council of Shopping Centres (CNCC).

In total, 30 risks were identified and classified into 11 categories, among which 20 were identified as main CSR risks due to their level of impact.

The risk analysis and ranking work was undertaken jointly by the Group's CSR team and Group Risk department, with the involvement of the local risk teams. The results were shared with the Group Chief Resources Officer, who is the member of the Group's Senior Management Team overseeing Risk Management and CSR.

The following table summarises the main CSR risks, and the policies, action plans, performance indicators and opportunities associated with their management. The results of the performance indicators

(1) European directive n° 2014/95/UE as regards disclosure of non-financial information.

for each action plan are presented either directly within this table, or within the body of this document (see references in the "risks" column of the table).

Climate change risks for the Group (physical and transitional) form a core part of the CSR risks analysis and are integrated in the following summary of main CSR risks and their management policies. A more detailed overview of climate risk management and in particular of the resilience of assets to physical climate risks is provided in Section 2.2.1.3 Climate risk management and adaptation to climate change.

Climate change and CSR risks are managed through the global Group Enterprise Risk Management (ERM) framework, which provides a specific risk governance and control methodology (see Section 6.1.2 Group Enterprise Risk Management (ERM) Framework for more details).

Themes	Risks	Summary of associated policies and actions plans	Associated main performance indicators (2019 results)	Opportunities
Business Ethics	• **Corruption, agreements or fraud (business relationships, relationships with public officials)** • **Money laundering and financing of terrorism** References: *3.4.1 Ethics and compliance within URW Group* *6.2.2.6 A Corruption, money laundering & fraud risks*	• Anti-corruption programme (ACP) in compliance with Sapin II law (France), the Foreign Corrupt Practices Act "FCPA" (US) or the UK Bribery Act "UKBA" (UK) • Group Code of Ethics with compulsory yearly e-learning module for all employees • Procedure for screening of business partners • Whistleblowing procedure accessible to all employees and suppliers • Appointment of Local Compliance Correspondents to support the coordination of the ACP • Insider Trading Rules procedure.	• Number (A) and monetary value (B) of sanctions imposed by regulators in 2019 linked to corruption incidents: 0 (A); €0 (B) • Percentage of employees trained on the Group Code of Ethics: 84% • Percentage of employees trained on corruption prevention: 100%	Trust and transparency as core of the business relationship
	• **Non-transparency in the reporting of lobbying activities** References: *3.4.1 Ethics and compliance within URW Group*	• Annual reporting of lobbying activities to the French High Authority for Transparency in Public Affairs • Internal policy on Interest Representatives.	• Number of reported lobbying actions to the French High Authority for Transparency in Public Affairs: 7 > https://www.hatvp.fr/fiche-organisation/?organisation=414878389##	
	• **Breach of customers' personal data** References: *6.2.2.6 B Legal and regulatory risks* *6.2.2.1 D Information Technology System and Data: continuity and integrity risks*	• Data Privacy Protection programme compliant with EU and US regulations • Data protection Governance network at corporate and local levels • Preventive and alert internal processes • Group-wide employees and specific business population trainings on data protection awareness and cybersecurity • Information Systems security strategy.	• Percentage Group employees trained on IT security awareness: 79%.	
	• **Non-compliance with anti-trust regulation** References: *6.2.2.1 C Mergers & Acquisitions, Investment and Divestment risks* *6.2.2.6 B Legal & Regulatory risks*	• Part of the due-diligence process in case of acquisitions • Close monitoring of Viparis activities in relation with the French General Directorate for Fair Trading, Consumer Affairs and Fraud Control (DGCCRF).	N/A	

Themes	Risks	Summary of associated policies and actions plans	Associated main performance indicators (2019 results)	Opportunities
Health & Safety, Security and Well-being of people in our properties	• **Threats or attacks on sites** References: *6.2.2.4 A Terrorism and major security incident risks* *2.2.3.7 Health & Safety, security and environmental risks and pollution*	• Dedicated Group organisation for security and crisis management • Global security governance, policies and guidelines implemented at all locations • Crisis response plan, training and exercises • Frequent interactions with police authorities, regional authorities and intelligence agencies • Training of shopping centre management and security teams as well as all URW employees • Raising awareness of tenants on security framework and evacuation plans.	• Percentage of employees trained on security: 68%[(1)]	**Lead the industry in health, safety and security to reduce incident levels**
	• **Failure to provide a safe and healthy environment for stakeholders (employees, tenants, contractors and visitors/ occupants) according to Health & Safety procedures and legislation** References: *6.2.2.4 B Health and Safety (H&S) risks (including natural disasters)* *2.2.3.7 Health & Safety, security and environmental risks and pollution* *2.2.2.1 Environmental Management Systems (EMS) - Health and safety on worksites*	Operations: • Dedicated Group organisation for health and safety risk management, supplemented by procedures that comply with local regulations at local level • Maintenance and inspection conducted for all relevant equipment subject to regulation • Annual third party audits of Health & safety risks conducted at asset level on the European portfolio and associated action plans • Routine property tours to identify hazardous conditions and implement corrective actions in the US Developments: • Worksites monitored by a Health and Safety Coordinator • Contractual requirement for construction contractors overseen by the construction management contractor to make the necessary provisions for site safety and comply with the relevant Health and Safety legislation.	• Number of sanctions for non-compliance related to building health and safety and Monetary value of associated fines • Percentage of assets in operation that obtained an A or B annual score in their Health & Safety and Environmental third party risk assessment	

(1) Excluding Viparis employees.

Themes	Risks	Summary of associated policies and actions plans	Associated main performance indicators (2019 results)	Opportunities
Health & Safety, Security and Well-being of people in our properties	• **Non-resilience of assets facing physical phenomena (acute and chronic climate events…)** References: *2.2.1.3 Climate risk management and adaptation to climate change* *6.2.2.4 B Health and Safety (H&S) risks (including natural disasters)* *2.2.2.2 Environmental certifications of buildings under development* *2.2.3.2 Environmental certifications of buildings during the operation phase* *6.3 Transferring risk to insurers*	• Group climate change risk assessment covering all standing assets and the development pipeline, in line with TCFD recommendations, covering both transitional and physical risks • Global map of future risks of climate change for the Group portfolio, to design relevant climate change adaptation plans • Periodic assessment of assets most exposed to natural disasters and of their prevention/ protection plans • Adequate insurance cover for natural disasters for assets in Europe, the UK and the US • Annual emergency preparedness drills for all assets in a natural catastrophe zone • Compliance with regulatory requirements in each region regarding flooding risks, water management, and drainage systems for exceptionally heavy rainfall • Due diligence process for acquisitions and new development projects also covers the risks associated with climate change • Environmental certification policy for all assets in both development and operation phases: BREEAM or LEED and BREEAM In Use certifications schemes covering among others physical resilience and energy aspects.	• Coverage of Breeam In-Use environmental certification of the Group's standing assets (shopping centres and offices) – in floor area • Percentage of retail and office assets in the standing portfolio that obtained an environmental certification in development phase (in number) • Percentage of development projects that are in an environmental building certification process • Conditions of asset insurance for natural disasters	**Enhance resilience of buildings facing climate change impacts**
"Green"/ sustainable value of assets and of the Group	• **Loss of access to green financing instruments and decrease in ESG ratings** References: *2.1.4.2 Results of non-financial ratings and indices* *2.1.5.4 Relations with investors and professional organisations* *2.5. Green financing of the Group activities*	• Answering to the most recognised non-financial rating agencies, monitoring questionnaire evolutions and benchmarking of scores • Organisation of specific ESG roadshows and meetings with investors, and close direct dialogue on sustainability issues with investors by email • Formalised Use of Proceeds for Green Bond allocation, and formalised procedure for analysing, selecting and monitoring assets under the Green Bond instrument • Regular back-testing of asset eligibility to Green Bond criteria and monitoring of green loan KPIs' performance levels.	• Reporting on green bond allocation and amount of green bonds allocated (monetary value) • Scores of extra-financial ratings (GRESB, CDP, OEKOM, MSCI, Sustainalytics, FTSE4Good, Vigeo Eiris)	**Obtain access to green financing instruments for asset development** **Improve and demonstrate the environmental quality of assets (environmental certifications, carbon footprint, accessibility, etc.)**

Themes	Risks	Summary of associated policies and actions plans	Associated main performance indicators (2019 results)	Opportunities
Responsible Supply chain	• **Contracting with service providers, suppliers or sub-contractors not complying with regulations or standards of their profession (e.g. fundamental human and labour rights) or having a negative CSR image/ performance** References: *2.3.2.3 Supply chain management* *2.2.2 Design sustainable buildings - Sustainable construction* *2.2.2.3 Construction materials - A responsible supply chain*	• Procedure for screening of business partners • Group Code of Ethics applicable to all contractors • Whistleblowing procedure made accessible to all contractors • Onboarding process of main service providers on the Group's sustainability engagements • Group purchasing conditions and standard contracts including environmental and social terms, such as complying with ILO conventions and local labour laws in Europe • Group Considerate Construction Charter applicable for all development projects describing the Group's requirements and recommendations to optimise worksites' environmental quality • For development projects, compliance of providers to professional standards ensured through the tender process, the contract documents, and the monitoring of compliance by the operations supervisor, with sanctions in case of non-compliance, according to severity (formal notice, penalties or dismissal) • Policy to use timber from certified, sustainably managed forests with FSC or PEFC certification in development, extension and renovation projects.	• Direct information to all of the Group's main service providers on its Better Places 2030 CSR strategy, to kick-start an onboarding process • Number and percentage of development projects that implement a considerate construction charter	**Onboard stakeholders along the Group's value chain in its CSR strategy**
	• **Controversies linked with tenant activity affecting the asset image** References: *2.3.3.2 Open dialogue with tenants and visitors* *2.3.4 Promote responsible consumption* *2.3.2.2 Support local entrepreneurship* *2.2.3.3 Green leases and tenant commitments*	• Strengthen communication with tenants and visitors (e.g. sustainability meetings with tenants satisfaction surveys, etc.) • Reflecting consumer trends in tenanting mix • Support entrepreneurship and local/innovative concepts • Participation in retail industry roundtables and conferences • Signing voluntary and contractual agreements on sustainability issues with tenants.	• Percentage of Green Leases signed among new leases and active leases	

Themes	Risks	Summary of associated policies and actions plans	Associated main performance indicators (2019 results)	Opportunities
Human Capital	• **Non-engagement of employees and employee turnover rate increase** References: *2.4.1.1 Talent development and career management* *2.4.1.2 Training* *2.4.1.4 Compensation and benefits* *2.4.3 Inspiring our people* *2.4.3.1 Employee commitments and CSR* *6.2.2.3 B Recruitment, retention and succession risks*	• Regular engagement surveys to design and implement regular action plans to make URW a great place to work • Ambitious people-oriented policies on Work-life balance, Well-being, Diversity & Inclusion, Sustainable work environment (“Work Greener”) • Structured and comprehensive benefits policy (stock-options and performance shares, company saving plan, health plans) in line with market practice • Monitoring continued attractiveness of compensation and benefit packages • Global Talent Review process including yearly 360° feedback for all employees • Providing permanent learning and development opportunities (e.g. URW academy learning platform, international mobility, cross-functional mobility).	• Turnover rate • Percentage of employees that were promoted • Percentage of employees who made a lateral career move • Percentage of URW countries that implement employee wellbeing and Work Greener programmes • Employee engagement rate in the Group URW volunteering programme	**Engage employees in the Group’s strategy**
	• **Lack of attractiveness for employees/loss of key competencies for the execution of the Group’s strategy** References: *2.4.1.2 Training* *2.4.1.1 Talent development and career management* *6.2.2.3 B Recruitment, retention and succession risks*	• Developing and supporting URW’s “employer brand” • Highly successful graduate programme • Global Talent Review process including yearly 360° feedback for all employees • Global succession planning process • Strong cooptation programme and partnering with the best head-hunting firms to regularly map best external talent • Providing permanent learning and development opportunities (e.g. URW academy learning platform, international mobility, cross-functional mobility) • Leadership & management programmes for high potentials.	• Average number of training hours per employee • Employee recruitment rate • Percentage of employees that conducted an international mobility assignment	**Attract the best talents for the Company**
	• **Lack of profile diversity (innovation, long-term management and decision-making)** References: *2.4.2.2 Diversity & inclusion* *2.4.1.2 Training* *2.4.1.4 Compensation and benefits* *6.2.2.3 B Recruitment, retention and succession risks*	• URW Equal Opportunity statement included in formalised HR policies relating to Recruitment practices, Compensation and Benefits, Talent Review, and Learning and Development • Be You at URW network represented in all regions that focuses on Diversity & Inclusion • Inclusive Leadership & Unconscious Bias training sessions delivered to managers and HR teams • Development of international Group culture (e.g. international, mobility, cross-functional mobility, IGP programme) • Group Code of Ethics and whistleblowing procedure with a zero tolerance principle for discrimination or harassment • Disability awareness training offered to employees in some regions	• Percentage of women in employee headcount • Proportion of senior management level positions held by women • Percentage of conversion of apprenticeships to permanent contracts	**Diversify skills and competency profiles in the Company**

Themes	Risks	Summary of associated policies and actions plans	Associated main performance indicators (2019 results)	Opportunities
Local acceptability	• **Slowing local economic development and affecting local jobs** References: *2.3.1 Promoting community resilience* *2.3.2.1 Socio-economic impact* *2.3.2.2 Support local entrepreneurship* *2.3.3 Engaging with local stakeholders*	• Extensive public consultations held for all development and extension projects • Community resilience action plan tool designed for all assets • Building long-term partnerships with local stakeholders (residents, public authorities, and associations) • Frequent measurement of the socio-economic impact of the Group assets • URW for Jobs programme addressing employment in all locations where the Group operates • Empowering entrepreneurship (e.g. participation to entrepreneurship networks, *Grand Prix Commerce* -Grand Prize Retail- organisation to support retail innovation and business creation) • Local or national partnerships with NGOs to engage with communities.	• Number of people that integrated a job or a qualifying training certification through the URW for Jobs programme • Percentage of Group employees that participate in the URW volunteering programme • Total hosted jobs by the Group and its stakeholders (socio-economic footprint study) • Amount of local taxes and social contributions paid by the Group by region • Percentage of Flagship assets that had a partnership with a charity or NGO for at least 2 years	**Create local jobs** **Foster local economic development** **Create social link**
Environmental pollution	• **Water, soil and air pollution linked with the development and operation of assets** References: *2.2.3.7 Health & Safety, security and environmental risks and pollution* *2.2.2.1 Environmental Management System (EMS) - Sustainable construction*	• Soil decontamination when relevant during works on development and existing sites • Group Considerate Construction Charter applicable to all new development, renovation and extension projects with requirements to minimise pollution for the contractors working on site, the neighbouring area and the natural environment • Inspection and continuous maintenance and improvement of existing buildings and technical equipment liable to have an impact on the environment or on personal safety (including air and water quality, soil and air pollution) • Annual third party audits of Health & safety risks conducted at asset level on the European portfolio and associated action plans.	• Monetary value of fines for environmental breaches (operations) (€) • Total number of non-monetary sanctions for environmental breaches (operations) • Percentage of assets in operation that obtained an A or B annual score in their Health & Safety and Environmental third party risk assessment	**Contribute to optimising the exploitation of material flows in operations and developments**
	• **Not identifying/ controlling existing pollution in development projects (remediation costs and legal responsibility)** References: *2.2.2.1 Environmental Management System (EMS) - Pollution and environmental risk management* *2.2.2.1. Environmental Management System (EMS) - Pollution Prevention*	• Pre-acquisition due diligence process including environmental risks and soil pollution • Soil decontamination for works on development and existing sites.	• Expenses in site decontamination (€) and volumes of soil concerned (m^3)	

Themes	Risks	Summary of associated policies and actions plans	Associated main performance indicators (2019 results)	Opportunities
Energy and greenhouse gases	• **Limited availability and increase in prices of fossil fuels** References: *2.2.3.4 Energy management* *2.2.1.2. Carbon assessment - Focus on Scope 1 and 2 emissions from the operation of buildings* *2.2.3.3 Green leases and tenant commitments* *2.2.3.1 Environmental Management System (EMS) - EMS for existing assets* *2.2.2.1 Environmental Management System (EMS) - Energy & Carbon* *2.2.2.3 Construction materials*	• Energy efficiency targets and energy management action plans planned in all standing assets • Environmental management system to improve environmental performance of assets • Implementation of daily energy optimisation actions • Investments in energy efficient equipment when replacing existing facilities (e.g. LED lighting technology roll-out) • Shift towards green electricity supply for all assets • Development of on-site renewable energy production capacity • Life cycle assessments of development projects to reduce amount of materials used and their carbon footprint • Engaging with stakeholders to improve energy efficiency and source renewable energy: tenants and suppliers (e.g. green leases, PPA contracts, and energy performance contracts with maintenance providers).	• Energy intensity per area or use (KWh/sqm and KWh/sqm DOCC) • Carbon intensity linked with energy consumption of standing assets (Scope 1 & 2 emissions) per area or use ($kgCO_2eq$/sqm and gCO_2eq/sqm DOCC)	**Improve energy efficiency and develop renewable energy use**
	• **Increased regulation on building energy efficiency** References: *2.2.3.4 Energy management* *2.2.3.3 Green leases and tenant commitments* *2.2.3.1 Environmental Management System (EMS) - EMS for existing assets* *2.2.2.1 Environmental Management System (EMS) - Energy & Carbon* *2.3.2.3 Supply chain management*	• Energy efficiency targets and energy management action plans planned in all standing assets • Environmental management system to improve environmental performance of assets • Implementation of daily energy optimisation actions • Investments in energy efficient equipment when replacing existing facilities (e.g. LED lighting technology roll-out) • Engaging with stakeholders to improve energy efficiency: tenants and service providers (e.g. green leases, and energy performance contracts with maintenance providers).	• Energy intensity per area or use (KWh/sqm and KWh/sqm DOCC) • Financial impact resulting from variations in energy consumption (€) • Percentage of Green Leases signed among new leases and active leases	**Increase operational efficiency through improved energy efficiency**

Themes	Risks	Summary of associated policies and actions plans	Associated main performance indicators (2019 results)	Opportunities
Governance	• **Lack of resources or ownership for managing CSR risks and CSR strategy** References: *2.4.3 Inspiring our people* *2.1.5 Governance and CSR* *2.1.4.4 External assurance* *2.2.2.2 Environmental certifications of buildings under development* *2.2.3.2 Environmental certifications of buildings during the operation phase*	• CSR agenda defined and overviewed at the highest governance level (Group CEO and the Senior Management Team) • Integration of the CSR agenda in core business processes: due diligence process, environmental management system for both development projects and existing assets, CSR information integrated in asset budget reviews, CSR objectives set for all employees in the assessment process of individual performance, CSR training module rolled-out to all employees • Alignment of initiatives, action plans and targets with the CSR programme in all departments (leasing, HR, development, operations, etc.) • Dedicated CSR team responsible for overseeing and supporting the implementation of the Group CSR strategy • Specific Group CSR governance with committees involving top management and operational managers in all business lines • Effective implementation verified through external audits and certification schemes.	• Percentage of Group employees with annual CSR individual objectives	**Enhance our reputation as a trustful and responsible partner and seize CSR opportunities**

2.1.3 PRIORITIES OF THE GROUP CSR STRATEGY

2.1.3.1 BETTER PLACES 2030

Since 2007, Unibail-Rodamco-Westfield has defined an ambitious Corporate Social Responsibility (CSR) strategy in continental Europe. Between 2006 and 2015, Unibail-Rodamco-Westfield had already achieved a cumulative reduction of 33.8% of its energy intensity and 65.1% of its carbon intensity. In 2016, the Group took up a new long-term challenge in continental Europe, with its Better Places 2030 programme, structured around one main target: to reduce the Group's carbon footprint by -50% by 2030 (vs. 2015). In doing so, the Group was the first listed real estate company to incorporate CSR in its entire value chain and address the wide scope of indirect carbon emissions resulting from construction works, transportation of visitors and employees, and energy consumption by tenants.

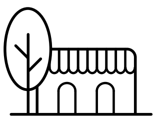
As part of URW's global integration agenda, the Group's CSR strategy, Better Places 2030, was extended to all regions of the Group in 2019.

While URW's ambition to halve its carbon footprint remains central, Better Places 2030 now also tackles new environmental challenges like responsible consumption and the circular economy. CSR also becomes the cornerstone of URW's human resources strategy, as the Group is increasing its commitment to diversity and inclusion.

A renewed CSR governance was set up to integrate the European and US platforms (presented in Section 2.1.5.2 Governance of CSR and the Better Places 2030 programme), and CSR-related risks have been included into the Group Risk Management Framework.

Better Places 2030 builds on the conclusions of the materiality analysis, market trends to 2030 and the analysis of CSR risks. It addresses the main challenges facing commercial real estate: moving towards a low-carbon economy and sustainable mobility, fully integrating the Group's business activities within local communities, and empowering teams on sustainability and diversity.

Better Places 2030 rests on three pillars as outlined below:

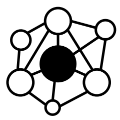


BETTERSPACES

CUT CARBON EMISSIONS ACROSS OUR VALUE CHAIN BY -50%

-50%

CARBON EMISSIONS ACROSS OUR VALUE CHAIN BY 2030

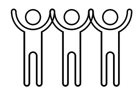


BETTERCOMMUNITIES

BE A CATALYST FOR GROWTH WITHIN THE COMMUNITIES IN WHICH WE OPERATE

100%

OF OWNED & MANAGED ASSETS WITH A COMMUNITY RESILIENCE ACTION PLAN BY 2020



BETTERTOGETHER

EMPOWER OUR PEOPLE TO BECOME SUSTAINABILITY & DIVERSITY CHANGE–MAKERS

100%

GROUP EMPLOYEES WITH YEARLY INDIVIDUAL CSR OBJECTIVES BY 2020

In order to lead this transformation, Better Places 2030 rests on a detailed and actionable set of targets presented with 2019 performance in 2.1.4.1 Summary of the Group's CSR performance.

Better Places 2030 and its associated performance has been recognised by key non-financial rating agencies, which rank the Group among the most sustainable companies in commercial real estate (see Section 2.1.4.2 Results of non-financial ratings and indices).

Better Places 2030 contributes to the United Nations Sustainable Development Goals as outlined below:

CONTRIBUTION OF BETTER PLACES 2030 TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

Pillars	Ambitions	SDGs
BETTER SPACES **Cut carbon emissions across our value chain by -50%**	**Design sustainable buildings** Minimise the environmental impact through innovative design and construction	9 Industry, innovation and infrastructure; 11 Sustainable cities and communities; 13 Climate action
	Improve eco-efficiency Collaborate with our tenants and contractors for efficient resource use	7 Affordable and clean energy; 9 Industry, innovation and infrastructure; 12 Responsible consumption and production; 13 Climate action
	Develop connectivity & sustainable mobility Ensure access to public transport and sustainable mobility	9 Industry, innovation and infrastructure; 11 Sustainable cities and communities
	Integrate nature & biodiversity Contribute to greener cities by protecting biodiversity	11 Sustainable cities and communities; 15 Life on land
BETTER COMMUNITIES **Be a catalyst for growth within the communities in which we operate**	**Expand local economies** Foster sustainable local economic development	8 Decent work and economic growth
	Engage with local stakeholders Support local partners	8 Decent work and economic growth
	Promote responsible consumption Promote healthier and more responsible consumption	12 Responsible consumption and production
BETTER TOGETHER **Empower our people to become sustainability & diversity change-makers**	**Bring together** Promote diversity and inclusion throughout the organisation	5 Gender equality; 10 Reduced inequalities
	Empower Develop and train talent	4 Quality education
	Inspire Make CSR core to our corporate culture	12 Responsible consumption and production

2.1.3.2 BETTER EVENTS 2030 – VIPARIS CSR STRATEGY

Viparis is a real estate venues and services company owned jointly with the Chamber of Commerce and Industry of Paris Île-de-France (CCIR) and which is fully consolidated by URW. This activity is exclusively located in France.

With 10 million visitors annually, 800 events and 9 sites, Viparis integrates sustainable development in its values and strategy. This commitment is acknowledged in its ISO 20121 certification, the leading international standard for the events sector, which is enforced at all its sites since 2014. In 2017, in line with the Better Places 2030 programme, Viparis decided to step up its CSR policy by launching its "Better Events Viparis 2030" strategic plan. This CSR policy outlines Viparis's major issues and commitments for the coming years and revolves around four key themes:

1. **A reduced environmental footprint**: with a target of cutting Viparis's carbon footprint by 50% compared to 2016;
2. **Better mobility:** Viparis is dedicated to working with its partners to boost the accessibility of its sites via sustainable transport means and optimise the logistics flows related to its business;
3. **Sustainable partners:** Viparis teams up with all the players in its value chain to fully integrate its activities into the local communities;
4. **Collective involvement:** Viparis's CSR initiative engages all employees.

With this ambition, Viparis aims, as an industry leader, to play a key role in transforming industry practices to achieve greater sustainability. The Viparis CSR policy is set out in a dedicated document, available in Viparis' website's sustainable development section: www.viparis.com.

2.1.4 SUMMARY OF THE GROUP'S CSR ACHIEVEMENTS

2.1.4.1 SUMMARY OF THE GROUP'S CSR PERFORMANCE

– BETTER PLACES 2030

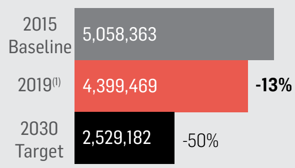
Note: this paragraph only includes the main targets of Better Places 2030. The sub-targets tied to the operational roll-out and progress against them are described in the next Sections (2.2 Better Spaces, 2.3 Better Communities and 2.4 Better Together).

Pillar 1 Better Spaces

BETTERSPACES

Target: Cut carbon emissions across our value chain by -50% by 2030.

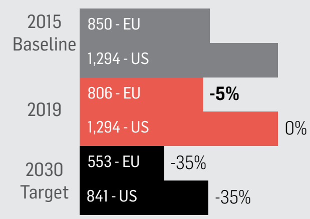
Performance: (tCO_2eq – % variation vs baseline)



(1) 2019 value is calculated on 2015 comparable activity units.

Target: Reduce emissions from construction by -35% by 2030.

Performance: ($kgCO_2eq$/sqm – % variation vs baseline)



NEW

Target: 100% development projects to integrate a circular economy design solution by 2025.

Performance: Several circular economy projects have been launched over the past few years, and the topic has been included in the new sustainability brief for development projects to scale it up across all development projects.

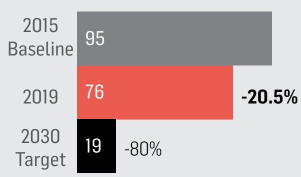
NEW

Target: 100% development projects to include long-term climate risks, while minimising resource use and maintaining user comfort by 2025.

Performance: The requirement to study long-term climate change impacts has been included in the sustainability brief to be used by all development projects. Several projects have already launched relevant studies in 2019.

Target: Reduce emissions from operations by -80% by 2030.

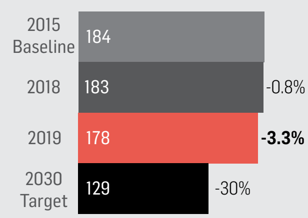
Performance: ($kgCO_2eq$ /sqm – % variation vs baseline)



NEW

Target: Improve the energy efficiency of our assets by 30% by 2030.

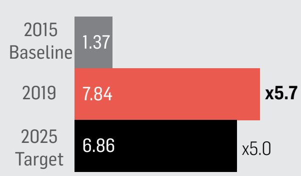
Performance: (kWh/sqm – % variation vs baseline)



NEW

Target: Multiply the installed capacity of on-site renewable energy fivefold by 2025.

Performance: (MW – Capacity multiplier vs baseline)



NEW

Target: 100% of our assets to include a climate change risk plan by 2022.

Performance: Based on the Group risk assessment of long-term climate change risks delivered in 2019, the Group will work on adaptation plans for its standing assets.

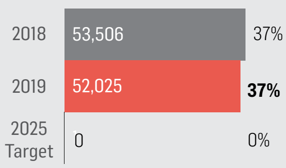
2.

Target	Performance

NEW

Aim to send zero waste to landfill by 2025.

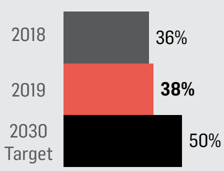
(Metric tonnes – % of total waste)



NEW

50% of visitors to access Group assets by sustainable means of transport by 2030.

(% of visitors)



(1) Electric vehicles are included in sustainable transport means for 2019 US figures only

NEW

Develop a Group biodiversity strategy by 2020.

The Group biodiversity strategy will be published in 2020 based on returns of experiences from initiatives led for the last few years, external experts and best practices.

NEW

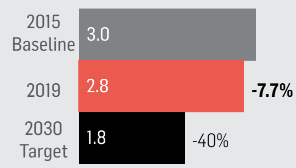
100% development projects to implement a biodiversity action plan by 2022.

In 2019, the Group engaged several biodiversity studies on development projects under BREEAM certification. Biodiversity has already been included in the new sustainability brief for development projects.

Target	Performance

Reduce emissions from transport by -40% by 2030.

($kgCO_2eq$/visit – % variation vs baseline)



100% development projects significantly connected to public transport solutions by 2025.

(% of projects)

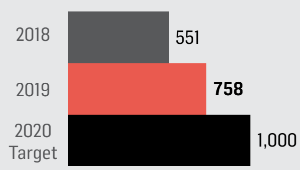
NEW

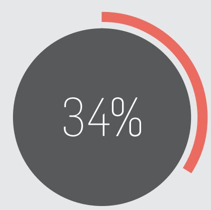
100% standing assets with high biodiversity stakes to implement a biodiversity action plan by 2022.

The new biodiversity strategy will be published in 2020. For standing assets, biodiversity action plans will be created by assets with high biodiversity stakes in order to reinforce existing initiatives.

Pillar 2 Better Communities

BETTERCOMMUNITIES

Target	Performance
NEW 100% of owned & managed assets with a community resilience action plan by 2020.	In 2019, the methodology and tools were designed to help the Group's assets implement their Community Resilience Action plans.
1,000 people to integrate a job or a qualifying training certification through the URW for Jobs programme by 2020.	(Number of people) 
NEW Collaborate with tenants to increase transparency of brands on health and sustainability, and to expand healthy and sustainable alternatives in 100% of Flagship assets by 2025.	New sustainable brands (produced locally, produced without toxic chemicals, organic etc.) were integrated in the portfolio, while a concrete action plan has been defined to collaborate with retailers.

Target	Performance
NEW 100% of Flagship assets to support local entrepreneurship through commercial partnerships and regional networks by 2020	The Grand Prize Retail was conducted for the 13th time in France and initiated in Spain, while local initiatives such as "L' Ouvre-Boite" or La Place Ephémère" enabled retail entrepreneurs to conduct customer facing tests and develop their activities.
NEW 100% of Flagship assets to support at least one local charity or NGO-sponsored long-term project (>2 years) by 2022.	(2019 – % Flagships) 
NEW 100% of Flagship assets support and promote at least one sustainable consumption initiative by 2022.	Sustainability and responsible consumption initiatives were integrated in the 2020 marketing roadmap of each asset.

Pillar 3 Better Together

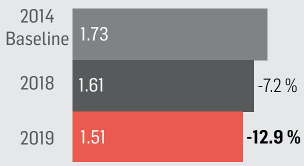
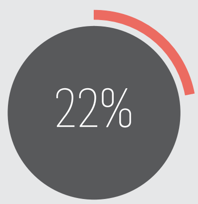
BETTERTOGETHER

Target	Performance
100% of Group employees with yearly individual CSR objectives by 2020.	(% of employees) 64%
NEW Improve employee engagement on Diversity & Inclusion.	In 2019, 169 employees participated in Unconscious Bias training and URW launched the Group's Gender Equality Action Plan. In 2020, URW will introduce a new Group Diversity & Inclusion Framework.
NEW 100% of Group employees to have participated in CSR training by 2022.	In 2019, the CSR ambition and related action plan were systematically introduced to newcomers in the "URW Fundamentals" training. In addition, dedicated technical trainings are offered to all relevant staff members including, for example, carbon footprint assessment methodology for development projects. URW has committed to train 100% of employees on CSR by 2022.
NEW 100% of our countries to implement Work Greener and employee well-being programmes by 2020.	(% of countries) 100%

Target	Performance
NEW Ensure full equal opportunities (e.g. gender, nationality, sexual orientation) in HR processes in 2019.	(2019 – % regions ensuring full equal opportunities) 100%
NEW Develop and roll-out Group-wide leadership & management programmes integrating CSR by 2022.	In 2019, foundations have been laid to redesign the Group senior leadership programme integrating CSR in 2020.
100% of Group employees take part in the URW Volunteering Programme annually by 2020.	(% of employees) 84%

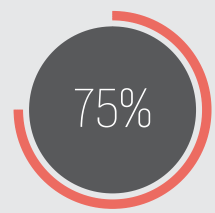
– BETTER EVENTS 2030

A REDUCED ENVIRONMENTAL FOOTPRINT

Target	Performance
ENERGY EFFICIENCY 20% reduction in the energy consumption in 2019 compared to 2014	(KWh/m² DOCC – % variation vs baseline) 
WASTE RECOVERY RATE 70% recycling rate in 2030 on the perimeter managed by Viparis	(2019 – % recycled) 
ENVIRONMENTAL PERFORMANCE OF NEW DEVELOPMENT PROJECTS -35% in the carbon footprint from the construction of new development projects in 2030 compared to 2016: Definition of the threshold value ($kgCO_2eq/m^2$ constructed)	Pavilion 6 at Paris Expo Porte de Versailles: 3,076 $kgCO_2eq/m^2$(1)
FIGHT AGAINST FOOD WASTE 0 food waste by 2020	(2019 – % catering partners and food outlet concessionaires with a solution to redistribute consumable food products) 
COMPLIANCE BY 100% OF OUR SITES WITH VIPARIS BIODIVERSITY CHARTER Assessment and action plans definition at asset level Avoidance of phytosanitary products.	0 PHYTO – sanitary products

(1) Floor Area.

BETTER MOBILITY

Target	Performance
100% OF SITES ACCESSIBLE BY SUSTAINABLE TRANSPORT MEANS Cartography of mobility solutions to reach the venues	Accessibility diagnosis made for 100% of the venues
80% OF VISITORS ARRIVING VIA SUSTAINABLE TRANSPORT MEANS Survey on sustainable means of transport used by visitors on 3 major venues	(2019 – % Visitors) 
CUSTOMERS PROVIDED WITH SUSTAINABLE LOGISTICAL PLANS	New logistics service offer at Palais des Congrès de Paris: transport flow optimisation and pooling

SUSTAINABLE PARTNERS

Target	Performance
RESPONSIBLE PURCHASING POLICY 100% of tenders from the purchasing department include CSR criteria	(2019 – % tenders with CSR criteria) 100%
75% of suppliers are assessed on CSR criteria	(2019 – % suppliers assessed on CSR criteria) 65%
100% OF OUR SITES ENGAGED IN A PARTNERSHIP WITH A VALUE-CREATING NON-PROFIT ORGANISATION AND IN AN ENVIRONMENTALLY-FRIENDLY INNOVATION 1 innovation and 1 partnership/venue	13 partnerships with associations, schools, artists…on all venues 10 innovations implemented on 7 venues
100% OF OUR CUSTOMERS MADE AWARE OF HOW TO ORGANISE ENVIRONMENTALLY-RESPONSIBLE EVENTS Definition of the eco-responsible new offer	Validation of this new offer perimeter Green lease signed with Les Boutiques du Palais

COLLECTIVE INVOLVEMENT

Target	Performance
100% OF NEW EMPLOYEES GIVEN SUSTAINABLE DEVELOPMENT TRAINING	(2019 – % employees) 100%
100% OF EMPLOYEES GIVEN A CSR-RELATED YEARLY OBJECTIVE	(2019 – % employees) 92%
100% OF EMPLOYEES INVOLVED IN SUSTAINABLE DEVELOPMENT EFFORTS Institutionalisation of CSR schemes	(2019 – % employees) 50%
100% OF EMPLOYEES WITH ACCESS TO A LOW-IMPACT MEAN OF TRANSPORT Carbon offsetting launch	6,842 KM travelled with the 3 electric cars available on 3 major venues 220 Tons of carbon offsetting 1,540 planted trees
100% OF EMPLOYEES CARRYING OUT ECO-GESTURES	Common waste bins set-up & individual waste bins removal Gourds distribution to 100% of employees & plastic water bottles removal

2.1.4.2 RESULTS OF NON-FINANCIAL RATINGS AND INDICES

Unibail-Rodamco-Westfield again features in recognised extra-financial (ESG) performance indices. The Group's strong ESG ratings and assessments, for the first time as a combined Group in all assessments, confirm and strengthen its position as an ESG leader in the industry in 2019.

– NON-FINANCIAL EVALUATIONS

The Group's ESG assessments by extra-financial rating agencies were updated in 2019:

- **GRESB (*Global Real Estate Sustainability Benchmark*):** In 2019, the Group increased its overall score and received a 'Green Star' recognition for the ninth year in a row, with a rating of five stars (highest performance level). Unibail-Rodamco-Westfield ranked:
  - First among all listed retail real estate companies Worldwide ("Global Sector Leader"),
  - First among all listed European retail real estate companies ('Regional Sector Leader'),
  - Second among all listed European real estate companies;
- **CDP:** Unibail-Rodamco-Westfield was highlighted as a global leader on corporate climate action by global environmental impact non-profit CDP:
  - Achieving a place on the CDP Climate Change A List (score on a scale of A to D-) in 2019 for the second year in a row,
  - Being awarded a position on the Supplier Engagement Leaderboard recognising the Group as a global leader for engaging with its suppliers on climate change (more details in Section 2.3.2.3 Supply chain management);
- **MCSI ESG ratings**: in 2019 and for the sixth year in a row, Unibail-Rodamco-Westfield obtained the highest rating of AAA (on a scale of AAA to CCC) in the MSCI ESG ratings assessment;
- **ISS ESG Corporate rating:** Unibail-Rodamco-Westfield was rated C+ and received again the Prime status awarded through this score. URW was also integrated in the 1st Decile Rank, indicating its performance relative to industry group;
- **VigeoEiris:** in 2019, Unibail-Rodamco-Westfield was ranked as "Top performer" for Europe in the 2019 *Real Estate ESG Sector Report ESG* available on www.vigeo-eiris.com;
- **Standard Ethics:** for the first time in 2019, Unibail-Rodamco-Westfield was rated by Standard Ethics, an independent sustainability rating agency aiming to promote sustainability and governance standard principles from the European Union, the OECD and the United Nations, and obtained an EEE- 'Excellent' grade (on a scale of EEE to F).

– NON-FINANCIAL INDICES

In 2019, Unibail-Rodamco-Westfield again features in a number of renowned SRI indices, including:

- **Euronext Vigeo indices:** World 120, Europe 120, Eurozone 120, and France 20 (since 2013, reconfirmed in December 2019);
- the FTSE4Good Index series (since 2005, updated FTSE4Good Index Review in June 2019);
- the Ethibel Sustainability Index (ESI) Excellence Europe and the Ethibel Sustainability Index (ESI) Excellence Global (since 2011, and reconfirmed with effect from September 16, 2019);
- the list of "Top 10 Performers" of the CAC 40® Governance index (since the creation of the index in 2017, renewed in December 2019);
- ECPI® indices: ECPI Global Eco Real Estate & Building Liquid, ECPI World ESG Equity, ECPI Euro ESG Equity, ECPI Global Ethical Equity, ECPI EMU Ethical Equity, and ECPI Euro Ethical Equity.

2.1.4.3 ALIGNMENT WITH CSR REPORTING STANDARDS AND FRAMEWORKS

Since 2018, the Group issues its non-financial statement (French *Déclaration de Performance extra-financière* – DPEF), in compliance with the transposition into French law (via decree no. 2017-1265 of August 9, 2017) of the European directive of October 22, 2014 related to the disclosure of non-financial information, which determines the content and scope of application of the new CSR reporting system in place of the Grenelle 2 system.

Unibail-Rodamco-Westfield's non-financial statement consists mainly of the present Chapter 2 "Corporate Social Responsibility", completed with elements in Chapters 1 and 6 (business model and business ethics policies). Detailed components of the Non-financial statement as required by the regulation are presented in a correspondence table in Section 8.6.3. Cross reference table of the management report.

Since 2018, the Group ensures its alignment with the new industry guidelines for reporting non-financial information, updated by the French National Council of Shopping Centres (CNCC) the same year to ensure that the reporting done by commercial real estate companies complies with the new regulatory requirements on non-financial disclosure and is comparable from one company to another.

The 2019 Unibail-Rodamco-Westfield Universal Registration Document also complies with the Best Practices Recommendations on Sustainability Reporting (sBPR) established by EPRA (European Public Real Estate Association). For the eighth time in a row, Unibail-Rodamco-Westfield received the EPRA Gold Award in 2019 for completing its 2018 reporting in accordance with the EPRA Sustainability BPR.

Unibail-Rodamco-Westfield, which was a pioneer in 2013 for following the new GRI (Global Reporting Initiative) guidelines, has continued to comply with the updated versions of these standards. In 2016, the Group published its reporting in line with the GRI G4 framework 'core approach', and it began to comply with the new GRI Standards, which were published in October 2016, as early as in 2017.

The 2019 Group's non-financial statement is in line with the recommendations of the Task force on Climate-related Financial Disclosures (TCFD).

Cross-references tables with EPRA and GRI indicators as well as with the TCFD's core elements of climate-related financial disclosures are available in the CSR section of the Group's website.

The Group's Better Places 2030 CSR strategy is furthermore aligned with the United Nations Sustainable Development Goals: its contributions to the SDGs is detailed in Section 2.1.3 Priorities of the Group CSR strategy.

2.1.4.4 EXTERNAL ASSURANCE

In compliance with the applicable regulation on the disclosure of non-financial information (see Section 2.1.4.3 Alignment with CSR reporting standards and frameworks), the data and key performance indicators of the Group's non-financial statement are audited by an independent third party verifier: see assurance report in Section 2.6.2 Independent third party's report on consolidated non-financial statement for details on scope of review and assurance conclusions.

In 2019, the audit included a comprehensive on-site review of the data reported by a sample of nine assets representative of the Group's portfolio: Westfield Forum des Halles, Le Bourget, Wroclavia, Westfield Chodov, Donau Zentrum, Westfield Stratford City, Westfield San Francisco Centre, Westfield Galleria at Roseville, and Westfield Santa Anita. The indicators were audited with a limited level of assurance. A list of the indicators audited can be found in the auditor's report (Section 2.6.2 Independent third party's report on consolidated non-financial statement).

The auditor was also commissioned to carry out an audit on the annual reporting for the Green Bonds issued by the Group. This audit consists of verifying the compliance of funded assets with the set of eligibility criteria, concerning both their development and operation phases, which are defined in the Green Bonds Use of Proceeds (see Section 2.5.2 Green Bonds). The detailed reporting and assurance report are disclosed in Section 2.5.2 Green Bonds.

2.1.5 GOVERNANCE AND CSR

2.1.5.1 ETHICS AND INTEGRITY

Unibail-Rodamco-Westfield's corporate governance, ethical conduct and risk management policies provide the necessary stability and reliability required for sustainable growth and performance. As a signatory to the UN Global Compact since 2004, the goal of which is to promote corporate social responsibility, the Group is committed to adopting, upholding and enacting within its sphere of influence the ten universally recognised principles relating to human rights, labour laws, environmental protection and anti-corruption. Unibail-Rodamco-Westfield's governance structure is presented in Chapter 3 Corporate governance and remuneration. The Unibail-Rodamco-Westfield Compliance policy, Code of Ethics and Anti-corruption programme are presented in Section 3.4.1 Ethics and Compliance within URW Group.

2.1.5.2 GOVERNANCE OF CSR AND THE BETTER PLACES 2030 PROGRAMME

The CSR governance and the Better Places 2030 programme have been built around two priorities:

- monitoring CSR performance by ensuring that the objectives of the Better Places 2030 programme are fully integrated into the Group's business and decision-making processes;
- engaging all stakeholders and employees of the Group in order to collectively achieve the objectives of the Better Places 2030 programme.

As a key topic of Better Places 2030, climate change is fully integrated in the CSR governance described hereafter.

The Senior Management Team (SMT) acts as the Group CSR Steering Committee by defining the strategy, arbitrating and monitoring the implementation of the CSR programme. It reports on progress and results to the Supervisory Board. The SMT is chaired by the Group CEO.

The CSR workstreams are organised around the key functions in the organisation:

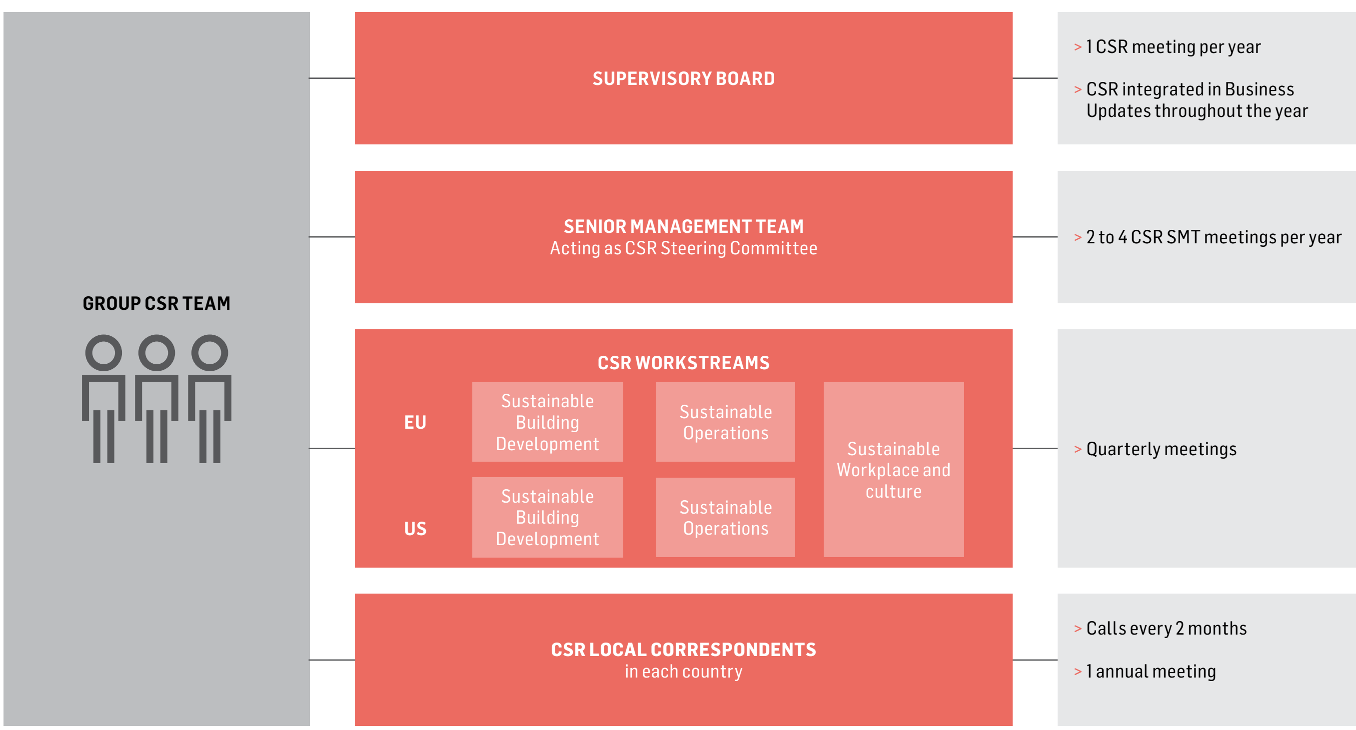
- Sustainable Building Development US and EU workstreams gathering key decision makers from the Design, Development and Construction teams in each continental platform;
- Sustainable Operations US and EU workstreams gathering key decision makers for standing assets such as Shopping Centre Management, Leasing, Marketing, and Technical Teams in each continental platform;
- Sustainable Workplace and Culture involving key HR decision makers at Group level.

The CSR workstreams address the relevant Better Places 2030 targets in their scope of work to ensure operational implementation of the programme. The CSR workstreams are chaired by Directors in charge of the departments involved to ensure efficient decision making and transcription into actions.

CSR local correspondents are in charge of coordinating the implementation of Better Places 2030 at country level, in relationship with the CSR Workstreams and the SMT, sharing local best practices, following country CSR performance and updating country management team.

A dedicated CSR team is responsible for overseeing and supporting the implementation of the Group's CSR strategy. This team coordinates the CSR strategy across the organisation, develops tools and methodologies, supports and trains the regional teams, identifies and shares best practices, and measures CSR performance to regularly report on results and progress achieved. The team is led by Julie Villet, Group Director of URW Lab & CSR, steered by Clément Jeannin, Group Director of CSR, and overseen by Astrid Panosyan[(1)], Member of the Senior Management Team and Group Chief Resources Officer.

OVERVIEW OF UNIBAIL-RODAMCO-WESTFIELD CSR GOVERNANCE IN 2019



(1) Reports directly to the Chairman of the Management Board.

2.1.5.3 INTEGRATION WITHIN CORE PROCESSES

The CSR approach is fully embedded into the key processes of Unibail-Rodamco-Westfield, in line with the Company's strategic priorities and operational concerns. Relevant management processes have been set up at each stage of the business cycle, along with appropriate key performance indicators. For example:

- the Unibail-Rodamco-Westfield due diligence process for asset acquisitions includes a complete audit of technical, regulatory, environmental and health and safety risks, including soil contamination;
- the Group Enterprise Risk Management framework (ERM) includes climate change and CSR risks: identified among the main risk factors, they are integrated in the risk management programme overviewed by the Group risk committee, which reports regularly to the Group Management Board and Supervisory Board (see Section 6.1.2 Group Enterprise Risk Management Framework for more details);
- development projects are regularly reviewed in light of Better Places 2030 targets in order to deliver the highest standards;
- managed assets have an environmental action plan, with annual performance reviews;
- the Internal Audit Department conducts regular assessments of the management and compliance processes in accordance with the rules set by Unibail-Rodamco-Westfield within each business unit;
- recruitment and career development procedures ensure the promotion of diversity & inclusion, and provide Unibail-Rodamco-Westfield employees with the skills and opportunities required to build attractive careers;
- the training path of new joiners as well as individual objectives of Group employees (please refer to Section 2.4.3 Inspiring our people for more details);
- the Short Term Incentive plan of the Group Senior Management Team, Group top management teams, and management teams of the countries in which Unibail-Rodamco-Westfield operates in continental Europe, as well as the Long Term Incentive plan of all eligible Group employees (see Section 2.4.3.1 Employee commitments and CSR for more details);
- decision-making processes incorporate CSR performance indicators in line with the Better Places 2030 programme. Since 2017, annual budget reviews performed on assets, either when selecting investments in the standing portfolio, keeping track of development projects or making new property investment decisions, include criteria such as energy efficiency, carbon footprint and sustainable mobility.

2.1.5.4 RELATIONS WITH INVESTORS AND PROFESSIONAL ORGANISATIONS

– RELATIONS WITH INVESTORS

Unibail-Rodamco-Westfield reports to investors on its Environmental, Social and Governance (ESG) strategy and achievements via regular publications to investors (annual results, periodical publications and newsletters), via written answers to direct information requests and to questionnaires sent by non-financial ratings agencies, and by holding and taking part in dedicated meetings or exchanges on sustainable development (SRI meetings, one-to-one meetings, SRI roadshows and Investor Days). In 2019, Unibail-Rodamco-Westfield took part in meetings with investors focusing on ESG matters, essentially on a face-to-face basis during conferences or direct discussions. These meetings also enable Unibail-Rodamco-Westfield to learn more on key areas of interest for investors on ESG topics. The Group's position in the various ESG indices and evaluations is outlined in Sections 2.1.4.2 Results of non-financial ratings and indices.

– RELATIONS WITH PROFESSIONAL ORGANISATIONS

As one of the leading listed commercial real estate companies worldwide, Unibail-Rodamco-Westfield has the responsibility to encourage the industry as a whole to adopt more sustainable practices. Within the European Public Real Estate Association (EPRA), Unibail-Rodamco-Westfield has made a significant contribution to the definition and the update of consistent, shared KPIs for the industry. Christophe Cuvillier, Group CEO, has been a member of the EPRA Board of Directors in 2019 and the Group is a member of the EPRA Sustainability Committee. The mission of the EPRA Sustainability Committee is to "support the publicly listed real estate sector, through the EPRA platform, in playing its part in the global transition to an environmentally, socially and economically sustainable economy". URW is also a member of the PropTech and Innovation, Investor Relations, Reporting & Accounting, as well as Regulation & Taxation Committees. At Group level, Unibail-Rodamco-Westfield is also a member of the EU Public Affairs Committee (EPAC) and the sustainability group of the International Council of Shopping Centres (ICSC).

At regional or country level, the Group is a member of professional organisations such as, in France, the French Council of Shopping Centres (CNCC) and its sustainability Group. Unibail-Rodamco-Westfield is also a member of the French Association of Private Businesses (AFEP), FSIF (*Fédération des Sociétés Immobilières et Foncières*).

2.2 BETTER SPACES

2.2.1 ADDRESS CLIMATE CHANGE

2.2.1.1 CLIMATE CHANGE STRATEGY

As part of its CSR strategy, Better Places 2030, the Group commits to cutting carbon emissions across its value chain by -50% between 2015 and 2030. This strong commitment marked a first in the listed commercial property industry by covering such a comprehensive part of the Group's Scope 3 emissions:

- greenhouse gas emissions generated in the construction of its development projects;
- greenhouse gas emissions due to the private energy consumption of its tenants;
- and finally, emissions due to travel by building occupants and especially visitors to the Group shopping centres.

The Group's carbon target between 2015 and 2030 breaks down into the following three complementary objectives:

- Reduce emissions from construction by -35% by 2030;
- Reduce emissions from operations by -80% by 2030;
- Reduce emissions from transport by -40% by 2030.

The carbon reduction targets of the Group on operations and transport have been updated in 2019 to ensure feasibility in the context of the new Group, now operating in the UK and US.

In 2019, with the support of independent experts, the Group was able to verify that its strategy to reduce greenhouse gas emissions is in line with the mitigation efforts necessary to keep global warming below 2°C. This modelling work was based on the SBTi absolute approach using the IPCC's 5th Amendment Report emissions pathway.

The Group's CSR strategy illustrates its willingness to commit 100% of its standing assets and new development projects to reducing its carbon footprint. These commitments will step up the development of a new generation of more environmentally-friendly buildings, in line with the Group's ambition of excellence and in line with market demand.

Achieving these low-carbon objectives involves the active participation of all the Group's employees within their areas of responsibility and the contribution of the Group's stakeholders in driving change, mainly tenants, suppliers and service providers. It also relies on strong partnerships with manufacturers and start-ups in order to accelerate the pace of transformation, particularly in the fields of low-carbon construction and new sustainable mobility solutions.

– REDUCE EMISSIONS FROM CONSTRUCTION BY -35% BY 2030

Unibail-Rodamco-Westfield was the first company in commercial real estate to commit to significantly reducing its carbon emissions from construction on a broad scope. In concrete terms, reducing its carbon intensity by -35% between 2015 and 2030 means dropping from an average:

- in Europe (including the UK) of 850 kg CO_2eq/sqm[(1)] constructed in 2015 to 552.5 kg CO_2eq/sqm on average by the end of 2030. The 2015 baseline has been built on the carbon intensity of greenfield/brownfield projects under construction or delivered between 2012 and 2015: Trinity (France), Wroclavia (Poland), Aéroville (France), Majunga (France), Westfield Mall of Scandinavia (Sweden), 3 Pays (France) and Minto (Germany);
- in the US, of 1,294 kgCO_2eq/sqm constructed in 2015 to 841 kg CO_2eq/sqm on average by the end of 2030. This new baseline for the US has been calculated in 2019 following the carbon assessments conducted on the following projects: Westfield UTC, Westfield Valley Fair, Westfield Topanga and Westfield Valencia.

While the US baseline of 1,294 kgCO_2eq/sqm has been calculated using extension projects, the Europe and UK baseline methodology will be fine-tuned in 2020 to consider this typology of projects.

The main levers to achieve the Group's low carbon target on construction are the following:

- a "lean building" approach from the design phase using fewer materials, through optimised design choices: structure, fixtures and fittings, façades, suspended ceilings, reducing number of parking spaces, etc.;
- using new solutions for construction and choice of alternative and low-carbon materials: low-carbon concrete and cement, wood, recycled products, etc., including the choice of suppliers or products based on their location of manufacture;
- developing targeted partnerships with construction firms and manufacturers of building materials for the implementation of innovative solutions.

Those levers are integrated in the Group Sustainability Brief, gathering all the requirements for development projects (brownfield, greenfield, refurbishments, renovations and extensions) to be in line with Better Places 2030. This document, approved in 2019, will be rolled out at the beginning of 2020, and development projects will be assessed against it during key project reviews.

Changes in carbon performance with regard to the targets is presented in a progress graph in Section 2.1.4.1 Summary of the Group's CSR performance.

(1) m^2 constructed corresponds to gross floor area (excluding gross floor area of car parks).

– REDUCE EMISSIONS FROM OPERATIONS BY -80% BY 2030

When it comes to standing assets, the carbon footprint consists mainly of greenhouse gas emissions from energy consumed as part of the operation of the buildings. Achieving its ambitious target of reducing carbon emissions from operations by 80% between 2015 and 2030 draws on two levers simultaneously:

- Improving energy efficiency both in common and private areas of the Group's assets. The Group pursues the objective of improving by 30% the energy efficiency of its assets (in kWh/sqm) between 2015 and 2030. To reach this ambitious target, all of the Group's assets are to design an energy efficiency action plan (see Section 2.2.3.4 Energy management);
- completing a fast transition to low-carbon energies. Unibail-Rodamco-Westfield is committed to using 100% electricity from renewable energy sources ("green electricity"), both for the consumption of the common areas of its assets (including shared facilities) and for the private electricity consumption of its tenants.

Achieving this target requires strong involvement of tenants: in 2019, 82% of the carbon footprint from energy consumption of asset operation are from tenant areas. To accomplish this, the two levers of improving energy efficiency and transitioning to low-carbon energy sources are also implemented in the private parts of the assets, in cooperation with the tenants: specific green terms are added in lease contracts and sustainability committees are organised at asset level (see Section 2.2.3.3 Green leases and tenant commitments).

Changes in carbon performance with regard to the targets is presented in a progress graph in Section 2.1.4.1 Summary of the Group's CSR performance.

– REDUCE EMISSIONS FROM TRANSPORT BY -40% BY 2030

The Group's greenhouse gas emissions from the transportation of visitors or occupants are significantly higher than emissions from the operation of the buildings themselves. They represent over two thirds of the Group total carbon footprint (see Section 2.2.1.2 Carbon assessment). Unibail-Rodamco-Westfield is committed to improving sustainable mobility and has set itself an ambitious target to cut its carbon footprint from visitor transport by -40% between 2015 and 2030.

This reduction target is supported by the availability and promotion of sustainable mobility solutions for users of standing assets and the requirement for greenfield/brownfield projects under development to have good public transport connections. Overall, the Group targets a maximum car modal share of 50% for both its standing assets and development projects (see Section 2.2.4 Develop connectivity and sustainable mobility). In 2019, the transportation carbon footprint methodology was updated to reduce results uncertainty, and the 2015 baseline has been updated to account for US and UK assets.

Changes in carbon performance with regard to the targets is presented in a progress graph in Section 2.1.4.1 Summary of the Group's CSR performance.

2.2.1.2 CARBON ASSESSMENT

The carbon footprint is the measurement of the entire scope of greenhouse gas (GHG) emissions linked with the Group activities. This assessment enables to identify the contributions and associated responsibilities of the different stakeholders and the levers to reduce the Group's carbon impact. As part of the Better Places 2030 strategy expansion to all of the Group's regions, the Group updated its carbon footprint measurements for 2015 (baseline year to take into account the integration of US and UK assets) and 2019. Following the acquisition by Unibail-Rodamco of the Westfield company in 2018, the year 2019 is the first year for which the Group's full consolidated carbon footprint is being reported (continental Europe, UK and US).

– METHODOLOGY

The method used for quantifying emissions is based on the ISO 14064-1 standard, the GHG Protocol guidelines and the Bilan Carbone® methodology of ADEME (*Agence de l'Environnement et de la Maîtrise de l'Énergie*, or French Environment and Energy Management Agency), and is subject to specific methodological guidelines (see Section 2.6.1 Unibail-Rodamco-Westfield's reporting methodology).

The sources of emissions included in the Group's total carbon footprint are broken down per Scope and entity in the table hereafter. The Group calculates its carbon footprint on an extended Scope 3 basis which is outlined in the table hereafter, measuring the major indirect emissions across its entire value chain. To reflect the Group's business activities in the most accurate manner, including the interactions between the Company and its stakeholders, Scope 3 has been further broken down into two categories:

- Scope 3 managed: Under Unibail-Rodamco-Westfield's operational control;
- Scope 3 related: Responsibility of stakeholders that Unibail-Rodamco-Westfield can influence but does not control directly.

SCOPES 1 & 2

Scope 1	Direct emissions from stationary combustion: gas and fuel consumption in common areas
	Direct emissions from mobile combustion: fuel used for company vehicles
	Direct fugitive emissions: leaks of refrigerant gas
Scope 2	Indirect emissions linked to electricity consumption in common areas (production included, transportation and upstream excluded)
	Indirect emissions from cold or hot steam consumption (centralised cooling and heating provided by urban heating and cooling networks)

SCOPE 3

Scope 3 managed Unibail-Rodamco-Westfield's operational control	Emissions from energy production not included in Scopes 1 and 2 (extraction, production and transport of fuel, electricity, hot and cold steam): transport and upstream distribution of energy consumed in common areas
	Purchased products and services: expenses for daily operation of sites, such as cleaning, maintenance, security, waste management, energy and fluid provision, marketing expenses (OPEX), office supplies (headquarters)
	Capital equipment: IT equipment on-site, company vehicles
	Waste: on-site waste management
	Employee commuting: Unibail-Rodamco-Westfield employees' transportation from home to work
	Business travel: Unibail-Rodamco-Westfield employees' business travel by plane, train and taxi
	Investments: Expenses related to development projects
Scope 3 related Stakeholders' responsibility	Visitor and customer transport: upstream and downstream travel of visitors, customers and/or occupants to the Group's shopping centres and offices
	Downstream leased assets: electricity consumption of private areas (production, transportation and distribution)

The following items are excluded from the carbon footprint, either because they do not apply to the Group's business, or because the Group cannot influence them significantly: direct emissions from processes excluding energy; biomass emissions (soil and forests); upstream transport of goods (emissions included for Viparis only); upstream leased assets; downstream transport of goods; use of sold products; end of life of sold products; downstream franchised assets; and other indirect emissions.

– RESULTS: GROUP CARBON FOOTPRINT EXCLUDING VIPARIS

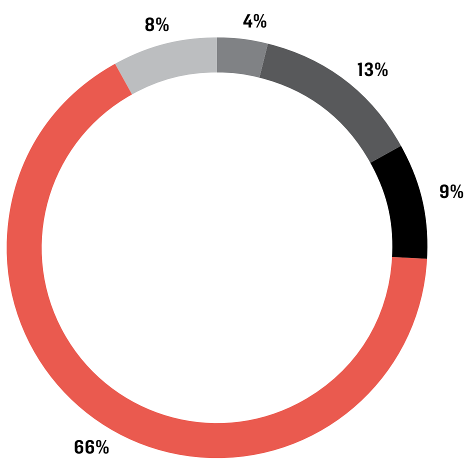
Greenhouse gas emissions are preferably expressed according to the "Market-Based" approach (suppliers' emissions factors) in order to highlight the efforts made in selecting the Group's energy suppliers. However, to take into account the expectations of various stakeholders, results are also expressed according to the "Location-Based" approach (countries' emissions factors) in this section. Further in the document, all results related to greenhouse gas emissions will then be presented according to the "Market-Based" method, unless explicitly stated otherwise.

The carbon footprint for 2015 is the baseline for tracking the carbon-related objectives of the Better Places 2030 strategy. It was updated in 2019 to integrate the Group's emissions from all of its regions following the acquisition of Westfield by Unibail-Rodamco. The updated 2015 Group carbon footprint baseline and the Group carbon footprint for 2019 are presented below.

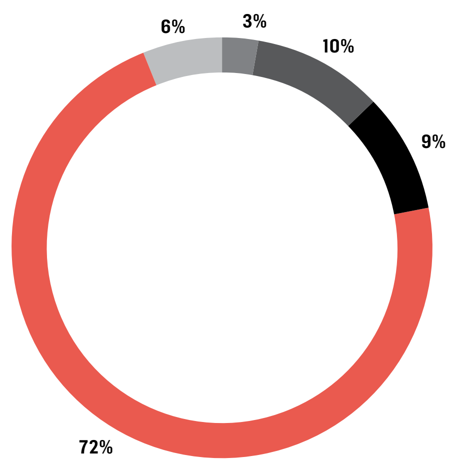
UPDATED 2015 AND 2019 GROUP CARBON FOOTPRINT FOLLOWING "MARKET-BASED" AND "LOCATION-BASED" METHODS

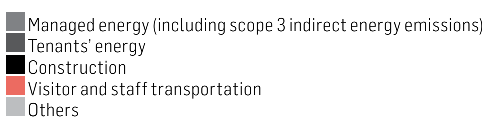
	Carbon footprint (TCO_2eq)	
	"Market-Based" method	"Location-Based" method
2015 - Scope 1	26,868	26,868
2015 - Scope 2	135,340	169,218
2015 - Scope 3	4,896,155	4,891,760
TOTAL 2015 (baseline)	**5,058,363**	**5,087,846**
2019 - Scope 1	24,095	24,095
2019 - Scope 2	69,000	163,940
2019 - Scope 3	4,051,756	4,128,930
TOTAL 2019	**4,144,851**	**4,316,965**

BREAKDOWN OF THE 2015 GROUP CARBON FOOTPRINT BY ACTIVITY



BREAKDOWN OF THE 2019 GROUP CARBON FOOTPRINT BY ACTIVITY





GROUP CARBON FOOTPRINT: EVOLUTION BETWEEN 2015 AND 2019

	2019	2015	2019 comparable to 2015[(1)]	Evolution: 2019 comparable to 2015[(1)] vs. 2015
		Thousands TCO_2eq		%
Total energy (scopes 1, 2 and 3)	520	856	680	-20%
Construction	378	466	443	-5%
Visitor and staff transportation	2,977	3,341	2,922	-13%
Others	270	395	354	-11%
Total	**4,145**	**5,058**	**4,400**	**-13%**

(1) 2019 comparable to 2015: corresponds to 2019 carbon intensity measures applied to 2015 activity data (using common activity denominators).

These results confirm the need to factor in an expanded Scope of emissions, not limited to the emissions from Group energy consumptions (Scope 1 and 2) when setting the Group's carbon reduction targets, and especially to act on the key Scope 3 carbon priorities.

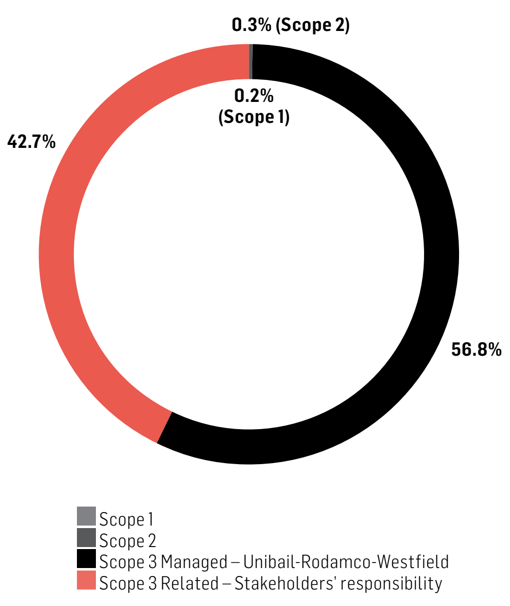
– RESULTS: VIPARIS CARBON FOOTPRINT

The carbon footprint of Viparis is presented below on scopes 1, 2 and 3 following the "Market-Based" and "Location-Based" methods.

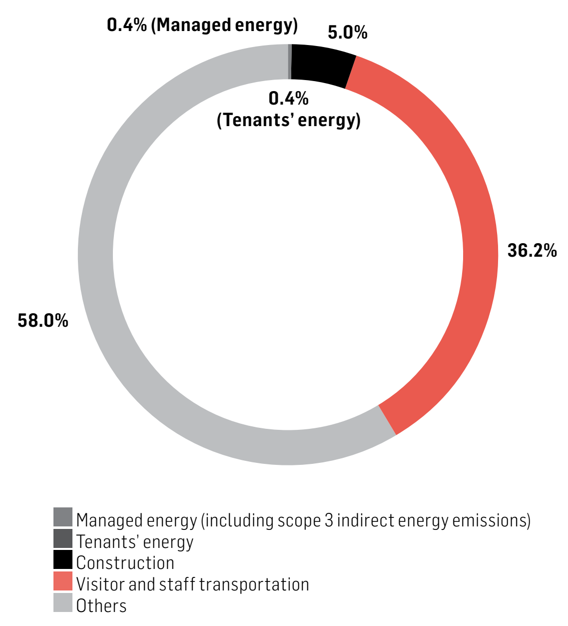
2019 VIPARIS CARBON FOOTPRINT FOLLOWING "MARKET-BASED" AND "LOCATION-BASED" METHODS

	Carbon footprint (TCO_2eq)	
	"Market-Based" method	"Location-Based" method
2019 - Scope 1	1,570	1,570
2019 - Scope 2	2,918	4,669
2019 - Scope 3	937,942	937,942
TOTAL 2019	**942,430**	**944,181**

BREAKDOWN OF THE 2019 VIPARIS CARBON FOOTPRINT BY SCOPE



BREAKDOWN OF THE 2019 VIPARIS CARBON FOOTPRINT BY ACTIVITY



– FOCUS ON SCOPE 1 AND 2 EMISSIONS FROM THE OPERATION OF BUILDINGS

As part of its proactive policy on efficient building operation, capitalising on its long-standing commitments in this field and in line with its Better Places 2030 strategy, in which the Group targets to improve by 30% the energy efficiency of its standing assets between 2015 and 2030, the Group is monitoring GHG emissions from the energy consumption of the operations of its owned and managed buildings (common areas and common equipment). This contributes to the Group target of reducing GHG emissions from its operations by 80% between 2015 and 2030.

To manage the carbon performance of its operational activities, the Group has set indicators to measure the intensity of greenhouse gas emissions per areas (sqm) for each of its operated shopping centres and offices, and by areas occupied per days of occupancy (sqm DOCC) for its operated convention and exhibition venues. This makes it possible to analyse a building's overall carbon efficiency on a like-for-like basis depending on its purpose and scope.

GREENHOUSE GAS EMISSIONS FROM ENERGY CONSUMPTION OF STANDING ASSETS (SCOPES 1 & 2) (TONNES OF CO_2EQ[1])

Greenhouse gas emissions (CO_2, CH_4, N_2O, etc.) converted into CO_2 equivalent ("CO_2eq") generated by the energy purchased and managed by the site manager over the year (Scope 1: natural gas, Scope 2: electricity, urban heat and cooling networks).

	Retail	Office	Convention & Exhibition
2019 Total	**85,016**	**452**	**3,652**
of which direct emissions - Scope 1	*16,399*	*247*	*2,319*
of which indirect emissions - Scope 2	*68,617*	*205*	*1,333*
2018 Like-for-like	94,031	665	4,425
2019 Like-for-like	75,359	452	3,652
2019/2018 CHANGE (%)	**-20%**	**-32%**	**-17%**

The Group policy regarding renewable electricity purchase enables it to reduce its operations carbon footprint year on year. It also allows the Group to encourage producers to invest in the development of clean technologies by increasing market demand for these energy sources.

CARBON INTENSITY LINKED TO THE ENERGY CONSUMPTION OF STANDING ASSETS (SCOPES 1 & 2) BY AREA FOR SHOPPING CENTRES AND OFFICES (kgCO_2EQ/SQM/YEAR), AND BY USAGE FOR CONVENTION & EXHIBITION VENUES (gCO_2EQ/SQM DOCC[2]/YEAR)

	Retail (kgCO_2eq/sqm)	Office (kgCO_2eq/sqm)	Convention & Exhibition (gCO_2eq/m²DOCC)
2019 TOTAL	**20.9**	**6.7**	**98.2**
2018 Like-for-like	27.0	11.1	111.8
2019 Like-for-like	22.2	6.7	98.2
2019/2018 change (%)	**-18%**	**-39%**	**-12%**

Other than greenhouse gas emissions from the energy consumption of its buildings, the main item of the Group's direct greenhouse gas emissions related to the operation of its buildings is from the leak of refrigerants from cooling appliances maintained by the property manager of sites owned and managed by the Group.

(1) These emissions are expressed based on emission factors for each source of energy using the "market-based" method of the GHG protocol, according to which these factors depend on the type of energy consumed (electricity, natural gas,etc.), the country, the supplier and the nature of the energy product (energy from fossil fuels or renewable sources). These are specific factors associated with the contractual commitments between the supplier and property manager which do not necessarily reflect emissions from energy delivered by the grid but valorise and focus on the production and purchase of energy that is certified as generated from renewable sources.

(2) Areas occupied per days of occupancy.

GREENHOUSE GAS EMISSIONS GENERATED BY LEAKS OF REFRIGERANT FLUIDS (TONNES OF CO_2EQ)

	Total (all assets)
2019 GHG emissions linked to refrigerants leaks	7,090

In 2019, the carbon intensity linked to the energy consumption (Scope 1 and 2) of the Group's shopping centre portfolio (CO_2eq/sqm) decreased: -18% compared to 2018 on a like-for like basis. This strong performance was due to:

- the accomplished transition towards electricity from renewable sources under the Better Places 2030 program, which largely contributed to this reduction: in 2019, shopping centres, offices and convention and exhibition centres in Europe are 100%[1] powered by electricity from renewable sources. In the US the transition will be done over 2020 and 2021 (see Section 2.2.3.4 Energy management);
- a continued improvement in the energy efficiency level of the owned and managed assets portfolio between 2018 and 2019: -3% in energy consumption on a like-for-like basis from 2018 to 2019.

2.2.1.3 CLIMATE RISK MANAGEMENT AND ADAPTATION TO CLIMATE CHANGE

The Group's risk management framework is presented in Chapter 6 Risk factors and internal control. CSR risks were analysed at Group level (see Section 2.1.2.2 CSR risks and opportunities); this section presents a detailed analysis of the climate change risks for the Group.

On top of addressing climate change mitigation (see Section 2.2.1.1 Climate change strategy), Better Places 2030 also addresses climate change adaptation through the resilience of its assets to climate change: the Group targets for 100% of its development projects to include long-term climate risks, while minimising resource use and maintaining user comfort by 2025, and for 100% of its standing assets to include a climate change risk plan by 2022.

The effects of climate change on Unibail-Rodamco-Westfield's portfolio will vary depending on the region and the asset. The scale and severity of changes will determine the extent of the impact, as will factors such as age, location, construction methods, asset operational efficiency, local infrastructure quality and capacity.

In 2019, the Group commissioned a climate change risk assessment study covering all standing assets as well as the development pipeline. In line with TCFD recommendations, this study covered both transitional (policy and legal, technology, market) and physical risks (chronic ones: precipitation, temperature, drought and sea level rise) and was based upon IPCC scenarios RCP4.5 and RCP8.5, with different time horizons: Short term 2030, Medium term 2050 and Long term 2100. The methodology for physical risks was based on assessing each existing asset with exposure, sensitivity and adaptive capacity grades to end up with a final physical vulnerability score. The methodology for transition risks was based on local surveys and data collection from specific asset locations.

The climate change risk assessment enabled URW to have a clear global view on the future risks of climate change for its portfolio, which will help the Group to design relevant climate change adaptation plans for standing assets as well as integrating adaptation measures in development projects. Furthermore and on a shorter time horizon, the Group complies with regulatory requirements in each region with regard to flooding risks, water management, and drainage systems for exceptionally heavy rainfall.

Unibail-Rodamco-Westfield's due diligence process for acquisitions and greenfield/brownfield development projects covers the analysis of risks and opportunities related to financial and operational issues. For example, the process includes a complete audit of technical, regulatory, environmental, and health & safety performance. The potential financial impact of identified risks is taken into account during the due diligence phase. Issues covered include risks associated with climate change, soil pollution, protection of wetlands, asbestos, legionella and electromagnetic radiation.

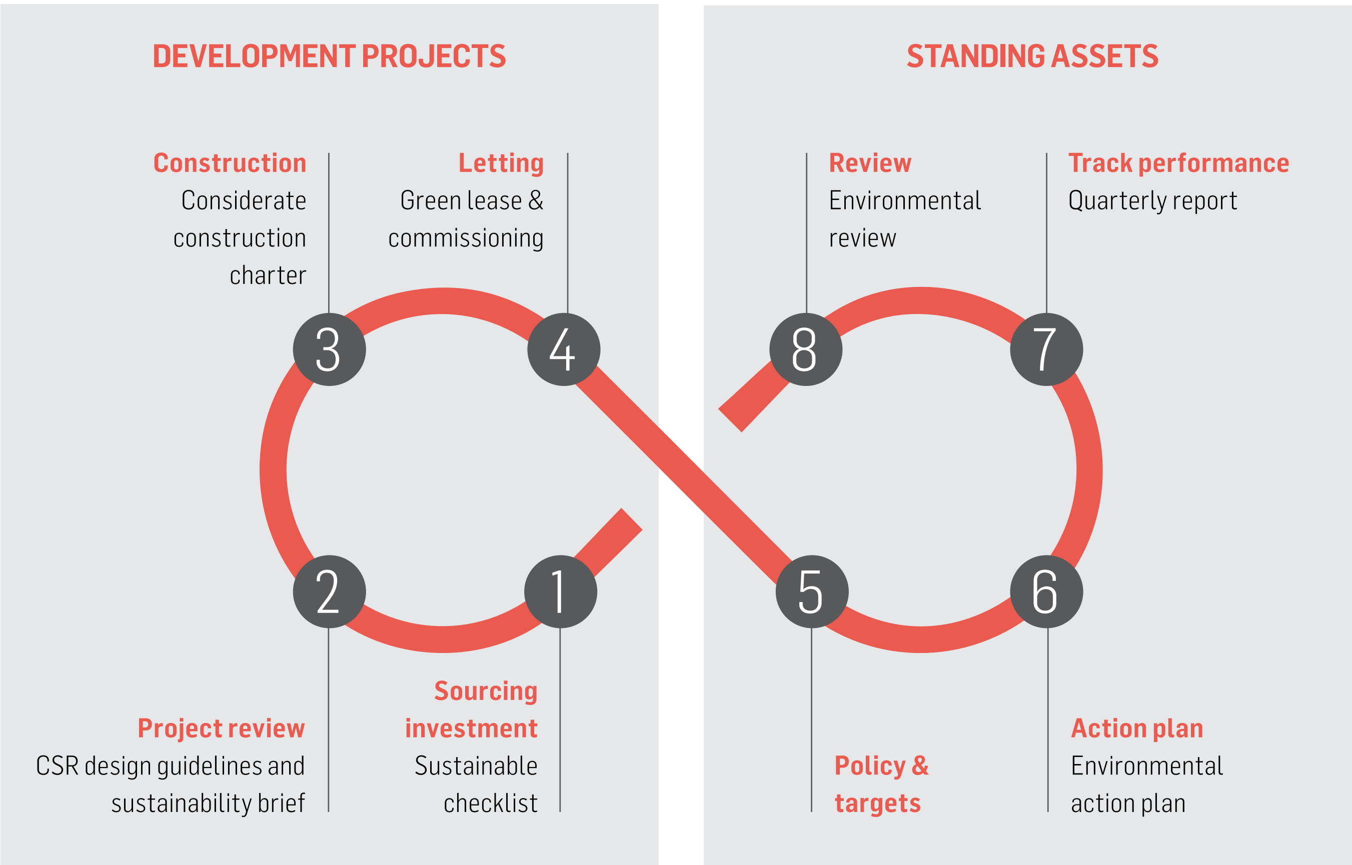
(1) Except for a temporary interruption in green electricity supply during 2019 for Pasing Arcaden and Gera Arcaden.

2.2.2. DESIGN SUSTAINABLE BUILDINGS

2.2.2.1. ENVIRONMENTAL MANAGEMENT SYSTEM (EMS)

The Group's environmental strategy relies on an Environmental Management System (EMS), aiming at reducing the environmental impacts of its assets at every stage in their life cycle, from initial design through to daily operation.

GROUP ENVIRONMENTAL MANAGEMENT SYSTEM



The Group has defined and monitors several indicators to manage the environmental performance of its standing assets and development projects, in line with the objectives of its CSR strategy. Some of them are incorporated into five-year budget review processes for standing assets and development projects to ensure alignment.

– EMS FOR DEVELOPMENT PROJECTS

The EMS ensures that all development projects, whatever their size or type, are designed in the most sustainable way in the long-term and in accordance with the Group CSR strategy in order to minimise their environmental impact. For each project, the EMS covers all four stages in the development process and involves several departments, notably Development, Security, Technical teams, Operations, Leasing, and on-site Shopping Centre Management teams:

- **acquisition audit:** sustainability and risks related to climate change are analysed and evaluated during the Group's due diligence process;
- **project reviews:** at key milestones during the design of the project, the latter is assessed using the Group's "Sustainability Brief" to ensure compliance with the Group CSR strategy;
- **construction:** the contractor agrees to abide by the Group's Considerate Construction Charter, which is designed to limit the social and environmental effects of the construction process;
- **commissioning:** a commissioning process is followed to ensure that buildings technical installations perform efficiently (settings and operating instructions), and that maintenance suppliers in charge of operations and running technical installations as well as Shopping Centre Management teams are properly trained.

As part of the EMS, a Group-wide community of CSR champions in the development teams was created in 2019 to ensure best practice sharing across countries. The community is led by the Group corporate CSR team.

For all UK and Italy Flagship development projects, the DOR (Design & Operational Requirements) has been designed to be included in the Design & Construction teams' development Client Brief Basic Scope. It includes environmental and technical specificitie, ranging from Access Equipment through to Wind & Thermal Management and subject expert 'Champions' were identified from all areas of the business to assist in compiling the data. Each category includes an introduction, with best practice and lessons learnt where applicable, space requirements, technical & equipment requirements, risk management & operational requirements, service & maintenance requirements and innovation & future systems/technology requirements. Each requirement was then categorised as a 'Must Have' base build requirement, or a 'Should Have' for innovation and future proofing requirements. The DOR was included in the 'Client Brief' for Milan and Croydon, and a gap analysis has been produced for each development project, to ascertain any omitted items to be included for scoping and costing. In terms of business benefits, the implementation of the DOR will ensure that we deliver real value to the Development, Design & Construction and Centre Management Operational processes, and provide the platform to drive continuous improvements.

– PROJECT DESIGN AND REVIEW STAGE

In 2019, the "Sustainability Brief" has been developed in collaboration with the Development teams to operationally translate the Better Places 2030 objectives for development projects. The "Sustainability Brief" applies to new developments and extension & renovation projects Group wide. It sets minimum requirements applicable to all projects and additional specific requirements for large projects.

Requirements for all projects include among others:
- Zero waste to landfill for future operation;
- 100% of timber with FSC (Forest Stewardship Council) or PEFC certification (Program for the Endorsement of Forest Certification) for both works and the building itself;
- Divert demolition, strip-out and construction waste from landfill with at least a 60% waste recovery rate.

Furthermore, according the Group's Better Places 2030 strategy, 100% development projects are to integrate a circular economy design solution by 2025.

Requirements for large projects include among others:
- Minimum environmental certification level to obtain: BREEAM Excellent for EU projects or LEED GOLD in the US;
- Passive and/or renewable energy implemented solutions needs to represent a minimum 10% reduction in conventional energy or carbon reduction on the project;
- Undertake a feasibility assessment of bio-sourced materials for structural elements and circular economy design solutions;
- Undertake a long-term climate risks analysis, while minimising resource use and maintaining user comfort.

During key milestones in the design phase of the project, CSR reviews are made:
- To ensure that all the minimum requirements of the sustainability brief are included in the project brief;
- To study variants to improve the environmental performance of the project in line with Better Places 2030 objectives.

Energy & carbon

Unibail-Rodamco-Westfield is the first commercial real estate company to commit to wide-scale reduction of its carbon footprint, including development projects. As part of its Better Places 2030 strategy, from 2017, the Group systematised the assessment of the carbon footprint of its large development projects from the design phase via a dynamic approach, based on a Life Cycle Assessment (LCA) combined with the thermal simulations that have historically been performed on the projects. Due to the lack of specific worldwide guidelines, with the assistance of an independent expert, the Group created a customised methodology and tools to assess the carbon footprint of its development projects that was based on existing standards and adapted to correspond to the specific attributes of the shopping centres and offices developed by the Group.

Since 2017, the Group's Development teams have received trainings in using this methodology and applying these targets in order to ensure that these new requirements are fully taken into account at design stage by the design team as well as all construction companies. In 2019, the first sessions for the new Group regions were delivered to the US development teams.

In this respect, 53% of development projects[1] had conducted a Life Cycle Assessment analysis in the concept design stage or the feasibility phase (equivalent RIBA stage 2) as at end 2019.

This comprehensive approach to assessing projects throughout their entire life cycle (construction and operation) supports the policy of reducing the carbon footprint of the Group's projects and helps making the best construction, technical and energy choices through a multi-criteria approach (capital expenditures, costs, carbon emissions in construction and in operation, aesthetics and sustainability).

As an illustration, the Sisters project fully embodies the Group's ambitious environmental performance goals, guaranteed by Exceptional HQE, Outstanding BREEAM, and Effinergie + certifications and labels. This project has also been selected by ADEME to participate in the E+C- (Energy + Carbon -) pilot study to provide credible answers to the question of how high-rise buildings can transition to carbon neutrality. The E+C- framework is a precursor to future energy and carbon regulation in France.

(1) Committed and controlled development projects as at January 1, 2019 over Compliance Book area and investment cost thresholds.

Water and Waste

The Group's development projects are built in line with the new Sustainability Brief, the Considerate Construction Charter and the BREEAM and LEED certification water and waste management requirements.

In particular, these recommendations include:

- Good practice and clear technical steps on how to achieve water efficiency right from the design stage, in particular, in the choice of equipment installed (toilets, urinals, fire extinguishers, sprinkler systems, cooling systems, etc.);
- Integration of zero waste to landfill requirements for future operations, mandatory by 2025 as per Better Places 2030;
- A feasibility at early stage for onsite treatment of waste needs to be undertaken (e.g. through composting).

Pollution and environmental risk management

The Group complies with all applicable environmental legislation across all its activities. The Group's acquisitions and developments are covered by the policy of risk management and subject to health & safety and environmental risk analysis.

As such, the Group's acquisition process incorporates an assessment of technical, regulatory, health and safety and environmental risks, including soil pollution, wetland protection and climate change, as part of its pre-acquisition due diligence. For greenfield/brownfield projects, the Group complies with all applicable regulation regarding health, safety and environmental matters. An assessment of the environmental impact of each project is carried out at a very early stage.

There is no provision for environmental risk in the Group's accounting in 2019.

– SUSTAINABLE CONSTRUCTION

Since 2011, the Group's Considerate Construction Charter is applied to all greenfield/brownfield construction, renovation and extension projects in continental Europe. It describes the Group's requirements and recommendations intended to optimise its worksites' environmental quality whilst minimising pollution for the contractors working on site, the neighbouring area and the natural environment. Based on the BREEAM specifications, it also integrates all the requirements set by the relevant local and national urban planning regulations. Since 2014, the construction contractors are obliged to adhere to the Group's Considerate Construction Charter when signing any contracts with Unibail-Rodamco-Westfield in continental Europe. To also cover the US and the UK, the charter was updated in 2019, to be fully applicable everywhere the Group operates and will be deployed in 2020 in those regions in accordance with the sustainability brief requirements.

The Considerate Construction Charter includes the following requirements:

- providing information to people living nearby and limiting traffic disruptions;
- training and informing employees of construction companies;
- ensuring a proper management of risk and of hazardous product handling;
- ensuring at least 60% of waste recycling (material recovery) by weight, and clear traceability of all waste managed;
- managing and limiting noise and visual pollution, as well as the risk of soil, water and air pollution;
- monitoring resources in order to reduce resource consumption.

NUMBER AND SHARE OF DEVELOPMENT PROJECTS THAT IMPLEMENT A CONSIDERATE CONSTRUCTION CHARTER

	2019
Number of development projects that implement a Considerate Construction Charter	8
Share of development projects that implement a Considerate Construction Charter	67%

Pollution Prevention

Moreover, the Group ensures that the action plans and preventative measures are implemented by contractors during construction.

SOIL POLLUTION AND SITE REMEDIATION

Annual (for current year) monetary expenses for soil decontamination/site remediation and volumes that have been detoxified.

	2019
Monetary expenses in soil decontamination *(k€)*	2,384
Volumes concerned *(m3)*	39,599

The volume of soil decontamination undertaken for development projects in 2019 is related to the construction works of projects Westfield Vélizy 2 leisure extension and Trinity.

Health and Safety on work sites

The construction contractors overseen by the Construction Management Contractor are contractually required to make the necessary provisions for site safety and comply with the relevant Health and Safety legislation.

The Management Contractor's teams develop the technical requirements provided to contractors within the tendering process. These include specific safety requirements, as well as the applicable health and safety standard a successful bidder must comply with. Tender submissions that do not comply with either the technical requirements and the applicable Health and Safety standards are disqualified from the tendering process.

During the construction phase site Health, Safety and Security is continuously monitored by the Management Contractor's teams.

Health and Safety Coordinators are appointed in various countries where the Group is active. They are employed by the Construction Manager, with as principal function to coordinate health and safety matters between the various stakeholders.

2.2.2.2. ENVIRONMENTAL CERTIFICATIONS OF BUILDINGS UNDER DEVELOPMENT

Unibail-Rodamco-Westfield, as part of its strategy for development projects set up in the Sustainability Brief, targets an environmental certification for all of its large new greenfield/brownfield construction, refurbishment and extension projects: BREEAM in Europe, LEED in the US. Unibail-Rodamco-Westfield aims to achieve a minimum ranking of “Excellent” (BREEAM) or “Gold” (LEED) for its large development projects.

Other environmental certifications are obtained, when relevant to the real estate leasing or investment markets, such as HQE certification in France (High Environmental Quality, the French standard certification scheme for sustainable constructions) or DGNB *(Deutsche Gesellschaft für Nachhaltiges Bauen)* in Germany for the Offices portfolio.

The Docks 76 project was the first shopping centre in Europe to receive the BREEAM certification. Since then, the Group has continued to set the benchmark within the sector in Europe. In 2019 notably, the Group confirmed its leading position in terms of environmental certification by obtaining 2 design stage certificates a BREEAM “Excellent” for the project Shift and a BREEAM “Very Good” for Mall of the Netherlands as well as the post-construction certificates for Westfield London Phase 2 (BREEAM New Construction “Very Good”) and Wroclavia Offices (BREEAM New Construction “Excellent”).

In addition to secure the Excellent/Gold level, all projects need to undertake a technical and economic feasibility to reach the outstanding/platinum level as mentioned in the sustainability brief. Two developments projects are currently aiming for a BREEAM Outstanding level (not secured yet).

SHARE OF DEVELOPMENT PROJECTS THAT ARE IN AN ENVIRONMENTAL BUILDING CERTIFICATION PROCESS

Among committed and controlled projects

	2019
Share of development projects that are in an environmental building certification process	76%

All the recent development projects are in an environmental building certification process (at least under a BREEAM or LEED framework). The others were too advanced at the time Better Places 2030 was launched; for most of them, the construction works had already begun.

NUMBER OF DEVELOPMENT PROJECTS THAT OBTAINED A DESIGN STAGE ENVIRONMENTAL CERTIFICATE

Among committed projects

	2019
Number of development projects that obtained a design stage BREEAM/HQE certificate	6
Share of development projects that obtained a design stage environmental (BREEAM or HQE) certificate	50%

The low number of development projects that obtained a design stage environmental certificate is mainly related to the fact that most of the project's design phases were not advanced enough in 2019 for a design certification.

Regarding the convention and exhibition assets (Viparis), the Pavillon 6 of the Paris Porte de Versailles has obtained a BREEAM International New construction interim certificate and the Pavillon 7 its final BREEAM International certificate.

2.2.2.3. CONSTRUCTION MATERIALS

– REDUCING CARBON IMPACT OF CONSTRUCTION MATERIALS

As part of its pioneering commitment to reducing its construction carbon footprint by -35% between 2015 and 2030, the Group focusses on the choice and use of the materials for its development projects. Specifically, it involves:

- adopting a "lean material construction" approach right from the design phase (structure, façade, false ceilings, fixtures and fittings, etc.);
- using new solutions and optimised low-carbon materials (low-carbon cement and low carbon concrete, bio-sourced materials, recycled materials, etc.);
- asking subcontractors to put forward alternative solutions with low carbon content;
- adopting a purchasing policy that includes criteria for the carbon content of products and construction materials (requiring environmental and health and safety certification – Environmental Product Declarations and "*Fiches de Déclaration Environnementale et Sanitaire*" in France);

In 2019, the Group also developed guidelines on low-carbon interior design to help from the very beginning the interior architect design teams to choose the best materials based on their carbon performance.

The Group's priority is to work towards reducing the carbon impact of the most significant items, beginning with the structure and foundations of the building. For example, the Group now studies the use of low-carbon cements for all development projects. This was the case notably in the foundations of the Trinity office project, covering infrastructure of Avenue de la Division Leclerc, and composite floors of the office spaces. Projects like Sisters, Mall of Europe, Westfield Hamburg or Altamar are all studying the use of low carbon cement to optimize their carbon footprint.

On the mixed use project Ateliers Gaîté, Unibail-Rodamco-Westfield is working closely with Hoffman Green Cement Technologies to incorporate an innovative cement (which has a carbon footprint reduction of more than 75% compared with traditional cement). The project will also include a residential property using timber construction, using bio-sourced materials to reduce indirect construction-related emissions.

The Group is also integrating circular economy in its development projects. For example on the reuse of materials in development projects, a mission was carried out on the Michelet project with the company Cycle Up in order to quantify reusable waste. In addition, the Sisters project is currently studying the use of reused raised floors.

– A RESPONSIBLE SUPPLY CHAIN

The Group's materials policy specifies that 100% of timber used in development, extension and renovation projects must be from certified, sustainably managed forests with FSC or PEFC certification.

This policy is systematically specified in tender documents for construction projects and all contractors are asked to abide by its terms. The Group works with reputable construction companies. In-house project managers are asked to pay closer attention to this contractual requirement. The Group aims to obtain "post-construction" final certification according to the BREEAM or LEED standards for as many projects as possible. As part of this certification process, the sourcing of wood used during construction is verified and validated (prerequisite for BREEAM and optional for LEED).

In line with BREEAM "In-Use" certification requirements for its managed assets, the Group deploys a specific addendum regarding materials in the purchasing contracts signed with the main service providers (use of less polluting materials, use of certified timbers, etc.).

2.2.2.4. COMFORT, HEALTH, WELL-BEING AND PRODUCTIVITY FOR USERS OF OUR BUILDINGS

Comfort and well-being issues are a determining factor in our technical and architectural choices for development, refurbishment and extension projects (e.g. façades, glass roofs, interior finishes, heating, ventilation and air-conditioning equipment, lighting, occupant control methods, etc.). The Design Guidelines for new developments, renovation and extension projects provide clear steps on how to achieve comfortable and safe spaces, based on thermal comfort, visual comfort, acoustic comfort and interior air quality.

In our new development projects, facades are designed to achieve a balance between thermal performance rating (insulation value, solar factor), carbon performance and visual comfort (daylight illumination, glare control).

The acoustics of our spaces are also designed to provide the best solutions to reduce technical equipment noise levels, to reduce noise levels passing through facades, to improve interior sound absorption and insulation between premises. Interior surfaces were selected on the basis of their volatile organic compound emissions thresholds, as set by BREEAM or LEED certification which requires the use of construction products that abide by the best practices in each country, (for example, A and A+ labelling in France). These recommendations also appear in the specifications for developing stores in shopping centres.

Moreover, during the design phase of new large development projects, comfort and well-being are evaluated using dynamic thermal simulation to ensure best levels of comfort during operation. In order to assess the climate change resilience of projects, the same simulations are also done using future climate change scenarios. Projects must be adapted (or explain how they can easily adapt) to the expected levels of comfort.

The Group works in close cooperation with tenants to provide comfortable and safe spaces. Green Leases and Sustainable Development Committees set up with tenants raise awareness of issues amongst the various stakeholders, and set out tenants' responsibilities for the final fitting out of the spaces provided by the landlord.

2.2.3. IMPROVE ECO-EFFICIENCY

2.2.3.1. ENVIRONMENTAL MANAGEMENT SYSTEM (EMS)

– EMS FOR EXISTING ASSETS

The Environmental Management System (EMS) is implemented across the whole owned and managed portfolio in Europe. This pragmatic and dynamic EMS ensures that the Group is able to meet its annual and long-term targets and supports Unibail-Rodamco-Westfield's continuous improvement for each area covered by the Group's CSR policy, including climate change and resource use. It completes the development project EMS, as part of the overall policy of managing the environmental quality of the Group's assets throughout their life cycle (see Section 2.2.2.1 Environmental Management System (EMS) – EMS for development projects).

The EMS system is based on four steps of the environmental performance management process: target setting, establishing an environmental action plan, measuring results and reviewing the performance:

- **Group policy and targets:** targets are set each year for each owned and managed asset in line with the Group's long-term targets and with the specific characteristics of each individual site;
- **Environmental action plan:** an action plan covering key topics such as energy, greenhouse gas emissions, water, waste, transport and stakeholders is implemented and challenged for each managed site. On a daily basis, asset technical managers ensure the environmental performance and monitoring of operations and implement the roll-out of the asset environmental action plans. Additional external technical reviews commissioned by technical teams may also be conducted at asset level when a specific expertise is required, for example, waste or energy audits;
- **Quarterly report and Registration Document:** performance is measured and assessed on a quarterly basis at the site, region and Group levels. A corrective action plan is implemented in case of deviation;
- **Review**: at asset level, the Group conducts internal environmental performance reviews. These reviews are conducted at least on an annual basis by the teams in charge of environmental sustainability at platform levels and with the Group CSR team. Achievements against targets are reviewed on these occasions.

The Group sets itself ambitious targets in terms of asset certification under the BREEAM In-Use standard (see Section 2.2.3.2 Environmental certifications of buildings during the operation phase). This international standard was applied to the Group's assets in 2011 to promote the quality of their environmental management and related performances in terms of visitors, tenants and local communities.

Additionally, two of the Group's shopping centres in the UK, Westfield Stratford City and Westfield London, have been certified under the ISO 14001 environmental management standard since 2013 and 2015, respectively.

Regarding convention and exhibition venues, the Viparis subsidiary is engaged in the ISO 20121 certification process which recognises Social and Environmental Responsibility management systems for events businesses. Viparis' ISO 20121 certification, obtained for the first time in 2014 for all of its sites and all of its business activities, illustrates the Group's trailblazing and proactive CSR commitment: Viparis became one of the first global players in the events industry to win this stringent certification, which constitutes a distinctive competitive advantage, ensuring transparent and improved business practices. In October 2017, Viparis' ISO 20121 certification was renewed by Bureau Veritas Certification for another three years.

2.2.3.2. ENVIRONMENTAL CERTIFICATIONS OF BUILDINGS DURING THE OPERATION PHASE

Unibail-Rodamco-Westfield aims to obtain operational environmental building certifications for 100% of its owned and managed shopping centres and offices worldwide, and maintain the high level of the certifications obtained.

At the end of the year 2019, the Group had 50 assets BREEAM In-Use certified on Building Management (Part 2), of which 47 Shopping Centres and 3 Office buildings, accounting for a total certified area of over 3.5 million m². This represents a share of 58% of the Group's standing portfolio in number of assets (retail and office assets), and a coverage of 58% in surface area.

– RETAIL

In 2019, 4 shopping centres obtained a BREEAM In-Use re-certification (assets certified in 2016 for which the certificate has been renewed 3 years later): Lyon Confluence, Pasing Arcaden, Fisketorvet and Bonaire.

The Group's performance in terms of environmental certification is again very high, establishing local market benchmarks in a number of countries. 2 out of the 4 centres certified in 2019 have achieved an "Outstanding" rating for Building Management (Part 2), which is the highest level of BREEAM In-Use certification. Of these, Pasing Arcaden also obtained an "Outstanding" grade for Asset Performance (Part 1), leading to a total of 8 shopping centres within the Group's portfolio certified Double Outstanding in 2019.

Overall, Westfield Chodov remains the asset with the highest score for Building Management (Part 2) in the Group's portfolio of standing shopping centres, as well as the highest score among all of Czech Republic retail buildings as per the BREEAM In-Use international 2015 criteria.

As at December 31, 2019, the Group had 47 owned and managed Shopping Centres certified under BREEAM In-Use, of which 21 were rated "Outstanding" for Building Management (Part 2).

Certified Shopping Centres account for **over 3.4 million m² consolidated GLA** and correspond to **57%** of the Group owned and managed Shopping Centres portfolio in number of buildings, and to a **57%** BREEAM In-Use certification coverage in surface area. In 2019, BREEAM In-Use certified shopping centres in the Group portfolio are all located in continental Europe (**90% of the Group's continental European shopping centres are certified** – in number of buildings), as the BREEAM In-Use certification framework has not been rolled-out yet in the US.

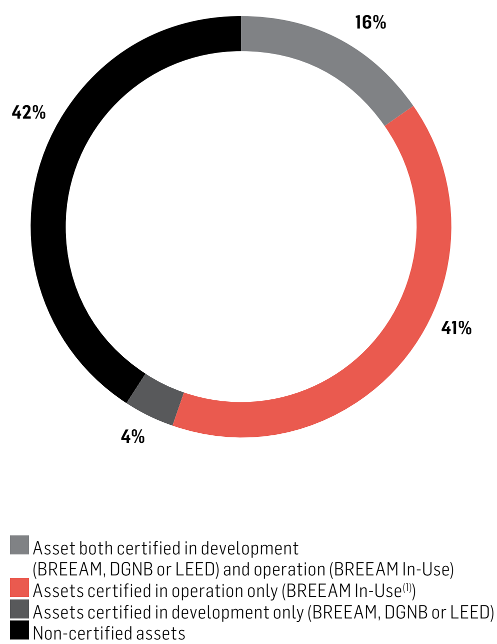
The Group's operational environmental building certification strategy will be rolled out to the US portfolio starting in 2020.

In terms of asset performance, **45%** of the BREEAM In-Use certificates awarded to the Group's Shopping Centres achieved the "Outstanding" level for Building Management (Part 2), compared to an average of just **7.8%** for the European Retail Real Estate market[1], confirming the superior environmental performance of the Group's assets despite the diversity of the portfolio in terms of size, age and location.

COVERAGE OF BREEAM IN-USE ENVIRONMENTAL CERTIFICATION OF THE GROUP'S STANDING ASSETS IN NUMBER OF ASSETS AND FLOOR AREA – SHOPPING CENTRES

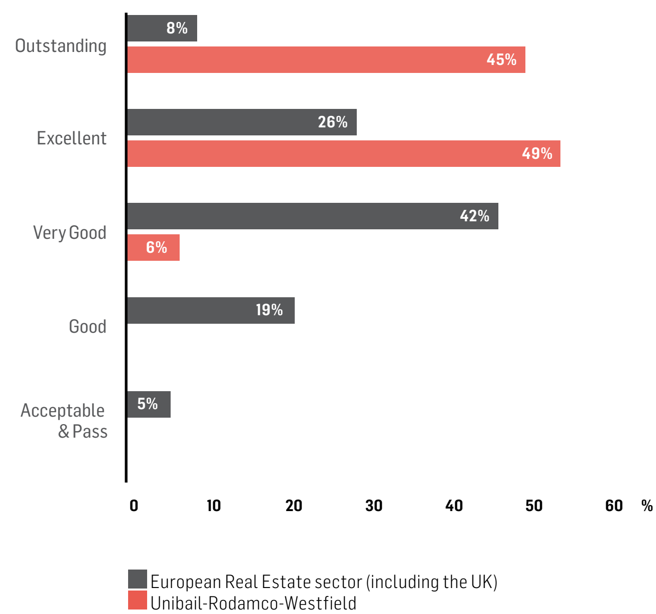
2019	Number of assets certified	Surface area certified (sqm GLA)	Certification coverage	
			% (in number)	% (in sqm GLA)
Total certified Retail assets	47	3,438,000	57%	57%
Of which Outstanding (Part 2)	21	1,631,000	45%	47%

COVERAGE OF ENVIRONMENTAL CERTIFICATIONS IN OPERATION AND DEVELOPMENT WITHIN THE TOTAL GROUP STANDING SHOPPING CENTRE PORTFOLIO (IN NUMBER) (%)



(1) Part 2: Building Management

BREAKDOWN OF GROUP SHOPPING CENTRE BREEAM IN-USE CERTIFICATIONS BY GRADE (IN NUMBER OF ASSETS) IN COMPARISON WITH THE EUROPEAN RETAIL REAL ESTATE SECTOR [2]



(1) Source: BRE Global "BREEAM In-Use" data (all countries in Europe except Germany, Austria, Spain & The Netherlands), DIFNI/ TÜV SÜD NSO data (Austria, Germany), BREEAM ES/ITG NSO data (Spain), DGBC data (The Netherlands), as at December 31, 2019 – 463 retail assets certified under BREEAM In-Use International 2015 (Part 2).
(2) Source: BRE Global BREEAM In-Use data (all countries in Europe except Germany, Austria, Spain & The Netherlands), DIFNI/ TÜV SÜD NSO data (Austria, Germany), BREEAM ES/ITG NSO data (Spain), DGBC data (The Netherlands), as at December 31, 2019 – 463 retail assets certified under BREEAM In-Use International 2015 (Part 2).

– OFFICES

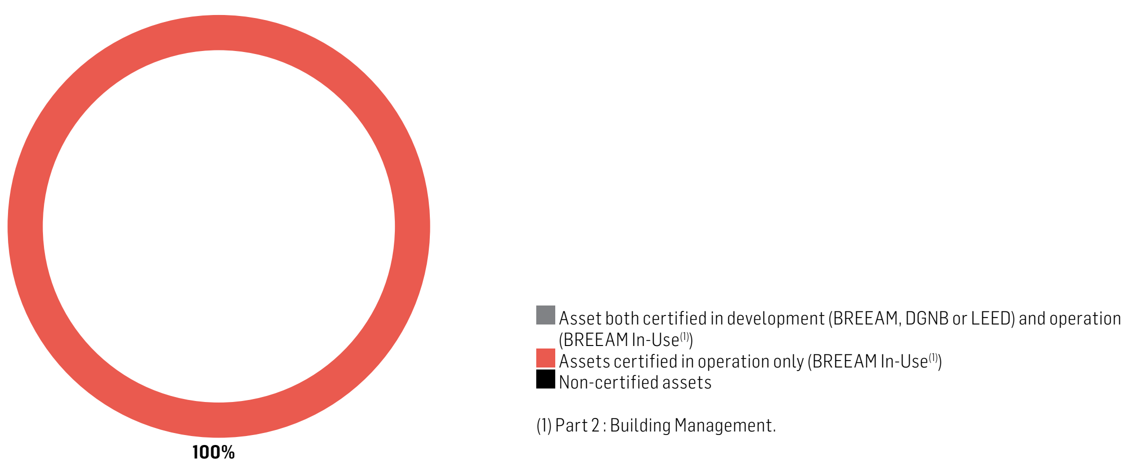
In 2019, the office building Le Sextant was recertified under BREEAM In-Use International 2015 criteria. It achieved a “Very Good” rating for Asset Performance (Part 1), and an “Excellent” rating for Building management (Part 2).

As at December 31, 2019, **100%** of the owned and managed Office portfolio was certified.

COVERAGE OF BREEAM IN-USE ENVIRONMENTAL CERTIFICATION OF THE GROUP'S STANDING ASSETS IN NUMBER OF ASSETS AND FLOOR AREA – OFFICES

2019	Number of assets certified	Surface area certified (sqm)	Certification coverage % (in number)	Certification coverage % (in sqm)
Total certified Office assets	3	67,400	100%	100%
Of which Excellent or above (Part 2)	2	55,300	67%	82%

COVERAGE OF ENVIRONMENTAL CERTIFICATIONS IN OPERATION AND DEVELOPMENT WITHIN THE TOTAL GROUP STANDING OFFICE PORTFOLIO (IN NUMBER) (%)



(1) Part 2 : Building Management.

– CONVENTION AND EXHIBITION VENUES

Regarding Convention and exhibition venues, apart from the current ISO 20121 certification of all 10 of the Group's convention & exhibition assets (see Section 2.2.3.1 Environmental Management System (EMS)), the Boutique du Palais asset was BREEAM In-Use recertified in 2019, with an “Excellent” level for both Asset Performance (Part 1) and Building management (Part 2).

2.2.3.3. GREEN LEASES AND TENANT COMMITMENTS

Since the end of 2009, the Group has been committed to an active policy of promoting “green leases”. Green leases aim at improving tenants' CSR performance during the operation phase through a set of requirements, including fit-out, operation and reporting requirements.

This approach, based on dialogue, information, and sharing of best practices, encourages the tenants to play a role in the environmental performance of the assets which they occupy. As well as contributing to lower common and private service charges through decreasing energy and utilities consumption and improving waste management, this change in behaviours is helping the Group and its stakeholders to prepare for increased constraints on resource management (regulation, availability, etc.).

In that respect, since 2010 and ahead of all existing regulations, all new leases and renewals signed with Retail and Office tenants have had environmental clauses. These first versions of “green leases” cover those aspects that are most relevant to improve tenants' environmental behaviours and performances, such as, commitment to sharing energy consumption data, technical specifications for fitting-out tenant spaces (especially maximum power for private lighting), and various measures to save energy and water and sort waste.

As part of the Better Places 2030 commitments, this environmental appendix on leases was strengthened in 2017 to reflect the Group's new ambitions in terms of environmental performance and contributions to the community. Indeed, meeting the Group's reduction target of its carbon footprint from operations requires strong involvement of tenants, given the scale of their electricity use (see Section 2.2.1.2 Carbon assessment). To accomplish this, the two Group levers of improving energy efficiency and transitioning to low-carbon energy sources are also implemented in the private parts of the assets, in cooperation with the tenants. Clauses have been added to the first version of green leases and include, in particular, the obligation to install LED lighting solutions for any new fit-out works performed in private tenant spaces and the obligation to sign a supply contract guaranteeing that electricity is procured from renewable sources. To support the Group's engagement with its communities, a clause has also been added to invite the tenants to participate in initiatives organised by the Group to promote local employment. This constitutes the second version of the Group's green lease ("Green Lease Version 2").

Following the acquisition of Westfield in June 2018, the Group has been working on a new Green Lease template applicable to the US and to the UK as well. The Group indeed targets to roll-out its Green Leases in all of its retail and office leases throughout both European and US platforms by 2020.

The tables below show the penetration rates of the latest applicable green lease version across the Group assets, both for standing assets and pipeline projects. In shopping centres, the penetration rate of green leases signed in 2019 is **49% Group wide,** which breaks down into a penetration rate of up to **91% in continental Europe** (Green lease version 2 systematically proposed to the tenants from May 1, 2017) and of 0% in the US and in the UK (implementation starting in 2020). Regarding offices, Version 2 green leases were implemented since the start of 2018 and reached a penetration rate of **85%** of green leases signed in 2019.

NUMBER AND PERCENTAGE OF GREEN LEASES AMONG IN-YEAR SIGNED LEASES AND ACTIVE LEASES (SHOPPING CENTRES AND OFFICES)

	Retail			Office
	Total	Continental Europe	US and UK	Total
Number of green leases signed during the year	1,335	1,335	0	11
% of green leases signed among leases signed during the year	49%	91%	0%	85%
% of green leases among total active leases at year end	18%	31%	0%	23%

In continental Europe, to support tenant adoption of energy efficient lighting technologies and electricity from renewable sources, Memorandums of Understanding covering both topics have been signed until 2019, these topics now being covered by the Green Lease Version 2.

Tenants are also being onboarded on the topic of responsible resource consumption through the organisation of periodic on-site sustainability committees, during which environmental performances of an asset are presented and discussed with the tenants, in order to raise awareness and encourage behavioral changes as well as the implementation of operational improvements.

2.2.3.4. ENERGY MANAGEMENT

The Group targets, in its Better Places 2030 strategy, to improve the energy efficiency of its shopping centres by 30% (KWh/sqm) by 2030 compared to a 2015 baseline. As part of its Better Events strategy for Viparis, the Group also targets to reduce the energy intensity of its convention and exhibition venues by 25% (kWh/sqm DOOC) by 2030 compared with 2014 levels.

As part of its operational management process of environmental performance, the Group measures improvements in its energy efficiency by asset type against these targets: progress and results are disclosed in Section 2.1.4.1 Summary of the Group's CSR performance.

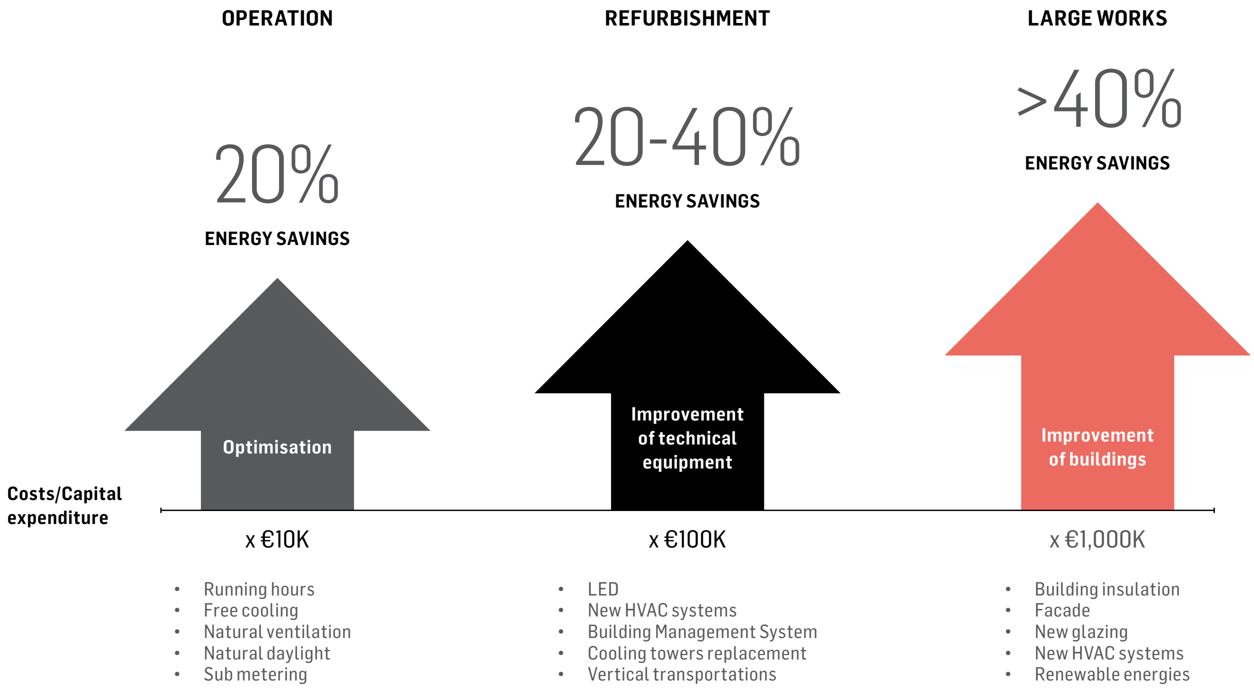
To reach its ambitious targets in terms of energy efficiency, the Group has formalised a dedicated Energy Management Policy for its European retail assets in 2019, whereby assets are required to define their energy management action plan, setting the operational path towards reaching the objective, with levers identified at asset level to improve energy efficiency, their associated budget, and their gradual implementation schedule. This policy also underlines energy optimisation best practices, and sets the approach to define renewable energies action plans as well as sets requirements on green electricity purchasing.

In the US, the energy management policy has been structured around LED lighting retrofits, onsite energy management (e.g. equipment schedule optimisation), demand-response and battery storage. Comprehensive energy efficiency actions plans at asset level will be rolled out in order to identify appropriate levers to reach the Group's energy efficiency objectives.

– ENERGY CONSUMPTION

Energy efficiency is well embedded in all existing processes relating to the technical management of each asset, by gradually ensuring:
- daily optimisation of the operation and supervision of technical equipment;
- technical improvements of equipment's efficiency through non-recurring annual maintenance works;
- intrinsic building structural works, synchronised with the Group's long-term value creation strategy (large works).

A GRADUAL AND PRAGMATIC APPROACH TO ENERGY SAVINGS



Optimisation

In order to get the best return on energy efficiency solutions, the Group sets daily energy optimisation as its priority. Actions to optimise operations in order to improve energy efficiency are being undertaken in all the assets owned and managed by the Group thanks to the strong commitment of the Group's on-site teams, tenants and maintenance suppliers.

Standard practices include: daily monitoring of each asset's energy consumption; identification of factors that affect energy consumption; optimisation of the running hours for each piece of equipment; seasonal action plans to adjust temperatures in line with weather conditions; strong focus on behavioural changes (for example turning out lights and using natural ventilation); and regular checks to ensure that technical equipment is working properly.

As an example, shopping centre night audits of tenant and common area energy-use are conducted Group wide by operational teams to identify potential energy savings during the night shift and rationalise the functioning of energy-consumptive equipment to a minimum when the assets are closed to the public. In the US, night audits identified 1,300 MWh worth of energy-use reduction opportunities in 2019. In Europe, night audits were also conducted in 2019, as part of the energy management procedure.

To identify quick-wins in terms of energy efficiency, the Group also relies on external experts. In 2019, results-based energy audits had already been conducted on the bulk of the portfolio in Europe, and an electric use monitoring project has been vetted and budgeted in the US for 2020. In the UK, a programme to curtail energy consumption, reducing electricity consumption at peak times and making cost savings has been introduced since 2015.
At December 31, 2019, three assets owned and managed by the Group in Europe (both shopping centres and offices) had an Energy Performance Contract (EPC). These EPCs are contractual agreements between Unibail-Rodamco-Westfield and the maintenance contractor under which the latter commits to improve the energy efficiency of an asset. These contracts, underpinned by bonus-malus incentive clauses, encourage the supplier to contribute to the Group objective of reducing on-site energy consumption and manage the associated costs.

The Group also partnered with the start-up Deepki since 2018 to roll out energy consumption monitoring in its French shopping centres and convention and exhibition venues. The Group is also piloting smart energy management in 2 of its French shopping centres, which should further improve energy savings.

Improvement of technical equipment

With regard to technical equipment, the Group is systematically outfitting its assets with Building Management Systems (BMS), which are regularly upgraded, so on-site teams can easily monitor and manage energy performance. Energy efficiency is also a crucial factor when it comes to replacing technical equipment, especially in the context of regular maintenance works related to lighting, heating, cooling and ventilation: low-consumption energy-effective alternatives are systematically considered in the multiannual planning process.

When refurbishing old air handling units, pumps, or lighting fixtures, the Group's assets are to comply with minimal energy efficiency standards, such as replacing fixed speed units by variable speed units, implementing sensor-regulated equipment, introducing systems with energy recovery or limiting energy losses, such as shifting to LED lightbulbs.

Particularly, as part of its Better Places 2030 strategy, Unibail-Rodamco-Westfield aims to systematically implement LED lighting solutions in the common areas of its owned and managed shopping centres. At the end of the year 2019, **47%** of the Group's shopping centres were equipped with full LED lighting in their common areas.

The Group implements LED lighting technology across its standing portfolio (common and private areas) through two levers:

- the planning and roll-out of LED refurbishment projects through the identification of specific budgets lines in the Group assets' 5-year budget plans supporting the gradual replacement of existing light sources with LED equipment;
- the onboarding of retailers in the Group's LED installation programme, through green leases provisions requiring the setup of LED lighting when refurbishing or opening stores (see Section 2.2.3.3 Green leases and tenant commitments).

In the US, LED refurbishment projects completed between 2013 and 2018 have already saved 68,000 MWh. The LED refurbishment projects implemented in 2019 enable an additional 9,700 MWh annual energy savings, corresponding to $1.2 Mn annual cost savings. In Europe (including UK), as of December 31st 2019, 65% of lighting fixtures in common areas of the Group shopping centres are based on LED technology, compared to 43% in 2017 in continental Europe.

Improvement of buildings

The main improvements in the core building efficiency (e.g. thermal insulation, light shafts, …) are synchronised with major extension and renovation development projects, for which the Group targets an environmental certification of the highest level (see Section 2.2.2 Design sustainable buildings).

Results

In 2019, Shopping Centres owned & managed by the Group achieved a 5% reduction in absolute energy consumption (MWh) and a 3% reduction in energy intensity (kWh/sqm) on a like-for-like basis, compared with 2018. Regarding the office portfolio, the energy intensity reduction reached 12%. Convention and exhibition venues also reduced their energy consumption by 4% over the same period.

2015 to 2019 evolution results against strategic targets are disclosed in Section 2.1.4.1 Summary of the Group's CSR performance.

ENERGY CONSUMPTION (MWH)

Final energy consumed by the assets in common areas and by common equipment, and provided to tenants for heating and/or cooling. Individual tenant energy consumption is not included. Energy consumption includes both energy purchased from the grid (produced off-site) and energy produced on site and self-consumed by the Group's assets.

	Retail	Office	Convention & Exhibition
2019 TOTAL	**728,832**	**8,121**	**65,285**
of which natural gas (Scope 1)	*79,786*	*1,203*	*11,311*
of which electricity (Scope 2)	*478,609*	*3,933*	*41,627*
of which district heating & cooling (Scope 2)	*170,430*	*2,986*	*12,347*
Of which on-site production (%)	*1%*	*0%*	*0%*
Of which off-site purchase (%)	*99%*	*100%*	*100%*
2018 Like-for-like	641,423	8,204	67,811
2019 Like-for-like	608,746	8,121	65,285
2019/2018 CHANGE (%)	**-5%**	**-1%**	**-4%**

FINANCIAL IMPACT RESULTING FROM VARIATIONS IN ENERGY CONSUMPTION (€)

Total cost saved due to the reduction of energy consumption, estimated on a like-for-like basis.

	Retail
2019/2018 change in energy consumption *(MWh)*	(32,678)
Estimated financial savings 2019/2018 *(€)*	(4,323,389)

ENERGY EFFICIENCY OF STANDING ASSETS, PER AREA FOR SHOPPING CENTRES AND OFFICES (KWH/SQM) AND PER USAGE FOR CONVENTION & EXHIBITION VENUES (kWh/SQM DOCC[1])

Energy efficiency is calculated on the scope of final energy purchased from the grid. Energy self-consumed from on-site production is excluded.

	Retail (kWh/sqm)	Office (kWh/sqm)	Convention & Exhibition (kWh/sqm DOCC)
2019 TOTAL	**178**	**120**	**1.75**
2018 Like-for-like	183	136	1.71
2019 Like-for-like	177	120	1.75
2019/2018 CHANGE (%)	**-3%**	**-12%**	**2%**

– ENERGY MIX

Unibail-Rodamco-Westfield works at reducing the environmental impact of the energy it consumes by purchasing low-carbon or renewable energy from suppliers and generating low-carbon or renewable energy on site. As such, the Group targets, as part of its Better Places 2030 strategy, to:

- Multiply its installed capacity of on-site renewable energy fivefold by 2025, compared to 2015 (see results in Section 2.1.4.1 Summary of the Group's CSR performance);
- Progressively extend its Group policy to source 100% electricity from renewable sources for its owned & managed US assets.

Purchasing of renewable energy

In this context, the Group has accelerated its transition towards sourcing electricity derived from renewable sources ("green electricity"). In Europe, the Group started to sign green electricity contracts with energy suppliers since 2009, and 100% of assets (shopping centres, offices and convention and exhibition centres) have been running entirely on green electricity since 2018 already[2]. This green electricity is covered by mechanisms of Guaranty of Origin as defined by the 2009/28/EC European Directive. In the US, URW is committed to rolling out an equivalent green electricity certificate mechanism for its portfolio.

The Group also purchases renewable electricity directly from renewable energy production plants in the form of Power Purchase Agreements (PPA). A PPA covers the supply of Westfield Culver City (US) and the Group entered into a PPA in 2019 to cover part of the French portfolio electricity consumption, starting in 2020.

Beyond the purchase of certified green electricity, the energy mix of the Group's assets is a key focus. For example, the Group chooses district systems rather than natural gas to heat its buildings wherever possible. In Minto (Germany) and in Spain, the natural gas suppliers of the Group's shopping centres are committed to compensate the greenhouse gas emissions linked to this energy supply to the Group.

The Group's policy of purchasing low-carbon emission energy from its suppliers offers two key benefits. First, it reduces the carbon intensity of the Group's operations. Second, it encourages producers to invest in "green" power-generation technologies by contributing to build market demand for low-carbon and renewable energies.

The Group is committed to extend this measure to Shopping Centre tenants as well, through a contractual requirement to source green electricity in private areas (see Section 2.2.3.3 Green leases and tenant commitments).

Production of renewable energy

For many years now, the Group has been rolling out a solar photovoltaic installation programme across its sites to generate electricity onsite. Thanks to a strong commitment from top management coupled with the benefits of reduced and stabilised billing, the installed capacity of the Group's systems has increased continuously since the rollout began, improving costs savings whilst also acting as a point of difference between the Group and market peers. Two new renewable energy projects were completed at Westfield UTC and Westfield Valley Fair in 2019. In total, there are 6 solar panel installations across the Group's US assets, 10 across the Group's Europe assets (in France, Spain, Austria, Poland and the Netherlands), and a wind turbine installed in Westfield Carré Sénart Shopping centre (France). In France, Aéroville shopping centre also uses geothermal energy to meet its heating and cooling needs. A solid pipeline of future project is maintained throughout the Group.

The total installed renewable energy capacity of the Group's assets in 2019 is **7.84 MW.**

The renewable electricity produced by the Group is either self-consumed to meet an asset's energy needs, or sold to the grid. The total on-site production of renewable electricity at the Group's assets and breakdown between energy sold and self-consumed is as follows:

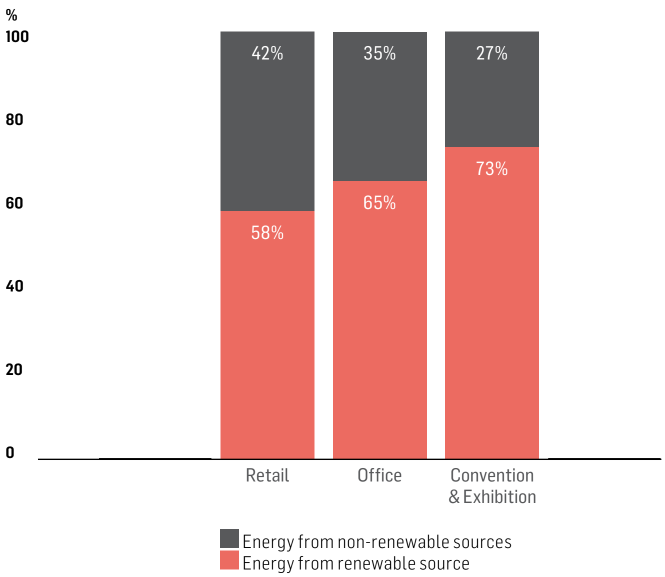
(1) Areas occupied per days of occupancy.
(2) Except for a temporary interruption in green electricity supply during 2019 for Pasing Arcaden and Gera Arcaden.

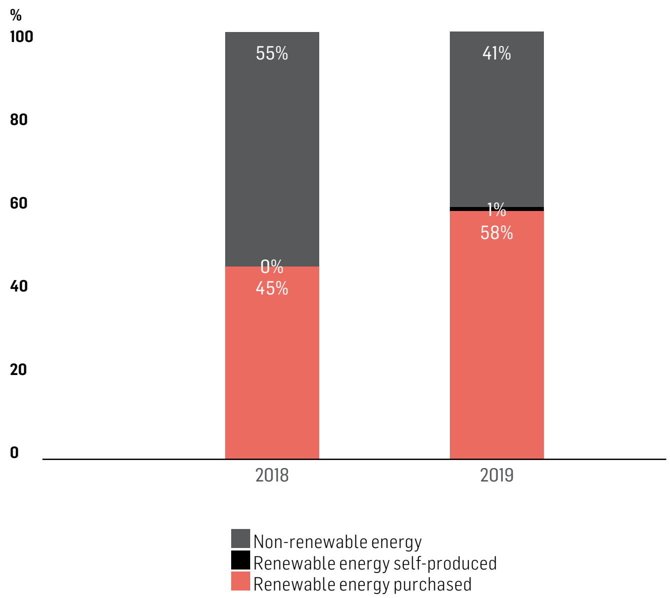
2019 RENEWABLE ELECTRICITY PRODUCED ON SITE (MWH), WITH BREAKDOWN BETWEEN SALES AND SELF-CONSUMPTION (%)

	Retail	Office	Convention & Exhibition
Total renewable electricity produced on site (MWh)	6,474	0	0
of which self-consumed (%)	89%	-	-
of which sold (%)	11%	-	-

Results

2019 ENERGY MIX AND ITS EVOLUTION (ALL OWNED AND MANAGED ASSETS)





The Group's energy mix varies from country to country and is mainly influenced by the Group's voluntary low-carbon energy production and purchasing policy, which increased the share of renewable energy in the final energy mix purchased by the assets owned and managed by the Group to reach 59% in 2019.

SHARE OF TOTAL ENERGY CONSUMPTION DERIVED FROM RENEWABLE SOURCES PER ENERGY SOURCE: ELECTRICITY, DISTRICT HEATING AND COOLING, AND DIRECT ENERGY CONSUMPTION (%)

	Retail	Office	Convention & Exhibition
2019 Total electricity consumption (MWh)	478,616	3,933	41,627
of which green electricity (%)	70%	100%	100%
2019 Total district heating & cooling consumption (MWh)	170,430	2,986	12,347
of which renewable energy (%)	50%	45%	49%
2019 Total direct energy consumption (MWh)	79,786	1,203	11,311
of which renewable energy (%)	0%	0%	0%

2.2.3.5 WATER MANAGEMENT

The non-financial risk assessment pointed out that water is not a key environmental issue for Unibail-Rodamco-Westfield. Indeed, the assets of the Group's portfolio are not considered as being significant water consumers. Moreover, the exposure of the Group's portfolio to the water scarcity risk has been reassessed in 2019 based on asset location and climate scenarios and is deemed very low.

However, as part of its resource efficiency policy, reducing water consumption is still an operational target on all sites and continues to be closely tracked and managed at asset and Group levels. Based on environmental best practice, the Group is taking active steps to limit water consumption, reduce water waste and maintain water quality. Special efforts are made to install water-efficient equipment, optimise operating practices, and ensure that leaks are detected and repaired rapidly. For example, a cloud based real-time monitoring system of water consumption has been implemented in several assets in the US to improve water management and effectively detect leaks, with an alert mechanism. As a result, a number of leaks from pipes, valves and sanitary equipment were identified and repaired and significant water and cost savings were achieved.

To optimise water use and leverage associated cost savings, the Group also prioritises the use of non-drinkable or reused water over drinkable water wherever possible. In 2019, 6 shopping centres collected 172,094 m^3 of rainwater and groundwater on site, which were re-used for cleaning and for watering green spaces. Closed-circuit systems are being favoured to reuse water during the testing of sprinkler equipment. 34 shopping centres across the Group collect and re-use water from regulatory sprinkler tests. Projects are also currently under study in some of the Group's assets to use underground water for cooling towers or to extend roof rainwater harvesting systems for landscape areas.

At existing assets, the Group relies on a close cooperation with tenants to reduce water consumption. Green leases (see Section 2.2.3.3 Green leases and tenant commitments) and tenants' on-site Sustainability Committees are used to help raise awareness among tenants about water use and to get them on board with water management.

In terms of preventing environmental pollution, run-off water collected from car parks is treated before being disposed of through municipal wastewater networks.

In 2019, water intensity in litres/visit at owned and managed shopping centres decreased by 3% compared with 2018 on a like-for-like basis.

WATER CONSUMPTION (M^3) BROKEN DOWN BY SOURCE (%)

Water purchased from the district network (municipal water) and water withdrawals from other sources for use in common and private areas of standing assets.

	Retail	Office	Convention & Exhibition
2019 TOTAL WATER CONSUMPTION	**7,726,771**	**21,707**	**337,648**
of which municipal water (%)	*93%*	*100%*	*100%*
of which rainwater (%)	*2%*	*0%*	*0%*
of which groundwater (%)	*0%*	*0%*	*0%*
of which surface water (%)	*1%*	*0%*	*0%*
of which wastewater from another organisation (grey water) (%)	*4%*	*0%*	*0%*
2018 Like-for-like	7,601,767	21,366	312,079
2019 Like-for-like	7,498,954	21,707	337,648
2019/2018 CHANGE (%)	**-1%**	**2%**	**8%**

WATER INTENSITY OF STANDING ASSETS PER USAGE FOR SHOPPING CENTRES (LITRE/VISIT/YEAR), FOR OFFICES (LITRE/OCCUPANT/YEAR), AND FOR CONVENTION & EXHIBITION CENTRES (LITRE/M^2 DOCC[(1)]/YEAR)

	Retail (Litre/visit)	Office (Litre/occupant)	Convention & Exhibition (Litre/m^2 DOCC)
2019 TOTAL	**7.20**	**7,386**	**5.29**
2018 Like-for-like	7.35	7,798	4.64
2019 Like-for-like	7.15	7,386	5.29
2019/2018 CHANGE (%)	**-3%**	**-5%**	**14%**

(1) Areas occupied per days of occupancy.

2.2.3.6 WASTE MANAGEMENT

The Group has set itself the target of sending no waste to landfill by 2025 in its Better Places 2030 strategy (see progress in Section 2.1.4.1 Summary of the Group's CSR performance). Unibail-Rodamco-Westfield's waste management approach is consequently designed to maximise recycling and minimise disposal to landfill.

The total volume of waste generated in a building, whatever its usage, is mostly dependent on the level of activity of the tenants, i.e. sales for Shopping Centres and occupancy for Office buildings. This means that the Group has a limited impact on the total volume of waste generated on site. Nevertheless, the Group is committed to waste management efficiency measures, such as increasing waste sorting, raising awareness of tenants as well as incentivising them to reduce the amount of waste disposed, and implementing innovative waste management solutions.

– IMPROVING WASTE SORTING IN COLLABORATION WITH TENANTS AND WASTE PROVIDERS

Suitable waste segregation facilities are in place in all assets and most assets are equipped with specific sorting facilities and treatment solutions for organic waste, which represents a significant share of the total amount of waste generated by the Group.

Tenants are regularly informed and made aware of local on-site waste management policies and processes and of the importance of sorting waste, via for example tenants' on-site Sustainability Committees, and the development of site-level waste sorting guidelines reminding tenants of what to do with different types of waste. Both supplier purchasing contracts and tenant "green leases" establish the minimum requirements to be met for waste sorting and recycling. Waste management service providers must monitor and submit a monthly progress report with details of tonnages collected by type of waste and recycling percentages achieved. Furthermore, they are asked to regularly submit a waste management improvement plan or propose available opportunities such as upgrades in material recovery facilities, or modified equipment when the tenant mix changes to site management teams, to ensure the efficient management of each location's waste streams. Shopping centre technical managers meet with waste management service providers on a frequent basis to monitor progress and performance. The waste solution providers' remits however extend beyond just management and reporting, also focusing heavily on tenant engagement and communications.

Tenant education includes delivering tenant-level waste sorting guidelines with the retailer's team, updating and adding signage on waste bins, sharing best practices, highlighting the importance of properly sorting material, and outlining the legal requirements associated with the waste management programme. For example, in the UK, educational sessions with retailers are held regularly via the waste contractor's 'Green Academy' programme. In the US, assets with organic-waste food-service programmes are provided additional assistance for the set up and ongoing management of diverting pre-consumer food waste. All the Group's shopping centres also hold yearly meetings with their stakeholders (tenants and waste treatment providers) with a detailed account of the site's waste management outcomes.

Tenants are also being incentivised through the implementation of individual reinvoicing of waste charges. An increasing number of shopping centres are equipped with an advanced waste management system which consists of weighing the waste of each tenant separately in order to invoice them on the actual tonnage they generate. This encourages better waste sorting, enabling tenants to reduce the tonnage of residual waste for which the final disposal is more expensive. This system contributes efficiently to improving the asset's recycling rate.

– DEVELOPING INNOVATIVE WASTE MANAGEMENT SOLUTIONS

On-site innovative waste treatment solutions are also installed in several of the Group's assets to increase the amount of valorised waste and reduce waste management costs, such as: eco-digesters turning organic waste into inert greywater which can then be flushed into a standard drain, composters producing fertilizer for green spaces out of organic waste, and a plastic waste-to-plastic filament conversion facility associated with a 3D-printer to recycle plastic waste into new objects like plastic cups in Metropole Zlicin (CZ).

To continually increase its waste recycling rate, and as part of its innovation programme, the Group has developed successful corporate partnerships with two startups:

The first partnership, initiated in 2017 with Phénix, introduced two pilot projects to identify and create new recovery streams for waste destined for disposal: a full waste management audit of a shopping centre was performed to identify recycling levers and a partnership with retailers was introduced to recycle organic waste. Following on from the success of these pilot projects, Phénix was selected, via a tender process, as the new waste management provider for Westfield Rosny 2 shopping centre (France) from early 2019. This partnership aims at promoting circular economy principles in waste management with the objective of having 100% of waste reused or recycled by the end of 2021 in Westfield Rosny 2.

The Group launched the second partnership in April 2018 with the startup Too Good To Go. The solution helps retailers prevent wastage of unsold food at the end of the day, by putting them in touch with consumers through an application offering baskets of unsold products at a discount price. After the success of an initial pilot project launched at the Westfield Euralille shopping centre (France), the Group launched early 2019 the large-scale roll-out of this partnership across all of its French shopping centres. The initial objective of saving 50,000 meals in 2019 was exceeded with more than 126,000 meals saved during the year in the Group's French portfolio. In 2020, the Group aims at continuing food waste prevention by expanding the partnership with Too Good To Go across Europe.

As part of its Better Events 2030 strategy, Viparis has created a new dynamic in the events industry by focusing on circular economy and initiating joint discussions with various stakeholders: event operators, event organisers, standholders and cleaning services, which led to three tests at three different-sized exhibitions at the Paris Nord Villepinte convention site. The initial results of these tests were encouraging, with up to 65% waste sorting for one of the exhibitions tested. In addition to waste flow management and figures, issues relating to waste valorisation streams and eco-design were discussed. This circular economy work will give rise to new common goals among the stakeholders of the French Union of the event industry (UNIMEV): a "Green Growth Commitment" (French ECV), will be signed between the industry stakeholders and four Ministries of the French Government to find practical solutions to tackle the waste issue and reach concrete recycling objectives.

– RESULTS

In 2019, **37%** of the waste generated by the Group's owned and managed shopping centres was sent to landfill, of which **26%** valorised with energy recovery. **39%** of waste was recycled (including reuse, material and bio-waste recycling), compared to 42% in 2018. In total, **68%** of waste was valorised in 2019, through recycling or energy recovery. Already 2 of the Group's shopping centres, in the UK, have achieved zero waste to landfill, since the year 2012.

TOTAL WASTE GENERATED (METRIC TONNES), AND BREAKDOWN BY DISPOSAL ROUTES (%)

Total waste[(1)] collected on site, generated from shopping centre operations (common areas and tenants) and associated waste treatment streams.

	Retail
2019 TOTAL WASTE (METRIC TONNES)	**138,952**
of which recycled waste (%)	*39%*
of which recovered waste: waste-to-energy (%)	*29%*
of which not recovered (%)	*32%*
2018 TOTAL (METRIC TONNES)[(*)]	**144,752**
of which recycled waste (%)	*42%*
of which recovered waste: waste-to-energy (%)	*31%*
of which not recovered (%)	*27%*

(*) Jumbo is excluded from 2018 data.

2.2.3.7 HEALTH & SAFETY, SECURITY AND ENVIRONMENTAL RISKS AND POLLUTION

The prevention of health, safety and security risks for people (employees, customers, tenants, suppliers, subcontractors and local communities) and of environmental risks linked with the operation of its assets forms an integral part of the Group's risk management policy. The Group complies with all applicable legislation in this regard and often exceeds minimum standards required by laws to ensure a higher standard of health, safety and security at its assets.

The HSE and Security management systems enable the Group to monitor and assess its performance regarding risk prevention on a day-to-day basis, and maintain a strong risk management culture embedded within operating and management teams.

– HEALTH, SAFETY AND ENVIRONMENT (HSE) RISK MANAGEMENT

The Group has drawn up an appropriate Health, Safety and Environment (HSE) risk management policy which includes rules and guiding principles at Group level, supplemented at a local level by procedures that comply with local regulations. The main areas covered by the Group's HSE risk management policy are air and water quality, asbestos, soil and air pollution, legionnaires' disease, electromagnetic radiation, classified installations, technical and safety installations, and fire extinguishing and alarm systems.

This Group policy includes, in particular, an annual review of HSE risks at standing assets for both European and American platforms through two Group Risk Management Committees, and the inspection and continuous improvement of these buildings and their technical equipment liable to have an impact on the environment or on personal safety. Technical documentation on regulatory maintenance and testing is also kept up-to-date and made available at each site. Policy monitoring is conducted by on-site teams and checked every year by external auditors or internal management.

(1) Waste for which URW has the legal management responsibility. The Group's waste management responsibilities and reporting scopes are guided by specific national requirements. At some assets, local authorities are responsible for waste management: in this case the Group does not control the final destination of the waste produced at these assets. The disposal of hazardous waste falls outside of the Group's legal responsibility as it is managed directly by the maintenance contractors who are responsible for it, using the appropriate disposal route. Offices & Others and Convention & Exhibition business units are excluded from the scope of waste indicators. At Convention & Exhibition venues (business operated by the Viparis subsidiary), waste is indeed managed by exhibition planners. At Offices, waste collection services, whether ensured by a private company or the local authority, are shared with other buildings and owners. Therefore, separate data tracking for the Group is not available.

In Europe, an independent third-party audit was carried out in 2019, as it is every year, to assess HSE risks for building visitors and occupants at all of the Group's assets (shopping centres, offices, convention & exhibition centres) in all countries in which the Group operates, based on a framework that incorporates both external regulations and Group policies. This audit awards the site one of four overall scores which reflect the extent to which health, safety and environmental risks are being controlled:

A. satisfactory risk management and control;
B. satisfactory risk management and control, with improvements still needed for certain indicators;
C. records of areas of non-compliance requiring the implementation of corrective actions;
D. unsatisfactory risk management and control.

A personalised action plan, monitored on a daily basis by operational teams, is systematically updated following each assessment in order to improve the quality of risk control as part of a process of continuous improvement. If a D rating is given, a second assessment is carried out in the month following the audit to check that all corrective actions identified have been implemented.

The Group's target is to obtain at least a "B" ranking for all its European owned and managed assets for the assessment of these risks. In 2019, 69% assets were audited Groupwide: 100% in Europe and none in the US. 100% of audited sites obtained an "A" or "B" rating level, no asset obtained a "C" rating. No "D" rating has been given for the last eight years.

ANNUAL HEALTH, SAFETY, AND ENVIRONMENTAL RISK MANAGEMENT ASSESSMENT

	Group total	Retail	Office	Convention & Exhibition
2019 HSE EXTERNAL ASSESSMENT COVERAGE (%)	**69%**	**65%**	**100%**	**100%**
% of which audited sites obtaining an A or B annual score	100%	100%	100%	100%

Internal reviews are also being held Groupwide, at asset level, to ensure the enforcement of HSE regulations and procedures, identifying actions that have been rolled-out, new action plans to be implemented and associated budget. For example: in order to reduce its exposure to the risk of legionnaires' disease, the Group is progressively replacing "open" cooling towers with systems permanently eradicating this risk on the sites in question.

One of the keystones of the Group's risk prevention approach is staff training. As such, local teams get the necessary HSE training under the supervision of regional technical teams according to their needs, and all new employees of relevant departments attend an introductory course to review HSE policies, encompassing risk control policies and tools. On-site teams are trained in first aid techniques and maintain close relationships with local emergency services (fire brigade, paramedics and police) as well as with the relevant administrative departments. For more details, see Section 6.2.2.4 B Security, Health and Safety risks – Health & safety (H&S) (including natural disasters).

COMPLIANCE WITH HEALTH AND SAFETY REGULATION

Penalties for non-compliance related to building health and safety.

	2019
2019 Number of sanctions for non-compliance related to building health and safety	1
2019 Monetary value of associated fines *(€)*	100

COMPLIANCE WITH ENVIRONMENTAL REGULATION

Penalties for non-compliance with environmental legislation and regulations.

	2019
2019 Monetary value of fines for environmental breaches *(€)*	5,768
2019 Total number of non-monetary sanctions for environmental breaches	12

– SECURITY & CRISIS MANAGEMENT

Mastering the security risk is key for the Group's portfolio, made of public places welcoming a high number of visitors. In 2019, a complete department was created to cover terrorism threat, criminal activities and cyber-protection of the assets.

Monitored and managed through a Group Security Committee, the Security policy and strategy are overseen at Senior Management Team level for the whole portfolio. A regional Security Action Plan, challenged by corporate teams, assesses the security threats and directs the security measures to align them with local specificities. A security audit is performed to check the minimum required protection level is achieved and to monitor the continuous enhancement of the Group's assets. All Group employees have also been invited to complete a complementary e-learning session on the Group Security Policy.

In addition to the prevention of security related situations, the Group finalised in 2019 the implementation of the crisis management framework and the related crisis training organisation (see Section 6.2.2.4 A Security, Health and Safety risks – Terrorism & major security).

Finally, the critical risk of terrorist attacks faced by several countries has prompted the Group to develop a resolute, responsible policy for providing protection and preventing the risk of attacks, with the chief aim being to reassure the tenants' and service providers' employees who work at sites managed by the Group as well as providing a safe environment for customers and visitors. These plans, worked out in close cooperation with local authorities and the enforcement authorities, combine surveillance and detection equipment, heightened security measures, information-sharing and the training of tenants' staff in order to increase the vigilance of all site personnel and to react effectively in case of a threat.

2.2.4 DEVELOP CONNECTIVITY & SUSTAINABLE MOBILITY

As part of its Better Places 2030 programme, Unibail-Rodamco-Westfield aims at ensuring access to public transport and sustainable mobility to the visitors of its assets. The Group is committed to reduce by -40% its scope 3 carbon emissions linked with visitor transportation from a 2015 baseline (see Section 2.2.1 Address climate change) and to achieve the target of having 50% of visitors accessing Group assets by sustainable means of transport by 2030. This engagement cascades down through the Group's development pipeline, in which the Group aims at 100% development projects significantly connected to public transport solutions by 2025. See Section 2.1.4.1 Summary of the Group's CSR performance for a summary of the Group results against these strategic targets.

By taking these commitments, the Group is taking a long-term view on the evolution of mobility trends by working both on asset attractivity and actively encouraging new sustainable transport solutions and behaviours.

In order to achieve these objectives, the Group also partners with key players in the transport sector to accelerate the development of innovative and sustainable transport solutions for visitors.

2.2.4.1 CONNECTIVITY TO TRANSPORT LINKS

The Group is focusing on assets that are well connected to public transport networks and are located within major cities. The Group's selection, investment and development processes look at connected projects and sustainable mobility solutions which have a strong positive impact on the surrounding territories. Indicators such as number of electric vehicle charging spaces, bicycle spaces, connection to public transport and projected car modal share are being assessed for each project in the Group pipeline. In particular, the Group has set minimal requirements regarding these mobility indicators for all of its development projects, in its sustainability brief for development projects issued end of 2019. These requirements are to be reviewed at each key milestone of a project's development.

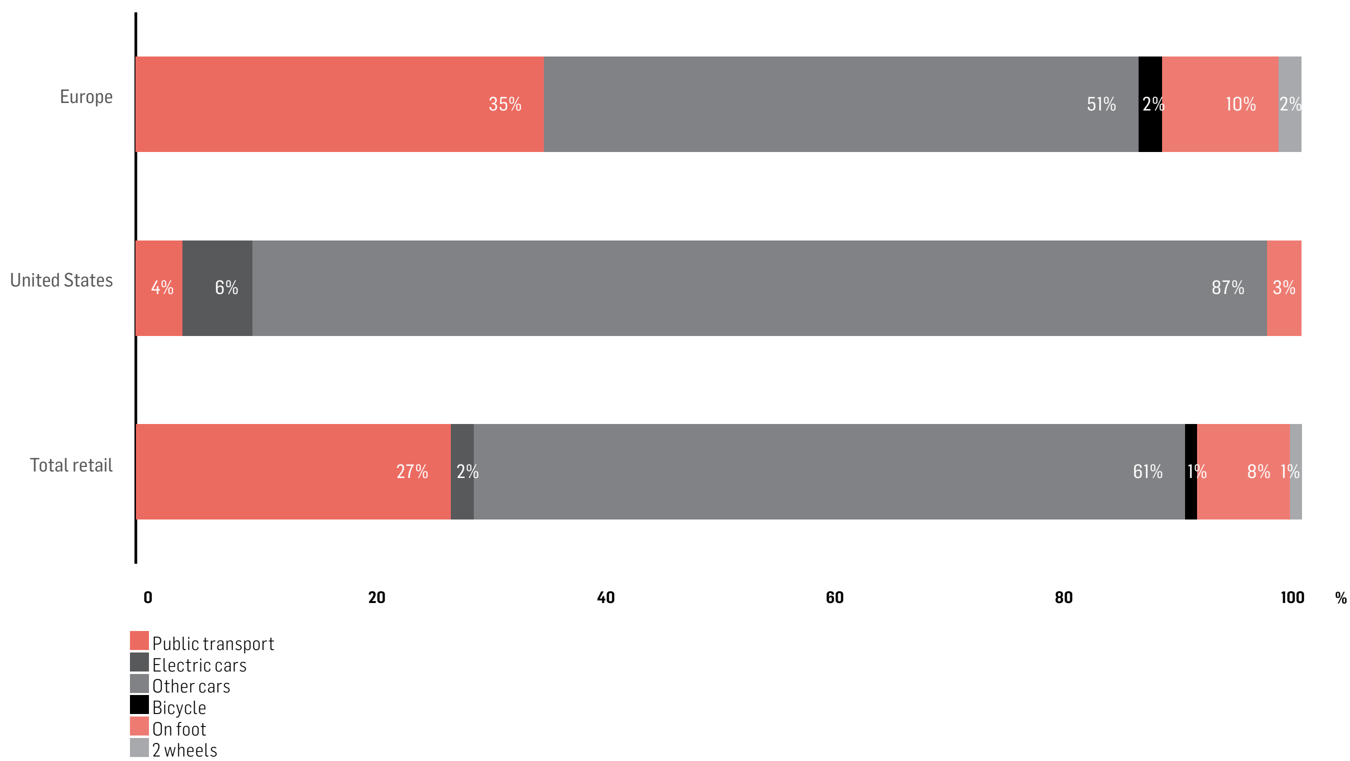
At 2019 year end, **100%** of the Group's development projects are connected to significant public transport solutions.

For standing assets, Unibail-Rodamco-Westfield is committed to systematically providing its visitors, retailers and employees with an extended offer of sustainable transportation, such as: short-distance carpooling, testing of car-sharing solutions, increasing the number of parking spaces fitted with free charging stations for electric vehicles, developing adapted bicycle infrastructures, and providing autonomous electric transportation when available. A number of the Group's shopping centres are continuously working on improving on-site bicycle facilities: increasing the size of bicycle parks, installing electric chargers, creating dedicated lanes, etc.

Assets are also working in close conjunction with local authorities to improve their connectivity with public transport services. For example, three additional bus lines will be coming to Ruhr Park shopping centre (Germany) in 2020. A growing number of Unibail-Rodamco-Westfield assets are also benefiting from having a direct link to tram or train services, such as Westfield Carré Sénart, La Part-Dieu, Lyon Confluence, Toison d'Or, Westfield Vélizy 2, Porte de Versailles, Westfield Mall of Scandinavia, and Westfield San Francisco Centre. Wroclavia shopping centre, which opened end of 2017 is also located close to Wroclaw train station, 13 tram lines and to 15 bus routes.

As a result, the marketing surveys conducted on a regular basis on the Group's shopping centres indicate that around **38%** of visitors travelled by sustainable means of transport (public transport, bicycle, on foot, and electric vehicles[1] to the Group's shopping centres in 2019.

BREAKDOWN OF GROUP SHOPPING CENTRES' VISITS BY TRANSPORT MEANS AND BY REGION (%)



(1) Electric vehicle breakdown is not available for European assets in 2019.

– MOBILITY ACTION PLANS (MOBAPs)

In order to improve every aspect of its customers' mobility experience (time taken, cost, environmental impact, etc.) and to reach the ambitious mobility targets of its Better Places 2030 strategy, the Group has developed an internal tool: the Mobility Action Plan (MOBAP). This 360° tool starts with a diagnosis of transport methods offered by a shopping centre and used by its visitors, and leads to the design of an action plan with a twofold objective:

1. Improve the centre's connectivity;
2. Deploy "soft" transport solutions to reduce the carbon footprint of visitors.

Some short/medium-term actions that can be directly implemented are identified as part of Mobility Action Plans, such as adding dynamic signage on shopping centre approaches to improve traffic management, as well as more long-term measures involving relations and partnerships with local authorities, such as developing shopping centres connectivity with planned bicycle lanes or public transport.

The Group targets to devise Mobility Action Plans for 100% of its shopping centres by 2020. After a pilot phase in 2017, this tool was widely rolled-out across the European portfolio in 2018 and 2019, and will be extended to the US assets in 2020.

As a result, in 2019, 54% of the shopping centres owned and managed by the Group had successfully implemented their own Mobility Action Plan, among which 82% of shopping centres in Europe.

2.2.4.2 INNOVATIVE SUSTAINABLE TRANSPORT SOLUTIONS

– PROMOTION OF ELECTRIC TRANSPORT

As part of its commitment to foster sustainable mobility in its CSR strategy, the Group is encouraging the use of electric vehicles by installing charging stations at its assets. The Group launched in 2018 a three-year plan to introduce electric vehicle (EV) charging stations in its European shopping centres: nearly 200 charging stations were installed or modernised in continental Europe in 2018. In 2019, additional EV charging points were created Group wide and the European electric vehicle strategy was updated. In the US, specific partnerships with EV charging operators are being implemented.

As a result, electric vehicle charging is well embedded in the Group's asset operations: in 2019, 84% of the Group's assets were equipped with EV charging facilities in Europe, and 38% in the US.

PROPORTION OF STANDING ASSETS EQUIPPED WITH CHARGING FACILITIES FOR ELECTRIC VEHICLES

Charging facilities for electric vehicles include electric vehicle charging areas, stations, and car park spaces that are accessible to all visitors (operators allowing for interoperability).

	Group total	Retail	Office	Convention & Exhibition
2019 Share of assets equipped with charging facilities for electric vehicles	**70%**	75%	33%	25%
2019 associated number of car park spaces with EV charging points	**1,096**	1,041	15	40

On top of the EV charging points reported above, a European partnership was also signed with Tesla at the end of 2016 to roll out their specific charging solution in some of the Group's shopping centres, including the installation of supercharger Tesla stations in two of the Group's assets: Polygone Riviera (France) and Aupark (Slovakia). Tesla superchargers have also been implemented in the US shopping centres.

– INNOVATIVE PARTNERSHIPS LOOKING AHEAD TO FUTURE MOBILITY SOLUTIONS

After a year of research on the future of mobility and some encouraging tests, the Group innovation lab (URW Lab) focused its research in 2019 on several topics, including the assessment of:

- potential partnership opportunities for URW to transform Group assets into mobility hubs;
- solutions to incentivise visitors to adapt their mobility behaviours, by screening the most relevant actors on soft mobility, car sharing or ride-hailing.

Some discussions have led to the signature of memorandum of understanding with key players such as Lime. The initial ambition with Lime consists in promoting micro mobility solutions in assets by offering the right services and infrastructures to create mobility hubs: the Group is currently investigating the development and creation of a partnership in and around some Unibail-Rodamco-Westfield pilot assets including Westfield Forum des Halles. This includes Inner-city B2B Charging & Maintenance hubs with the implementation of professional charging and maintenance facilities for electric scooters in "cold retail zones" such as car parks for Lime to improve its environmental standards and footprint while gaining in operational efficiency.

– LOGISTICS SOLUTIONS FOR RETAILERS

Unibail-Rodamco-Westfield is aiming to reduce the impact of deliveries to retailers in urban centres by developing pooled logistics, optimising the load factor of delivery vehicles, reducing the number of round trips and using low-emission vehicles.

During the public enquiry for the Gaîté Montparnasse project, the Group was involved in devising solutions to reduce the impact of traffic related to future deliveries to the centre and the hotel. A pooled delivery organisation is planned for the creation of the Food Society, the largest Food Hall in Europe, to secure a constant supply of fresh products, under controlled temperatures, from the Rungis national interest market or from all over France. Solutions are being studied to facilitate pooled supply for all stakeholders and retailers of the site.

The food delivery trend now seems confirmed with global revenues for food delivery that will double in 6 years (from $14 Bn in 2017 to $32 Bn in 2023). URW has more than 2,600 food retailers in its portfolio that can see opportunities in partnering with food delivery platforms, in particular to increase their sales. However, malls' infrastructure are usually not fitted for food delivery: riders can face accessibility problems with a lack of dedicated spaces to park bikes or scooters, crowded aisles at peak times, entry security checks, difficulties to find restaurants in-mall, etc. In such context, URW set the ambition of facilitating food delivery uses from its shopping centres.

With the creation of a new Dining Experience at Westfield Vélizy 2 (France) in 2019, URW decided to test new omnichannel standards, including optimisation in the accessibility for riders with safe and dedicated parking slots that are well indicated with visible signage and geolocated on food delivery platforms, partnerships with delivery platforms for special offers to help restaurants leverage the rise of food delivery uses, a consistent marketing and communication action plan to advertise the launch of this service for visitors, workers, and inhabitants of the catchment area, and indicators to monitor the performance of the service. The results are very promising: Uber Eats and Deliveroo (the two French leaders in the food delivery market) partnered with URW for this first proof-of-concept, with 15 food retailers engaged (out of 25 eligible for food delivery), and 9,500 orders within the first seven months following the opening of the Dining Experience.

It has been decided to scale omnichannel dining throughout 40 URW destinations (25 in Europe and 15 in the US). This roll-out is expected to generate +35% in food delivery revenues[1] within the first year. All URW regions are currently partnering with major food delivery platforms (Uber Eats, Deliveroo but also Wolt, or Lieferando) to adapt to the specificities of each market.

2.2.5 INTEGRATE NATURE AND BIODIVERSITY

As part of its Better Places 2030 strategy, the Group commits to contribute to greener cities, by protecting biodiversity. This translates into the objectives to have 100% of its development projects, and 100% of its standing assets with high biodiversity stakes, to implement a biodiversity action plan by 2022. To reach these objectives, the Group commits to developing a new Group biodiversity strategy in 2020. Meanwhile, Unibail-Rodamco-Westfield integrates biodiversity into its current development projects through requirements in its Sustainability Brief and in its standing assets with independent or certification-based actions.

– INTEGRATING NATURE AND BIODIVERSITY IN DEVELOPMENT PROJECTS

The Group will be working closely with biodiversity experts on defining and implementing a strategy for the integration of biodiversity into its activities in 2020. Unibail-Rodamco-Westfield has already incorporated biodiversity in the Sustainability Brief applicable to all development projects (see Section Project design and review stage in 2.2.2 Design sustainable buildings). For all greenfield and brownfield projects involved in a BREEAM or LEED certification process, the certification scorecard must comply with the following performances:

- BREEAM NC 2016: achieve at least 6 credits in the BREEAM land use and ecology Section
- LEED BD+C: achieve at least 2 credits in "Protect or Restore Habitat" criteria of "Sustainable Sites" Section

The development projects that are not concerned by any environmental certifications are asked to do their best efforts to improve site biodiversity through independent local actions.

An ecologist is usually appointed to the design team for greenfield/brownfield projects. The ecologist advises the architects and designers on the most appropriate plant species to choose for the development project, taking into account their relevance to local habitats and their potential to create a positive ecological impact by enhancing and/or conserving local fauna and flora. For extension or renovation projects, the potential to foster biodiversity is explored as part of enhancement opportunities. An impact assessment, which includes an environmental/biodiversity component, is a pre-requisite for obtaining a building permit and commercial planning permission in France. A public consultation is also carried out as part of this process.

(1) By the end of 2019 compared to retailers' food delivery revenues in 2018 in Europe.

Under the supervision of the international landscape artist Jean Mus, more than 1,000 trees were planted at Polygone Riviera, the first open-air lifestyle mall in France, opened in October 2015. The Westfield Mall of Scandinavia shopping centre (Stockholm), inaugurated in November 2015, achieved 70% of credits in the "Land Use and Ecology" Section in the BREEAM interim certification, helping it in 2014 to become the first shopping centre in Sweden to obtain an overall "Excellent" rating (design stage). The development projects (greenfield/brownfield projects and extensions) delivered in 2017 have also adopted this approach, as in the case of the Chodov and Carré Sénart extensions which have achieved 90% and 70% of credits in the "Land Use and Ecology" category.

– INTEGRATING NATURE AND BIODIVERSITY IN STANDING ASSETS

Existing assets benefit from an equally pragmatic approach as far as biodiversity is concerned. Even though the very dense urban locations of most assets severely limit the potential to enhance biodiversity, the Group's sites are committed to retaining and improving local biodiversity. As a result, Unibail-Rodamco-Westfield's main focus is on creating "green" spaces, such as green roofs and green walls, and carefully selecting plant species. The Group also undertakes a biodiversity study prior to major renovations and/or extensions: a gap analysis methodology is used to measure the site's ecological potential against its initial status.

For example, the two UK centres, Westfield London and Westfield Stratford City, exhibit over 1,500 m^2 of living walls containing close to 50,000 individual plants of over 20 varying species. Westfield London planted 73 mature and semi mature trees across the estate, as well as 27,000 mixed bulbs across the external shrub land. Westfield Stratford City installed 15 insect hotels to promote diverse ecology of the plant beds, and also erected internal plant displays to improve the inside air quality and add to the environment for the general public.

The Group's BREEAM In-Use certification policy (see Section 2.2.3.2 Environmental certifications of buildings during the operation phase) ensures that biodiversity issues are well addressed and promoted to achieve high standards. Once a project has been built and delivered, the Group's operating management team, particularly the on-site teams that manage each asset, are responsible for maintaining and monitoring biodiversity. The CSR team monitors the application of the Group's biodiversity policy and provides operating teams with the necessary support.

– URBAN FARMING AT URW

In keeping with its commitment to turn its assets into better places, the Group has begun research and development into urban agriculture and beekeeping projects at a number of its assets. Other than the benefits incurred from diversifying surface usage and influencing food consumption trends, this type of project also has a positive impact on promoting biodiversity in cities.

In 2019, the urban farm opened in 2018 on the roof of So Ouest in Levallois-Perret (France), was extended by 300 m^2. This project, developed in partnership with the start-up Sous Les Fraises, revolves around cultivating vertically fruit, vegetables and flowers, as well as welcoming small groups for educational workshops, generating a positive impact on the environment and the local communities. In 2019, the Group also opened its first Urban Farm in partnership with the start-up Peas & Love on an outdoor terrace space in Westfield Parly 2 shopping centre (France), which offers cultivated plots of land for rent to the local residents, who can come on a regular basis to collect the fruit and vegetables yielded and enjoy thematic workshops. This opening has been a success with around 300 visits to the farm on week-ends during the high season.

In 2020, the Group has the ambition to open the biggest Urban Farm in Europe with a 12,000 sqm project on the roof of Pavillon 6 in Paris Expo Porte de Versailles convention venue (France), in partnership with Agripolis and Cultures en Ville. These three projects contribute to the City of Paris target to revegetate 100 hectares in Paris by 2020, including 1/3 surfaces dedicated to urban farming, formalised in an engagement Charter "*Objectif 100 hectares*" which URW and Viparis have signed in 2016.

Moreover, a number of the Group's shopping centres host beehives on their premises and produce their own honey. One such example is the shopping centre Westfield Mall of Scandinavia in Sweden which has a green roof and has housed beehives with over 250,000 bees since Spring 2016. Another is the Minto shopping centre in Germany which introduced beehives and bee-attracting plants on its roof in 2017 and which sells its own honey.

A number of projects are continuously being assessed across the Group's assets.

2.3 BETTER COMMUNITIES

As part of its CSR strategy, the Group commits to be a catalyst for growth within the communities in which it operates.

The Group's economic success is based on the strength of its relationships with stakeholders: tenants, customers, investors, local communities, suppliers and contractors, as well as employees. The need to develop and operate assets that meet stakeholders' expectations in all respects is core to the Group's operations. Unibail-Rodamco-Westfield is aware of the leading economic role its real estate properties play in the regions where it operates. In addition of being an urban planner, providing public facilities and building unique, iconic and well connected places, the Group's plays key roles in the local ecosystem:

- economic driver: offering direct employment through construction and operational spending, indirect employment by tenants' sales and activities, suppliers' activities and local taxes;
- social integrator: services offered to visitors, charities, employment promotion initiatives, partnerships with local communities and non-profits, places for unique experiences (events, entertainment, shopping, etc.).

As part of Better Places 2030, the Group's key commitment towards local communities is to ensure 100% of its owned and managed assets have a Community Resilience Action Plan in 2020. Through this tool, the Group aims at building resilience of the communities in which it operates thanks to a structured approach throughout the Group level while leaving flexibility for each asset in order to make sure of the relevance for local communities and for the asset itself.

As part of this overarching commitment, the Group is also pursuing its engagements to:

- Foster local economic development: in 2020, 100% of the Group Flagship assets will support local entrepreneurship through commercial partnership and regional networks;
- Supporting local partners:
  - The URW for Jobs programme aims at facilitating the recruitment of people cut off from the job market. Through this programme, the Group commits to have 1,000 people per year integrating a job or a qualifying training programme by 2020.
  - Local partners are also supported through locally tailored initiatives or events. Since 2018, 100% of the Group assets organise at least one event each year with a non-profit organisation. To reinforce these partnerships, the Group commits to have 100% of its Flagship assets to support at least one charity or NGO-sponsored long term project.

Unibail-Rodamco-Westfield is playing a key role in supporting more responsible consumption patterns and the development of desirable sustainable consumption alternatives. Therefore, the Group commits to support and promote at least one sustainable consumption initiative in all its Flagship assets by 2022 and collaborate with tenants to increase transparency of brands on health and sustainability, while expanding healthy and sustainable alternatives in 100% of its Flagship assets by 2025.

2.3.1 PROMOTING COMMUNITY RESILIENCE

Community resilience is the ability of a community (which is made up of people, private businesses, government and non-profit organizations) to uphold a favourable socio-economic climate, anticipating incidents and unplanned events, as well as contributing to generate positive impact on the territory. It is based on building strong and long-term local relationships to understand challenges faced by community assets belong to. By generating social capital and reducing risks in and from the community, resilience performance is a part of the business performance and essential for the long term growth of the assets in their territories. In 2019, the Group has designed a methodology and tools to help its assets seize the topic: the Community Resilience Action plan. It consists in an in-depth analysis of the key issues for the local community and the asset itself, identifying key stakeholders to work or partner with, and results in a long term strategy on how to best address the issues identified.

Concrete examples of existing Community Resilience projects throughout the Group:

- Westfield Forum des Halles: together with the non-profit CASP (*Centre d'Action Sociale Protestant*), Westfield Forum des Halles finds relevant and long-term solutions for marginalised people (homelessness, drug addiction...) in the area. Through strong relationships with the social workers of the non-profit, dedicated training of the security provider, individuals are identified and accompanied to the right infrastructure (medical support, social housing) towards autonomy and psychological well-being.
- Multi-centre answer in the United States: URW employees contribute to accelerate the recovery of the local communities after the occurrence of a natural disaster by engaging with the authorities to reopen public spaces. This is made possible by securing the corresponding certification of URW engineers.

Through this process, the Group aims at reinforcing dialogue with local stakeholders and helping its communities flourish.

2.3.2 EXPAND LOCAL ECONOMIES

The Group assesses the impact of the changes its business operations naturally generate on its stakeholders and proactively integrates this element as part of its business strategy.

Be it at local level or global level, having a clear understanding of the economic and social impact induced by the activities is key to preserve a license to operate and take relevant business decision in the daily Group's operations, and notably for:

- integrating consistent procedure and right intensity of discussion throughout the supply chain and with suppliers, particularly during the purchasing process;
- evaluating the current and future socio-economic impact of development projects in the context of administrative authorisation and discussions with local authorities;
- providing relevant community programmes, to further contribute to make communities and societies thrive.

2.3.2.1 SOCIO-ECONOMIC IMPACT

– SOCIO-ECONOMIC FOOTPRINT

The Group started to work on quantifying the socio-economic footprint of its assets in 2013 by assessing the contribution of French owned and managed Shopping Centres to the French economy. In subsequent years the Group progressively expanded the scope of this review to encompass all the shopping centres in continental Europe. The last available study was performed in 2018. This encompasses 55 centres, with a detailed study for the Carré Sénart Shopping Centre. The 2018 studies, performed by external experts, enabled to measure the following economic impacts:

- **Local impacts (ranging from the city to the region level):** by estimating the total paid out salaries which are tied to activities of the Shopping Centres, the number of jobs created as well as local taxes paid in relation to operational activities;
- **National impact:** by estimating the FTEs associated with all jobs provided by the Shopping Centres. This includes Unibail-Rodamco-Westfield employees, tenant employees, and those of onsite service providers.

For continental Europe, employment, salaries and tax contribution figures were estimated using economic modelling techniques, data provided by Unibail-Rodamco-Westfield and assessment methods and simulation based on national statistical databases. Unibail-Rodamco-Westfield's total tax contribution was based on data provided by the Group.

All results are expressed in terms of created or maintained jobs excluding "additional" effects; some jobs would have existed even in the absence of a shopping centre in the area.

In parallel, using a different methodology, a socio-economic impact study of Unibail-Rodamco-Westfield assets in the UK was conducted to evaluate the contribution of both Westfield London and Westfield Stratford City during their ten years of operations.

In 2017, 62,266 hosted jobs were created or maintained within the Group's Shopping Centres in continental Europe (including retail spaces within those shopping centres not owned by the Group). Tenants' employees accounted for 95.5% of the Group's footprint in terms of direct employment in continental Europe, with suppliers and sub-contractors accounting for 4% of this footprint and Unibail-Rodamco-Westfield employees on-site accounting for 0.5%. France, Spain and Germany are the three main contributors to direct employment created or maintained by the Group in continental Europe.

In 2018, 25,000 jobs (FTE equivalent) were supported in London, which account for approximately 12% of all jobs in two local boroughs: Hammersmith and Fulham, and Newham. In addition to encouraging local employment through several services to tenants, a study estimated that 24% of Westfield London employees were previously unemployed.

– TAX FOOTPRINT

Tax transparency regimes

Unibail-Rodamco-Westfield is a publicly traded Group dedicated to investing in commercial real estate across Europe and the US. Many countries have adopted laws on local tax transparency to encourage long-term investment in real estate. These regimes subject the Group to distribution obligations[(1)]. The Group distributed 94% of its 2018 adjusted recurring earnings as a dividend in 2019. In 2020, subject to approval of the AGMs, 87% of the Group's adjusted net recurring result will be distributed as a dividend. Based on the tax transparency regimes, the profits made are taxed at the shareholder level directly, instead of at the level of the Group. Unibail-Rodamco-Westfield promotes the concept of a global real estate investment regime that would allow for mutual recognition and a fair share of tax revenues between the countries where the properties are located, through withholding tax payments, and the countries where shareholders are resident, through income tax payments.

Unibail-Rodamco-Westfield also believes that the tax transparency regimes for real estate contribute to a responsible and sustainable approach to taxation by creating conditions for long-term investment and win-win partnerships between local communities and the real estate industry.

The tax position of Unibail-Rodamco-Westfield reflects the geographical location of its activities. The Group declares profits and pays taxes where its activities are carried out. This translates into payments to local or national tax authorities of corporate income tax, business taxes and taxes withheld on dividend payments.[(2)]

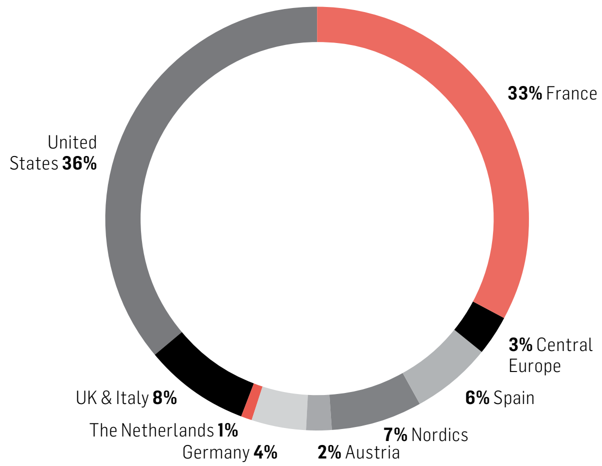
Taxes and social security contributions paid locally

The Group's tax position mirrors the location of its investments. Considering its €65.3 Bn portfolio and the fact that holding real estate assets requires it to pay property taxes, Unibail-Rodamco-Westfield pays significant amounts of taxes. Significant tax payments are also made to local authorities upon investment and divestment transactions, although this will vary as it depends on the number and size of transactions completed during a particular year. In addition, tenants in the Group's shopping centres employ many people locally and contribute significant amounts in taxes and social charges.

In 2019, on a proportionate basis, the subsidiaries of the Unibail-Rodamco-Westfield Group paid €338 Mn of local taxes and social contributions (€374 Mn paid in 2018). The below geographic breakdown does not include income taxes which are reported in Chapter 5.2, Notes to the consolidated financial statements, Section 8.2.

(1) See note 8 to the consolidated financial information in Chapter 5.2 Notes to the consolidated financial statements, Section 8.1.3. Tax regimes, for an overview on these regimes.
(2) See note 8 to the consolidated financial information in Chapter 5.2 Notes to the consolidated financial statements, Section 8.2. Income tax expenses.

GEOGRAPHIC BREAKDOWN OF TAXES AND SOCIAL CONTRIBUTIONS PAID IN 2019



Furthermore, the €1,494 Mn dividend payment made by the Group in 2019 gave rise to an immediate payment of withholding tax, the cost of which is borne by shareholders, with an estimated amount of €185 Mn paid to French tax authorities.

Combatting tax evasion

The business strategy of Unibail-Rodamco-Westfield consists in creating value with its real estate portfolio over the long term. The tax policy of the Group is completely integrated into this long-term plan and is consistent with the normal course of its business operations.

In 2019, the Group operated in 12 different countries in continental Europe, the UK and the US. The Group does not use investment routes through non-cooperative countries or territories[1] to locate income in low tax jurisdictions. As a matter of principle, Unibail-Rodamco-Westfield complies with the letter and the spirit of tax laws and regulations. Tax risks are followed and monitored by a team of internal and external tax experts and discussed with an internal committee whose members include the Group Chief Executive Officer and the Group Chief Financial Officer, the Group's auditors, the Group's Audit Committee and Supervisory Board.

Unibail-Rodamco-Westfield complies with tax transparency regulations such as the United States FATCA (Foreign Account Tax Compliance Act) and CRS (Common Reporting Standard) and files its fiscal Country-By-Country-Report with the French tax authorities.

Further information on Unibail-Rodamco-Westfield's approach to tax is available on our website at the following link: https://www.urw.com/en/investors/taxation-information.

– FROM AN INDUCED SOCIO-ECONOMIC IMPACT TO AN INTEGRATED AND PROACTIVE SOCIAL IMPACT

The results of Unibail-Rodamco-Westfield's economic footprint study in continental Europe and in the UK confirm the significant economic contribution of the Group and its suppliers in the economy of each region both at local and national levels. Employment and financial contribution to GDP through salaries and taxes are universal performance indicators followed by numerous companies to measure the socio-economic impact. However, the contribution of the Group activities to the development of local areas are not restricted to job creation or tax payment. More comprehensive approaches like the study conducted on UK assets (summarised below), or on Paris Region assets launched in 2019, showcase how wider benefits are also deeply changing the face of the local economy.

The ambition of the Group of being a catalyst for growth is translated in a wide range of initiatives towards the communities ranging from entrepreneurship projects to training programs (see following Sections). These additional engagement towards communities demonstrates the Group's commitment to not only contribute through the positive impact naturally induced by its activities, but to be proactive in creating value for its community.

In ten years, Westfield London and Westfield Stratford City have demonstrated their major contribution to the socio-economic development of London. Unibail-Rodamco-Westfield's global Flagships are among the most vibrant destinations to meet, work, shop, connect and be entertained in the British capital. Westfield London and Westfield Stratford City over ten years have attracted 590 million visitors and generated over £16.7 Bn in sales. Through the creation of mixed-use developments which feature the best in retail, dining and leisure alongside offices, hotels and residential, our centres have acted as catalysts to further inward investment and have contributed to placemaking in key areas of London. An independent report by Volterra, released in November 2018, outlines Unibail-Rodamco-Westfield's contributions including:

- over £200 Mn on improving infrastructure and connectivity;
- over £13.6 Mn in education and training; Unibail-Rodamco-Westfield centres now support 32,000 jobs in the capital with over 12,000 being created through developments in Stratford and Croydon;
- Westfield London and Westfield Stratford City are estimated to directly generate £22 Bn-£30 Bn worth of gross economic activity (GVA) over the next 20 years;
- the two centres generate significant additional expenditure for the benefit of local businesses, including an estimated £18 Mn-£25 Mn annual spend by centre employees and an expected £16.5 Mn total spend by construction workers;
- the Group's plans for close to 4,000 new London homes are expected to generate £58.5 Mn in annual residential spend in local areas.

(1) Non-cooperative countries or territories are usually defined as countries or territories refusing to adhere to international tax good governance standards.

Read the full 2018 report:
https://www.urw.com/en/portfolio/standing-assets/standing-portfolio/shopping-centres//-/media/Corporate~o~Sites/Unibail-RodamcoCorporate/Files/Homepage/PORTFOLIO/Standing-Portfolio/Shopping-Centre/Westfield-London/URW-10_Years_in_the_Making.ashx

2.3.2.2 SUPPORT LOCAL ENTREPRENEURSHIP

Fostering local economies also comes through empowering entrepreneurship. The Group uses its main strengths to support entrepreneurs, mostly from the retail industry, by offering them a strong visibility towards public and tenants in attractive locations.

Since 2007, Unibail-Rodamco-Westfield organises the *Grand Prix Commerce* (Grand Prize Retail) to foster, add value to and support retail innovation and business creation. In its 13th year in France, four bold innovative retail concepts were rewarded. A total grant of €1.5 Mn will finance their openings in one of the Group's shopping centres in France. The *Grand Prix* Unibail-Rodamco-Westfield was given to 2 concepts: SmÄak Natural Food, "fast casual" Scandinavian-influenced food concept, and CAVAL, a brand of mismatched eco-friendly sneakers. The *Prix Boutique* (or "Store Prize" was awarded to *Fédération Française de l'Apéritif*, a place where consumers can taste local food products for aperitif time, and Waekura, an affordable jewelry brand.

Building on the success of the *Grand Prix Commerce* in France, Unibail-Rodamco-Westfield launched in 2019 its first Spanish edition – the "*Gran Premio Retail*". The first edition gathered 50 innovative brands of which three laureates were awarded in January 2020. Fittest Freakest offering a full range of sport fashion and experiences was awarded the first place, while Wai Wai, a brand producing organic and natural soaps won the second prize. In the 3rd position was the brand Button Watch, which offers watch with interchangeable fabric straps.

With these yearly *Grand Prix Commerce* Unibail-Rodamco-Westfield, the Group helps accelerate the development of young retail entrepreneurs, while identifying the innovative concepts that will make tomorrow's retail. Beside the Grand Prix, local initiatives are implemented to support entrepreneurs' development: The support to the "*Ouvre-Boite*" incubator from the French foundation *Apprentis d'Auteuil* in France was extended to 3 shopping centres, giving the opportunity to over a dozen of entrepreneurs from disadvantaged backgrounds to demonstrate their concepts in a real store. In addition to the provision of in-kind donation, entrepreneurs are strongly supported onsite by Unibail-Rodamco-Westfield teams on technical and marketing aspects.

Taking part in entrepreneurship networks is another valuable way to support local entrepreneurship. Those networks support local entrepreneurs through financing, counselling and networking. Amongst other, in France, 2 assets are members of the "Initiative" network. As a result the shop "*la Place Ephémère*" in Aéroville enables retail entrepreneurs supported by the network to conduct customer facing tests and develop their businesses.

Shopping Centres also financially supported local entrepreneurship projects through Grant Funds such as the Croydon Partnership Youth & Entreprise Opportunity Grant fund which awards twice every year local leading grassroots projects.

The Group wishes to continue enhancing the economic vitality of its community and committed to have 100% of its Flagship assets to support local entrepreneurship through commercial partnerships and regional networks in 2020.

2.3.2.3 SUPPLY CHAIN MANAGEMENT

The CSR strategy of the Group addresses fundamental challenges and encompasses a much wider footprint than its direct actions. Being a substantial buyer, the Group is aware of the importance of driving industry standards influencing its supply chain and pushes for an evolution on the way it drives its suppliers and service providers toward more sustainable operations.

Given the size of its portfolio, the Group works with a large number of suppliers and contractors. This ensures that Unibail-Rodamco-Westfield is not exposed to the risk of depending on only a few main strategic suppliers.

– PURCHASING MAPPING

Purchases at Unibail-Rodamco-Westfield (continental Europe) can be split into three categories:

- corporate overheads, including office management, business travel, consultancy and audit fees, corporate communication and public relations costs, ICT and other administrative costs. This covers all Group staff and regional headquarters;
- operating costs, services provided to properties for daily on-site operations, such as cleaning, maintenance, security, waste management, energy and fluid provision, and marketing expenses (OPEX paid by the property owner and mostly passed onto tenants as service charges);
- capitalised construction works invested in properties for three main purposes: new development or enhancement works, maintenance works, or re-letting works (CAPEX paid by the property owner); these include mainly purchases from constructors, fees for architects, designers and engineering firms, and insurance premiums.

The varied nature of procurements and the diverse locations of the Group's properties result in having most of the supply chain being local companies or subsidiaries that support the local economy. In addition, wherever possible, the purchasing policy favours local purchases in the catchment area of the Group's assets in order to contribute to employment and local economic development.

Purchases consist principally of OPEX and CAPEX for the operation and development of properties (Overheads being a small part of the overall expenses). Operating expenses are spent locally. OPEX and CAPEX costs mostly comprise of labour-intensive services and to that extent are purchases that cannot be relocated. Capitalised construction works are non-recurring expenses depending on development activity.

– SUSTAINABLE PROCUREMENT

Unibail-Rodamco-Westfield's procurement strategy is designed to comply with the following rules: fairness, focus on quality, long-term partnerships, reduced risk and the respect for applicable regulations. Moreover, the Group must honour the trust placed in it through property management contracts which aim to be transparent and cost-efficient.

In addition to the principles and rules detailed in the Group procedures and Compliance Book (and specifically the Code of Ethics), all purchases must comply with the applicable local laws and regulations, especially labour and environmental laws. These local laws and regulations include notably the respect of the Modern Slavery Act or anti-discrimination clauses in the US.

To secure the proper application of these rules, in the case of a tender process and over the term of a contract, the supplier can contact the Unibail-Rodamco-Westfield Compliance Officer at any time to raise and submit a complaint, in accordance with the Group's whistleblowing procedure. The Unibail-Rodamco-Westfield Corporate internal audit team carries out regular audits across the Group to validate the thorough application of the Group's procurement policy.

The CSR approach is fully integrated at each step of the supplier procurement and referencing process of Unibail-Rodamco-Westfield in continental Europe.

CDP
SUPPLIER ENGAGEMENT LEADER
2019

In 2019, Unibail-Rodamco-Westfield was identified as a global leader for engaging with its suppliers on climate change, being awarded a position on the Supplier Engagement Leaderboard by global environmental impact non-profit Carbon Disclosure Project (CDP). Unibail-Rodamco-Westfield was recognised to be among the **top 3%** of organisations assessed by CDP.

Also, in 2014, the Group voluntarily signed the "Responsible Procurement Charter" in France, an initiative led by the French authorities. This charter, structured around 10 commitments, aims to promote best practices for more responsible purchases and a more balanced and cooperative relationship between large companies towards their providers.

Selection of suppliers

Unibail-Rodamco-Westfield chooses its contractors with great care and ensures they comply with its procurement policy. The Group-wide Purchasing Procedure guarantees an optimised price for the best level of service while securing an equal treatment among providers/suppliers. It states that the suppliers of all goods and services must be selected fairly on the basis of objective, comparable criteria and, when relevant, according to procedures relating to invitations to tender.

Prospective business partners are screened in line with the "Know Your Partner" procedure of the Group. These due diligences aim at assessing the partner exposure to corruption risk, but also enable the Group to identify past international labour law or human rights breaches.

Before a new service provider joins the approved list, a substantial amount of information is required, including an overview of its CSR strategy and practices. These environmental and social factors are of particular importance to the Group's information in its choice of suppliers: they form part of the criteria considered in any tender process used to select suppliers.

Each purchasing step is duly documented for traceability.

In continental Europe, a web based solution for purchasing management was launched in the Autumn of 2017, focusing on services procurement in the standing portfolio. The use of this purchasing platform makes the procedures of Unibail-Rodamco-Westfield in continental Europe more robust, facilitates new and direct collaboration between all stakeholders, ensures the transparency required for all purchasing decisions, helps operational teams to select providers, and facilitates the sharing of best practices and risks mitigations. This solution secures the administrative management for the whole purchasing cycle and generates productivity gains.

Inclusion of CSR criteria in contractual clauses

General Purchasing Conditions apply for all the countries in which Unibail-Rodamco-Westfield operates, although they vary between continental Europe, the UK and the US, according to local requirements. A clause is also automatically included in these conditions, requiring suppliers to abide by the Group's Code of Ethics provisions, including: complying with applicable laws and regulation, prevention of all forms of corruption, prevention of all forms of discrimination, respect for human dignity and for employees' work, preservation of the environment and reporting practices that are in breach of these principles using the contact procedure provided by the Group.

In continental Europe, for standing assets, service providers, particularly cleaning, multi-technical maintenance and security companies, are asked to sign the General Purchasing Conditions (CGA) attached to each contract, which include a sustainability clause covering all environmental issues, notably improved energy efficiency, responsible waste management, and the use of environmentally-friendly products and materials, and which ensure the protection of social rights, including a commitment to adhere to the conventions of the International Labour Organisation (ILO) and local employment legislation.

In the UK, the Standard Service Agreement includes a commitment to comply with all relevant safety, labour and environment (including but not restricted to waste and water management) legislation, with the site environmental management accreditation (ISO 14001) and with best practices in these areas.

In the US, specific mention on the Modern Slavery Act requires the suppliers not to engage in any direct or indirect form of human trafficking, slavery, forced or involuntary labour. New processes and procedures for US Procurement are under definition.

In France, two addenda included in the Group General Purchasing Conditions reinforce the existing sustainability provisions, specifying the efforts and results expected in terms of environmental and social performance: an "environmental clauses addendum", and a "professional integration clauses addendum". The latter, which was introduced in July 2018, commits service providers to fostering the professional integration of people remote from the job market. It requires service providers to commit and make major efforts in this field when providing services within the Group's assets. Specific targets are set in association with the Group, to adapt professional integration ambitions to the scope and business of each supplier, to secure genuine pathways leading to careers or qualifications and diversified recruitment channels. The ambitions are regularly reviewed and challenged at national and local level. In this addendum, providers also agree to recruit most of their staff from communities located close to the place where the contract is being fulfilled, and to take part in the Group's "URW for Jobs" recruitment events (see Section 2.3.3 Engaging with local stakeholders). Finally, signatory providers agree to prepare and send to the Group a summary of the professional integration actions implemented and results obtained in each of the Group asset in which they operate. At the end of 2018, the "professional integration clauses addendum" had been signed by 11 of the Group's key suppliers, resulting in over 179,000 hours of professional integration provided in the Group assets.

In continental Europe, for projects under construction, the contracts signed with suppliers state that the Group and the companies it controls are committed to reducing their carbon footprint of the project, particularly during the development phase of the assets. A clause indicates that the construction companies involved in the Group's projects must take this into account when selecting construction techniques, materials and technical solutions. After each project review and at all project stages, an arbitrage should be taken for carbon footprint impact for the proposed solution to be submitted to the Customer. The principles and action plans used to select the most sustainable materials with a reduced carbon content are specified in Section 2.2.2.3 Construction materials in this report.

Raising awareness amongst existing suppliers

To encourage existing suppliers and contractors to improve sustainable operating practices and use environmentally sustainable materials, the Group shared its CSR policy and related environmental and social targets with **all of its main service providers Group-wide** through official communication letters including contents and ambitions of the Group CSR strategy and the announcement of further supplier engagement on CSR topics. The Group confirmed its willingness to work hand-in-hand with its supply chain in its Better Places 2030 journey.

As part of the Group's continental Europe "4 Star" label criteria, Unibail-Rodamco-Westfield regularly conducts training in customer service skills for the staff of security and cleaning suppliers at all shopping centres with the "4 Star" label. In France, maintenance suppliers are trained in the Group's Environmental and Health & Safety processes, free of charge.

The Group has also introduced initiatives concerning incentives for energy savings and waste selection performance. These site-by-site practices challenge suppliers and serve as a basis to involve them in a process of continuous improvement for all managed assets.

From 2020 onwards, CSR related topics will be addressed in dedicated supplier meetings or reviews to ensure the inclusion of sustainability issues in operational practices.

Assessing the CSR performance of suppliers

In continental Europe, internal annual supplier assessment of compliance with environmental clauses, management modes and service quality are performed on key services (multi-technical, health and safety, mechanical transport, cleaning, and waste management).

The supplier assessment process allows for the evaluation of supplier compliance with contractual requirements and to anticipate tender needs. Data collected through these assessments, once consolidated, are also shared with contractors during Steering Committees.

2.3.3 ENGAGING WITH LOCAL STAKEHOLDERS

2.3.3.1 SUPPORTING THE COMMUNITY

Each of the Group's assets is fully committed to creating social value for communities and contributing to the sustainable economic development of the areas in which it operates. This commitment is made real through community-oriented activities to raise awareness, mobilise and actively provide tangible solutions to local area needs. URW for Jobs and URW Community Day are two major social initiatives held every year in collaboration with public partners and local charities. Additional long-standing partnerships with non-profit organisations further contribute to fostering our communities throughout the year. These initiatives are supported by the commitment of Group employees who volunteer during their working hours. In 2019, **84%** of Group employees volunteered to support the social and environmental development of local communities. This represents more than **18,000 volunteering hours** delivered by the Group.

– URW FOR JOBS

URW for Jobs is one of the Group's major social initiatives.

Its goal is to create job opportunities within the Group's assets for local people facing barriers to employment, for example due to economic, social or family issues.

Beneficiaries who join the programme receive free training support designed to meet the requirements of retailers in the Group's shopping centres. Participants attend a training programme, and receive coaching from Group employees. At the end of this process they are introduced to tenants from the shopping centre and employers from the surrounding area through job interviews, and complete job applications.

These actions are delivered with local public employment services and charities with which the Group builds long-term partnerships.

The Group's goal is to support 1,000 local people to find a job or a certified training programme as a result of the URW for Jobs programme by 2020.

In 2019, URW for Jobs was delivered by 40 centres in continental Europe and the UK. These **40** centres have helped to train **1,428** beneficiaries. Through over 18,800 training hours (on average 13 days training per candidate), the beneficiaries were able to rebuild self-confidence, crystallise their career plans and develop skills in the customer service sector.

In 2019, the 4th running year of the URW for Jobs initiative, **758** local people were hired in a job or enrolled in a certified training course in the 2 months following the programme. This includes **527** candidates trained through the programme and a further 231 candidates who were able to gain entry to the initiative without prior training and found a job at the shopping centres job fairs.

In the US, at least 3 three job fairs were organised in the Group shopping centres in 2019. The comprehensive URW for Jobs initiative will be rolled-out in the US starting in 2020.

– URW COMMUNITY DAY

The URW Community Day engages a large number of employees in volunteering for a local charity in the vicinity of an asset. In 2019, over the course of one week, **each of the 12 countries** where the Group operates held a full day where employees contributed more than 12,000 hours of volunteer service to local communities. Over 2,000 employees dedicated one day to support 80 initiatives, in partnership with non-profit and public partners.

Some of the initiatives included:

- In France, over 450 employees volunteered. From paintwork to upcycling and forest preservation, they had the opportunity to dedicate time to one of 12 different initiatives, in support of many non-profit partners like Association Aurore (partner of the Ateliers Gaîté project in Paris), *Secours Catholique-France* (Westfield Rosny 2 and Westfield Vélizy 2), and *La Cravate Solidaire* (Aéroville). In the Marly forest, close to the Westfield Parly 2 shopping centre, 100 employees joined the French *Office National des Forêts* to maintain and protect the fauna and flora.
- In Poland, 70 employees conducted renovation works for the Society for the Care of the Blind, a charity dedicated to the care, education and rehabilitation of visually impaired people, located close to the Arkadia shopping centre.
- In Spain, the teams took action in support of CEMU – Ciudad *Escuela de Los Muchachos*, a long-term partner of the Parquesur shopping centre. While some employees painted and decorated the premises next to the shopping centre, others hosted games and workshops for the children in the area.
- In Sweden, more than 70 employees dedicated their day to the Stockholm natural reserve *Skärgårdsstiftelsen*, repainting equipment and cleaning paths, beaches and ditches, sponsored by the Nacka Forum and Westfield Mall of Scandinavia shopping centres.
- In the UK, the URW Community Day brought together 300 employees. Some worked at Wormwood Scrubs Park and Pony Centre and the Lambourne End Outdoor Centre, building fences, painting enclosures, cutting back vegetation and more, to assist the teams at these recreational and inspirational spaces for the communities surrounding the Westfield London and Westfield Stratford City shopping centres. Others dedicated their time in support of disadvantaged people through job workshops, skill training and mock interviews with the Palace for Life Foundation.
- In the US, 700 employees were actively involved in 50 activities across the country. Amongst the many initiatives, colleagues from Los Angeles prepared gift bags for mothers of sick children to be delivered on the occasion of international Mother's Day at a children's hospital. Others spent the day building a home for an underprivileged family in Newark, New Jersey with the charity Habitat for Humanity in partnership with the Westfield Garden State Plaza shopping centre.

– LOCAL PARTNERSHIPS

In addition to the URW for Jobs and URW Community Days initiatives, local or national partnerships give rise to a wide range of additional initiatives, in which Unibail-Rodamco-Westfield employees can regularly dedicate time and expertise.

Unibail-Rodamco-Westfield has committed to 100% of Flagship assets supporting at least one local charity or NGO-sponsored long-term project (>2 years) by 2022.

In 2019, **938** social and environmental initiatives were delivered through the provision of spaces, donations, collection of materials or donations, volunteering and educational events. They benefitted 812 partners of which, 585 were non-profit and 227 were public community partners such as schools, nurseries, sports clubs, etc. At a corporate or national level, the Group has also directly participated in philanthropic projects through donations and contribution, amounting to €1.9 Mn, while shopping centres contributions amount to €5.1 Mn.

In total, philanthropic contributions from Unibail-Rodamco-Westfield amount to **€9.8 Mn Group-wide**.

Although the Group tries to always answer positively to non-profit requests for one-off events, it encourages to establish long terms collaboration to improve impact and collaboration efficiency. In 2019, at least **34%** Flagship assets had partnerships with charities or NGOs for at least 2 years, while **85%** of them had committed to support partners for the next 2 years.

Example of local partnerships:

In 2019, the Groups' French Shopping Centres celebrated the 11th consecutive year of partnering with the network of *Écoles de la 2e chance* ("second-chance schools") which, aside from financial support, benefited from operational support to enable their young beneficiaries to secure their social and professional integration.

In the US, Unibail-Rodamco-Westfield has a longstanding commitment to supporting military veterans and their families. In 2019, employees volunteered throughout the year to provide veterans with one-on-one mentoring, counselling and career development assistance aimed at facilitating reintegration into civilian life. Employees also worked with Habitat for Humanity to help build homes for disadvantaged military families in need. Westfield UTC in San Diego hosted a veterans-focused job fair in partnership with the US Chamber of Commerce Foundation's "Hiring Our Heroes" initiative.

In the UK, Unibail-Rodamco-Westfield partners with WISE and Stemettes, two organisations which enable and inspire gender balance from education to business in science, technology, engineering and mathematics. UK volunteers regularly engage with local schools to demystify and inspire young women about STEM career opportunities. The team supports the programme through workshops, personality quizzes, telling success stories and mentorship.

As industry leader, alongside the main stakeholders of the French real estate sector, Unibail-Rodamco-Westfield is involved in promoting and driving forward education and research in the fields of real estate and urban planning. As a founding member of the Palladio Foundation, the Group has taken part in its annual programme of conferences sponsored by the President of the Île-de-France Region, Valérie Pécresse, on the topic of "Exchanging innovative goods and services in the City of tomorrow" aimed at identifying the major challenges of contemporary societies to invent the town/city of tomorrow.

In addition to these working groups and task forces, the Foundation also finances the brightest students in the real estate field, helping them to continue their higher education or pursue research projects: in 2019, 10 post-graduate students were awarded grants by the Foundation.

COMMUNITY ENGAGEMENT

OUR CENTRES CREATE BETTER COMMUNITIES

URWforJOBS by UNIBAIL-RODAMCO-WESTFIELD

CREATING JOB OPPORTUNITIES FOR PEOPLE SEEKING EMPLOYMENT

1,428

CANDIDATES TRAINED

758 candidates found a job or certified training programme

40 shopping centres involved

URW community DAY by UNIBAIL-RODAMCO-WESTFIELD

SUPPORTING NON-PROFITS IN OUR COMMUNITIES

80

INITIATIVES

Supported by each of the 12 countries

LOCAL partnerships

GETTING INVOLVED LOCALLY

938

SOCIAL AND ENVIRONMENTAL INITIATIVES DELIVERED

34% of Flagship assets with long-term (>2 years) partnerships with non-profits

URW VOLUNTEERING PROGRAMME

All involved for communities

SUPPORTED BY 84% OF GROUP EMPLOYEES CONTRIBUTING MORE THAN 18,000 VOLUNTEERING HOURS

2.3.3.2 OPEN DIALOGUE WITH TENANTS AND VISITORS

To strengthen the dialogue with tenants, Unibail-Rodamco-Westfield Europe (continental Europe and UK) conducts annual tenant satisfaction surveys in each shopping centre, holds one-on-one meetings with tenants, and participates in retail industry round tables and conferences.

The "Connect" application importantly improves day-to-day relations between centre staff and tenants and suppliers. The application is regularly used to engage and get feedback of tenants and their satisfaction regarding new services or events.

Launched in 2016, and currently used in 66 of the Group's shopping centres in continental Europe, the application will be further rolled out in 2 shopping centres in the US in 2020.

The Group is continuously adding to and adapting its customer service strategy. To improve the quality of service to its customers and measure progress in this area, the Group conducts annual customer satisfaction surveys for each of its shopping centres. In parallel the Group regularly updates its "4 Star" label, a framework for continental shopping centres to provide customers with a unique shopping experience through a range of services and infrastructures. This "4 Star" label is summarised in a 680 point review.

In continental Europe, Unibail-Rodamco-Westfield is also doing its utmost to ensure its assets are welcoming and accessible to all citizens. Special provisions are made for customers with disabilities, as well as for elderly customers and families. On November 12, 2019, the Group and 19 of its assets in 6 countries partnered with Purple Tuesday, a day dedicated to awareness on the customer experience of people with disabilities. This action enabled more discussion with visitors and the Group committed on this occasion to train all customer-facing employees on how to welcome and engage with visitors in continental Europe. In 2020, a pilot will be conducted on the Flagship asset Westfield Vélizy 2 to explore new services towards people in need of assistance to identify best practices to extend to further assets.

2.3.4 PROMOTE RESPONSIBLE CONSUMPTION

Request for social and environmental responsibility is a growing trend in the consumption behaviour. The Group aspires to play an active role through its assets to foster the change in society and in the industry by promoting healthier and more responsible consumption. This is materialised through a diversified shopping offer, but also through non-retail initiatives such as new services or events.

2.3.4.1 FACILITATING CHANGE IN BEHAVIOURS THROUGH SERVICES AND PEDAGOGY

– ECOFRIENDLY HABITS

With 1.2 billion annual visits, the Group assets are critical to make change happen. As such, several initiatives were implemented to encourage visitors to concretely take action. These activations are made possible through new infrastructures such as bike parking or Electrical Vehicle charging points to promote an eco-friendlier mobility or through collect points of used batteries, bulb or small electronics equipment to facilitate recycling.

– SMART FOOD WASTE

Consumers are also encouraged to take action through innovative solutions such as the Too Good To Go application.

The partnership with Too Good To Go, a platform where food retailers can sell their unsold products at a discount for customer at the end of the day, was launched in 2018 and extended to all French shopping centres in 2019. This initiative offers a turnkey solution to the Group tenants while generating additional revenues and raising awareness amongst visitors.

By the end of 2019, **over 126,000 meals were saved** thanks to this partnership in all French shopping centres. Building on this success, the Group aims at rolling out similar initiatives accross all regions, with the ambition to save 250,000 meals by the end of 2020.

– URBAN FARMING

While rooftop beehives continue to flourish on assets' rooftop, initiatives on local food production were pursued with Sous les Fraises on the rooftop of the SOouest or with Peas & Love at Westfield Parly 2. For more details on urban farming project within the Group, refer to the Section 2.2.5 Integrate nature and biodiversity.

– ECO-FASHION AND CIRCULARITY IN FASHION

Circularity in fashion was addressed with projects implemented to collect and recycle textile in partnership with visitors and retailers. 20 of the Group assets facilitate the recycling of used clothes with containers to collect clothing and the management of partnership with resellers and recyclers. This enabled in 2019 to collect 187 tons of textile, to give them a second life, reusing them through second hand market or charity donations or recycling them. Additional events on circular fashion led to an additional collection of 10 tons of fashion products.

Amongst other, a pilot was launched with the French Red Cross to create a “reversed” shop in Westfield Vélizy 2: for 10 days, visitors could visit the pop-up store to donate their clothes, while being informed about the second life of their donation. This pilot resulted in to 6.5 tons of textile collected. The experience will be renewed and extended to 8 additional shopping centres in 2020.

In total, **197 tons of textile** were collected to be given a second life through Unibail-Rodamco-Westfield assets.

– USING MARKETING TO RAISE AWARENESS

The Group also addresses this topic through marketing: several events and campaigns were led in partnership with local actors to raise awareness amongst visitor on sustainable behaviours in consumption choices. Amongst other:

- In the Czech Republic, reusable coffee cups were circulated in collaboration with coffee selling tenants and Otoc Kelimek;
- In Poland, the use of biodegradable straws, cuttlery & re-usable cups on the food courts were promoted together with Plastic Passe;
- In Sweden, in Westfield Mall of Scandinavia, eco-fashion shows were conducted and recycled bags were distributed during events with the company Sellpy;
- In the UK, in Westfield London, an installation promoting the benefits of organic cotton was implemented displaying how much water it takes to make a conventional cotton t-shirt.

In 2020, infrastructures and services to encourage the shift towards circularity in fashion and reduction of food waste will be increased in the Group asset, while sustainability and responsible consumption initiatives have been integrated in the Marketing roadmap of each asset and will be rolled out in 2020. The Group’s ambition, is to have 100% of Flagship assets supporting and promoting sustainable consumption initiatives by 2022.

2.3.4.2 AN ATTRACTIVE, DISTINCTIVE AND SUSTAINABLE OFFERING

Unibail-Rodamco-Westfield devotes considerable energy to create extraordinary and sustainable places where people meet, relax, shop, work and share memorable experiences. The Group constantly works to meet the increasing needs of its visitors and communities by offering a wider range of services, by animating the community through tailored programmes of entertainment and events and by providing a prime and relevant tenant mix.

To diversify its offer and answer to the growing demand for more responsible products and services, the Group sources sustainable retailers: innovative retail formats which convey sustainability benefits and have a positive impact on consumption behaviour are being implemented in various sectors. Regarding food, the Group accompanies the evolution of customer demand for a more healthy and diversified food offers, by introducing in its shopping centres organic, vegetarian offers such as Fafelle in Sweden, or local offers like with Letzt Sushi in Denmark, etc. The Group integrated new eco-fashion and ethical brands in its portfolio such as Movesgood (bamboo-based products) in Täby Centrum, Pooow (an “umbrella” brand for 220 creators “made in France”) in Westfield Carré Sénart, SoOuest and Westfield Parly 2, or REBAG (luxury bags) in Westfield World Trade Center.

Finally, visitors could also discover sustainable home furniture with Norrgavel in Nacka Forum and second hand electronic equipment with AFB (shop offering repair services whilst supporting the professional integration of disabled people).

In October 2019, the Group opened a brand new pop-up store, Pyramid, in Carrousel du Louvre, that gathers 20 French digital native vertical brands that all have strong CSR commitments (produced locally, produced without toxic chemicals, 100% organic etc.). For the Carrousel du Louvre, Pyramid is a way for the Group to renew its retail offer while offering a unique eco-conscious shopping experience to visitors.

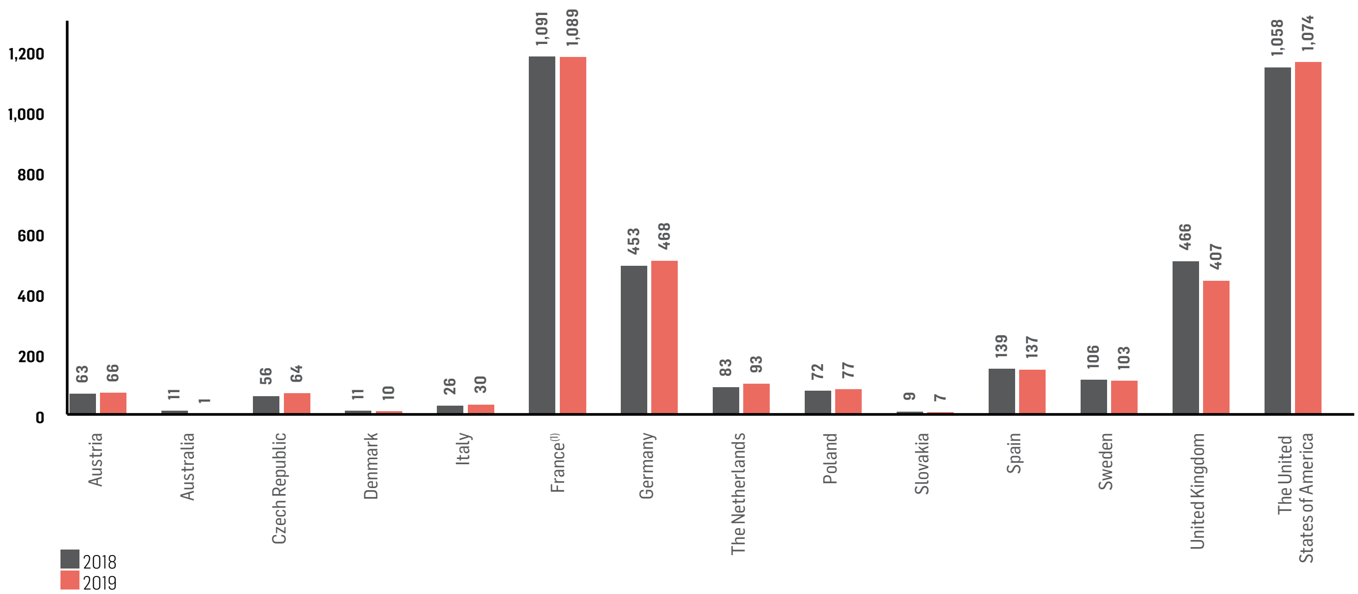
In addition, the Group aspires to collaborate with tenants to enhance transparency of brands on health and sustainability in 100% of its Flagship assets by 2025.

2.4 BETTER TOGETHER

KEY FIGURES

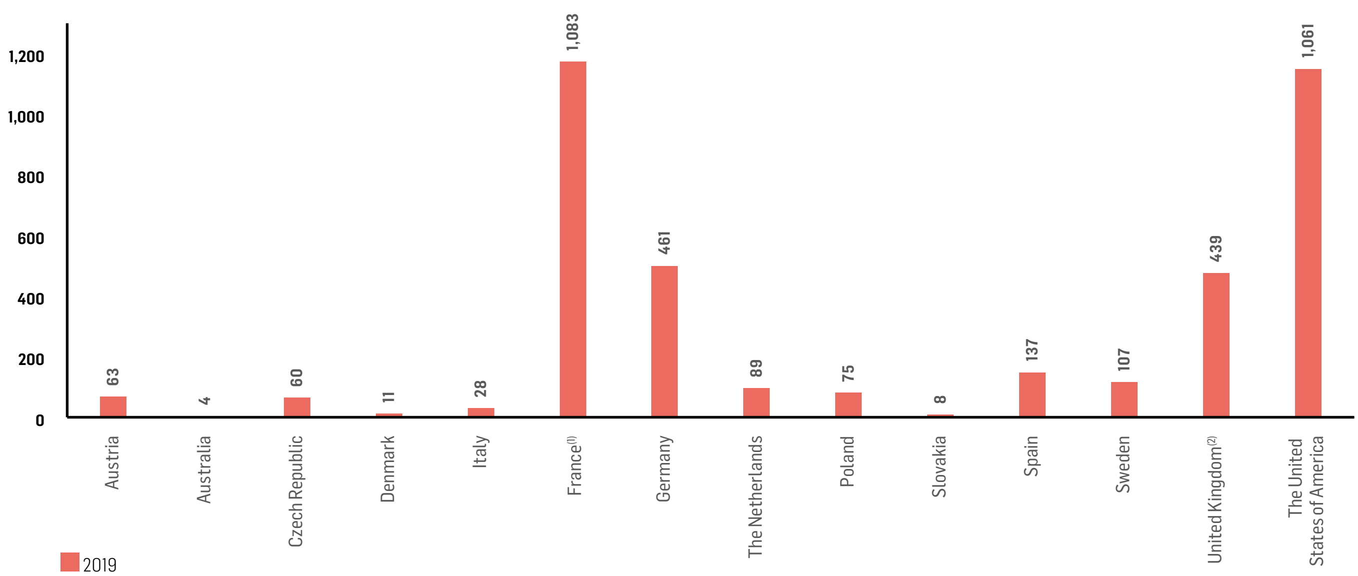
EMPLOYMENT BY COUNTRY

Workforce as at December 31:
The Group has 3,626 employees as at December 31, 2019.



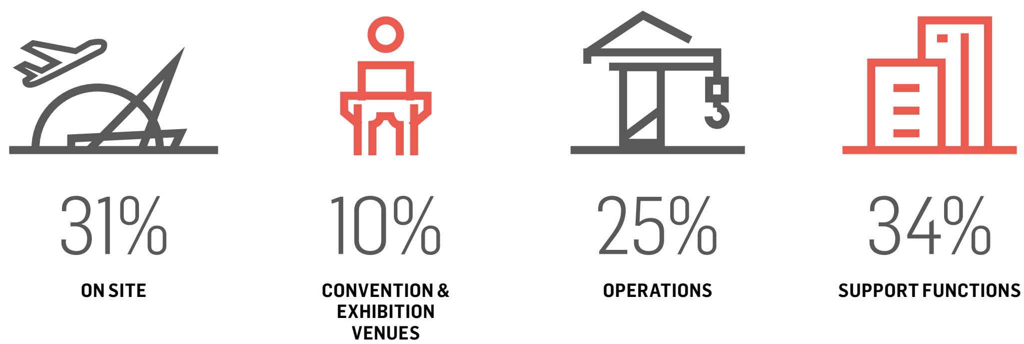
EMPLOYMENT BY COUNTRY

Average monthly headcount (total employees on the last day of each month divided by 12) for 2019.

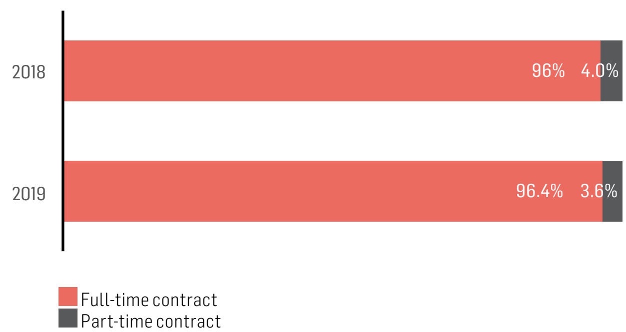


(1) Average monthly headcount for the Group in 2019 is of 3,625 employees, including 375 Viparis employees.
(2) This figure includes 1 CAML employee

EMPLOYMENT BY ACTIVITY
Workforce as at December 31, 2019



EMPLOYMENT CONTRACTS
Workforce as at December 31



2.4.1 EMPOWERING OUR PEOPLE

2.4.1.1 TALENT DEVELOPMENT AND CAREER MANAGEMENT

– ATTRACTING THE BEST TALENT

Unibail-Rodamco-Westfield have always been committed to attracting the best Talent by fostering professional development, promoting cross-functional and international mobility opportunities and offering exciting career opportunities at all levels, be it for graduates or professionals. The Group's International Graduate Program has been a longstanding proof of this promise, a key lever in terms of external attractiveness and an efficient onboarding and training path for new comers. As we continue to focus on recruiting the best graduates from top European and American schools, we have also intensified our efforts in recruiting experienced profiles. Bringing new sets of capabilities and diversifying our leadership and management styles are key factors for the success of the Group.

International Graduate Programme (IGP)

Following the extension of the program to the UK and the US, the European Graduate Programme (EGP) was renamed International Graduate Program (IGP). In 2019, 6 IGPs rotated in the UK and 9 IGPs rotated in the US.

The International Graduate Programme (IGP) allows recent graduates to discover Unibail-Rodamco-Westfield's business and approach to commercial real estate, acquire the company's business fundamentals, build a network and prepare their future career. Participants gain unparalleled exposure to diverse areas of the Group's business functions, completing at least 3 assignments, one of them being abroad. The program lasts for 12 to 14 months in Europe, up to 18 months in the US.

The programme's framework is as follows:

- 1 year, 2 countries, 3 assignments in 3 different departments for the European cohort
- Up to 18 months, 2 countries, 4 assignments in 4 departments for the US cohort

In 2019 51 IGPs were hired from 35 schools and 13 different nationalities.

Senior recruitments

While maintaining the focus on internal mobility, several key senior management-level recruitments were made in 2019, bringing to the Group a broader experience and a deeper expertise where needed. At Group level, 43 people were hired at Senior Management level.

To continue expanding its international scope, the Group paid special attention to the recruitment of candidates in countries other than their country of origin.

WeHire

URW consider its employees as the Group's best ambassadors and have developed the global programme **WeHIRE** to foster employee referral initiatives across the Group. **WeHIRE** offers our employees the opportunity to refer someone from their professional or personal network for open positions in the Group. If the recommended person is hired, the referring employee receives a bonus, with an additional amount given to a charity of her/his choice. In 2019, 101 new recruits were hired thanks to **WeHIRE** across the Group. €36,000 was donated all over Europe to charities.

LinkedIn

Unibail-Rodamco-Westfield Corporate LinkedIn page strengthened its presence. Its audience was multiplied by seven from 10,000 followers in 2018 up to 70,000 followers in 2019. The Group now showcases weekly series such as "Better Tuesday" to promote CSR initiatives within the Group and regularly update its audience through short videos.

– TALENT MANAGEMENT

Unibail-Rodamco-Westfield's career development programs are designed to develop the best Talent in the market. The Group is committed to offering employees a working environment that fosters diversity and equal opportunities to offer each individual the experience needed to build an exciting career that creates value for the Company.

Employees receive regular support and advice on career development. They meet with their managers once a year for year-end evaluations, have the opportunity to provide and receive ongoing feedback throughout the year, which gives them the opportunity to discuss their performance, objectives, career advancement and training needs. Apprentices also benefit from this program, with 22.2% of them having been offered a permanent employment contact in 2019 at the end of their apprenticeships.

Internal mobility and career evolution

Career evolution in the Company is strongly linked with the Group's competency model. The latter is based on the six corporate values of Excellence, Teamwork, Ethics, Boldness, Passion and Ownership rolled out in June 2019 for the new URW Group (see Section 2.4.2 Bringing together). The competency model not only enhances communication, consistency and transparency in managing mobility across the Group, it also recognizes the experience and expertise employees are developing on their position. It is as well embedded in the annual performance evaluation process.

Internal mobility between functions is strongly encouraged and is conceived as a collaborative process involving employees, managers and HR department. It gives employees a more in-depth understanding of the Group's various activities and priorities. International mobility also helps employees to build and consolidate networks and share best practices among the various regions.

The international mobility policy, enriched in 2018, covers all mobility schemes, increases awareness of the related benefits and provides full support to expatriate employees and their families. In 2019, 5.7% of employees made a lateral career move within the Group, 13.1% of employees were promoted and 2% of employees conducted an international mobility.

A comprehensive Succession Planning programme was designed and launched for all executive and leadership positions in the Group. 118 positions and identified successors to the latter were reviewed by the Senior Management Team at a dedicated Group Succession Planning review, preceded by in-depth reviews done in every country, led by HR and Regional Managing Directors. The Succession Planning program helps the HR teams and managers in building talent pools, clarifying development needs of the identified successors and foreseeing possible career paths for them.

The Group largely enhanced its career and development planning processes thanks to the Succession Planning and the newly rolled-out common approach to talent and performance review. The cornerstone of the program was a 360-degree feedback approach, where every employee benefited from the evaluation of their annual performance by their direct manager and received feedback from colleagues, direct reports (if any) and functional managers/reports (if any). The reviews were later carried out in a committee setting with presence of key leaders in the organization to ensure fairness and consistency in evaluating performance cross-functionally. The program resulted in an in-depth discussion of employees' annual performance, potential for professional growth and retention, while fostering creation of more comprehensive action plans and structured follow-up processes. 2,983 employees (92%) had an annual review at the end of 2019.

Several talent development initiatives took place in 2019, such as:

- A "Personal Impact Trail", an in-company talent development programme was rolled out in the Netherlands. 11 talents were selected on their potential and were offered a six-month learning journey with a focus on Personal Leadership and Teamwork. The programme entailed Talent working on their own development with peers of six different functions, aiming at speeding up readiness for succession and creating a strong peer network in the Dutch organisation. The program consisted of a number of training events and coaching sessions in close cooperation with managers - leading up to a final presentation to the Country Management Team.
- The Group continued to develop its Innovation Champions network through its internal "Innovation Champion Graduate Programme" to harness collective intelligence and innovation, open new career perspectives and promote diversity within teams. A stronger involvement at country level was achieved in 2019, with overall 13 participants to the program (compared to 6 in 2018), Participants received specific training and coaching in areas such as brainstorming techniques and design thinking, and pitched their project's outcomes at various innovation meetings and workshops. They have also participated in a dedicated, two-day learning expedition discovering trend-setting and innovative concepts in retail and entertainment in London.

RECRUITMENT

Overall recruitment rate in 2019 for the Group was 18.9%, with the following specifications:

Employees by contract type	2018[2]	2019[2]	2019[3]
Permanent contracts	396	368	663
Fixed-term contracts	64	65	106
Apprenticeships[1]	28	30	30
TOTAL	**488**	**463**	**799**

(1) Excluding traineeships.
(2) Excluding ex-Westfield entities.
(3) Including ex-Westfield entities.

DEPARTURES

Total number of departures (excluding trainees)

Reasons for departure	2018[5]	2019[5]	2019[6]
Resignations	188	216	462
Dismissals	54	37	139
Mutual agreements	38	45	50
Retirements	11	12	17
Departures during trial period	29	27	30
Expiry of fixed-term contracts	60	68	105
Outsourcing	24	14	14
Death	0	0	0
Other[4]	9	0	0
TOTAL	**413**	**419**	**817**

(4) Including Group transfers to ex-Westfield entities.
(5) Excluding ex-Westfield entities.
(6) Including ex-Westfield entities.

TURNOVER

Employee turnover in 2019, as measured by dividing the total number of resignations, dismissals, departures under mutual agreement, retirements, departures during trial periods and deaths by the number of permanent employees at the end of 2019, stood at 19.9% (compared to 17.3% in 2018 excluding ex-Westfield entities).

2.4.1.2 TRAINING

One year into the new URW Group, the URW Academy plays a key role in sharing knowledge and practices while accelerating the creation of a learning culture with training at its core.

This year the Academy was focused on ensuring that relevant business expertise is shared through training and that new training opportunities were initiated across all regions including the US and the UK Another key focus was on how to support the new corporate values "Together at URW" (see Section 2.4.2 Bringing together), with the design and development of new leadership and soft skill programs that integrate the Together at URW values framework and associated expected capabilities and behaviours. The URW Academy is also committed to train 100% of employees on CSR by 2022.

The Learning Management System (LMS) was launched in 2017 in continental Europe. Preparations are well underway for the launch of this LMS in the US and UK in 2020. This new system is a strong lever for our learning culture as it allows employees to access the Academy's training offer and to plan and register for trainings accordingly. The Academy monitors the usage and access and works closely with all HR teams across the Group to promote the training offer and use of the system and its alignment with business needs. In 2019, Business training represented 74% of total training hours. These trainings are delivered by Group in-house experts and Senior Managers. Highlights this year included the URW Fundamentals programme – a two-day onboarding event that is organised every quarter for all newcomers – which was both delivered in Europe and launched in the US. The programme was updated to include latest key global strategic topics, new Together at URW values framework as well as a new welcome video from the URW CEO. Trainings have also been deployed to align local teams on Group processes and policies, such as Better Places 2030, Anti-Corruption, Security or Asset valuation, E-learnings are also in high demand, with 17 different modules now available.

Unibail-Rodamco-Westfield has committed to developing and rolling-out Group-wide leadership & management programmes integrating CSR and for 100% of Group employees to have participated in CSR training by 2022. In 2019 URW Academy contracted a new global partner for a new senior leadership programme to be rolled out in 2020 and held several major international training events to foster diversity and leadership skill.

Management and leadership programmes will integrate CSR topics by 2022 at the latest, as one of the pillars of Better Places 2030.

TRAINING

Total training hours attended by employees on permanent and fixed-term contracts.

	2017	2018	2019
Total hours attended	43,832	42,070	53,292
Average number of hours per employee[(1)]	22.8	20.8	14.8
TOTAL OF PEOPLE TRAINED	**2028**	**2252**	**4,711**

(1) Based on average headcount for the year.

Name of training programme	Number of participants in 2019	Total hours in 2019
Inclusive leadership and unconscious bias	169	483
Unlocking Potential of Leaders/Women @ URW	112	1,406
Intercultural Training	136	796

2.4.1.3 AWARDS

Rewarding the quality of the Group's career opportunities and attractiveness, Unibail-Rodamco-Westfield received in 2019 a number of awards:

- Unibail-Rodamco-Westfield is proud to have received 1st prize for the high level of responsibility offered to its employees in the 2019 Universum ranking of the Most Attractive Employers in France for French students. The Company receives this special prize for the 4th time (2011, 2012, 2017, 2019), demonstrating the Group's ability to sustain and renew its distinctive employer value proposition over time.
- URW was also certified once again by Universum as one of the "Most Attractive Employers, France 2019" for experienced professionals. For Unibail-Rodamco-Westfield, these prizes celebrate its People strategy, which aims at providing the Group's talent with exceptional leadership opportunities to help them achieve their potential.
- In the UK, URW won the Working Families 2019 Top UK Employers award for Best for Fathers and Best for Line Manager Support.
- In Germany, the IGP programme achieved the 2019 Fair Graduate Programme Certification in recognition of its status as one of the best programmes of this type.
- The Group received the Top Employers Certification for Germany for 2019.
- URW is committed to train young talents and was selected among 2,000 companies to receive the Happy Trainees label for the 6th year in a row in France. Some 89% of our trainees and apprentices recommend the Company, giving the Company an overall score of 4.05/5 in regards to their experience with the Group.

2.4.1.4 COMPENSATION AND BENEFITS

Our remuneration policy is defined at Group level, taking into account the specificities of local markets.

It is designed to encourage individual achievements and contribution to collective results, supporting the long-term growth of the Group.

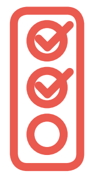
It aims to attract, motivate, reward and retain the best Talent in the market, with strong drive, engagement and loyalty. The founding principles of Unibail-Rodamco-Westfield's Remuneration Policy are:

COMPETITIVENESS

based on a global approach, combining fixed salary. Short-Term Incentive (STI), Long-Term Incentive (LTI) and benefits

DIFFERENTIATION AND SELECTION

approach based on merit and individual performance



FAIR AND STRUCTURED PROCESS

common to all Regions to ensure fairness and accurate comparisons

EQUAL OPPORTUNITIES

(race, gender, nationality or any other personal criteria)

– A COMPETITIVE TOTAL REMUNERATION

The Group Compensation and Benefits team and Regional Human Resources Directors use benchmarks from established external consulting firms and *ad-hoc* studies to ensure the URW remuneration competitiveness against relevant markets.

Significant salary increase and STI budgets are allocated to each country in order to stay competitive:

	2016/2017[(1)]	2017/2018[(1)]	**2018/2019**
Like for like increase in average salary, including STI	5.03%	6.39%	6.50%

(1) Excluding ex-Westfield entities

– DIFFERENTIATED AND SELECTIVE INCENTIVES

The STI (Short Term Incentive) rewards individual annual performance, personal engagement, team spirit, and adherence to the Group's values.

The LTI (Long Term Incentive) aims to attract, reward and retain key talent for the future of the Group, engaging beneficiaries with Unibail-Rodamco-Westfield's long-term performance.

	2017[(2)]	2018[(2)]	**2019**
Proportion of employees receiving STI[(1)]	78.3%	79.9%	81.2%
Proportion of employees receiving LTI	16.3%	17.3%	12.6%

(1) STI paid in year Y to employees on the payroll at December31 of year Y-1.
(2) Excluding ex-Westfield entities.

In addition, the Group employer contribution to the employee savings plan in 2019 was €875,447. As at December 31, 2019, 80.3% of eligible employees (excluding Viparis) were Unibail-Rodamco-Westfield shareholders through the Group's Savings Plan.

– COLLEGIAL DECISION MAKING PROCESS

Fixed salaries and STI are decided at year end for all employees. Every decision carefully balances the role, seniority, performance, and contribution to Group initiatives and the Group's values. The Group assesses achievements, and also how they are carried out.

Unibail-Rodamco-Westfield's remuneration policy is applied consistently, through a comprehensive process, with no compensation decision taken by only one person. Once a year, a 360° review provides employees and managers with feedback on their strengths, development areas, training needs and career planning. Employees also have the opportunity to discuss contributions made to Group initiatives and projects outside their direct scope of responsibility. Each employee's performance is reviewed annually by a Talent Review Committee in the presence of HR teams, managers across functions and often members of the Senior Management Team.

2.4.2 BRINGING TOGETHER

2.4.2.1 TOGETHER AT URW

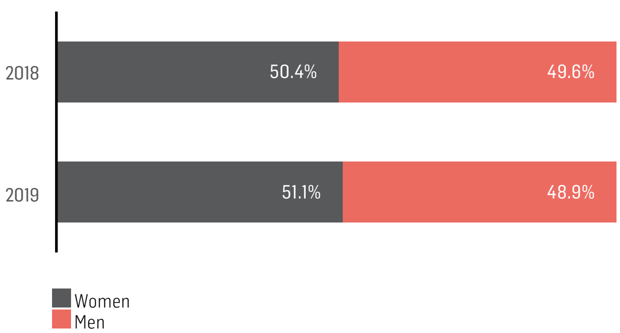
The new corporate set of values for Unibail-Rodamco-Westfield - Together at URW - was unveiled in 2019. These values represent the excellence in Unibail-Rodamco-Westfield's standards as a high performance company and culture.

- **EXCELLENCE** - We only aim for the best
- **TEAMWORK** - We unite talent as a team
- **ETHICS** - We build on trust and transparency
- **BOLDNESS** - We dare with vision and agility
- **PASSION** - We go the extra mile
- **OWNERSHIP** - We are empowered to deliver

2.4.2.2 DIVERSITY & INCLUSION

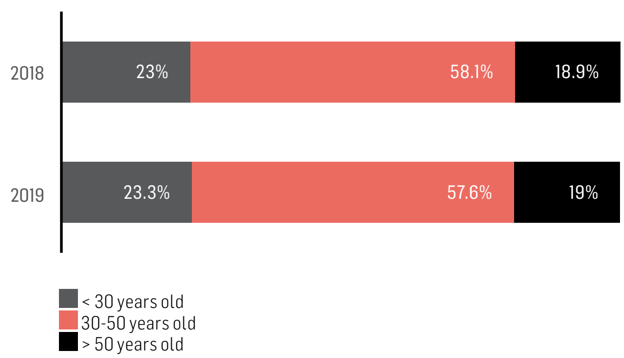
EMPLOYMENT BY GENDER

Workforce as at December 31, 2019



EMPLOYMENT BY AGE

Workforce as at December 31, 2019



PROPORTION OF SENIOR MANAGEMENT LEVEL POSITIONS HELD BY WOMEN

Workforce as at December 31, 2019

	2018	2019
Proportion of Senior Management level positions held by women	30.9%	33.4%

RATIO AVERAGE COMPENSATION MEN/WOMEN

Workforce as at December 31, 2019

	2019
Senior Management Level	117.8%
Other levels	115.7%

In its Better Places 2030 strategy, Unibail-Rodamco-Westfield committed to ensuring full equal opportunities (e.g. gender, nationality, sexual orientation) in HR practices and processes group-wide. In 2019, 100% of URW regions ensured full equal opportunities by having the URW Equal Opportunity statement included in formalised HR policies relating to Recruitment practices, Compensation & Benefits, Talent Review, and Learning & Development. The URW Equal Opportunities statement ensures that HR policy & processes are applied without discrimination on the basis of race, colour, religion, sex, sexual orientation, gender identity, marital status, age, disability, national or ethnic origin, military service status, citizenship, or other protected characteristics.

Be You at URW is the network that focuses on Diversity and Inclusion and is represented in all regions. The key focus for 2019 has been gender equality and in 2020 Be You at URW will focus on all forms of diversity in the workplace and initiatives to promote an inclusive culture. In 2020, Unibail-Rodamco-Westfield will introduce a new group framework to improve employee engagement on Diversity and Inclusion.

In 2019, Unibail-Rodamco-Westfield introduced the Group's ambition and key priorities on gender equality. This framework is a commitment to take action on gender equality around women's leadership development, diversity enabling infrastructures for all, promotion of an inclusive mindset and processes, and the close monitoring of these actions.

Since 2012, a European Diversity Charter has been promoted throughout the Group to fight all forms of discrimination and harassment. In 2019, Unibail-Rodamco-Westfield signed the #StOpE initiative, to raise awareness against sexism within companies.

Unibail-Rodamco-Westfield has put in place a whistleblowing policy to encourage all company staff and contractors to reveal or report any fact relating to a crime, offense or a serious and manifest violation of the law or regulation to the Compliance Hotline.

The Group is developing initiatives to promote diversity in its Talent Management and Recruitment strategies. Action plans involving monitoring of Key Performance Indicators have been launched on a region-by-region basis under the sponsorship of the Human Resources Department.

11 Inclusive Leadership & Unconscious Bias sessions were delivered in 9 regions. 169 top managers, all Country Management Team members or key HR stakeholders were trained. A two-day leadership development course designed in conjunction with McKinsey was held for the seventh consecutive year and 76 women were trained in 2019.

Disability support: Disability Awareness training is offered to employees in some regions including autism awareness training for front-line staff and contractors in the UK In 2019, the France team signed the Manifesto for the Inclusion of Disabled People into Economic life, and organised a number of actions to support the employment opportunities for disabled people.

In 2019, the UK team formed a partnership with Sponsors for Educational Opportunity (SEO) where an event was held for 35 students from top universities in the UK to promote future URW career opportunities. SEO is a charitable organisation that helps prepare talented students from ethnic minority or low socioeconomic backgrounds for career success. In France, the team has signed and committed to PAQTE, a partnership with the French government to promote the inclusion of young people living in specific neighbourhoods.

The Group stands for a fair overall outcome that rewards individual and collective performance and does not discriminate on race, gender, nationality or any other personal criteria.

	2016/2017		2018/2019	
	Female	Male	Female	Male
Salary increase beneficiaries(1)	**53.6%**	**49.6%**	**69.7%**	**68.2%**
STI beneficiaries(2)	80.5%	79.3%	77.5%	85.0%

(1) Based on like-for-like headcount.
(2) STI paid in year Y to employees on the payroll at December31 of year Y-1.

2.4.3 INSPIRING OUR PEOPLE

2.4.3.1 EMPLOYEE COMMITMENTS AND CSR

– INDIVIDUAL CSR OBJECTIVES

- The Group has committed to 100% of employees having yearly individual CSR objectives by 2020, in order to make each and every employee accountable for the collective success of the CSR ambition. In 2019, 64% of Group employees[1] set at least one individual CSR objective, used to determine their annual Short-Term Incentive. This comprises 86% of employees in continental Europe, and 41% of employees in the UK, Italy and the US where the target of setting individual CSR objectives was not formalised in 2019. In 2020 the target will be rolled out to the entire organisation. Appropriate initiatives and targets aligned with Better Places 2030 were identified in close cooperation with each department within the Group: Investment, Development, Finance, Operations, Technical Management, Marketing, Leasing, Legal and Human Resources. A toolkit with key examples of general and functional CSR targets will be shared with Unibail-Rodamco-Westfield employees group-wide.
- In 2019, quantifiable CSR targets were included in the short-term variable Remuneration Policy of members of the Group's Senior Management Team and Group top management teams, and management teams of the countries in which Unibail-Rodamco-Westfield operates in continental Europe. These CSR targets were set using specific CSR criteria. These criteria for the Management Board are as stated in Section 3.5.2 Corporate officers remuneration – Remuneration Report for 2019 Financial Year – Say on Pay. The relevant member of the Senior Management Team is fully responsible for reaching the CSR objectives and delegates that responsibility to the Managing Director of each region of Unibail-Rodamco-Westfield, who in turn ensures the smooth integration of the tools and processes required in the operations of the regional teams. From 2019 onwards, the Long-Term Incentive awards also include 10% of CSR-related objectives, for all eligible Group employees (see Section 3.3.1.1 Management board remuneration policy – Long-term incentive (LTI)).
- A number of (both general and specialist) training courses have been updated through URW Academy to raise employees' awareness of the importance of their actions and the relevance of the strategy on a day-to-day basis (see CSR Trainings and Education paragraph below).

– CSR TRAININGS AND EDUCATION

In order to ensure the implementation of the Group's CSR strategy and processes, training sessions are regularly organised. The CSR ambition and related action plan are systematically introduced to newcomers in the "URW Fundamentals" training. In addition, dedicated technical trainings are offered to all relevant staff members. These trainings cover, for example, environmental certification, regulations and the carbon footprint assessment methodology for development projects (for more information, refer to Section 2.2.2.1 Environmental Management System). Manuals and training materials related to new CSR topics are also drafted regularly, shared with the relevant teams, and made freely accessible on the Group's training platform ("Carbon Footprint" presentation, instructions on "the reporting of green leases", etc.).

Unibail-Rodamco-Westfield has committed to developing and rolling-out Group-wide leadership & management programs integrating CSR and 100% of Group employees to have participated in CSR training by 2022.

– THE GROUP VOLUNTEERING PROGRAMME

The Group has committed to 100% of Group employees taking part in the URW Volunteering Programme annually by 2020. The URW Volunteering Programme offers all employees the opportunity to dedicate at least one workday to support social initiatives developed by the Group In 2019 employees were able to choose between the 185 initiatives implemented this year in all regions of the Group, including support for local people facing barriers to the job market through the URW for Jobs programme or supporting local non-profits through the URW Community Days and local partnership activities. More information on the results of these initiatives is included in Section 2.3.3.1 Supporting the community.

At the end of the year, 84% of the Group employees[2] volunteered to support the local social and environmental development of the communities in which the Group operates. This represents more than 18,000 hours offered by the Group to actively contribute to supporting communities.

Volunteering initiatives will continue to be rolled out in 2020 with the target of 100% of Group employees taking part in the URW Volunteering Programme annually.

– BUSINESS TRAVEL OF EMPLOYEES

The Group travel policy aims to reduce the associated carbon footprint. Employees are encouraged to travel by train when possible and give preference to videoconferencing rather than physical meetings involving travel.

The carbon emissions from business travel by train or plane are offset through carbon credits generated either via a reforestation or ecosystem preservation programmes.

Unibail-Rodamco-Westfield has not set a quantitative target for reducing emissions associated with business travel, as it is highly dependent on the Company's level of activity and can fluctuate significantly from one year to the next (prospection, acquisitions, sales, meetings with international retailers, etc.).

(1) All employees having formalised objectives in the Group Human Resources performance assessment tool.
(2) All employees excluding employees on leave of more than 6 months, newcomers (joining after 01/10/2019) and Viparis employees.

CO_2 EMISSIONS FROM EMPLOYEES' BUSINESS TRAVEL BY TRAIN AND PLANE (TONNES CO_2EQ)

The indicator is given both as an absolute value and as the ratio between CO_2 emissions from business travel and the average number of employees in 2019. Data and methodology are provided by referenced travel agencies for each region.

	Total 2019
TOTAL EMISSIONS *(TCO_2EQ)*	**9,015**
kg CO_2eq/employee	2,774

In addition, since October 2016, all new company vehicles must either be hybrid or electric. As at the end of 2019, 59% of the Group's vehicle fleet was hybrid or electric in continental Europe.

– WORK GREENER

- The Group has committed to 100% of Unibail-Rodamco-Westfield's countries implementing Work Greener programmes by 2020. The Work Greener programme offers employees the work environment and tools to reduce the environmental impact of their day to day work. The programme enables employees to make URW offices more sustainable and environmentally friendly, implementing initiatives such as tackling waste management, promoting responsible consumption, or sustainable mobility. In 2019, 100% of our countries delivered at least one Work Greener initiative. Initiatives from the programme to date have resulted in:
- An improved waste management
  - Improved **waste sorting infrastructure** in office kitchens
  - **Getting rid of single use plastic** with the installation of filter taps, glass bottles or other options
  - **Reusing** old IT equipment through donations to non-profit organisations or through IT collection programmes
  - **Replacing** "waste producing" fittings like paper towels with hand dryers.
- More eco-friendly mobility
  - New **electrical vehicle charging points** in our car parks
  - **Compensation of carbon emissions** from business travel
  - **Electric bicycle sharing programmes** or biking to work contests
- Towards better energy and water efficiency in our offices
  - Lighting equipment is being progressively replaced by **LED lighting** and intelligent detectors
  - Team **challenges** such as 'black-out' campaigns (reducing electricity consumption at home) and reduced use of lifts
  - **Reducing water consumption**, for example by reducing flush volumes in the toilets
- Reducing paper
  - **Digitisation** and e-invoicing continued in 2019 as well as other processes such as electronic pre-paid lunch card and electronic pay slips
- Awareness programmes among employees
  - **"Work Greener" ambassadors** animated regular eco-challenges such as bicycle runs and "speed recycling" etc.

2.4.3.2 WELL-BEING

Unibail-Rodamco-Westfield's vision is to support a healthy working environment. The Group has committed to 100% of its countries implementing employee well-being programmes by 2020. In 2019, each URW country delivered well-being activities relating to at least one of three areas of focus: Healthy Culture, Healthy Minds and Healthy Bodies. In 2020, each country is targeted to roll out a minimum of five well-being initiatives relating to all three of these areas of focus.

– HEALTHY CULTURE

- Work-life balance: Better collaboration and work-life balance were identified as areas of improvement in the 2018 UR Experience survey. The topic of work-life balance has been introduced in Performance Reviews to encourage conversations with managers. Flexi working practices are in place in all regions.
- Best practice and policies to support a positive and healthy work environment: The Group signed the parenthood charter in 2013. Working parents training takes place in the Netherlands, Spain, France, the UK and US. The UK team was ranked Top 30 employers for Family Friendly Workplaces and received Best for Fathers award from Working Families association in 2019.
- Social and team events take place in all regions throughout the year to help foster wellbeing and togetherness.

– HEALTHY MINDS

- Mental health resilience, mindfulness and flexible thinking: Mental wellbeing support is offered in all regions including training sessions, crisis support and employee assistance programmes, with plans to improve the offer in all countries in 2020.
- Planning for the future: a number of regions offer sessions on personal finances e.g. retirement, and further coaching is planned to ensure employees have a clear sense of purpose and job fulfilment.

– HEALTHY BODIES

- Sleep well, exercise and nutrition: Health workshops and fitness events are offered in a number of regions, and most countries in which the Group operates offer their employees fresh fruit or complimentary drinks.
- Healthcare benefits: Health insurance is offered to all employees, with a number of regions also offering flu vaccinations, eye examinations and full health screenings.

2.4.3.3 OCCUPATIONAL HEALTH AND SAFETY

The Group pursued its risk prevention training strategy in 2019, with a focus on "HR toolbox" training. These sessions enable to raise new managers' awareness of working regulations in France (paid leave, working hours, etc.) and of internal HR processes. Training on psychosocial risks have also been provided to new managers all year long.

In 2019, sick leave represented 19,185 working days (2.4% of total working days) and days of absence for work-related/commuting accidents or illness represented 1,399 working days (0.2% of total working days):

- absenteeism is monitored in each region and information is sent to management on a regular basis;
- causes of work-related accidents are analysed and measures are taken to prevent them recurring. Injury frequency and severity rates in 2019 were 2.72% and 0.06%, respectively.

ACCIDENTS

Accident type	2018[1] Number of incidents	2019 Number of incidents
Work-related accidents causing injury	11	17
Work-related/commuting accidents causing death	0	0

ABSENTEEISM

	2018 Number of working days[1]	2018 Ratio[2]	2019 Number of working days	2019 Ratio[2]
Lost days for work-related/commuting accidents	721	0.2%	1,399	0.2%
Lost days for work-related illness	0	0.0%	0	0.0%
Lost days for sick leave	11,377	2.6%	19,621	2.4%
Lost days for personal/family events	1,516	0.3%	2,284	0.3%
TOTAL	**13,613**	**3.1%**	**23,304**	**2.8%**

(1) Excluding ex-Westfield entities.
(2) The absenteeism ratio is calculated in working days: total number of days absent in 2019 divided by the average number of working days in 2019 multiplied by average headcount in 2019.

2.4.3.4 HUMAN RIGHTS AND LABOUR CONDITIONS

Unibail-Rodamco-Westfield complies with the labour standards set by the International Labour Organization (ILO). The Group only operates in countries where social regulations are well developed through democratic frameworks. Internally, specific frameworks set up by the Group define and manage additional regulations that reinforce employee rights and strongly endorse respect and ethical conduct in business dealings (collective agreements, Code of Ethics, Compliance Book, anti-corruption program, etc.).

Since 2004, Unibail-Rodamco-Westfield has been a member of the UN's Global Compact, which promotes ethical conduct and fundamental moral values in business. URW strives to adopt, support and apply in its particular sphere of influence the ten principles of the Global Compact concerning human rights, labour, environment and anti-corruption.

Unibail-Rodamco-Westfield works with employee representatives in each of the European countries in which it operates and respects local labour laws. In 2009, Unibail-Rodamco became a European company following the creation of a European representative body, the European Employees Committee (EEC). The EEC meets twice a year and is provided annually with information regarding the market at large and the Group's economic situation (presentation of the Group's financial results, development and investment projects, etc.).

This committee also discusses all issues regarding the Group's employees with implication at EU level. Through workshops, it regularly contributes to the exchange of best practices related to employment issues. For example, the committee helped define the new Group's values. For the first time this year, the UK and Italy were included in the election process and now have representatives in the EEC.

The Group also organized various meetings on different topics with works councils, the CHSCT (in France), and the trade union organizations representing each region. Recently, a part of the French Group combined work council with CHSCT to become a unique and gender balanced staff representative entity, composed of two-thirds of new members. To fulfill this statutory requirement, professional elections were organized to elect the new work council's members with a participation rate of 70%.

A total of 721 agreements are currently signed or in force with trade unions in France (including Viparis). These agreements cover a variety of topics like gender equality, senior and youth employment, working time flexibility and mandatory annual collective bargaining.

As at December 31, 2019, 40% of employees were covered by a collective agreement.

2.5 GREEN FINANCING OF THE GROUP ACTIVITIES

2.5.1 GREEN LOANS

In April 2017, Unibail-Rodamco-Westfield took out a green loan of €650 Mn with a banking syndicate. This was the first "green" syndicated credit facility in Europe. In addition to the usual credit rating, the credit margin for the facility is dependent on the green covenants entered into by the Group. If the green covenants are adhered to, the "green" margin, which is lower, will be applied, whereas in the case of a failure to adhere to the covenants the penalty margin will be applied. This is an innovative system whereby environmental performance has a direct impact on the price of the credit facility. This approach also entails an obligation of transparency for the Group, as monitoring indicators for these green commitments must be reviewed by an independent verifier. In May 2018, and in accordance with the same principles, the Group took out a new €400 Mn "green" revolving credit facility, bringing the Group's total green loans to €1.05 Bn.

2.5.2 GREEN BONDS

2.5.2.1 GREEN BOND ISSUANCES

The Unibail-Rodamco-Westfield CSR strategy and performance have been recognised in the industry for many years now, and as part of its strategy to diversify its financing sources, the Group has decided to develop a stringent "Green Bond" framework to finance new development projects, and/or standing assets which meet all social and environmental criteria for the construction and operational phases defined in the "Use of Proceeds" procedure, and specified hereafter. Green bonds are only used to finance resilient "best in class" assets, in line with a clear procedure for allocating funds ("Procedure for asset analysis, selection and monitoring under the "Green Bonds" system").

Unibail-Rodamco-Westfield issued the industry's 1st Green Bond on the Euro market in February 2014, and was the 1st international non-Swedish corporate to issue a Green Bond on the SEK market in May 2014. In April 2015, the Group issued its second Green Bond on the Euro market. These issuances are testament to the success of the teamwork between the Group's departments: CSR, legal, finance and communications. In total, the three issuances raised €1.25 Bn and 1.5 Bn SEK. In 2019, the green bond issued by the Group on the SEK market reached maturity, leaving the Group with outstanding Green Bond issuances of €1.25 Bn.

GREEN BONDS ISSUED BY UNIBAIL-RODAMCO-WESTFIELD(1)

	Outstanding Green Bonds		Mature Green Bond
	Green Bond I (EURO)	Green Bond III (EURO)	Green Bond II (SEK)
Issuer (legal entity name)	Unibail-Rodamco SE	Unibail-Rodamco SE	Rodamco Sverige
Date	February 19, 2014	April 8, 2015	May 23, 2014
Size	€750 Mn	€500 Mn	SEK 1.5 Bn
Maturity	10 years	10 years	5 years
Coupon	2.5%	1%	Stibor 3 months +78 bps

2.5.2.2 RIGOUROUS AND AMBITIOUS SOCIAL AND ENVIRONMENTAL CRITERIA

The social and environmental criteria associated with the Green Bonds were developed and approved by Vigeo. They are aligned with (i) the "Green Bond Principles" (GBP) updated in March 2015 and (ii) fit in with the Group's CSR strategy. The funds raised from Green Bond issuances are used to finance (via loan or investment) development projects. The environmental and social performance requirements for the assets apply to both their construction and operating phases. The following criteria are used to define "eligible assets":

- i. Greenfield/Brownfield project or reconstruction project (redevelopment and/or extension/renovation project) and/or standing asset managed by Unibail-Rodamco-Westfield SE or its subsidiaries which:
  - a. achieved BREEAM certification(2) (or any other equivalent certification) at a level of "Very Good" or higher in the design phase,
  - b. and have been or will be awarded a "BREEAM In-Use" certification (or any other equivalent certification) for Asset Performance ("Part 1") and Building Management ("Part 2") according to the BREEAM evaluation framework, at a level of "Very Good" or above within a reasonable time after the start of operation;
- ii. in addition to the certification (which is a prerequisite), eligible assets must meet additional criteria structured into five principles: respect for human rights, contribution to local development, monitoring of environmental impacts, promotion of responsible relationships with tenants and visitors, and promotion of responsible relationships (including social and environmental aspects) with suppliers. In total, 17 sub-criteria are analysed for the construction phase, and 13 sub-criteria are analysed for the operating phase.

(1) Green Bond issuances and the allocation of funds are approved by the Group's ALM Committee (see Section 6.2.2.2.A. Access to capital and financial market disruption risks), using a specific procedure formalised internally.
(2) BREEAM is an environmental assessment method and rating system for buildings launched in 1990. BREEAM sets a standard for best practice in sustainable building design, construction and operation and a measure of a building's environmental performance. It encourages designers, clients and others to think about low-carbon and low-impact design, minimising the energy demands created by a building before considering energy efficiency and low-carbon technologies (please see www.breeam.org for more information).

Additional criteria and indicators to be monitored for eligible assets are published on the issuer's website at the following link: https://www.urw.com/en/investors/financing-activity/green-financing

2.5.2.3 CURRENT ALLOCATION OF GREEN BOND PROCEEDS

In line with the Group's internal Green Bond analysis, selection and monitoring procedure, the funds generated by Green Bonds issuances are allocated to the selected assets based on a previously-defined list of "eligible assets" (criteria presented in the previous paragraph). In the case of an asset disposal during the funding period (i.e. prior to the bond issue maturity), the proceeds initially allocated to the disposed asset shall be reallocated to another "eligible asset" held by the Group, based on the same process. This was the case in 2019: on July 3, 2019, the Group disposed of the Tour Majunga office asset (France), to which 68% of the Green Bond III proceeds had been allocated for a funding period lasting until 2025. Therefore, the proceeds allocated to Tour Majunga were reallocated to two new assets: the Westfield Chodov shopping centre extension (Czech Republic) and Wroclavia shopping centre (Poland).

The 2019 allocation of the proceeds from the two outstanding Green Bonds is illustrated below:

	Green Bond I EUR 750 Mn			Green Bond III EUR 500 Mn		
	Lyon Confluence	So Ouest	Aéroville	Westfield Carré Sénart extension	Westfield Chodov extension	Wroclavia
Business	Shopping Centre	Shopping Centre	Shopping Centre	Shopping Centre	Shopping Centre	Shopping Centre
Proceeds allocated to projects(1)	20%	40%	40%	8% +24%	2%	40%
GLA scope of consolidation (m^2)	53,800	52,100	84,900	31,320(3)	39,000(3)	72,500(2)
Opening date to public	April 4, 2012	October 16, 2012	October 16, 2013	October 25, 2017	October 10, 2017	October 17, 2017

(1) Allocation carried out through internal loans.
(2) Including a bus station of 7,200 sqm.
(3) GLA as at December 31, 2017.

2.5.2.4 AUDITED CRITERIA

Unibail-Rodamco-Westfield engaged an independent auditor to verify that the assets financed meet the eligibility criteria. The reporting on these criteria and the independent auditor's reasonable assurance report are presented in Section 2.5.2.5 Annual reporting on Green Bonds in compliance with the environmental and social criteria of the Use of Proceeds and Section 2.5.2.6 Independent third party's report on Green Bond Criteria.

In 2019, the audit covered: Aéroville, Lyon Confluence, So Ouest, Carré Sénart extension, Westfield Chodov extension and Wroclavia.

2.5.2.5 ANNUAL REPORTING ON GREEN BONDS IN COMPLIANCE WITH THE ENVIRONMENTAL AND SOCIAL CRITERIA OF THE USE OF PROCEEDS (FOR THE TWO OUTSTANDING ISSUANCES OF UNIBAIL-RODAMCO-WESTFIELD)

– CONSTRUCTION PHASE CRITERIA

PREREQUISITE: MINIMUM BREEAM RATING OF "VERY GOOD"

Green Bond I			Green Bond III		
Lyon Confluence	So Ouest	Aéroville	Westfield Carré Sénart extension	Westfield Chodov extension	Wroclavia
Very Good(1)	Excellent(2)	Excellent(3)	Excellent(4)	Excellent(5)	Excellent(6)

(1) achieved an interim overall score of 59.92% and a BREEAM rating of "Very Good" under the 2008 version of BREEAM international framework.
(2) achieved a final overall score of 78.4% and a BREEAM rating of "Excellent" under the 2009 version of BREEAM Europe commercial retail framework.
(3) achieved a final overall score of 70.5% and a BREEAM rating of "Excellent" under the 2009 version of BREEAM Europe commercial retail framework.
(4) achieved an interim overall score of 78.1% and a BREEAM rating of "Excellent" under the 2009 version of BREEAM Europe commercial retail framework.
(5) achieved a final overall score of 71.9% and a BREEAM rating of "Excellent" under the 2013 version of BREEAM International retail framework.
(6) achieved a final overall score of 77.1% and a BREEAM rating of "Excellent" under the 2013 version of BREEAM International new construction retail framework.

17 SUB-CRITERIA

		Green Bond I				Green Bond III	
Commitments/ supporting elements	Criteria	Lyon Confluence	So Ouest	Aéroville	Westfield Carré Sénart extension	Westfield Chodov extension	Wroclavia
Select the countries in which eligible assets are located based on human rights and governance	Integration, signature or ratification of conventions related to Human Rights, and Labour Rights. **KPI: country score Vigeo (out of 100)**	**97.22/100[1]**				**97.22/100[1]**	**97.22/100[1]**
	Press freedom, stability and political freedom; corruption prevention, independence of the judiciary system and legal certainty. **KPI: country score Vigeo (out of 100)**	**88.79/100[1]**				**87.73/100[1]**	**77.73/100[1]**
Contribution of the eligible assets to the development and well-being of communities in which they are located	Existence of information on projects to neighbours	✓	✓	✓	✓	✓	✓
	Absence of material public recourse on the project preventing the completion of the project	✓	✓	✓	✓	✓	✓
	Accessibility of the asset by public transport (within 500 metres) **KPI: Distance to a public transport mode** *(m)*	**30 m** Tramway	**45 m** Bus line	**40 m** Bus line	**150 m** Bus line	**20 m** Metro line	**0 m** Bus terminal **35 m** Railway station
	Promote the potential use of alternative transport solution and sustainable mobility	✓	✓	✓	✓	✓	✓

		Green Bond I			Green Bond III		
Commitments/ supporting elements	Criteria	Lyon Confluence	So Ouest	Aéroville	Westfield Carré Sénart extension	Westfield Chodov extension	Wroclavia
Monitoring the environmental impacts of eligible assets	Involvement of an external environmental consultant	✓	✓	✓	✓	✓	✓
	Commissioning Report	✓	✓	✓	✓	✓	✓
	Environmental impact assessment and implementation of appropriate measures if necessary	✓	✓	✓	✓	✓	✓
	Promote applicable Considerate Construction Charter to minimise environmental impact of building sites during construction phase	✓	✓	✓	✓	✓	✓
	Optimise intrinsic energy performance of the asset in view of applicable regulatory constraints **KPI: Percentage improvement over national standard building energy performance** *(%)*	**-34%**[(2)]	**-57.7%**[(2)]	**-55%**[(2)]	**-53.1%**[(3)]	**-9%**[(4)]	**-14%**[(5)]
	Involvement of an ecologist during the Project Phase	✓	✓	✓	✓	✓	✓
Promoting sustainable and enduring relationships with tenants and visitors	Promote "Green Leases" signature before opening **KPI: Percentage of green leases signed** *(%)*	**91%**	**86%**	**98%**	**97%**[(6)]	**90%**	**99%**
Promote social and Environmental factors with suppliers/service providers	Promote if possible health & safety coordinator contract (or equivalent)	✓	✓	✓	✓	✓	✓
	Promote access control to building site	✓	✓	✓	✓	✓	✓
	Promote the application of the Considerate Construction Charter or equivalent to minimise environmental impact of building sites	✓	✓	✓	✓	✓	✓
	E-learning for Unibail-Rodamco-Westfield's employees on its Code of Ethics	✓	✓	✓	✓	✓	✓

(1) Source: Vigéo country score – January 2020
(2) According to dynamic thermal simulation aligned with RT 2005 requirements
(3) According to dynamic thermal simulation aligned with RT 2012 requirements
(4) According to dynamic thermal simulation aligned with ASHRAE Energy Standard 90.1-2010 and local standards 78/2013Sb. and ČSN 730540
(5) According to dynamic thermal simulation aligned with local regulation
(6) Green leases V1 and V2 signed as at December 31, 2017 (opening year)

– OPERATION PHASE CRITERIA

PREREQUISITE: MINIMUM BREEAM-IN-USE SCORE "VERY GOOD" FOR ASSET PERFORMANCE (P1) AND BUILDING MANAGEMENT (P2)

Green Bond I			Green Bond III		
Lyon Confluence	So Ouest	Aéroville	Westfield Carré Sénart extension	Westfield Chodov extension	Wroclavia
Obtained:19/12/2013 (P1): Outstanding (P2): Excellent Re-certified: 17/12/2019[(1)] **(P1): Excellent** **(P2): Excellent**	Obtained: 19/12/2014 (P1): Excellent (P2): Outstanding Re-certified: 21/12/2017[(1)] **(P1): Outstanding** **(P2): Outstanding**	Obtained: 28/07/2015 (P1): Excellent (P2): Outstanding Re-certified: 21/12/2018[(1)] **(P1): Outstanding** **(P2): Outstanding**	Obtained: 29/11/2017[(1)] **(P2): Excellent** **(P1):** Expected in the 2020 Registration Document	Obtained: 19/10/2015 Re-certified: 21/12/2018[(1)] **(P1): Outstanding** **(P2): Outstanding**	**(P1) & (P2):** Expected in the 2020 Registration Document

(1) According to BREEAM In Use International 2015 scheme

13 SUB-CRITERIA

		Green Bond I			Green Bond III		
Commitments/ supporting elements	Criteria	Lyon Confluence	So Ouest	Aéroville	Westfield Carré Sénart extension	Westfield Chodov extension	Wroclavia
Contribution of the eligible assets to the development and well-being of the communities in which they are located	Assess local employment through tenants' activities (e.g. follow-up of number of jobs created in the catchment area) **KPI: Total tenants supported job (FTE)**	**869**[(1)]	**735**[(1)]	**1,387**[(1)]	**2,189**[(1)]	**1,896**[(2)]	**1,484**[(2)]
Monitor the environmental impacts of eligible assets	Environmental action plan and follow-up with regular reporting (from 1 year after opening)	✓	✓	✓	✓	✓	✓
	Annual audit of health and safety risks (from 2 years after opening) **Indicator: annual risk audit (Rating from A to D)**	**A**[(3)]	**A**[(3)]	**A**[(3)]	**A**[(3)]	**A**[(3)]	**A**[(3)]
	Assess energy consumption and CO_2 emissions with potential action plan if needed **Indicator: energy intensity *(kWh/visit)* since measured baseline** **Indicator: carbon intensity *(gCO_2eq/visit)* since measured baseline**	**-49% kWh/visit** **-75% gCO_2e/ visit** (2019/2013)	**-34% kWh/visit** **-65% gCO_2e/ visit** (2019/2014)	**-28% kWh/visit** **-52% gCO_2e/ visit** (2019/2015)	**-9% kWh/visit** **-2% gCO_2e/visit** (2019/2018)	**-8% kWh/visit** **-11% gCO_2e/visit** (2019/2018)	**+10% kWh/visit** **NA[(4)] gCO_2e/visit** (2019/2018)

		Green Bond I			Green Bond III		
Commitments/ supporting elements	Criteria	Lyon Confluence	So Ouest	Aéroville	Westfield Carré Sénart extension	Westfield Chodov extension	Wroclavia
Promote sustainable and enduring relationships with tenants and visitors	Organise on site Sustainability Committee	✓	✓	✓	✓	✓	✓
	Conduct satisfaction survey with retailers **KPI: Overall satisfaction score (out of 100)**	**67/100**	**78/100**	**70/100**	**76/100**	**81/100**	**64/100**
	4-Star labelling or equivalent if applicable	✓	✓	✓	✓	✓	✓
	Conduct satisfaction survey **KPI: Overall satisfaction score (out of 100)**	**82/100**	**81/100**	**82/100**	**83/100**	**87/100**	**87/100**
	Relevant safety management (e.g. video protection plan)	✓	✓	✓	✓	✓	✓
Promote social and environmental factors with suppliers	Promote labour rights to suppliers via contractual documentation	✓	✓	✓	✓	✓	✓
	Promote environmental and social factors to suppliers (via contractual documentation)	✓	✓	✓	✓	✓	✓
	Promote ethics to suppliers	✓	✓	✓	✓	✓	✓
	Assess regularly compliance with contractual clauses by the main suppliers	✓	✓	✓	✓	✓	✓

(1) Source: Shopping centre economic impact study performed by an external third party
(2) Source: Shopping centre retailer survey performed by shopping centre management
(3) Source: HSE risk audit performed by an external third party – see methodology in Section 2.2.3.7 Health & Safety, security and environmental risks and pollution
(4) 2018 Carbon intensity = 2019 Carbon intensity = **0 gCO_2e/visit** (100% renewable energy)

2.5.2.6 INDEPENDENT THIRD PARTY'S REPORT ON GREEN BOND CRITERIA

Unibail-Rodamco-Westfield has commissioned EY as a third-party auditor to check the compliance of the financed assets with the eligibility criteria set and reported above. This check includes an in-depth review of the documentary evidence for each domain and criteria (for each phase). The EY reasonable assurance report is available below.

– INDEPENDENT REPORT OF ONE OF THE STATUTORY AUDITORS ON COMPLIANCE WITH ENVIRONMENTAL AND SOCIAL CRITERIA FOR SELECTION AND MONITORING OF ASSETS ELIGIBLE FOR GREEN BONDS AND THE ALLOCATION OF FUNDS RAISED UNDER THESE OBLIGATIONS

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and applicable regulations in France.

Year ended December 31st, 2019

To Mr. Christophe Cuvillier, Chairman of the Management Board,
In our capacity as statutory auditor of the company, we hereby present our report on environmental and social criteria for selection and monitoring processes, defined in the "Use of Proceeds"[1] requirements of Green Bonds "Selection and Monitoring Criteria" for the assets selected for Green Bonds in effect on December 31st, 2019 and on the allocation of funds.

Responsibility of the company

It is the responsibility of the Company's Chairman to establish the Selection and Monitoring Criteria and ensure their implementation.

Independence and quality control

Our independence is defined by regulatory requirements and the Code of Ethics of our profession and the conditions laid down by Article L. 822-11-3 of the French Commercial Code. In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards and applicable laws and regulations.

Responsibility of the statutory auditor

- It is our role, based on our work to express a reasonable assurance as to whether the assets selected for Green Bonds in effect on December 31st, 2019 comply, in all material aspects, with the Selection and Monitoring Criteria (reasonable assurance report).
- to attest to the allocation of funds raised under Green Bonds to the selected assets and attest to the concordance of funds allocated to these assets with the amount in the accounts, knowing that no new "Green Bond" was issued in 2019, that the Green Bond issued in 2015 (allocated to Mall of Scandinavia asset) has come to an end in 2019 and that the funds allocated to Majunga asset, sold in 2019, have been reallocated to Centrum Chodov extension and Wroclavia assets.

We conducted the work described below in accordance with the international standard ISAE 3000 (International Standard on Assurance Engagements) and the professional doctrine of the French Compagnie Nationale des Commissaires aux Comptes in relation to this intervention. We called, to assist us in performing our work, on our experts in sustainable development, under the responsibility of Mr. Philippe Aubain, Associate Partner.

(1) "Criteria" and "Indicators" press releases published on February 19th, 2014, about Selection criteria ("Additional criteria") and Monitoring Criteria (Indicators) for Green Bonds, available at www.urw.com

1. REASONABLE ASSURANCE REPORT ON ENVIRONMENTAL AND SOCIAL CRITERIA FOR SELECTION AND MONITORING

Nature and scope of work

In order to be able to express our conclusion, we undertook the following work, between November 2019 and March 2020:

- We assessed the suitability of the Selection and Monitoring Criteria regarding their relevance, completeness, clarity, neutrality and reliability, taking into consideration the "Green Bonds Principles"[(1)].
- We undertook interviews at the main office of the Company in order to understand selection and monitoring procedures and to verify the compliance with Selection and Monitoring Criteria, based on the documentary evidence available at the company main office relating to the four assets monitored in the framework of bonds issued during the previous financial years (Lyon Confluence, So Ouest, Aéroville, and Carré Sénart extension).
- We have conducted a site visit of the two new qualified assets in 2019 (Centrum Chodov extension and Wroclavia) in order to verify, through interviews with the local management, the compliance with the Selection and Monitoring Criteria, in particular for the operational phase.

Information or explanations on the Selection and Monitoring Criteria

- The Selection and Monitoring Criteria only cover environmental and social aspects of eligible assets, and exclude their economic aspects. These criteria are the minimum requirements to be met by eligible assets in order to be considered as Green Bonds. They are related to construction and operating phases and the monitoring of assets. The company also publishes the justification or the confirmation of the compliance with each criterion for the selected assets in the chapter « 2.5.2 Green Bonds » of the Management Report.
- For the operating phase, part of the criteria cannot be applied and verified before one or several years of operation (e.g. certification BREEAM-In-Use). For assets still under construction or recently delivered (e.g. Carré Sénart extension), the expected date of compliance with these criteria is specified in the detailed table by asset in the chapter 2.5.2 of the Management Report.

Conclusion

In our opinion, the assets selected for Green Bonds in effect on December 31st, 2019 comply, in all material aspects, with the Selection and Monitoring Criteria.

2. ATTESTATION ON FUNDS ALLOCATION

It is also our responsibility to express our conclusion on the funds allocated to the assets that were selected and on the consistency between the amount of funds allocated to these assets within the framework of the Green Bonds issuance and the accounting records and their underlying data, knowing that no new "Green Bond" was issued in 2019, that the Green Bond issued in 2015 (allocated to Mall of Scandinavia asset) has come to an end in 2019 and that the funds allocated to Majunga asset, sold in 2019, have been reallocated to Centrum Chodov extension and Wroclavia assets.

However, it is not our responsibility to express a conclusion on the use of the funds allocated to the eligible assets following their allocation.

In our capacity as statutory auditor of Unibail-Rodamco-Westfield, we conducted jointly with the co-statutory auditor, the audit of the consolidated financial statements of the company for the year ended December 31st, 2019. Our audit, conducted in accordance with the professional standards applicable in France, aimed at expressing an opinion on the consolidated financial statements considered globally and not on specific elements of these statements used to establish this information. Therefore, we did not perform any audit tests or sampling to this purpose and we do not express any opinion on these isolated elements.

(1) The Green Bond Principles (updated version of June 2018) are available on the website of the ICMA (International Capital Market Association) http://www.icmagroup.org

Our intervention, which is neither an audit nor a limited review, was performed in accordance with the professional doctrine of the French Compagnie Nationale des Commissaires aux Comptes in relation to this intervention, in order to:

- understand the procedures that the company put in place so as to determine the information provided in chapter “2.5.2 Green bonds” in the 2019 Management Report;
- verify that the internal loans or financing contracts signed with the subsidiaries owning Lyon Confluence, So Ouest, Aéroville, Wroclavia, Centrum Chodov extension and Carré Sénart extension are still running on 31 December 2019, knowing that in date of the issuance of our report, on the respect of environmental and social Selection and Monitoring Criteria for the selected assets for “Green Bonds” and on the allocation of funds raised for these obligations in date of 31 December 2015, we verified that these contracts mention the source of the funds. The Majunga asset, selected for a Green Bond since 2015, was sold in 2019. The funds initially allocated to this asset have been reallocated to two other eligible assets (Centrum Chodov extension and Wroclavia);.
- verify the consistency between the information provided in the introduction of chapter “2.5.2 Green bonds” of the 2019 Management Report for the year ended December 31st, 2019 and the data from the consolidated financial statements of the company for the same year.

Based on our work, in the context of the Green Bonds issuance, we have nothing to report with regard to the allocation of the funds to the assets selected or to the consistency of the amount of funds allocated to these eligible assets with the accounting records and underlying data, knowing that no new “Green Bond” was issued in 2019.

Paris-La Défense, the March 24, 2020,

French original signed by:

One of the Statutory Auditors
Ernst & Young Audit

Jean-Yves Jégourel Partner	Philippe Aubain Associate Partner, Sustainable Development

2.6 APPENDICES

2.6.1 UNIBAIL-RODAMCO-WESTFIELD'S REPORTING METHODOLOGY

Unibail-Rodamco-Westfield uses a variety of tools, processes and indicators to monitor the performance of the assets owned and managed by the Group. These methods are used to structure an environmental, social and societal management approach, track results and to inform its stakeholders about performance.

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

In 2019, the Group updated its CSR reporting framework in alignment with its expanded CSR Better Places 2030 strategy, to cover all of the Group's regions and track performance against each of its engagements: environmental (pillar 1), societal (pillar 2) and social (pillar 3).

This new framework was co-constructed by teams coming from both European and American platforms, to capitalise on existing data collection frameworks from both entities, and by representatives of all departments concerned by the operational implementation of the CSR agenda to ensure its applicability: development and construction teams, marketing teams, leasing teams, technical teams, shopping centre management teams, controlling teams, etc.

2.6.1.1 DEFINITIONS AND REPORTING VALUES

Indicators are expressed in absolute value (e.g., energy and water consumption, CO_2 emissions, amount of waste generated) or in the form of ratios to express efficiency and comparable trends. Intensity ratios are calculated using different types of denominators, depending on the type of information:

- Denominators related to floor area (m^2):
  - Square meters operated served with energy: the area of common and private spaces supplied with asset level managed energy. This denominator is used to calculate the energy efficiency of assets in operation (see Section 2.2.3.4 Energy management) and the energy related scope 1&2 carbon intensity of operations (see Section 2.2.1.2 Carbon assessment) for shopping centres and offices;
  - Total operated area: total standing asset floor area, including both private and common areas. This denominator is used to calculate energy related scope 1, 2 & 3 carbon intensity of operations, including tenant emissions (see Section 2.2.1.2 Carbon assessment);
  - Consolidated building area, corresponding to:
    - the Gross Leasable Area (GLA) of the property owning companies for shopping centres
    - the total floor space according to consolidation for Offices
    - the total floor space according to consolidation for Convention and Exhibition Centres

This area is used to calculate data coverages.

- Denominators related to intensity of use, adapted to each business unit:
  - Footfall for Shopping Centres: the annual number of visitors coming to an asset;
  - Occupants for Offices: the number of occupants during the period, corresponding to the maximum office capacity multiplied by the asset occupancy rate;
  - Areas occupied per days of occupancy (sqm DOCC) for Convention & Exhibition venues: the annual total cumulative surface occupied by the tenants when the venues are open (including assembly, exhibition and disassembly phases of a fair).

2.6.1.2 REPORTING SCOPE

The information presented in Section 2.1.4 Summary of the Group's CSR achievements and in the following Sections (2.2 Better Spaces, 2.3 Better communities, 2.4 Better together) cover Unibail-Rodamco-Westfield's consolidated scope – unless explicitly stated otherwise. 2019 is the first year following the acquisition by Unibail-Rodamco of Westfield company that a complete report on CSR performance is being released, covering the new Group consolidated scope and including both of the Group's platforms:

- European platform: France, Germany, Spain, Austria, the Netherlands, the Nordics (inc. Sweden, Denmark, Finland), Central Europe (inc. Czech Republic, Poland, and Slovakia), and the UK;
- American platform: the US.

Detailed scoping rules per indicator family are presented in the next paragraphs. Exclusions from the reporting scope are specified in the description of each indicator or in footnotes where applicable.

– REPORTING SCOPE FOR ENVIRONMENTAL AND SOCIETAL INDICATORS IN STANDING ASSETS

The environmental and societal indicators relating to operations cover the scope of assets in the Group's standing portfolio which are owned and managed by the Group, and that have been in the Group portfolio for at least one and a half (1.5) fiscal years at the reporting date. By default, this information covers all of the Group's asset categories: Shopping Centres, Offices and Convention and Exhibition venues. When an indicator covers a narrower scope, this is specified in its description. This CSR reporting scope represents 89% of the total Group portfolio of standing assets in area (sqm) in 2019.

Scoping exceptions for energy-related indicators: Energy-related indicators include the following types of information: energy consumption, energy intensity, scope 1 et 2 GHG emissions, and share of renewable energy. Are excluded from the CSR reporting scope of energy-related indicators assets that are under significant works (net impacted GLA > 1,000 sqm) during the reporting period, due to the fact that works may affect the energy consumption of an asset in an unusual way that is not representative of normal operations and compromise data reliability and comparability. Assets under significant works are re-integrated in the CSR reporting scope of energy-related indicators 1.5 years after the works have stopped. The reporting scope for energy-related indicators represents 81% of the total Group portfolio of standing assets in area (sqm) in 2019.

However, in practice, CH Ursynow and Gropius Passagen have been excluded from the 2019 reported data, while the office parts of Gera Arcaden, Nacka Forum, Täby Centrum and Solna Centrum, Westfield San Francisco Centre, Westfield Wheaton, Westfield Old Orchard, Westfield Topanga and the hotel part of the CNIT (Hilton) have been included in the reported data. Resulting overall CSR and energy reporting scopes coverage represent 90% and 81% of total area respectively.

STANDING ASSETS INCLUDED IN THE 2019 OVERALL REPORTING SCOPE FOR ENVIRONMENTAL AND SOCIETAL KPIs

Asset type	Regions	Number of assets	Assets	Reporting floor areas for standard energy and carbon intensity indicators[(1)]	Denominators for intensity of use indicators[(2)]	Consolidated building area[(3)]
Retail	Austria	2	Donau Zentrum (including Dux), Shopping City Süd (including Mux)	257,866 m^2	35,181,229 visits	265,200 sqm
	Central Europe	8	Aupark, Centrum Cerný Most, Westfield Chodov, Metropole Zlicin, Westfield Arkadia, Galeria Mokotów, Galeria Wilenska, Wroclavia	495,572 m^2	112,578,140 visits	562,800 sqm
	France	18	Aéroville, Westfield Carré Sénart (including Shopping Parc), Carrousel du Louvre, CNIT (including CNIT offices and CNIT convention), Westfield Euralille, La Part-Dieu (including Cour Oxygène), Westfield Forum des Halles, Westfield Les Quatre Temps, Confluence, Westfield Parly 2, Polygone Riviera, Alma, Westfield Rosny 2, So Ouest, Toison d'Or, Ulis 2, Westfield Vélizy 2, Villeneuve 2	726,716 m^2	298,285,335 visits	1,255,200 sqm
	Germany	8	Gera Arcaden, Höfe am Brühl, Pasing Arcaden, Paunsdorf Center, Ruhr Park, Minto, Palais Vest, CentrO	470,814 m^2	82,889,904 visits	678,500 sqm
	The Netherlands	4	Citymall Almere, Stadshart Amstelveen, Stadshart Zoetermeer, Leidsenhage	75,684 m^2	27,856,535 visits	274,100 sqm
	Nordics	5	Fisketorvet, Nacka Forum, Westfield Mall of Scandinavia, Solna Centrum, Täby Centrum	377,287 m^2	49,351,549 visits	352,700 sqm
	Spain	7	Bonaire, Equinoccio, Garbera, La Maquinista, Glòries, Parquesur, Splau	200,956 m^2	80,056,674 visits	401,800 sqm
	The UK	2	Westfield London, Westfield Stratford City	342,387 sqm	84,086,946 visits	419,300 sqm
	The US	29	Westfield Garden State Plaza, Westfield Topanga, Westfield Southcenter, Westfield Old Orchard, Westfield Santa Anita, Westfield Valley Fair, Westfield UTC, Westfield Annapolis, Westfield Century City, Westfield Galleria at Roseville, Westfield San Francisco Centre, Westfield Culver City, Westfield Montgomery, Westfield Fashion Square, Westfield World Trade Center, Westfield Wheaton, Westfield Countryside, Westfield North County, Westfield Mission Valley, Westfield Brandon, Westfield Citrus Park, Westfield Trumbull, Westfield Broward, Westfield Plaza Bonita, Westfield South Shore, Westfield Valencia Town Center, Westfield Palm Desert, Westfield Oakridge, Westfield Meriden	1,114,324 sqm	303,337,239 visits	1,811,400 sqm
Office	France	3	7 Adenauer, Le Sextant, Les Villages de l'Arche	67,400 m^2[(2)]	2,939 occupants	67,400 sqm
Convention & Exhibition	France	8	Espace Champerret, Espace Grande Arche, Palais des Congrès de Paris (including Les Boutiques du Palais), Paris Nord-Villepinte, Paris Nord-Le Bourget, Porte de Versailles, Palais des Congrès d'Issy-les-Moulineaux, Hôtel Salomon de Rothschild	63,794,725 sqm DOCC	63,794,725 sqm DOCC	613,300 sqm

(1) Shopping centres and Offices: see the definition of Square meters operated served with energy in Section 2.6.1.1 Definitions and reporting values). Square meters shared with energy only include assets in the energy-related scope.
Convention & Exhibition: see the definition of Areas occupied per days of occupancy (sqm DOCC) in Section 2.6.1.1 Definitions and reporting values).
(2) See the definition of denominators related to intensity of use per business unit in Section 2.6.1.1 Definitions and reporting values.
(3) See the definition of consolidated building area in Section 2.6.1.1 Definitions and reporting values.

– REPORTING SCOPE FOR SOCIAL INDICATORS

Social indicators regarding Human Resources cover all Group employees with a direct employment contract with the Group, in all regions where the Group operates, and in all of the Group's business units and subsidiaries, regardless of whether they are located in head-offices or on site: Shopping Centres, Offices, Convention & Exhibition (Viparis), and Airports.

– REPORTING SCOPE FOR CSR INDICATORS IN DEVELOPMENT PROJECTS

As part of its Better Places 2030 strategy, the Group is committed to track its CSR performance beyond the scope of its direct operations. This includes measuring its CSR performance from the design stage of projects under development.

The CSR reporting of development-related KPIs covers all projects in the Group pipeline whatever their type (greenfield and brownfield projects, extension and renovation projects) which have reached a mature enough development stage to have implemented the Group CSR strategy (committed and controlled projects) and that are exceed the following thresholds in terms of minimal net impacted GLA and Total investment cost:

- For Europe:
  - Retail projects of over €50 Mn or over 10,000 sqm GLA
  - All other projects (offices, convention and exhibition centres)
- For the US:
  - All projects of over $100 Mn or over 20,000 sqm GLA.

In 2019, 5 projects were removed from the reporting scope because of their advancement status and consequent unavailability of the data.

– REPORTING SCOPE OF THE GROUP CARBON FOOTPRINT

As part of its Better Places 2030 strategy, the Group is committed to track its CSR performance beyond the scope of its direct operations, and this encompasses the Group carbon footprint calculation approach, which covers an extended reporting scope.

To calculate its total carbon footprint, Unibail-Rodamco-Westfield has chosen the "operational control" approach for its entire value chain: consolidation of all the greenhouse gas emissions linked with the operations over which the Group has the full authority to implement its operational policies.

The Group's carbon footprint measure includes the emissions of the following six greenhouse gases designated by the Kyoto protocol: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), sulphur hexafluoride (SF_6), hydrofluorocarbons (HFC) and perfluorinated hydrocarbons (PFC). These greenhouse gas emissions are expressed in carbon equivalent (CO_2eq).

The Scope of the Group's carbon footprint is defined as follows:

- Organisational scope:
  - Owned and managed standing assets: shopping Centres, offices and convention & exhibition venues (selection rules identical to reporting scope for environmental and societal indicators in standing assets, see above);
  - Development projects: all greenfield/brownfield, extensions and renovation projects whatever their size and development stage (broader scope than the reporting scope for CSR indicators in development projects described above);
  - Group employees and headquarters: all employees with a direct employment contract with the Group (selection rules identical to reporting scope for social indicators, see above)
- Operational scope: all the activities over which the Group has direct operational control or that it can influence.

The detailed emission sources accounted for in the Group carbon footprint are presented in Section 2.2.1.2 Carbon assessment.

2.

2.6.1.3 CHANGES IN REPORTING SCOPE AND CALCULATION OF EVOLUTIONS

In 2019, the scoping rules for reporting CSR-related information (presented in Section 2.6.1.2 Reporting scope) have been reviewed in order to integrate changes linked with the new Group perimeter and organisation. In order to enable data comparability, these updated scoping rules have been applied retroactively to previous year portfolio compositions: 2015 baseline year figures and 2018 previous year figures have been re-calculated accordingly.

Changes in reporting scope may also occur as a result of the start or end of a management mandate; acquisitions or disposals of assets; development of new assets or major renovations and extensions. To compare data from one year to another, a "Like-for-like" scope is used when calculating data evolutions: the like-for-like scope corresponds to a restricted scope of assets that are both present in the CSR reporting scopes (as defined in Section 2.6.1.2 Reporting scope) of the year 2019, and of that of the year 2018. It is used to assess an indicator's evolution over time, based on a comparable portfolio.

2.6.1.4 REPORTING PERIOD AND REFERENCE YEAR

Most environmental, social and societal data are reported as at December 31 of the reporting year ended, for one calendar year. However, given the scheduling requirements for the release of the Group Registration Document (Q1 of the following year), some environmental data are reported on a rolling 12-month period (Q4 of the previous financial year and Q1, Q2 and Q3 of the reporting year ended): data related to energy, Scope 1 and 2 greenhouse gas emissions, and water consumption.

The CSR strategy Better Places 2030 sets 2015 as its reference year for measuring progress against energy and carbon related CSR objectives. 2015 baseline data have been recalculated in 2019 to take into account the new Group consolidated scope, including UK and US regions. Plaisir, Zlote Tarasy, Jumbo, Hôtel Salomon de Rothschild and CH Ursynow assets are excluded from the calculation of the 2015 baseline.

2.6.1.5 CONTINUOUS IMPROVEMENT OF DEFINITIONS AND DATA QUALITY IMPROVEMENT

Unibail-Rodamco-Westfield continues to improve the quality and comparability of its data, develop internal benchmarks, introduce sub-metering to collect information for environmental data, and fine-tune the accuracy of the data analysis.

As a consequence, adjustments may occur on data from the previous years whenever relevant.

– IDENTIFYING UNCERTAINTY AS REGARDS THE GROUP CARBON FOOTPRINT

Scope 1 & 2 emissions

Regarding Scope 1 & 2 emissions, the reporting methodology developed by the Group, the sources of the data used for calculation (invoices for energy consumption and published supplier data and country data for emissions factors) as well as the long history track of Group data published ensure a high level of reliability of the presented results.

Small margins of error may remain, linked to:

- the estimation of energy consumption in some invoices from energy suppliers, which may result in under or over-estimations. These are usually resolved during the following year;
- the carbon emission factors provided by energy providers based on their energy mix: these factors are usually verified and made public, but may be released after URW reporting closure date. In that case, emission factor from the previous year is used, which ensures data consistency in the long-term.

Scope 3 emissions

Regarding scope 3 emissions, processed information can only be partially managed. A qualitative analysis of margins of error is therefore presented hereunder for the three main areas of Construction, Operation and Mobility.

Construction

Margins of error may be related to:

- the quality of the environmental data used (Environmental Product Declaration);
- the quantities of materials used for each new development project;
- the tracking of construction cost trends over time (economic ratios) based on a like-for-like approach.

In order to reduce uncertainty, quantities of materials used are questioned by construction managers during product reviews (to optimise construction costs and carbon impact).

Operation

Margins of error for energy sources non-managed by the Group (energy directly purchased and managed by the tenants) may be linked to energy consumption or to the carbon emission factors:

- private energy consumptions are calculated by using ratios from the Group's portfolio, where the landlord provides electricity directly to the tenants. To limit uncertainty, the sample size and the number of measured data points have been increased in 2019, to be representative of the Group's centres (all 12 shopping centres delivering electricity to the tenants, 845,000 sqm GLA and 2,200 shops, with 203 GWh of energy);
- the exact energy mix each tenant is using is not known by the Group. To address this issue, the carbon emission factors are calculated based on conservative assumptions (residual emissions factors).

Mobility

Margins of error may be related to the number of visitors to each site, to the assessment of modal shares, to the assessment of the distances covered by each mode of transport (catchment areas), to the occupancy rate for cars and finally to the emission factors used for each mode of transport.

To strengthen the reliability of the data inputs, the Group has updated its reporting methodology and tools in 2019: evolutions of over 5% in the data are being tracked and verified. Furthermore, to limit the sources of errors on data evolution, 3 of the 4 above parameters listed above have been fixed, to focus only on the data collection and verification of modal shares reported through customer marketing surveys. Other parameters are being updated on a lower frequency basis.

2.6.2 INDEPENDENT THIRD PARTY'S REPORT ON CONSOLIDATED NON-FINANCIAL STATEMENT

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Year ended the 31st December 2019

To the General Assembly,

In our quality as an independent verifier, accredited by the COFRAC under the number n° 3-1681 (scope of accreditation available on the website www.cofrac.fr), and as a member of the network of one of the statutory auditors of your entity Unibail-Rodamco-Westfield SE (hereafter "entity"), we present our report on the consolidated non-financial statement established for the year ended on the 31st December 2019 (hereafter referred to as the "Statement"), included in the management report pursuant to the requirements of articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

The entity's responsibility

The management board is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement and available on request at the Entity's headquarters.

Independence and quality control

Our independence is defined by the requirements of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

Responsibility of the independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R. 225 105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory requirements, in particular the French duty of care law and anti-corruption and tax avoidance legislation nor on the compliance of products and services with the applicable regulations.

Nature and scope of the work

The work described below was performed in accordance with the provisions of articles A. 225-1 et seq. of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements and with ISAE 3000[1]

- we obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225 102 1 III as well as information regarding compliance with human rights and anti-corruption and tax avoidance legislation;
- we verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- we referred to documentary sources and conducted interviews to
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1; concerning certain risks (non-resilience of assets facing physical phenomena, limited availability and increase in prices of fossil fuels, corruption, agreements or fraud), our work was carried out on the consolidating entity, for the others risks, our work was carried out on the consolidating entity and on a selection of entities: Paris Le Bourget, Le Forum des Halles, Wroclavia, Centrum Chodov, Donauzentrum, Stratford City, San Francisco Center, Galleria at Roseville and Santa Anita;
- we verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code;
- we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;

(1) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix 1, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
  - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities and covers between 11% and 16% of the consolidated data relating to the key performance indicators and outcomes selected for these tests (11% of the gross leasable area of owned and managed portfolio as of December 31st, 2019 and 16% of energy consumption) and Central Europe and the United States of America that represents 34% of the workforce at the end of the year;
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We consider that the work we have done by exercising our professional judgment allows us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work.

Means and resources

Our verification work mobilized the skills of six people and took place between September 2019 and March 2020 on a total duration of intervention of about eleven weeks.

We conducted six interviews with the persons responsible for the preparation of the Statement including in particular CSR, Synergies and Expertise, Human Resources, National Operations and Sustainable Development (United States of America).

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the consolidated non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Paris-La Défense, the March 24, 2020.

French original signed by:

Independent third party

Ernst & Young et Associés

Philippe Aubain
Associate Partner, Sustainable Development

Jean-François Bélorgey
Partner

Appendix 1: The most important information

Social Information

Quantitative Information (including key performance indicators)	Qualitative Information (actions or results)
Total workforce. Turnover rate. Women representation in the Group and proportion of senior management level positions held by women. Employee engagement rate in the Group URW volunteering programme. Percentage of employees trained on security. Percentage of Group employees with annual CSR individual objectives.	Employment (attractiveness, retention). Employees' health and well-being. Employees' commitment to the CSR policy.

Environmental Information

Quantitative Information (including key performance indicators)	Qualitative Information (actions or results)
Total energy consumption. Production of renewable energy. Share of electricity used generated from renewable sources. Greenhouse gas emissions (scopes 1 and 2 and scope 3 assessment). Total quantity of waste generated (non-hazardous). Share of sorted managed waste and the recovery rate (non-hazardous). Water consumption. Percentage of assets in operation that conducted a Health & Safety and Environmental third-party risk assessment and share of assets in operation that obtained an A or B annual score in their assessment.	Improvement of energy efficiency and development of the use of renewable energies. Improvement of development projects carbon footprint. Environmental certification process of assets in development and operation phases. Implementation of waste sorting and recycling solutions. Prevention of Health, Safety and Environment risks, including environmental pollution.

Societal Information

Quantitative Information (including key performance indicators)	Qualitative Information (actions or results)
Percentage of Flagship assets that had a partnership with a charity or NGO since at least 2 years. Number of people that integrated a job or a qualifying training certification through the URW for Jobs programme.	CSR governance and deployment of Better Places 2030. Reinforcement of green value and environmental quality (certifications, green financing). Promotion of a safe and healthy environment in shopping centers. Promotion of local economic development. Measures related to business ethics. Consideration of social and environmental responsibility of suppliers and subcontractors.

CHAPTER 3

CORPORATE GOVERNANCE AND REMUNERATION

3.1 GOVERNANCE PRINCIPLES – AFEP-MEDEF CODE

Unibail-Rodamco-Westfield SE voluntarily refers to the Afep-Medef Corporate Governance Code of Listed Companies, in the version of June 2018 (hereafter the **"Afep-Medef Code"**). Afep-Medef released an updated version of the Code in January 2020, version which will be applicable for the 2020 Universal Registration Document. The Codes are available on the Afep website.

Recommendations set forth in the Afep-Medef Code are examined by the Governance and Nomination Committee (GNC), which reports to the Supervisory Board (SB), working closely with the Management Board (MB). Each year, close attention is paid to the report issued by the High Committee for Corporate Governance *(Haut Comité du Gouvernement d'Entreprise)* and to the French Financial Markets Authority report on Corporate Governance and executive remuneration for listed companies. An analysis of the Company's own practices and, if applicable, proposed improvements in the form of an action plan, is submitted to the GNC and subsequently to the SB.

In accordance with Article L. 225-37-4 of the French Commercial Code, at its meeting held on February 12, 2020, the SB performed, as each year, a review of the Company's compliance with the Afep-Medef Code and discussed improvement proposals formulated by the GNC. The SB concluded that the Group applies all recommendations of said Code, including those regarding the remuneration of executives of listed French companies.

No matter concerning the Company has ever been raised by the High Committee for Corporate Governance.

3.2 MANAGEMENT AND SUPERVISORY BODIES

The Company has adopted a dual management structure: a European company with a Management Board (MB) and a Supervisory Board (SB).

Such governance structure meets the highest standards of corporate governance ensuring an efficient balance between management and control allowing a responsive and reactive MB in the performance of its executive duties, in accordance with the non-executive prerogatives of the SB, whose composition guarantees independent oversight.

3.2.1 THE MANAGEMENT BOARD

The MB is the Company's collegial decision-making body and is overseen by the SB. The MB Members are collectively responsible for the Company's management and general course of business. Its mission consists of establishing and executing the Company's strategy, effectively structuring and staffing the Company to ensure efficient functioning, achieving the projected financial results and communicating these results in the best manner.

3.2.1.1 COMPOSITION OF THE MANAGEMENT BOARD

The MB consists of two members as at December 31, 2019 and is chaired by Mr Christophe Cuvillier.

Management Board Members	Nationality	Age	Main function	First appointment to the Management Board	Date of expiry of term of office
Mr Christophe Cuvillier	French	57	Group CEO - MB Chairman	June 1, 2011	June 7, 2022
Mr Jaap Tonckens	American and Dutch	57	Group CFO - MB Member	September 1, 2009	June 7, 2022

At the SB meeting held on May 17, 2018, upon the recommendation of the GNC, the term of office of Mr Christophe Cuvillier as Group CEO and MB Chairman was renewed for the same period of time as his term of office as member of the MB, i.e., until June 7, 2022.

SHARE OWNERSHIP REQUIREMENTS APPLICABLE TO MANAGEMENT BOARD MEMBERS

In order to align the interests of the MB Members with those of the shareholders, and according to an SB decision, the MB Members are required to comply with the strict obligations governing the holding of and investment in Company shares (described in Section 3.2.2.2 of this Universal Registration Document) in accordance with the Afep-Medef Code and Article L. 225-185 of the French Commercial Code.

MANAGEMENT BOARD SUCCESSION PLAN

The succession plan for the Management Board is detailed in Section 3.2.2.1 below.

MANAGEMENT BOARD MEMBERS INFORMATION AND MANDATES HELD AS AT DECEMBER 31, 2019

The business address of the Management Board members is the Company's registered address, 7 place du Chancelier Adenauer 75016 Paris (France).

MR CHRISTOPHE CUVILLIER
MB CHAIRMAN
GROUP CEO

- Graduate of HEC Business School.
- Prior to joining Unibail-Rodamco-Westfield Group Mr Cuvillier held various positions within Kering Group from 2000, notably, CEO of FNAC from 2008 to 2010 and CEO of Conforama from 2005 to 2008.
- Prior to Kering, he spent 14 years with the Luxury Products Division of the L'Oréal Group, both in France and abroad.
- Appointed to the Unibail-Rodamco SE MB as COO in April 2011 (effective June 1, 2011) and became MB Chairman and CEO effective April 25, 2013.
- Appointed as MB Chairman and Group CEO effective June 7, 2018, following the Westfield Transaction.
- Is a member of the International Advisory Board of HEC Paris, since March 2019.

BORN ON:
December 5, 1962

NATIONALITY:
French

NUMBER OF STAPLED SHARES HELD:
107,686[1]

OTHER CURRENT FUNCTIONS AND MANDATES OUTSIDE OF THE UNIBAIL-RODAMCO-WESTFIELD GROUP

French companies
- Representative of Unibail-Rodamco-Westfield SE as Member of the French Fédération des Sociétés Immobilières et Foncières (FSIF).
- Non-Executive Director of Pavillon de l'Arsenal.
- Representative of Unibail-Rodamco-Westfield SE on the Board of Directors of Société Paris-Île-de-France Capitale Économique.
- Director of Raisesherpas (endowment fund).

Foreign companies
- Director of the European Public Real Estate Association (EPRA).

OTHER CURRENT INTRA-GROUP FUNCTIONS AND MANDATES

French companies
- Director of Viparis Holding SA.

Foreign companies
- SB Chairman of WFD Unibail-Rodamco N.V.
- Director and Chairman of the Board of Directors of U&R Management B.V.

PREVIOUS MANDATES DURING THE LAST FIVE YEARS

French companies
- Director of Comexposium Holding SA.

Foreign companies
- SB Chairman of Rodamco Europe B.V.
- Chairman of the Board of Directors of the European Public Real Estate Association (EPRA).

(1) Figures corresponding to 12 times his fixed income (for further detail, see Section 3.2.2.2 of this Universal Registration Document).

MR JAAP TONCKENS
MB MEMBER
GROUP CFO

- Law Degree from Leiden University, The Netherlands.
- Master's Degree in law from Emory University, Atlanta, GA, USA.
- Associate with Shearman & Sterling LLP in New York and Paris.
- Associate, Vice-President and Executive Director at Morgan Stanley in London.
- Managing Director at Morgan Stanley, Leverage & Acquisition Finance, New York, NY, USA.
- Managing Director at Endurance Capital, New York, NY, USA.
- Appointed to the Unibail-Rodamco SE MB as General Counsel in September 2009 and Chief Investment Officer in October 2010 and CFO effective July 2012.
- Appointed as Group CFO effective June 7, 2018, following the Westfield Transaction.

BORN ON:
July 16, 1962

NATIONALITY:
American and Dutch

NUMBER OF STAPLED SHARES HELD:
13,943[1]

OTHER CURRENT FUNCTIONS AND MANDATES OUTSIDE OF THE UNIBAIL-RODAMCO-WESTFIELD GROUP

- Member of the Global Governing Trustees of Urban Land Institute.
- Member of the Board of Trustees of International Council of Shopping Centers.

OTHER CURRENT INTRA-GROUP FUNCTIONS AND MANDATES

French companies
- Chairman of Uni-Commerces SAS, Immobilière Lidice SAS, Rodamco France SAS, UR-LAB SAS and Belwarde 1 SAS.
- Management Committee Member of Chesnay Pierre 2 SCI, Geniekiosk SARL, Aquarissimo SAS, Parimall-Parly 2 SCI, and Hoche SCI.

Foreign companies
- SB Member of WFD Unibail-Rodamco N.V.
- SB Chairman of Unibail-Rodamco-Westfield Germany GmbH.
- Director of Unibail-Rodamco Belgium NV.
- Representative of the Unibail-Rodamco-Westfield SE Permanent Establishment in The Netherlands.
- Director of Rodamco Nederland B.V., Rodamco Nederland Winkels B.V., U&R Management B.V., Rodamco Europe Beheer B.V. and Rodamco Europe Properties B.V.
- Director of Unibail-Rodamco Nederland Winkels B.V.
- Director and Chairman of Unibail-Rodamco Spain SLU (formerly Unibail-Rodamco Inversiones, SLU), Unibail-Rodamco Ocio SLU, Unibail-Rodamco Palma, SLU, Unibail-Rodamco Real Estate, SL and Unibail-Rodamco Retail Spain, SL., Alonso y Calle SA, Global Etsy Investments, SLU, Proyectos Inmobiliarios Kansar III, SLU, Sistemas Edgerton II, SLU, South Pacific Real Estate SLU, Edificaciones Dehnan IV, SLU, Madison Properties Group SLU, and Sistemas Inmobiliarios El Aceitunal SLU.
- Director and Secretary of Proyectos Inmobiliaros New Visions SLU, Essential Whites SLU.
- Director and Secretary of Unibail-Rodamco Steam SL and Proyectos Inmobiliarios Time Blue SL.
- Member of the Board of Rodamco Sverige AB.
- Chairman of the Board of Rodamco Northern Europe AB, Eurostop AB, Eurostop Holding AB, Rodamco Projekt AB, Rodamco Centerpool AB, Knölsvanen Bostad AB, Rodamco Solna Centrum AB, Piren AB, Rodamco AB, Rodamco Expand AB, Rodamco Parkering AB, Rodamco Fisketorvet AB, Rodamco Nacka AB, Rodamco Täby AB, Rodamco Garage AB, Anlos Fastighets AB, Rodamco Scandinavia Holding AB, Fastighetsbolaget Anlos H AB, Fastighetsbolaget Anlos L AB, Rodamco Handel AB, Fastighetsbolaget Anlos K AB, Rodamco Anlos Holding AB, URW Fisketorvet A/S.

(1) Figures corresponding to 2.45 times his fixed income (for further detail, see Section 3.2.2.2 of this Universal Registration Document).

MR JAAP TONCKENS

OTHER CURRENT INTRA-GROUP FUNCTIONS AND MANDATES (CONTINUED)

- Director of Westfield Corporation Limited, Descon Invest Pty Limited, Westfield Investments Pty Limited, Westfield American Investments Pty Limited, Westfield Capital Corporation Finance Pty Ltd, Westfield Queensland Pty. Ltd, Nauthiz Pty Ltd, WCL Finance Pty Limited, WCL Management Pty Limited, Westfield UK Investments Pty Limited, WFD Finance Pty Limited (in liquidation), Westfield UK 1 Pty Limited, Westfield UK 2 Pty Limited, Westfield UK 3 Pty Limited, Westfield UK 4 Pty Limited, Westfield UK 5 Pty Limited, Westfield UK 6 Pty Limited.
- Director of Unibail-Rodamco Poland 2 B.V., Rodamco España B.V., Rodamco Central Europe B.V., Rodamco Austria B.V, Rodamco Czech B.V., Rodamco Deutschland B.V., Dotterzwaan B.V., Cijferzwaan B.V., Unibail-Rodamco Poland 4 B.V., Unibail-Rodamco Poland 5 B.V., Rodamco Project I B.V, Rodamco Europe Finance B.V., Unibail-Rodamco Cascoshop Holding B.V., Unibail-Rodamco Investments B.V., Unibail-Rodamco Investments 2 B.V., Real Estate Investments Poland Coöperatief UA, Stichting Rodamco, Old Tower Real Estate B.V., New Tower Real Estate B.V., Broekzele Investments B.V., Unibail-Rodamco Retail Investments 1 B.V., Unibail-Rodamco Retail Investments 2 B.V., Traffic UK B.V., Unibail-Rodamco TH B.V.
- Director of URW UK Olympic 1 B.V., URW UK Olympic 2 B.V., URW UK Shepherds 1 B.V., URW UK Shepherds 2 B.V., URW UK Shepherds 3 B.V., URW UK Shepherds 4 B.V., URW UK Shepherds 5 B.V., URW UK Shepherds 6 B.V., URW UK Shepherds 7 B.V., URW UK Shepherds 8 B.V., URW UK Shepherds 9 B.V.
- Director of URW Winkels B.V.
- Director of Unibail-Rodamco Austria. Verwaltungs GmbH, Shopping Center Planungs und Entwicklungs GmbH, SCS Motor City Süd Errichtungs GmbH, SCS Liegenschaftsverwertung GmbH, DZ-Donauzentrum Besitz-und Vermietungs-GmbH, Unibail-Rodamco Invest GmbH.
- Director of Unibail-Rodamco Česká republika, sro, Centrum Praha Jih-Chodov sro, Centrum Černý Most, as., Černý Most II, as., Centrum Chodov, as.
- SB Member of Beta Development, sro.
- Director of Rodamco Deutschland GmbH.
- Member of the Administrative Board (Verwaltungsrat) of Ring-Center I Berlin KG.
- Director of Aupark as and UR P6 spol. sro.
- Director of GSSM Warsaw Sp. zoo, WSSM Warsaw Sp. zoo, Crystal Warsaw Sp. zoo, Wood Sp. zoo, SB Member of CH Warszawa U sp. zoo.

PREVIOUS MANDATES DURING THE LAST FIVE YEARS

French companies

N/A

Foreign companies

- Non-Executive Director of OneMarket Holdings, Inc.
- Member of the Board of Unibail-Rodamco SI B.V.
- Chairman of Rodamco Holding AB, Rodamco Tumlaren AB, Rodamco Nova Lund 2 AB, Rodamco Nova Lund 3 AB, Fastighetsbolaget Anlos 1 AB, Fastighetsbolaget Anlos 2 AB, Fastighetsbolaget Anlos 3 AB, Rodamco Management AB, Rodamco Väsby Centrum AB and Rodareal OY.
- Director of Rodamco Pankrác, as., Garáže Hráského sro. and P6AUP sro.
- Director of Euro-Mall Ingatlanbefektetési Kft.
- Member of the Board of Gdansk Station Shopping Mall Sp. zoo., Wilenska Station Shopping Mall Sp. zoo, Arkadia Centrum Handlowe Sp. zoo, Wilenska Centrum. Handlowe Sp. zoo and Rodamco CH 1 sp. zoo.
- Member of the Board of Unibail-Rodamco Liegenschaftserwerbs GmbH and Unibail-Rodamco Austria Management GmbH.
- Member of the Board of Directors and Secretary of Promociones Inmobiliarias Gardiner SLU.
- Director of Rodamco Europe B.V.
- Director of CentrO Asset Management Limited, CentrO Europe (no. 2) Limited, CentrO Europe Limited, CentrO Holdings (UK) Limited, CentrO. Management GmbH, CentrO Grundstücksentwicklungs GmbH, Neue Mitte Oberhausen Projektentwicklung Ltd. & Co. KG, Neue Mitte Oberhausen Projektentwicklung Beteiligungs GmbH, Neue Mitte Oberhausen Projektentwicklung Verwaltungs Ltd. & Co. KG, CentrO Oberhausen GmbH, CentrO Projektentwicklungs GmbH and SL Oberhausen Beteiligungs GmbH.
- Director of Uniborc SA.
- Director of Eroica B.V., Rodamco Hungary B.V., Unibail-Rodamco Poland I B.V., Rodamco Europe Finance II B.V., Unibail-Rodamco Investments 3 B.V., Unibail-Rodamco Project B.V.

3.2.1.2 MANAGEMENT BOARD FUNCTIONING

ROLE OF THE MANAGEMENT BOARD

The MB defends the interests of the Group and takes into account the relevant interests of all of the Company's stakeholders. It is held to account for the manner in which it carries out its duties. It must act with independence, loyalty and professionalism. As provided for by the Afep-Medef Code, the SB assesses the functioning of the MB on an annual basis.

The Group CEO has overall competence on all matters except for those specific duties expressly assigned to the Group CFO.

The Group CFO is responsible for generating profits via the optimisation of the cost of capital. He is also responsible for tax matters and investor relations. In this position, he is responsible for the overall finance function within the Group (financial control, consolidation, refinancing, taxes, budget, five-year Business Plan, coordination of asset valuations and investor relations). He is also responsible for investment/divestment projects and for defining strategies for co-ownership as well as for co-investments and for coordinating corporate development operations (mergers and acquisitions, strategic alliances and partnerships).

The main provisions of the Articles of Association and the MB Charter governing the composition, role, duties and functioning of the MB are provided in Section 7.6.5 of this Universal Registration Document.

MANAGEMENT BOARD ACTIVITIES IN 2019

The MB met 15 times during the year ending December 31, 2019 and deliberated on the following subjects:

Principal responsibilities of the Management Board	Key areas addressed, managed and/or implemented in 2019
Group strategy	• monitoring of the Westfield integration; • development projects, investment and divestment operations in 2019; • monitoring of the disposals and synergies plan (costs and revenue); • main strategic opportunities for the Group; • digital and IT strategy, tools and projects; • CSR strategy – "Better Places 2030".
Group financial policy, financial performance and reporting	• review and closing of the 2018 consolidated and statutory financial statements and reporting on the consolidated half-year and quarterly accounts for the 2019 financial year; • Group 5-year business plan and budget; • financial resources, balance sheet management and borrowing requirements (EMTN, 144A, liquidity agreement); • the Group's dividend distribution payment policy and annual allocation/distribution of profits; • closing of the forecast management documents and preparation of the quarterly activity reports for the SB.
Internal Audit, Risk Management and control systems	• internal audits, internal control system and compliance matters; • risk management and risk mapping; • updates of the Compliance Book and MB charter.
Governance and compliance with relevant laws and regulations	• monitoring and promoting of the Group's Anti-Corruption Program and the Group's Compliance program; • analysis of the impact of new regulations (Shareholder Rights Directive and Prospectus III); • compliance with regulatory/legal requirements and changes.
Company Remuneration Policy and performance assessments	• employee Remuneration Policy of the Group; • capital increase reserved for employees.
Human Resources	• implementation of the Group's new values; • Talent development and management; • diversity and inclusion policy; • Group succession planning; • recruitment of key Group positions.
Shareholder outreach and engagement	• investor dialogue and road shows; • notice of meeting for the Annual General Meeting and related documentation (agenda, resolutions, MB report, etc.); • Group communication; • Registration Document and half-year Financial Report.

3.2.2 THE SUPERVISORY BOARD

3.2.2.1 SUPERVISORY BOARD COMPOSITION AND DIVERSITY

The Supervisory Board (SB) consists of 10 independent members as at December 31, 2019. Mr Colin Dyer is the SB Chairman and Ms Mary Harris is SB Vice-Chair.

The SB composition reflects a strong commitment to independence (100% independent), diversity (50% women) and international exposure (70% non-French with seven different nationalities represented) and the wide-ranging experience and expertise of its members. The average SB Member age is 59. The current member composition reinforces the Group's strategy through their relevant active executive or senior leadership experience, expertise in real estate/asset management, retail and hospitality, international and regional markets (including Continental Europe, the US and the UK), CSR/sustainability, digital/e-commerce, consumer products, corporate governance/remuneration, risk oversight/compliance and finance, among other areas. The range of skills and expertise taken into account during the SB candidate selection process is summarised in the biographies and experience matrix below.

The principal provisions of the Articles of Association and the charters of the SB and of its committees governing the composition, role, responsibilities and functioning of the SB and its committees are provided in Section 7.6 of this Universal Registration Document.

CHANGE OCCURRING IN THE SB COMPOSITION IN 2019 PURSUANT TO THE GENERAL MEETING OF MAY 17, 2019

Mr Jacques Stern was renewed as an SB Member and the Audit Committee Chairman for a period of three years.

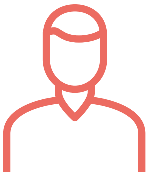
CHANGES PROPOSED TO THE SB COMPOSITION IN 2020

Upon the GNC's recommendation, and with staggered terms in accordance with the Afep-Medef Code, the SB will propose the renewal of the SB Members listed below at the May 15, 2020 General Meeting:

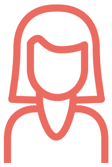
- Mr Colin Dyer, for a period of three years;
- Mr Philippe Collombel, for a period of two years;
- Ms Dagmar Kollman, for a period of two years; and
- Mr Roderick Munsters, for a period of three years.

Ms Mary Harris, who will have 12 years of experience and thus no longer be considered independent under the Afep-Medef Code, will resign as SB Member and Remuneration Committee (RC) Chair at the close of the 2020 General Meeting. Subject to the renewal of his mandate and upon the GNC's recommendation, the SB will appoint Mr Roderick Munsters as RC Chair. For more details about SB Member profiles and experience, please also refer to the 2020 AGM Notice of Meeting, available on the URW website.

DIVERSITY



50%
MEN



50%
WOMEN

70%
NON-FRENCH

7 NATIONALITIES REPRESENTED*

2
AMERICAN

3
BRITISH

3
FRENCH

1
AUSTRALIAN

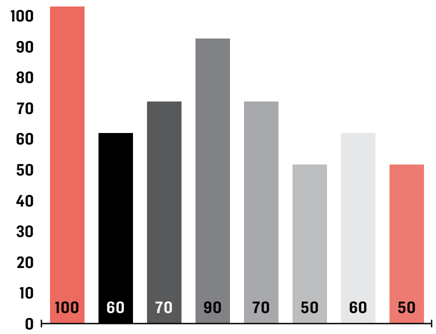
3
DUTCH

1
AUSTRIAN

1
CANADIAN

* Some members have more than one nationality.

AREAS OF EXPERTISE OF SB MEMBERS (%)



- Executive or Board member
- Real Estate/Asset Management
- Retail/Hospitality
- Finance
- US Market
- CSR/Sustainability
- Digital/e-commerce
- Consumer products

All SB members are present in multiple categories.

3.

SUPERVISORY BOARD COMPOSITION AS AT DECEMBER 31, 2019

Jill Granoff**

Mary Harris**
SB Vice-Chair
& RC Chair

Colin Dyer**
SB & GNC Chairman

Jacques Stern*
AC Chairman

Dagmar Kollmann**

100%
INDEPENDENT

Philippe Collombel*

Jacqueline Tammenoms Bakker**

Roderick Munsters**

Sophie Stabile*

John McFarlane*

7 MEETINGS
100%
ATTENDANCE

* Member of the Audit Committee (AC).
** Member of the Governance & Nomination Committee (GNC) and Remuneration Committee (RC).

SUPERVISORY BOARD MEMBERS AS AT DECEMBER 31, 2019

Name	Age	Gender	Nationality	Independence	SB attendance rate	First appointed	Term expires at AGM
Mr Colin Dyer *SB & GNC Chairman*	67	M	British and American	Independent	100%	2017	2020
Ms Mary Harris *SB Vice-Chair & RC Chair*	53	F	British and Dutch	Independent	100%	2008	2021
Mr Jacques Stern *AC Chairman*	55	M	French	Independent	100%	2016	2022
Mr Philippe Collombel	58	M	French	Independent	100%	2017	2020
Ms Jill Granoff	57	F	American	Independent	100%	2018	2021
Ms Dagmar Kollmann	55	F	Austrian	Independent	100%	2014	2020
Mr John McFarlane	72	M	British and Australian	Independent	100%	2018	2021
Mr Roderick Munsters	56	M	Dutch and Canadian	Independent	100%	2017	2020
Ms Sophie Stabile	49	F	French	Independent	100%	2015	2021
Ms Jacqueline Tammenoms Bakker	66	F	Dutch	Independent	100%	2015	2021

SUPERVISORY BOARD MEMBER PROFILES

The SB has identified the combined skills, experiences and expertise essential to best carry out its supervisory role as well as its duties, in light of the nature and scope of the international operations of the Company, the Company's strategy for the medium and long-term and the related risks.

- International experience
- Regional market experience (Continental Europe, the US and the UK)
  - international operations as well as local market exposure are increasingly important given the Group portfolio of flagship destinations throughout Continental Europe, the US and the UK.
- Finance (including audit, financing, banking or tax expertise)
  - the Company's operations involve complex financing transactions, debt management and refinancing in different countries and currencies, and monitoring tax and accounting measures.
- Leadership (relevant active executive or senior leadership experience)
  - international business or high level advisory or management expertise is important to understand the challenges facing the Company.
- Real estate and asset management
  - the Company's core strategy requires expertise in real estate development, investment, leasing, management and divestment.
- Digital and e-commerce
- Retail and hospitality
- Consumer products
  - retail, digital and data are at the core of the Group strategy, as a large portion of our clients are retailers. Retail is undergoing swift and disruptive change, and the future is omnichannel and experiential.
- CSR and sustainability
  - corporate social responsibility is at the heart of the Group strategy, as both a vehicle of progress and a factor of competitiveness. The Group continually seeks new ways to improve its environmental footprint and strengthen its social impact.
- Risk oversight and compliance
  - the SB's responsibilities include overseeing and advising on the structure and management of the risks, compliance and internal control systems and ensuring that effective policies are in place to appropriately manage risk.
- Corporate governance and remuneration and benefits
  - the SB's responsibilities include disclosing, complying with and enforcing the Company's corporate governance structure and monitoring market practice; approving the Remuneration Committee's recommendations regarding remuneration, including but not limited to MB remuneration and the Company's remuneration policy and attracting and retaining high calibre individuals; and engaging with shareholders.

In the context of the annual evaluation process, the GNC and the SB review the profiles of the SB members each year to ensure the SB's ability to assume its responsibilities and duties under the best possible conditions. The profiles reflect the preferred SB composition and the objectives to be achieved (including through the SB succession plan) in order to implement and maintain an independent SB which distinguishes itself by the diversity of its members in terms of gender, age and nationality as well as by their skills, expertise and experiences.

Included in each SB Member's biography below is a description of key skills and expertise based on the experiences described above. All of the SB Members have multiple skills and experiences, as described in the experience matrix below. The SB and the GNC are of the opinion that the SB Members collectively possess the right mix of skills, qualifications and experiences to provide effective oversight of the business, credible guidance to the MB, and fulfil their duties in the interest of the Company.

SUPERVISORY BOARD MEMBER EXPERIENCE MATRIX

Skills/experience	Philippe Collombel(1)	Colin Dyer(2)	Jill Granoff(2)	Mary Harris(2)	Dagmar Kollmann(2)	John McFarlane(1)	Roderick Munsters(2)	Sophie Stabile(1)	Jacques Stern(1)	Jacqueline Tammenoms Bakker(2)
Executive or Board member	●	●	●	●	●	●	●	●	●	●
Real estate and asset management		●			●	●	●	●	●	
Retail and hospitality	●	●	●	●				●	●	●
Finance	●	●	●	●	●	●	●	●	●	
CSR and sustainability	●			●	●		●			●
Digital and e-commerce	●		●	●				●	●	●
Continental EU market	●	●	●	●	●		●	●	●	●
US market	●	●	●	●	●			●	●	
UK market	●	●	●	●	●				●	●
Consumer products			●	●	●				●	●
Corporate governance and remuneration	●	●	●	●	●	●	●	●		●
Risk oversight and compliance	●	●		●	●	●	●	●	●	●

(1) Audit Committee. (2) Governance & Nomination Committee and Remuneration Committee.

EMPLOYEE OR EMPLOYEE SHAREHOLDER REPRESENTATION ON THE SUPERVISORY BOARD

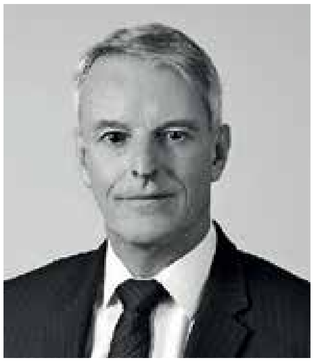
Pursuant to Article L. 225-79-2 of the French Commercial Code, companies which exceed certain thresholds must provide for the representation of employees on their SB. As at December 31, 2019, the Group was not subject to this requirement.

Likewise, pursuant to Article L. 225-71 of the French Commercial Code, listed companies whose shares held by employees account for more than 3% of the share capital are required to appoint one or several employee shareholder representatives to their SB. As at December 31, 2019, the Company was not subject to this requirement.

While the Company is not subject to the statutory requirements regarding employee representation on the SB, the Group is committed to employee dialogue and works with employee representatives. In addition, since 2009, the European Employees Committee (EEC) is provided with information regarding the Group's economic situation and discusses all issues regarding the Group's employees, including Group strategy, CSR policy and Group compensation strategy. Various meetings are organised by the Group with the works councils and trade union organisations.

SUPERVISORY BOARD MEMBER INFORMATION AND MANDATES HELD AS AT DECEMBER 31, 2019

The business address of the Supervisory Board members is the Company's registered address, 7 place du Chancelier Adenauer 75016 Paris (France).



MR COLIN DYER

SB & GNC CHAIRMAN AND RC MEMBER

Independent

- MBA, INSEAD.
- Bachelor of Science, Mechanical Engineering, Imperial College, London.
- Former CEO of Worldwide Retail Exchange.
- Former CEO of Courtaulds Textiles where he held numerous other positions including Executive Division Director and Head Strategic Planning.
- Former consultant at McKinsey & Co.

BORN ON:
September 17, 1952

NATIONALITY:
American and British

NUMBER OF STAPLED SHARES HELD:
650

OTHER CURRENT FUNCTIONS AND MANDATES

Listed companies
- Non-Executive Director of Paramount Group, Inc. (US).
- Non-Executive Director of Altus Group Limited (Canada).

Other company
- N/A

PREVIOUS MANDATES DURING THE LAST FIVE YEARS
- President and CEO of Jones Lang LaSalle Inc. from 2004-2016 (USA) (listed).
- Non-Executive Director of Jones Lang LaSalle Inc. (USA) (listed).

Further experience:
- Relevant active executive and senior leadership experience
  - strong leadership and management skills, having served as CEO of JLL, a listed diversified real estate services and investment management company; Courtaulds Textiles, a UK-based clothing manufacturer; GDL Retail, a Dutch retail chain; and Worldwide Retail Exchange, an Internet-based business-to-business exchange. At JLL, he led the transformation strategy which saw the real estate services company grow more than fivefold in revenue and market capitalisation over his 12-year tenure.
- International experience and regional market exposure
  - experienced strategist who has focused on international businesses throughout his career; as CEO of JLL, a Fortune 500 company, he oversaw clients in 75 countries and the integration of more than 70 acquisitions; he has a truly international perspective having lived and worked in France, The Netherlands, the UK and the USA.
- Real estate and real estate asset management experience
  - in-depth knowledge of both real estate and retail; as CEO of JLL, oversaw a management portfolio of more than 3 billion square feet of commercial real estate, and a real estate investment portfolio of over $50bn in value across multiple asset classes and countries.
- Financial expertise
  - extensive operational and financial expertise as CEO of JLL, Courtaulds Textiles, GDL Retail and Worldwide Retail Exchange.
- Risk oversight and corporate governance experience
  - Chairman of URW's Governance and Nomination Committee; experience on US, Canadian and UK listed company boards with robust risk oversight and corporate governance practices; committed to ethical and inclusive business practices; during his tenure, JLL was recognised by the Ethisphere Institute as one of the "World's Most Ethical Companies" for ten consecutive years.

MS MARY HARRIS

SB VICE-CHAIR, RC CHAIR AND GNC MEMBER

Independent

- Master's in Politics, Philosophy and Economics from Oxford University and an MBA from Harvard Business School.
- Former Consultant and Partner at McKinsey & Co in London, Amsterdam, China and South East Asia.
- Former Member of the Advisory Board of Irdeto BV (NL).
- Held various positions at Pepsi Beverages, Goldman Sachs and at private equity/venture capital firms.

BORN ON:
April 27, 1966

NATIONALITY:
British and Dutch

NUMBER OF STAPLED SHARES HELD:
600

OTHER CURRENT FUNCTIONS AND MANDATES

Listed companies

- Non-Executive Director and Chair of the Remuneration Committee of ITV PLC (UK).
- Non-Executive Director and Chair of the Remuneration Committee of Reckitt Benckiser PLC (UK).

Other company

- N/A

PREVIOUS MANDATES DURING THE LAST FIVE YEARS

- SB Member of TNT NV (NL), TNT Express NV (NL).
- SB Member of Scotch & Soda NV (NL).
- Non-Executive Director and Chair of the Remuneration Committee of J. Sainsbury PLC (UK) (listed).

Further experience:

- Retail and consumer products experience
  - extensive strategic leadership experience at McKinsey & Company focused on retail and consumer businesses in Europe, the US and Asia, including strategy, operations, real estate and digital strategies; board member of major listed and privately-owned companies in consumer, retail, supply chain/logistics and digital sectors.
- Corporate governance and remuneration experience
  - non-executive director with 12 years' experience in UK, Dutch and French corporate governance at various listed companies, including membership of audit, nomination, remuneration and corporate responsibility committees; served as chair of various committees including strategy and remuneration, as well as Vice Chair and senior independent director roles.
- Financial expertise
  - M&A banking at Goldman Sachs; experience on audit committees of five major listed companies.
- International experience
  - she lived and worked in China, Southeast Asia; she worked extensively in Europe, US, Japan, Korea and Latin America; non-executive director of multi-national companies with extensive international operations.
- Digital and e-commerce experience
  - she worked extensively on retail and consumer innovation in products and channels (e-commerce) with McKinsey clients and as non-executive director at leading retail and consumer companies; served as advisory board member of Irdeto, a specialist in digital rights management.

MR JACQUES STERN

AC CHAIRMAN

Independent

- Master's in Accounting (DECS) and Master's in Accounting and Finance (MSTCF).
- Graduate of *École Supérieure de Commerce de Lille*.
- Began career at Price Waterhouse.
- Held various positions at AccorHotels including Group Controller, CFO (scope including procurement, IT, strategy and hotel development) and lastly Deputy CEO.

BORN ON:
September 19, 1964

NATIONALITY:
French

NUMBER OF STAPLED SHARES HELD:
2,600[(1)]

OTHER CURRENT FUNCTIONS AND MANDATES

Listed company
- N/A

Other companies
- President and CEO of Global Blue (Switzerland).
- Non-Executive Board Member of Voyage Privé (France).
- Non-Executive Board Member of PerkBox (UK).

PREVIOUS MANDATES DURING THE LAST FIVE YEARS

- Chairman and CEO of Edenred (France) (listed).

(1) As at March 18, 2020.

Further experience:
- Financial expertise (audit, financing/banking or tax)
  - extensive financial experience as controller and CFO of Accor, supervising investor relations, treasury, consolidation, controlling, audit, tax, M&A, real estate, purchasing, technology and group strategy; career began at PricewaterhouseCoopers in Audit.
- Relevant active executive or senior leadership experience
  - extensive operational and leadership experience as CEO of Global Blue (five years), a technology and payment company, Edenred (six years), a payment leader in benefit and fuel/fleet solutions, and as Deputy CEO of Accor (two years), a global leader in hospitality.
- Real estate and asset management experience
  - as CFO of Accor, he oversaw the Real Estate Division of Accor which disposed of more than €5 billion of assets between 2003 and 2009.
- Digital and e-commerce experience
  - as CEO of Edenred and Global Blue, he successfully led the transformation of those two payment businesses in the shift to digital and he spearheaded successful mobile payment systems; he is an angel investor in digital platforms and start-ups, and non-executive board member of Voyage Privé, a luxury travel flash sale site, and Perkbox, an employee experience platform.
- International experience
  - as CEO of Edenred and Global Blue, he successfully oversaw the geographical expansion of those two groups, launching Global Blue tax free shopping operations in China in 2016, in Russia in 2018, and reinforcing its presence in the Asia-Pacific region through the 2016 acquisition of Currency Select; as CEO of Edenred, he led the expansion in Russia, the United Arab Emirates, Finland, Japan and Colombia, and present in 42 countries on five continents.

MR PHILIPPE COLLOMBEL

AC MEMBER

Independent

- Graduate of *Institut d'études politiques de Paris*.
- Executive MBA from the Kellogg School of Management (Northwestern University).
- Master's in Economics and a Bachelor's in law.
- Former partner at Accenture.
- Former innovation and internet initiatives Director at Carrefour.

BORN ON:
January 7, 1961

NATIONALITY:
French

NUMBER OF STAPLED SHARES HELD:
700[2]

OTHER CURRENT FUNCTIONS AND MANDATES

Listed company
- N/A

Other companies
- Co-Managing Partner at Partech Partners (France)[1].
- Member of the Advisory Board of Facebook France.

PREVIOUS MANDATES DURING THE LAST FIVE YEARS

- N/A

3.

(1) Pursuant to the Afep-Medef Code, mandates related to Partech Partners are not taken into account as Partech Partners' main activity is to invest and hold interests in those companies.
(2) As at March 17, 2020.

Further experience:
- Relevant active executive or senior leadership experience
  - significant operational and leadership experience as Co-Founder and CEO of Partech Partners, a global investment platform for tech and digital companies with €1.3bn AUM.
- Financial expertise (audit, financing/banking or tax)
  - extensive experience in financial regulation as CEO of Partech Partners, a significant investor in the European fintech market; strong banking expertise as a board member of several successful fintech companies such as Compte Nickel, a digital-only bank acquired by BNP; October, an online lending platform; and Papernest, a digital platform for managing paperwork.
- Digital and e-commerce experience
  - in-depth experience with digital and e-commerce investments and development, with a strong focus on retail and financial services; significant exposure to digital market dynamics as a member of the boards of several fast-growing digital companies and the Advisory Board of Facebook France; additional experience with innovation in his previous roles as General Manager of the innovation and internet initiatives of the largest French retailer, Carrefour, through its subsidiary e.carrefour, and partner at Accenture.
- Retail and consumer products experience
  - as an investor in emerging e-commerce, marketplace, and fintech players, such as Mano Mano, a home improvement e-commerce platform, he has an acute understanding of retail and consumer market dynamics, including shifts in consumer behaviour.
- International experience
  - as CEO of Partech Partners, he has hands-on experience in several key markets, including France, Germany, the UK, and the US.

MS JILL GRANOFF

GNC AND RC MEMBER

Independent

- MBA, Columbia University and Bachelor's, Duke University.
- Current CEO of Eurazeo Brands.
- Former CEO of Vince, Kellwood Company and of Kenneth Cole Productions.
- Former Group President, Direct-to-Consumer and then EVP, Direct Brands at Liz Claiborne.
- Held several positions at L Brands including President of Victoria's Secret Beauty.
- Former VP Business Planning and Development and then Senior VP Strategic Planning, Finance and Information Systems of Estee Lauder.

BORN ON:
April 7, 1962

NATIONALITY:
American

NUMBER OF STAPLED SHARES HELD:
343

OTHER CURRENT FUNCTIONS AND MANDATES

Listed company
- N/A

Other company
- CEO of Eurazeo Brands (Branded Consumer and Retail Private Equity) (France)[1].

PREVIOUS MANDATES DURING THE LAST FIVE YEARS

- Chairman and CEO of Vince Holding Corporation (listed).
- Director of Demandware (now Salesforce Commerce Cloud).

(1) Pursuant to the Afep-Medef Code, mandates related to Eurazeo Brands are not taken into account as Eurazeo Brands' main activity is to invest and hold interests in those companies.

Further experience:
- Relevant active executive or senior leadership experience
  - extensive operational and leadership experience as CEO of Eurazeo Brands, and CEO of two listed companies, Vince Holding Corporation (where she led the IPO) and Kenneth Cole Productions; executive positions at Kellwood Company, Liz Claiborne, Victoria's Secret and The Estee Lauder Companies.
- Retail and consumer products experience
  - accomplished executive with over 27 years' experience building brands in the fashion, beauty and retail industries; since 2017, CEO of Eurazeo Brands, a global private equity firm investing in high growth consumer and retail companies; non-executive director of the Fashion Institute of Technology Foundation; former CEO of two listed American fashion brands, Vince Holding Corporation and Kenneth Cole Productions, and held executive positions in apparel, accessories and beauty at Kellwood Company, Liz Claiborne, Victoria's Secret and The Estee Lauder Companies.
- Digital and e-commerce experience
  - significant marketing and influencer experience at Eurazeo Brands, where she oversees investments in and expansions of direct-to-consumer businesses; in-depth exposure to e-commerce as Director at Demandware, now Salesforce Commerce Cloud, a global leader in digital commerce.
- International experience
  - as CEO of Eurazeo Brands, she oversees international investments and developing international reach for beauty and fashion brands; as CEO of Vince Holdings Corporation, she lead the international expansion; she launched Victoria's Secret into the international market through the Travel Retail Channel.
- US market exposure and expertise
  - in-depth knowledge of the US market throughout 27-year career in the fashion, beauty and retail industries.

MS DAGMAR KOLLMANN

GNC AND RC MEMBER

Independent

- Master's of law (focus on International and Business law) from Universität Wien, Austria.
- Former Board member of Morgan Stanley International Ltd (UK) and Morgan Stanley and Co. International Ltd (UK).
- Former MB Chair, Country Head and CEO – Germany and Austria, Morgan Stanley Bank AG (Germany).

BORN ON:
July 9, 1964

NATIONALITY:
Austrian

NUMBER OF STAPLED SHARES HELD:
725

OTHER CURRENT FUNCTIONS AND MANDATES

Listed companies

- SB Vice-Chair and AC Chair of Deutsche Pfandbriefbank AG (Germany).
- SB Member and AC Chair of Deutsche Telekom AG (Germany).
- Non-executive Board Member of Coca-Cola European Partners plc (UK).

Other companies/engagements

- SB Member of KfW IPEX-Bank GmbH (Germany).
- Commissioner of the Monopolies Commission (Germany).

PREVIOUS MANDATES DURING THE LAST FIVE YEARS

- SB Member of Bank Gutmann AG (Austria).
- SB Vice-Chair and AC Chair of HRE Holding AG (Germany).

3.

Further experience:

- Relevant active executive or senior leadership experience
  - over 20 years' senior management experience; former CEO of Morgan Stanley Bank AG; through key transactions and M&A deals in consumer, industrial and service sectors, she gained invaluable insights into strategic and tactical challenges of global businesses in transformation.
- Financial expertise
  - high level of financial expertise gained through various senior management positions in finance and banking, including responsibility for Corporate Finance, Mergers and Acquisitions, Real Estate Advisory and Principal Investments, including IPOs, Secondary Offerings and Debt Capital Markets; extensive experience in valuation, value creation, market positioning and critical success factors for large listed companies.
- Risk oversight and corporate governance experience
  - significant experience in risk management as Chair of audit committees of Deutsche Telekom AG, Deutsche Pfandbriefbank AG and previously Hypo Real Estate AG; extensive experience in anti-trust competition regulation in a wide range of segments including but not limited to consumer goods, financial and digital markets as one of five Commissioners of the Monopolies Commission in Germany, serving since 2010; detailed work in corporate real-estate lending as member of risk and liquidity committees of Hypo Real Estate AG and pbb AG.
- International experience
  - multi-national, multi-cultural background; she worked in senior positions in the US, in the UK and Continental Europe, and lived in Asia; extensive experience in executive and non-executive roles in global bulge-bracket financial institutions as well as blue-chip listed and non-listed companies.
- CSR & sustainability
  - long-standing focus on sustainability, diversity, talent and change management, in both executive and non-executive positions.

MR JOHN McFARLANE

AC MEMBER

Independent

- MA, University of Edinburgh, MBA, Cranfield School of Management. Studied finance at the London Business School.
- Non-Executive Director and Chairman-Elect of Westpac (AU) (listed).
- Former Executive and Non-Executive Chairman of Barclays plc (UK) (listed).
- Former Executive and Non-Executive Chairman of Aviva plc (UK) (listed).
- Former CEO of Australia and New Zealand Banking Group Ltd (AU) (listed).
- Former Group Executive Director of Standard Chartered PLC (UK/HK) (listed).
- Former Non-Executive Director of the Royal Bank of Scotland Group PLC (UK) (listed).
- Former Head of Citicorp/Citibank (UK).
- Former Non-Executive Director Capital Radio plc (UK) (listed).
- Former Director and Council Member London Stock Exchange (UK).
- Former Director, Executive or member of various public and private organisations including Economic Research Institute for ASEAN and East Asia, Australian Government Foreign Affairs Council, Australian Government Financial Literacy Board, Australian Government Business Regulation Advisory Group, Australian Business Arts Foundation, Australian Financial Markets Foundation for Children, Australian Graduate School of Management, Business Council of Australia, Australian Bankers Association, Citicorp, Ford Motor Company, Bank of England Financial Law Panel, Auditing Practices Board, The Securities Association.

BORN ON:
June 14, 1947

NATIONALITY:
British and Australian

NUMBER OF STAPLED SHARES HELD:
922(1)

OTHER CURRENT FUNCTIONS AND MANDATES

Listed company
- Non-Executive Director and Chairman-Elect of Westpac (AU).

Other companies/engagements
- Non-Executive Director of Old Oak Holdings Ltd (UK).

PREVIOUS MANDATES DURING THE LAST FIVE YEARS

- Executive and Non-Executive Chairman of Barclays plc (UK) (listed).
- Non-Executive Chairman of TheCityUK (professional financial organisation).
- Non-Executive Director of Westfield Corporation Ltd (AU).
- Non-Executive Director of Westfield America Management Ltd (AU).
- Non-Executive Chairman of Barclays Bank plc (UK) (listed).
- Non-Executive Chairman FirstGroup plc (UK).
- Executive and Non-Executive Chairman Aviva plc (UK) (listed).

(1) Held in the form of Australian Chess Depositary Interests (CDI) listed on the Australian Securities Exchange. 20 CDIs collectively represent a beneficial ownership interest in 1 Stapled Share.

Further experience:
- Relevant active executive or senior leadership experience
  - experienced listed company chairman, CEO and director; he has served the banking and finance sector for 44 years in a number of countries and executive roles, 11 years' experience on listed real estate investment trust boards and as chairman and director of various government and industry bodies.
- Financial expertise
  - former executive and non-executive Chairman of Barclays and Aviva and former non-executive Chairman of FirstGroup; senior expert in banking, particularly in bank strategy and the restructuring of major banks following crises.
- Risk oversight and compliance experience
  - as a non-executive director of the UK securities regulator and in leading the restructuring of major banks following crises, he had ongoing interaction with governments, central banks and regulators at the most senior levels and gained important insights into governance, risk management and regulation.
- International experience
  - diverse international experience, including as CEO of ANZ in Australia; former President of the International Monetary Conference; former Chairman of the Australian Bankers Association; and former member of the European Financial Services Roundtable, the European Banking Group, the Institut International d'Études Bancaires and the Asia Business Council.
- UK market exposure and expertise
  - current non-executive director of Old Oak Holdings, a boutique investor in the UK; former Chairman of TheCityUK; former member of the UK Financial Services Trade and Investment Board; former Group Executive Director of Standard Chartered in the UK and Hong Kong and head of Citibank in the UK and Ireland.

MR RODERICK MUNSTERS

GNC AND RC MEMBER

Independent

- Master’s in Economics and Finance, Tilburg University.
- Former Executive Director and CIO of ABP Pension Fund & APG All Pensions Group.
- Former Managing Director and CIO of PGGM Pension Fund.
- Various positions in the Investment Department of NV Interpolis Insurance.

BORN ON:
July 19, 1963

NATIONALITY:
Dutch and Canadian

NUMBER OF STAPLED SHARES HELD:
1,000

OTHER CURRENT FUNCTIONS AND MANDATES

Listed company

- N/A

Other companies

- SB Member of PGGM Investments (NL).
- SB Member of Moody’s Investors Service – EU (BE).
- Member Financial Investments Strategy Committee of Capital Guidance.

PREVIOUS MANDATES DURING THE LAST FIVE YEARS

- SB Member of Edmond de Rothschild Asset Management (France) SA.
- CEO of Edmond de Rothschild Asset Management (France) SA.
- CEO of Robeco Group NV.
- Member of the Capital Markets Committee of the Dutch Financial Market Authority (AFM).

Further experience:

- Relevant active executive or senior leadership expertise
  - 20+ years of executive and non-executive experience in the financial services industry, as CEO and CIO, in asset management, private equity and real estate; extensive international M&A experience, on both buy- and sell-side.
- Real estate and asset management experience
  - both hands-on and executive experience for over 30 years, with 15 years as CIO at Europe’s two largest pension funds, ABP and PGGM as CEO of Robeco Group and of Edmond de Rothschild Asset Management, responsible for European asset management companies with a global presence and a large client-base in the US and Asia; former non-executive director at Amvest Real Estate and AlpInvest Private Equity Partners.
- Financial expertise (audit, finance)
  - significant experience with debt and equity markets, from running investment portfolios to capital market teams and currently as an independent non-executive director at Moody’s Investors Service – EU; as a CEO, responsible for audit and compliance in various markets; in-depth knowledge of global financial markets, including various alternative investment strategies.
- Corporate governance and compensation expertise
  - founding Board member and former chairman (ten years) of Dutch Institutional Corporate Governance platform; currently a Dutch-government appointed member of the committee overseeing corporate governance standards for Dutch-listed companies; hands-on experience in the design and implementation of new remuneration policies following regulatory and legislative developments.
- CSR and sustainability expertise
  - actively involved in developing and setting sustainability standards and strategy for 20+ years; responsible for the start and implementation of sustainability investing at two of Europe’s largest pension funds, PGGM and ABP.

MS SOPHIE STABILE

GNC AND RC MEMBER

Independent

- Graduate of *École Supérieure de Gestion et Finances*.
- Held various positions at Deloitte.
- Former CFO of Accor Group 2010-2015 (France) (listed).
- Former Board member of Groupe Lucien Barrière (France).

BORN ON:
March 19, 1970

NATIONALITY:
French

NUMBER OF STAPLED SHARES HELD:
286

OTHER CURRENT FUNCTIONS AND MANDATES

Listed companies
- Non-Executive Board member of Spie (France).
- Non-Executive Board member of Ingenico (France).
- Independent Director and Audit Committee Chairwoman of Sodexo (France).

Other companies
- Independent Director of Bpifrance Participations (France).

PREVIOUS MANDATES DURING THE LAST FIVE YEARS

- SB Member of Altamir (France) (listed).
- Executive Committee member of AccorHotels (France) (listed).
- CEO of Hotel Services France & Suisse (France) (Accor Group).
- SB Chairman of Orbis (Poland) (listed).

Further experience:
- Financial expertise
  - over 25 years' experience in audit, financing and finance; as CFO of AccorHotels, responsible for supervising the consolidation process, international finance departments and the financial control, internal audit, group holding company and financial back-office departments, investor relations, cash management, tax affairs and procurements (2010-2015); previously AccorHotels group Controller-General; began career as an audit supervisor at Deloitte Touche before joining AccorHotels in 1999 as head of the group's consolidation and information system department.
- Relevant active executive or senior leadership experience
  - extensive operational and leadership experience as CEO of HotelsServices France and Switzerland, within the AccorHotels Group, from 2015 to 2018 and CFO and a member of the AccorHotels' executive committee from 2010 to 2015.
- Real estate and asset management experience
  - founder and Managing Partner of Reverence, a consulting, investment and private equity firm in the real estate and hotel sector; significant experience in asset management and restructuring and sales of property asset portfolios, as CFO and CEO of Accor HotelServices France & Switzerland, including Accor's 2012 $1.2bn sale of the Motel 6 chain to Blackstone.
- Corporate governance and remuneration experience
  - valuable experience in corporate governance and compensation and benefits as CFO of AccorHotels; she launched and was the President of Women at AccorHotels Generation (WAAG), an internal network to promote gender equality within the workplace.
- Continental Europe market exposure and expertise
  - in-depth knowledge of the European market gained through 20-year career in the hospitality industry.

MS JACQUELINE TAMMENOMS BAKKER

GNC AND RC MEMBER

Independent

- Master's in History and French, St. Hilda's College, Oxford and Master's in International Relations, Johns Hopkins School for Advanced International Studies, Washington DC.
- Former Advisor to the National Council for Environment and Infrastructure (NL).
- Former Director General Civil Aviation & Freight Transport of the Ministry of Transport, Public Works and Water Management (NL).
- Former Director or Executive of various public and private organisations including Land Registry/Ordnance Survey (NL), GigaPort (NL), Quest International (NL), Shell International and former Consultant at McKinsey & Co (NL/UK).

BORN ON:
December 17, 1953

NATIONALITY:
Dutch

NUMBER OF STAPLED SHARES HELD:
551

OTHER CURRENT FUNCTIONS AND MANDATES

Listed companies

- SB Member of Royal Boskalis Westminster N.V. (NL).
- SB Vice-Chair and Chair of the Remuneration Committee of TomTom (NL).
- SB Member of Groupe Wendel and Chair of the Governance Committee (France).
- Non-Executive Director of CNH Industrial (UK).

Other company

- N/A

PREVIOUS MANDATES DURING THE LAST FIVE YEARS

- Non-Executive Director and Chair of the CSR Committee of Tesco PLC (UK) (listed).

Further experience:

- Relevant active executive or senior leadership experience
  - senior leadership roles in the public sector in The Netherlands, firstly as Director of GigaPort (a public-private initiative to roll out broadband networks), and then as the Director-General of Freight Transport and the Director-General of Civil Aviation and Freight Transport at the Dutch Ministry of Transport; chaired the EU High Level Group on the regulatory framework for civil aviation reporting to the EU Commissioner for Transport; former Vice-President Food Europe at Quest International (Unilever) in The Netherlands.
- Corporate governance and remuneration experience
  - non-executive director with 11 years' experience in UK, Dutch and French corporate governance in listed companies; extensive experience with remuneration in both France and The Netherlands as Chair of Wendel governance committee (includes remuneration) and TomTom remuneration committee; former Chair of Vivendi remuneration Committee; member of the advisory board of Transparency International NL, an international NGO dedicated to fighting corruption, and of the board of VEUO, a representative organisation of companies listed at Euronext Amsterdam.
- Retail and consumer products experience
  - significant experience with retail and consumer products as former member of the board of Tesco PLC.
- Digital and e-commerce experience
  - significant experience with technology and innovation as a member of the board at TomTom, provider of location technology and navigation solutions; former Director of Gigaport, a public-private initiative to roll out broadband networks.
- CSR and sustainability expertise
  - significant CSR and sustainability expertise as Chair of Wendel governance committee (includes sustainability); former Chair of Tesco corporate responsibility committee; regulatory experience in sustainability area.

INDEPENDENCE ANALYSIS OF SUPERVISORY BOARD MEMBERS
INDEPENDENCE PROCEDURE AND CRITERIA

Every year, the GNC and the SB carry out an in-depth independence analysis of each SB Member pursuant to the criteria of the Afep-Medef Code. These criteria are included in the SB Charter.

In accordance with the Afep-Medef Code and the specific supplementary criteria of the SB Charter, the following are taken into account by the GNC and the SB:

	Afep-Medef Code independence criteria
1	Not an employee or executive officer of the Company, or an employee, executive officer or director of its parent or of one of its consolidated subsidiaries, and has not been one during the previous five years.
2	Not an executive officer of a company in which the Company holds a directorship, directly or indirectly, or in which an employee appointed as such, or a current or former (during the previous five years) executive officer of the Company is a director.
3	Not (nor directly or indirectly) linked to a customer, supplier, investment or commercial banker or consultant: (i) that is material to the Company or its Group, or (ii) for which the Company or its Group represents a significant part of the entity's activity. Materiality analysis: examine, for both entities when possible, the financial relationship, the continuity over time, the intensity of the relationship and the position of the SB Member in the Company.
4	Not related by close family ties to an executive officer of the Company.
5	Not an auditor of the Company within the previous five years.
6	Not a member of the Supervisory Board of the Company for more than 12 years.
7	Has not received any personal financial remuneration from the Company, including any remuneration related to the performance of the Company (no STI or LTI), other than the fees received as an SB Member.
8	Not representing any major shareholder of the Company (> 10%).
	Specific SB Charter criteria
9	Not a director of a company in which an MB Member of the Company holds a director role (which they are therefore responsible for controlling) (cross ties).
10	Has not temporarily managed the Company during the preceding 12 months while members of the MB were absent or unable to fulfil their duties.

When any kind of business relationship exists (criterion no. 3), a further quantitative and qualitative analysis is conducted on a case-by-case basis to analyse the significance of the relationship and to assess the independence of that particular SB Member.

MEMBER INDEPENDENCE ANALYSIS AS AT DECEMBER 31, 2019

100% of the SB Members were found to be independent as at December 31, 2019.

The table below illustrates the GNC and the SB assessment of the members' independence:

SB Members as at 12/31/2019	Criterion 1	Criterion 2	Criterion 3	Criterion 4	Criterion 5	Criterion 6	Criterion 7	Criterion 8	Criterion 9	Criterion 10	Result
Mr Colin Dyer Chairman	✓	✓	✓ (see analysis)	✓	✓	✓ 2.5 years (appointed in 2017)	✓	✓	✓	✓	Independent
Ms Mary Harris	✓	✓	✓	✓	✓	✓ 11.5 years (appointed in 2008)	✓	✓	✓	✓	Independent
Mr Jacques Stern	✓	✓	✓ (see analysis)	✓	✓	✓ 3.5 years (appointed in 2016)	✓	✓	✓	✓	Independent
Ms Jill Granoff	✓	✓	✓	✓	✓	✓ 1.5 years (appointed in 2018)	✓	✓	✓	✓	Independent
Ms Dagmar Kollmann	✓	✓	✓ (see analysis)	✓	✓	✓ 5.5 years (appointed in 2014)	✓	✓	✓	✓	Independent
Mr Philippe Collombel	✓	✓	✓ (see analysis)	✓	✓	✓ 2.5 years (appointed in 2017)	✓	✓	✓	✓	Independent
Mr John McFarlane	✓	✓	✓	✓	✓	✓ 1.5 years (appointed in 2018)	✓	✓	✓	✓	Independent
Mr Roderick Munsters	✓	✓	✓ (see analysis)	✓	✓	✓ 2.5 years (appointed in 2017)	✓	✓	✓	✓	Independent
Ms Sophie Stabile	✓	✓	✓ (see analysis)	✓	✓	✓ 4.5 years (appointed in 2015)	✓	✓	✓	✓	Independent
Ms Jacqueline Tammenoms Bakker	✓	✓	✓	✓	✓	✓ 4.5 years (appointed in 2015)	✓	✓	✓	✓	Independent

DETAILED ANALYSIS OF CERTAIN CRITERIA FOR CERTAIN SUPERVISORY BOARD MEMBERS

A quantitative and qualitative analysis of the business relationship was carried out by the GNC, then by the SB, to assess the independence of Mr Colin Dyer, given his role as SB Chairman, and of Mr Philippe Collombel, Ms Dagmar Kollmann, Mr Roderick Munsters, Ms Sophie Stabile, and Mr Jacques Stern given their other roles outside the Group during 2019.

Independence analysis of the SB Chairman, Mr Colin Dyer

The Afep-Medef Code makes no presumption related to the independence of an SB Chairman. However, the French Financial Market Authority (AMF) recommends that the independence of an SB Chairman be justified in detail. In a dual corporate governance structure in which the SB's role is to only exert oversight and control over the actions of the MB, and governed by a principle of non-interference in the executive duties of the MB, the risks of a conflict of interest are limited. A specific quantitative and qualitative independence analysis was conducted for Mr Colin Dyer, SB Chairman. As demonstrated by the chart above, other than as a non-executive Chairman of the SB and the GNC and member of the RC, he has no relationship of any kind with the Group or its management. In addition, as SB Chairman in a two-tier governance structure, Mr Colin Dyer has no executive function and is not involved in day-to-day operations nor the operational decisions of the Group. Other than the fees received for his contribution provided as an SB Member, he has not received personal financial remuneration, including any remuneration in the form of shares nor any remuneration related to the performance of the Group (no STI or LTI), from the Group.

Accordingly, based on the work of the GNC, the SB concluded that Mr Colin Dyer is independent.

Analysis of Mr Philippe Collombel's business relationship

Mr Philippe Collombel's independence was further analysed given his other role as Co-Managing Partner at Partech Partners. The following criteria were assessed for Partech Partners:

- the legal entities signing contracts;
- the euro amount invested by the Group in Partech funds;
- the type of business relationship and the date a business relationship was first established.

As a Non-Executive SB Member of Unibail-Rodamco-Westfield SE Mr Collombel is not involved in day-to-day operations nor in the operational decisions of the Group. He is not and has never been an employee nor Executive Director of the Group. Contracts with Partech Partners are entered into with subsidiaries of Unibail-Rodamco-Westfield SE and not at the parent level. The contracts between the companies are routine agreements and are entered into on an arm's length basis. The business relationship between Partech Partners and the Group is limited in duration and began before Mr Collombel joined the SB. With respect to both companies, the amounts invested by the Group in Partech funds are marginal compared to the total capital managed by Partech funds as well as compared to each group's total turnover. Discussions on specific contract terms and negotiations never rise to the SB level, therefore, from the Group's standpoint he does not participate in negotiations and has no influence over negotiations with respect to the Group. Other than the remuneration received for his contribution provided as an SB Member, he has not received any personal financial remuneration, including any remuneration in the form of shares or any remuneration related to the performance of the Group (no STI or LTI), from the Group.

Accordingly, based on the work of the GNC, the SB concluded that Mr Collombel is independent.

Analysis of Ms Dagmar Kollmann's business relationship

Ms Dagmar Kollmann's independence was further analysed given the following mandates:

- SB Member of Deutsche Telekom; and
- Non-Executive Director of Coca-Cola European Partners plc.

The following criteria were assessed for Deutsche Telekom:

- the legal entities signing lease contracts;
- the percentage represented at Group level:
  - out of all stores,
  - of GLA,
  - of minimum guaranteed rent for the Group's consolidated portfolio in 2019; and
- the date a business relationship was first established at Group level.

As a Non-Executive SB Member at both companies she is not involved in the day-to-day operations nor the operational decisions of the group. She is not and has never been an employee nor Executive Director of the groups. The lease contracts between the companies are entered into between subsidiaries of each group and not at the parent level. The lease contracts between the companies are routine agreements and entered into on an arm's length basis. With respect to both companies, the rents received by the Group are marginal compared to each group's total lease expenses/revenues or total turnover. In addition, discussions on specific contract terms and their negotiation never rise to the level of the SB of the groups. Therefore, she does not participate in negotiations and has no influence over negotiations between the entities. Other than the remuneration received for her contribution provided as an SB Member, Ms Kollmann has not received personal financial remuneration, including any remuneration in the form of shares or any remuneration related to the performance of the Group (no STI or LTI), from the Group.

The following criteria were assessed for Coca-Cola European Partners plc:

- the legal entities signing contracts;
- the number of centres represented in the consolidated Group portfolio in 2019;
- the euro amount of fees received in 2019;
- the significance of Coca-Cola European Partners plc in comparison to other commercial partnerships and brand experiences with the Group; and
- the date a business relationship was first established, the overall duration and the continuity of same.

Notably, as a Non-Executive SB Member at each company she is not involved in the day-to-day operations nor the operational decisions of the group. She is not and has never been an employee nor Executive Director of the groups. Most contracts are entered into between Coca-Cola European Partners plc's advertising agencies and subsidiaries of URW, with a minority of contracts entered into between the subsidiaries of each group. The lease contracts between the URW subsidiaries and the advertising agencies are routine agreements and entered into on an arm's length basis. With respect to both companies, the fees received by the Group are marginal compared to each group's total expenses/revenues or total turnover. In addition, discussions on specific contract terms and their negotiation never rise to the level of the SB of the groups. Therefore, Ms Kollmann does not participate in negotiations and has no influence over negotiations between the entities. Other than the remuneration received for her contribution provided as an SB Member of URW, she has not received personal financial remuneration, including any remuneration in the form of shares or any remuneration related to the performance of the Group (no STI or LTI), from the Group.

Accordingly, based on the work of the GNC, the SB concluded that Ms Kollmann is independent.

Analysis of Mr Roderick Munsters' business relationship

Mr Roderick Munsters' independence was further analysed given the following mandates:

- SB Member of Moody's Investors Service – EU; and
- SB Member of PGGM Investments.

The following criteria were assessed for Moody's:

- type of business relationship;
- the legal entities signing contracts;
- the euro amount of fees paid to Moody's in 2019; and
- the date a business relationship was first established, the overall duration and the continuity of same.

Moody's rates tens of thousands of issuers, financials instruments, sovereign nations and banks on an ongoing basis. The ratings of the Group are conducted on an arm's length basis. The business relationship between Moody's and the Group began before Mr Munsters joined the SB of either entity. The rating service contract between Moody's and the Group are entered into between subsidiaries of each group and not at the parent level. With respect to both companies, the service fees paid by the Group to Moody's are marginal compared to each group's total service fees expenses/revenues or total turnover. Discussions on the contract terms and conditions and their negotiation never rise to the SB level of either company. Furthermore, Moody's has a "Director and Shareholder Affiliation Policy" which ensures that ratings of any company or any pending actions are not discussed at the SB level.

Therefore, he does not participate in discussions and does not have an impact on the relationship between the entities.

The following criteria were assessed for PGGM Investments:
- type of business relationship; and
- date a business relationship was first established, the overall duration and the continuity of same.

PGGM has been a long standing shareholder of the Group. The relationship between PGGM and the Group began before Mr Munsters joined the SB of either entity. PGGM's shareholdings are well below the thresholds that would impact independence pursuant to the SB Charter as well as the Afep-Medef Code. As an SB Member of Unibail-Rodamco-Westfield SE, Mr Munsters considers the interests of all shareholders equally.

Furthermore, as a Non-Executive SB Member of Unibail-Rodamco-Westfield SE, he is not implicated in the day-to-day operations nor the operational decisions of the Group. He is not and has never been an employee nor Executive Director of the Group. Other than the fees received for his contribution provided as an SB Member, he has not received personal financial remuneration, including any remuneration in the form of shares nor any remuneration related to the performance of the Group (no STI or LTI), from the Group.

Accordingly, based on the work of the GNC, the SB concluded that Mr Munsters is independent.

Analysis of Ms Sophie Stabile's business relationship

Ms Sophie Stabile's independence was further analysed given the following mandates:
- Non-Executive Director of Spie; and
- Non-Executive Director of Sodexo.

The following criteria were assessed for Spie:
- type of business relationship;
- total euro amount paid for services in 2019; and
- date a business relationship was first established, the overall duration and the continuity of same.

As a Non-Executive SB Member of Unibail-Rodamco-Westfield SE and as a Non-Executive Board member of Spie, Ms Stabile is not involved in the day-to-day operations nor the operational decisions of the involved companies. She is not and has never been an employee nor Executive Director of the companies. Service contracts between the companies are awarded following a tender. They are routine agreements for the companies and entered into on an arm's length basis. With respect to both companies, the service fees paid to Spie by the Group are marginal compared to each group's total turnover. Discussions on service contract terms and conditions and their negotiation never rise to the SB level nor to the Spie Board level. Therefore, Ms Stabile does not participate in negotiations and has no influence over negotiations between the entities. Other than the remuneration received for her contribution provided as an SB Member, she has not received personal financial remuneration, including any remuneration in the form of shares or any remuneration related to the performance of the Company (no STI or LTI), from the Group.

The following criteria were assessed for Sodexo:
- type of business relationship;
- total euro amount paid for services in 2019; and
- date a business relationship was first established, the overall duration and the continuity of same.

As a Non-Executive SB Member of Unibail-Rodamco-Westfield SE and as a Non-Executive Board member of Sodexo, Ms Stabile is not involved in the day-to-day operations nor the operational decisions of the companies. She is not and has never been an employee nor Executive Director of the companies. Service contracts between the companies are awarded following a tender. They are routine agreements for the companies and entered into on an arm's length basis. With respect to both companies, the service fees paid to Sodexo by the Group are marginal compared to each group's total turnover. Discussions on service contract terms and conditions and their negotiation never rise to the SB level nor to the Sodexo Board level. Therefore, Ms Stabile does not participate in negotiations and has no influence over negotiations between the entities. Other than the remuneration received for her contribution provided as an SB Member, she has not received personal financial remuneration, including any remuneration in the form of shares or any remuneration related to the performance of the Company (no STI or LTI), from the Group.

Accordingly, based on the work of the GNC, the SB concluded that Ms Stabile is independent.

Analysis of Mr Jacques Stern's business relationship

Mr Jacques Stern's independence was further analysed given his other mandate as President and CEO of Global Blue.

The following criteria were assessed:
- the legal entities signing contracts;
- the number of centres represented in the consolidated Group portfolio in 2019;
- the euro amount of fees received in 2019;
- the significance of Global Blue in comparison to other tax free companies used by the Group; and
- the date a business relationship was first established, the overall duration and the continuity of same.

As a Non-Executive SB Member of Unibail-Rodamco-Westfield SE, Mr Stern is not involved in the day-to-day operations nor the operational decisions of the Company. He is not and has never been an employee nor Executive Director of the Company. The service contracts are granted after a tender, are routine agreements for the companies and entered into on an arm's length basis. The existing service contracts between Global Blue and the Group are entered into between subsidiaries of each group and not at the parent level.

The business relationship between Global Blue and the Group has been limited in duration and began before Mr Stern joined the SB. With respect to both companies, the service fees paid to the Group by Global Blue are marginal compared to each group's total service fees expenses/revenues or total turnover. Discussions on service contract terms and conditions and their negotiation never rise to the SB level. Therefore, from the Company's standpoint he does not participate in negotiations and does not have an impact on any negotiations with respect to the Company. Other than the fees received for his contribution provided as an SB Member, he has not received personal financial remuneration, including any remuneration in the form of shares nor any remuneration related to the performance of the Company (no STI or LTI), from the Group.

Accordingly, based on the work of the GNC, the SB concluded that Mr Stern is independent.

SUCCESSION PLANNING

Succession planning is key to the long-term competitiveness and growth of the Company. Departure of key people from the MB, top management, and from the SB is an identified risk factor for the Company.

SUPERVISORY BOARD SUCCESSION PLANNING AND SB MEMBER CANDIDATE SELECTION PROCESS

The SB succession plan is discussed on a regular basis to ensure proper rotation of members in terms of foreseeable departures as well as to anticipate any unforeseen departures. In order to maintain its diversity (in terms of gender, nationality and experience), the process provides for the definition of profiles for each potential vacancy by the GNC in consultation with the SB and in dialogue with the MB. The profiles must reflect both the requirements included in the SB Member profile as described in Annex A of the SB Charter and any specific additional criteria in light of the Group's strategy and corporate governance principles. Each profile is subject to the approval of the SB. A short list of possible candidates is then determined, with the assistance of a global executive search firm, by the SB Chairman together with a small committee of GNC Members and in consultation with the Group CEO and the Group CRO. Candidate interviews are conducted with the SB Chairman, at least two members of the GNC, other SB Members, the Group CEO and the Group CRO. The SB Vice-Chair leads the process concerning the SB Chairman's succession. Selected candidates are then presented to the SB for approval prior to being proposed to shareholders for appointment at the General Meeting.

MANAGEMENT BOARD AND TOP MANAGEMENT (INCLUDING THE SENIOR MANAGEMENT TEAM) SUCCESSION PLANNING AND CANDIDATE SELECTION PROCESS

In order to ensure business continuity both for foreseeable and unforeseeable departures, the GNC spends significant time discussing the MB and top management (including the Senior Management Team) succession plan annually. The Group CEO, the Group CRO and the GNC discuss succession of the critical leadership roles in detail. This discussion includes defining the desired profile of potential replacements with respect to the Group's strategy, diversity and the level of expertise and experience necessary for successful succession. Potential internal successors are discussed at length including steps to be implemented to reinforce such persons' continued professional growth.

Market screenings are regularly conducted with external consultants to ensure an identifiable pool of candidates for any position where an immediate successor is not identified. Diversity in terms of gender, nationality and international experience are key points of discussion for the identification of individuals. A "critical role crisis plan" is also in place to outline the immediate required actions should an unforeseen significant event occur impacting the MB. It also sets out the risk mitigation steps and external communication steps. The SB discusses the work done by the GNC at each of its meetings immediately thereafter.

In order to promote the gender balance within the MB, the MB Charter has been modified in order to ensure, during the process of selecting a new member, the presence of at least one person per gender from among the candidates.

In the event of succession of an MB Member, the process is led by the Group CEO together with the GNC Chairman, and by the GNC Chairman only where succession of the Group CEO is concerned. The desired profile for the role is fine-tuned to reflect specific criteria in light of the Group's strategy and corporate governance principles and is subject to the approval of the SB. Candidate interviews are conducted with the Group CEO, the Group CRO, the SB Chairman, and at least two other SB Members.

3.2.2.2 SUPERVISORY BOARD MISSIONS

The functioning of the SB is governed by the Company's Articles of Association and the SB Charter whose main provisions are described in Section 7.6 of this Universal Registration Document and are available on the Company's website.

SUPERVISORY BOARD ACTIVITIES IN 2019

The SB held seven meetings in 2019 (including its annual strategy seminar and one *ad hoc* meeting) as well as one working session. The SB can meet without the MB (non-executive sessions) whenever deemed necessary. Five non-executive sessions were held in 2019. The member attendance rate was 100% for all SB meetings, including *ad hoc* meetings and non-executive sessions.

In addition to the matters within its statutory scope, the SB discussed all major actions carried out in 2019, both internally (*e.g.* organisational matters, key appointments within the Group, internal audits, risk management, Anti-Corruption Program, etc.) and externally (acquisitions, disposals, Group strategy, including CSR strategy – "Better Places 2030", development projects, financial policy, etc.) with specific attention to the Westfield integration.

SB Members were also informed of the work and recommendations of its specialised committees and that of the Statutory Auditors. The minutes and documents of all the meetings of the AC, GNC and RC are systematically made available to all SB Members through a secure electronic platform.

Principal responsibilities of the Supervisory Board	Key areas discussed, reviewed and/or approved in 2019
Group strategy	• monitoring the evolution of the Westfield integration and new major Group business processes; • development projects, investment and divestment operations; • regular updates: on share price evolution and business activities (operations, finance, human resources, legal, CSR, development, IT, compliance/risk management, etc.); • digital and data strategy; • CSR strategy – "Better Places 2030"; • Westfield brand roll-out; • the future of retail, including innovation, evolution and understanding the end customer;
Group Financial Policy and financial performance and reporting	• review and discussion of the disposal programme post-Westfield Transaction; • 2019 Group Budget; • follow-up on NAV and EPRA performance measures; • financial commitments and guarantees; • provisions for risks and litigation; • consolidated accounts and quarterly financial statements; • the Group's 5-year Business Plan, financial resources and borrowing requirements; • the Group's dividend distribution payment policy and annual allocation/distribution of profits; • relationship with the Statutory Auditors including auditor's reporting for the coming year; • non-audit services provided by the Statutory Auditors (including the amount of fees related thereto); • development pipeline in the context of overall balance sheet planning and rating agencies; • liquidity forecasts and Loan-to-Value (LTV) ratio;
Internal Audit, Risk Management and control systems	• monitoring the restructuring of Group risk management, internal audit, compliance, and insurance programmes; • 2019 internal audit plan; • internal audits, internal control system and compliance matters; • in-depth review of the Group's risk management and risk mapping; • focused review of selected risk management topics (2019 focus includes: retail market evolution; change management/integration; climate change and social risks; system and data; access to capital and development and construction);
Governance and compliance with relevant laws and regulations	• Annual Group compliance report and updates to the Group's compliance program (including the Group Anti-Corruption Program, Anti-Money Laundering Policy) and completing Anti-Corruption Program training; • the Group's compliance with the Afep-Medef Code; • annual review of the independence of SB Members; • regular updates on regulatory/legal changes, including implementation of the Shareholder Rights Directive; • updates to the MB Charter; • formalising the Related Party Agreements Procedure and confirming absence of related party agreements;
Succession planning	• annual review of the SB and committee profile, composition and rotation; • succession planning of the SB, MB and top management (including the Senior Management Team); • SB Member selection/recruitment process; • appointments of new AC Member (Mr Philippe Collombel) and new GNC & RC Member (Mr Roderick Munsters);
Group Remuneration Policy and performance assessments	• 2019 MB Member and SMT remuneration (including FI, level of attainment of annual STI and LTI targets); • 2019 LTI envelope and Company Savings Plan; • 2020 MB and SMT Remuneration Policy (including LTI market benchmark and adjustment following feedback from shareholder engagement); • 2020 SB Remuneration Policy; • annual evaluation of the functioning and efficiency of the MB; • annual evaluation of the functioning and efficiency of the SB (self-assessment process);
Human Resources	• talent management; • diversity and inclusion policy; • new Group corporate values;
Shareholder outreach and engagement	• extensive shareholder engagement and feedback (following FY results, HY results, and including as relates to governance and remuneration), including participation in Investor Days in June 2019, analysis of 2019 AGM voting results and corporate governance roadshow and communications; • updates on shareholder composition; • AGM materials (agenda, resolutions, etc.); • Registration Document (SB Chairman's report, governance, MB/SB Remuneration Policy, risk management and internal control systems, etc.).

KEY TOPICS

The following key topics are an important part of the Group's strategy and are closely followed by the SB. They are discussed in detail in other sections of this Universal Registration Document (please refer to the following sections for further detail):

- CSR/Sustainability – Chapter 2;
- Diversity and Inclusion – Chapter 2;
- Risk Management Framework – Section 6.1;
- Compliance – Section 3.4; and
- Westfield Integration (including synergies and the disposal programme) – Chapter 1, Chapter 4 and throughout this Universal Registration Document.

COMPANY SHAREHOLDER ENGAGEMENT POLICY

The Group's shareholder base is 100% free float, with no shareholder (acting alone or jointly) holding more than 10% of the share capital or voting rights[1]. The Group's shareholder base is therefore diverse, with its 100 largest shareholders representing approximately 70% of the share capital only. This diversity is reflected in the composition of the SB, which is entirely independent, thus enabling a quality internal dialogue without the influence of specific considerations or external interests. The diversity of the shareholder base and investor profiles, both on a geographic and investment strategy basis, makes it all the more important to have extensive and regular interactions with shareholders.

To formalise this commitment to shareholders, a Shareholder Engagement Policy has been published and is available on the Group's website. It provides information to shareholders on the engagement process and highlights the importance of clear communication, transparent shareholder engagement and the Group's commitment to non-selective information and equal treatment among shareholders.

In 2019, the SB led a major shareholder outreach on governance and compensation issues before and after the Annual General Meeting. In addition, when the SB considers that a resolution may be or has been the subject of relevant opposition, it may take the initiative to send a public letter (also published on the Company's website) to shareholders to communicate the decisions adopted by the SB to mitigate any potential opposition.

The dialogue initiated by the Company with its shareholders is primarily focused on three areas:

(i) **Strategy and financial performance**, for which the Investor Relations team, regularly accompanied by MB Members, meets investors during two post-results roadshows during the year, as well as during the 15–20 investor conferences they attend globally each year, and the Investor Days that are organised biannually. These discussions are focused on Group strategy, financial information and Group performance. In 2019, the team undertook 433 meetings with 148 existing investors representing over two thirds of the active institutional shareholder base, and close to 300 potential investors.

(ii) **Corporate Social Responsibility (CSR) and extra-financial performance** for which the CSR team together with the Investors Relations team, meets with investors' dedicated CSR teams or extra-financial rating agencies in order to promote the CSR strategy reflected in the "Better Places 2030" project, its implementation, and the Group's extra-financial performance.

(iii) **Corporate Governance** involving Legal, Compensation, Investor Relations and CSR teams. In order to improve the quality of exchanges and to provide relevant feedback to the SB and its committees, Corporate Governance roadshows take place over two distinct periods:
   - from November to January, in order to discuss topics of interest to shareholders (e.g. specific expectations, clarifications or explanations, feedback based on voting, new voting policies, CSR policy, risk management, compliance, and compensation. These meetings allow the Group to clarify the positions adopted by the SB during the year and discuss any concerns.
   - from March to April, after release of the Universal Registration Document and prior to the Annual General Meeting of shareholders, in order to discuss all the resolutions proposed to shareholders' vote (including but not limited to approval of the financial statements and allocation of the profits, financial authorisations, compensation policy, and remuneration report).

As part of the ongoing dialogue, shareholders are offered the opportunity to exchange views with the Chairman or Vice-Chairman of the SB as well as the RC Chair.

The feedback from these meetings is shared with the RC and the SB to better understand the questions, opposition or support on key issues, and points of interests raised by shareholders, and to encourage informed reflections.

The Company implements a similar engagement policy with the main proxy advisors and investor organisations.

In fall 2019, as part of the implementation of this shareholder engagement policy, the Company:

- contacted 50 shareholders representing 60% of the share capital and voting rights, and
- met with the main proxy advisors.

STRATEGIC MEETINGS

Once a year, the SB and MB take the opportunity to visit a country where the Group operates to discuss strategic matters and market developments in-depth and to interact directly with the local management teams. In 2019, given the Westfield Transaction, the SB and the MB took the opportunity to visit UK assets, Westfield London and Westfield Stratford City, as well as the Croydon Partnership. The SB and MB also held separate strategic meetings during this visit to discuss the Group's strategic objectives, growth strategy, challenges and opportunities in retail and the market generally as well as the Group's data and digital strategy. The SB and MB also took the opportunity to meet with a local retailer and external consultants. In addition, SB Members regularly conduct site visits and meet with local teams. In 2019, five visits of URW sites and assets were organised for SB Members (in addition to the strategic meeting visits).

SB MEMBER TRAINING

Each new SB Member takes part in an induction programme individually tailored to their particular skill sets, experiences and expertise. The induction programme provides the new member with information unique to the Group and its business activities, its financial reports, legal affairs and compliance. New members also meet with key people within the organisation and conduct site visits of Group assets as well as major competitors.

An annual training day is held for all SB Members which often includes Group asset visits. In 2019, one major session was held, focusing on the duties and obligations of SB Members and led by external legal counsel, and the Group Compliance Officer also led dedicated training on the Group Anti-Corruption Program.

SUPERVISORY BOARD MEMBER SHARE OWNERSHIP REQUIREMENT

In accordance with the Afep-Medef Code and with Article 3.3 of the SB Charter, in order to promote the alignment of interests between shareholders and SB Members, all SB Members must hold within two years of their appointment a number of Stapled Shares at least equal to one year of SB Member fees. As at December 31, 2019, all SB Members comply with this share ownership requirement.

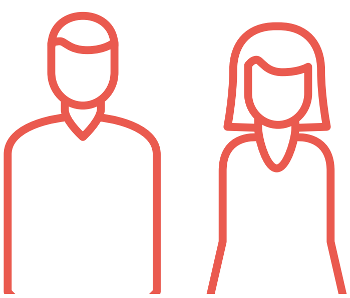
3.2.2.3 SPECIALISED SUPERVISORY BOARD COMMITTEES

In accordance with Article 5 of the SB Charter, the SB has three committees: **the Audit Committee, the Governance and Nomination Committee,** and **the Remuneration Committee,** each of which focuses on, and explores in-depth, specific topics of its overall competence. Each committee operates based on the SB's Charter, which describes its composition, role, responsibilities, organisation, and functioning. The committees make recommendations and advise the SB within their scope of responsibility. The SB is, however, ultimately responsible for all the decisions and actions taken on the committees' recommendations. CSR, which is monitored at the SB level and part of the regular SB reporting and discussion, is also monitored in detail by the Audit Committee, and at the operational level by the CSR Steering Committee, which is described in detail in Section 2.1.2.

3.2.2.3.1 AUDIT COMMITTEE (AC)

The composition, functioning and responsibilities of the AC are governed by the AC Charter, established by the SB.

GENDER OF MEMBERS



3 **MEN** | 1 **WOMAN**

PERCENTAGE OF INDEPENDENT MEMBERS

100%

PARTICIPATION RATE

100%

(1) As at the date of release of this Universal Registration Document.

AUDIT COMMITTEE COMPOSITION

The AC is chaired by Mr Jacques Stern and consists of four independent members.

The AC Members are selected by the SB, upon the recommendation of the GNC. They are appointed by the SB for their strong skills in finance and accounting.

Pursuant to French Commercial Code requirements and the Afep-Medef Code, every AC Member is an expert in finance and in accounting for listed companies or for other large companies which apply the IFRS accounting standards.

AUDIT COMMITTEE MEETINGS

Typically, the Group CEO, the Group CFO, the CFO Europe, the Group Chief Resources Officer (Group CRO) and the Group General Counsel attend AC meetings, unless decided otherwise by the AC. Other Senior Management Team members may also attend meetings. The AC may decide to meet without the MB Members or to meet only with the Group CEO, the Group CFO or the Statutory Auditors. The Group Director of Tax, the Group Director of Consolidation and Accounting, the Group Director of Control, the Group Director of Risk Management and the Group Director of Internal Audit attend AC meetings at the request of the AC.

AC Members receive the meeting documents which include a detailed agenda and comprehensive papers at least three days before each meeting. To allow for optimal preparation for the review of the accounts, the AC meets at least 48 hours prior to the SB Meeting at which the full-year and half-year financial statements are reviewed. The SB is informed of the proceedings and recommendations of the AC at its meeting directly following that of the AC.

AUDIT COMMITTEE ACTIVITIES

The AC met four times in 2019 (three times in the presence of the Statutory Auditors). Three non-executive sessions were held in 2019, two of which were together with the Statutory Auditors. The member attendance rate was 100%.

The AC deals with a number of recurring issues, such as accounting and financial elements (interim and annual financial statements), internal control, risk management and net asset value. It examines and supervises the Company's publication of financial information. It also ensures the relevance and efficiency of the Group's accounting and financial standards, tax and funding policies, internal audit, risk management and control procedures. As part of its risk management scope, the AC also deals directly with CSR topics such as climate change, societal risks and the Group insurance programme.

The AC may also carry out specific examinations on its own initiative or at the request of the SB. The AC may solicit the advice of external advisors as it deems necessary. In addition to the regular contact that the AC has with the MB and its Statutory Auditors, it is free to interview experts in particular fields (e.g. accounting, finance, risk and audit managers) without MB Members being present. The AC also has access to valuations carried out by independent appraisers.

Principal responsibilities of the AC	Key areas discussed, reviewed and/or recommended for approval to the SB in 2019
Group Financial Policy	• extensive review and follow-up of financial, borrowing, accounting and tax aspects of Westfield acquisition; • 2019 Group Budget; • follow-up on NAV and EPRA performance measures; • the Group's 5-year Business Plan, financial resources and borrowing requirements; • the Group's dividend distribution payment policy and annual allocation and distribution of profits; • relationship with the Statutory Auditors including auditor's reporting for the coming year; • non-audit services provided by the Statutory Auditors (including the amount of fees related thereto);
Financial performance and reporting	• review and discussion of the disposal programme post-Westfield Transaction; • consolidated accounts and quarterly financial statements; • net asset value, corporate risks and off-balance sheet commitments; • financial commitments and guarantees; • provisions for risks and litigation; • regular tax updates including post-Westfield tax restructuring and local tax updates; • regular updates on regulatory/legal changes including legal audit reform; • development pipeline in the context of overall balance sheet planning and rating agencies; • liquidity forecasts and Loan-to-Value (LTV) ratio;
Internal Audit, Risk Management and control systems	• monitoring of post-Westfield acquisition restructuring of Group risk management, internal audit, compliance, and insurance programmes; • updates on digital and IT strategy, tools and projects; • 2019 internal audit plan; • internal audits, internal control system and compliance matters; • in-depth review of the Group's risk management and risk mapping; • focused review of selected risk management topics (2019 focus includes: retail market evolution; change management/integration; climate change and social risks; system and data; access to capital and development and construction);
AC Governance	• annual evaluation of the functioning and efficiency of the AC (self-assessment process); • appointment of new AC Member: Mr Philippe Collombel;
Shareholder outreach and engagement	• extensive shareholder engagement and feedback (including feedback on the 2019 Investor Days).

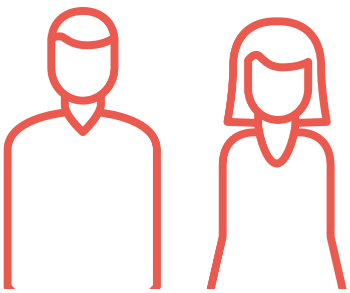
3.2.2.3.2 THE GOVERNANCE AND NOMINATION COMMITTEE (GNC)

The composition, functioning and responsibilities of the GNC is governed by the GNC Charter, which is established by the SB.

GOVERNANCE AND NOMINATION COMMITTEE COMPOSITION

The GNC, chaired by Mr Colin Dyer, consists of six independent members.

GENDER OF MEMBERS



2 **MEN** | 4 **WOMEN**

PERCENTAGE OF INDEPENDENT MEMBERS

PARTICIPATION RATE

GOVERNANCE AND NOMINATION COMMITTEE MEETINGS

The Group CEO and the Group CRO typically attend GNC Meetings. The GNC may decide to meet without the Group CEO and/or the Group CRO. At least twice a year, during the annual self-assessment of the GNC as well as during assessment of the MB, the GNC meets without the Group CEO or Group CRO. The GNC may solicit the advice of external advisors and is free to interview such advisors without MB Members being present as deemed necessary. At least once a year, the Group Director of Internal Audit presents a compliance report to the GNC. Additionally, other persons may be invited to attend by the GNC Chairman. Members receive the meeting documents which include a detailed agenda and comprehensive papers at least three days before each meeting. The SB is informed of the GNC's proceedings and recommendations at its meeting directly following that of the GNC.

GOVERNANCE AND NOMINATION COMMITTEE ACTIVITIES

The GNC met four times in 2019. Three non-executive sessions were held in 2019. The member attendance rate was 100%.

The GNC is responsible for reviewing and advising the SB on: (a) MB and SB Member profiles and selection criteria, (b) the scope, composition and functioning of the MB and the SB, (c) the independence of SB Members, (d) the (re)appointment of MB and/or SB Members through application of the established succession plans which are regularly discussed, (e) the Group's corporate governance rules and practices, and (f) Group talent management, including MB, Senior Management Team, and top management succession planning.

Principal responsibilities of the GNC	Key areas discussed, reviewed and/or recommended for approval to the SB in 2019
Governance and compliance with relevant laws and regulations	• monitoring the evolution of new Group organisation; • annual Group compliance report and review and updates to the Group compliance program (including the Anti-Corruption Program and Anti-Money Laundering Policy); • the Group's compliance with the Afep-Medef Code; • annual review of the independence of SB Members; • regular updates on regulatory/legal changes, including implementation of the Shareholder Rights Directive; • updates to the MB Charter; • formalising the related party agreements procedure and confirming absence of related party agreements;
Succession planning	• annual review of the SB and committee profile, composition and rotation; • succession planning of the SB, MB and top management (including the Senior Management Team); • SB Member selection/recruitment process; • appointments of: new AC Member: Mr Philippe Collombel, and new GNC & RC Member: Mr Roderick Munsters;
Human Resources	• in-depth review and discussion of the new corporate values; • monitoring the governance and organisational aspects of the Westfield integration; • talent management; • annual review of international and gender diversity and non-discrimination policy;
Shareholder outreach and engagement	• extensive shareholder engagement and feedback (including as relates to governance and remuneration); • AGM materials (agenda, resolutions, etc.); • Registration Document (corporate governance);
GNC Governance	• annual evaluation of the functioning and efficiency of the SB and GNC (self-assessment process, including approach).

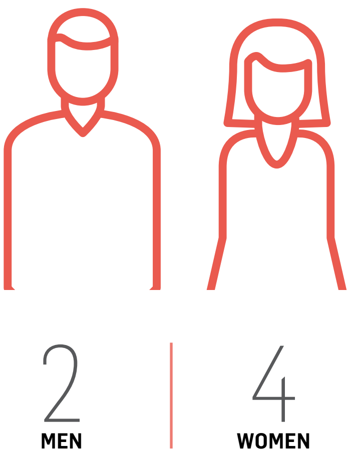
3.2.2.3.3 THE REMUNERATION COMMITTEE (RC)

Given the interrelatedness of nomination, assessment of MB performance and remuneration, the GNC and RC are currently composed of the same members. The composition, functioning and responsibilities of the RC are governed by the RC Charter, which is established by the SB.

REMUNERATION COMMITTEE COMPOSITION

The RC, chaired by Ms Mary Harris, consists of six independent members.

GENDER OF MEMBERS



PERCENTAGE OF INDEPENDENT MEMBERS

PARTICIPATION RATE

REMUNERATION COMMITTEE MEETINGS

The Group CEO and the Group CRO typically attend RC Meetings. The RC may decide to meet without the Group CEO and/or the Group CRO. At least twice a year, during the annual self-assessment of the RC as well as during assessment of and the decision on the MB remuneration, the RC meets without the Group CEO and the Group CRO being present. The RC may solicit the advice of external advisors and is free to interview such advisors without MB Members being present as deemed necessary. Additionally, other persons may be invited to attend by the RC Chair. Members receive the meeting documents which include a detailed agenda and comprehensive papers at least three days before each meeting. The SB is informed of the RC’s proceedings and recommendations at its meeting directly following that of the RC.

REMUNERATION COMMITTEE ACTIVITIES

The RC met eight times in 2019 (including four ad hoc meetings). Eight non-executive sessions were held in 2019. The member attendance rate was 100% for regularly scheduled meetings and 96.4% for *ad hoc* meetings.

The RC is responsible for reviewing and advising the SB on (a) the Remuneration Policy for the Group CEO and the other MB Member(s) (fixed income, short-term incentives, long-term incentives and other benefits) and (b) the SB Remuneration Policy.

Principal responsibilities of the RC	Key areas discussed, reviewed and/or recommended for approval to the SB in 2019
Company Remuneration Policy and performance assessments	• 2019 (and before) MB Member and SMT remuneration (including FI, level of attainment of annual STI and LTI targets); • 2019 LTI envelope and Company Savings Plan; • 2020 MB and SMT Remuneration Policy (including LTI market benchmark and adjustments following feedback from shareholder engagement); • 2020 SB Remuneration Policy; • annual evaluation of the functioning and efficiency of the MB;
Shareholder outreach and engagement	• extensive shareholder engagement and feedback (including as relates to governance and remuneration, analysis of 2019 AGM results, and corporate governance roadshow and communications);
RC Governance	• annual evaluation of the functioning and efficiency of the RC (self-assessment process); • appointment of new RC Member: Mr Roderick Munsters;
Governance and compliance with relevant laws and regulations	• regular updates on regulatory/legal changes, including implementation of the Shareholder Rights Directive.

3.2.2.4 EVALUATION OF THE SUPERVISORY BOARD

SUPERVISORY BOARD ANNUAL EVALUATION PROCESS

In accordance with the Afep-Medef Code, an assessment of the SB is carried out annually with a more formal and detailed assessment carried out every three years.

In 2019, the SB conducted a formal annual assessment which consisted of a detailed questionnaire completed by each SB Member on a confidential basis to assess the performance of the SB, its committees and its members (including of the Chairs of the SB and its committees) and of the overall functioning of the SB.

The SB Chairman also met with each SB Member individually to discuss openly and obtain feedback on the individual contributions of each of the SB Members. In addition, the AC, the GNC and the RC carried out a similar evaluation of their composition and functioning. In order to ensure an objective process, the SB & GNC Chair's assessment was led by the SB Vice-Chair who provided feedback to the full SB in session and individually to the SB & GNC Chair.

The assessment was summarised and discussed during an SB meeting as well as an AC, GNC and RC meeting in the presence of all of its members but in the absence of the MB. The MB was provided with a summary of improvement areas discussed and the SB Chairman and the Group CEO also discussed the summary separately.

ANALYSIS OF THE RESULTS

The conclusion of this assessment was that the current corporate governance structure and organisation work well. For the 2019 period, the SB Members noted, in particular, the quality of the strategy discussions at the London strategic meeting and the openness and responsiveness of the MB and SMT. This evaluation also included reflections on succession planning and the mix of SB skills, experience and expertise and the desire to bolster the SB to better reflect the Group's expanded geographical scope post-Westfield transaction by adding SB Members with active leadership or operational experience in real estate or retail in the US or the UK.

Furthermore, the following areas of improvement were identified and will continue to be a priority in 2020:
- continue focused discussions on the competitive and retail environment as well as industry and market trends with respect to the Group's strategic objectives;
- continue focused discussions on data and innovation and consumer behaviours and trends; and
- continue to improve communications to the SB and maximise the time spent in SB meetings to focus on key Group strategy items for 2020, such as development projects, investment and divestment operations and the Group's 5-year Business Plan, financial resources and borrowing requirements.

3.2.2.5 ADDITIONAL INFORMATION RELATED TO MANAGEMENT BOARD AND SUPERVISORY BOARD MEMBERS

STATEMENTS OF THE MEMBERS OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

NO CONVICTIONS OR OFFENCES

To the best of the Company's knowledge and based on their individual declaration, none of the SB or MB Members has, over the past five years:
- been convicted of fraud;
- been associated as an executive with a bankruptcy, receivership or liquidation;
- been found guilty of an offence and/or publicly and officially sanctioned by a statutory or regulatory authority.

DECLARATION OF REGISTERED STAPLED SHARES

As at December 31, 2019, the SB and MB Members declared in writing that all of the Company Stapled Shares they held were registered, in accordance with the provisions of Article L. 225-109 of the French Commercial Code and the Afep-Medef Code.

CONFLICTS OF INTEREST

NO CLOSE FAMILY RELATIONSHIPS

To the knowledge of the Company, there are no family ties between the SB or MB Members of the Company.

MANAGEMENT OF CONFLICTS OF INTEREST

To the knowledge of the Company, there are no conflicts of interest or potential conflicts of interest between the Company and the SB and/or MB Members with respect to their personal interests or their other obligations.

In order to ensure that each SB and MB Member acts with loyalty, independence and professionalism and in accordance with Article 11 of the SB Charter and Article 7 of the MB Charter (see Section 7.6 of this Universal Registration Document), each SB Member and MB Member must immediately report any potential conflicts of interest with the Company to the SB Chairman and to the other SB and MB Members, respectively, providing all information relevant to the conflict of interest. Such conflicted member must abstain from discussions and the decision-taking process on the subject or transaction in relation to which he/she has a conflict of interest.

Additionally, the SB and MB Members must seek prior SB approval before accepting any new mandates of any type, including in another company, in order for the SB to conduct, among other things, a conflict of interest and independence analysis.

The SB and the MB are also subject to the rules established in the Group's Code of Ethics and Anti-Corruption Program applicable to all Group employees (for more details, please see Section 3.4 of this Universal Registration Document).

INFORMATION ON RELATED PARTY AGREEMENTS

Within the meaning of Article L. 225-86 of the French Commercial Code, no agreements have been authorised by the SB over the year ending on December 31, 2019 and no previously approved agreements continued during the financial year.

This information is included in the special Statutory Auditors' report (see Section 5.8 of this Universal Registration Document).

PROCEDURE FOR THE IDENTIFICATION AND MONITORING OF RELATED PARTY AGREEMENTS AND COMMON AGREEMENTS AND CONDUCTED UNDER NORMAL CONDITIONS

In accordance with Article L. 225-87 of the French Commercial Code, the SB has adopted on December 10, 2019, upon the recommendation of the Audit Committee, a procedure for the identification and qualification (ex-ante) and monitoring (ex-post) of related party agreements or common agreements. After a reminder of the legal framework, this procedure formalises the various stages of verification ensuring an effective detection and monitoring of regulated party agreements and common agreements, its qualification by the Corporate Legal Department until its signing and, as the case may be, prior approval by the SB and approval by the General Meeting for related party agreements. This procedure was disclosed within the Group and is available on the Group Intranet website.

3.2.3 THE SENIOR MANAGEMENT TEAM

The Senior Management Team is the coordinating body for Unibail-Rodamco-Westfield SE and WFD Unibail-Rodamco N.V. responsible for the definition of their shared strategy and their business policy and for providing advice on key business decisions.

COMPOSITION OF THE SENIOR MANAGEMENT TEAM

As at December 31, 2019, the Senior Management Team is composed of eight members and chaired by Mr Christophe Cuvillier, Group CEO of Unibail-Rodamco-Westfield SE:

Members of the Senior Management Team	Main function
Mr Christophe Cuvillier	Group Chief Executive Officer
Mr Olivier Bossard	Group Chief Development Officer
Mr Michel Dessolain	Chief Operating Officer Europe
Mr Fabrice Mouchel	Group Finance Director and Chief Financial Officer Europe
Ms Astrid Panosyan	Group Chief Resources Officer
Mr Gerard Sieben	Chief Financial Officer of WFD Unibail-Rodamco N.V.
Mr Jaap Tonckens	Group Chief Financial Officer
Mr Jean-Marie Tritant	President US

ROLES OF THE SENIOR MANAGEMENT TEAM

The Senior Management Team has the following roles:

- advisory role for the MBs of Unibail-Rodamco-Westfield SE and WFD Unibail-Rodamco N.V. for the strategic management of the Group, maximizing of economies of scale and of convergence to reinforce the global processes, the coordination of the joint activities at the Group level, advice concerning the main strategic business decisions, participation in the elaboration of continental policies, facilitation of the sharing of best practices across the Group;
- co-decision-making powers together with the MBs of Unibail-Rodamco-Westfield SE and WFD Unibail-Rodamco N.V., notably for the Group's 5-year business plans, human resources policies as well as the definition and harmonisation of Group corporate policies;
- making proposal/taking the initiative for significant changes for the Group, any investment, divestment, expense, commitment, financing, guarantee or similar legal act, for an amount exceeding €300m, any decision in respect of amending or terminating the Stapled Share Principle as well as any decision related to financing, credit ratings and risk management policies.

3.3 MANAGEMENT AND SUPERVISORY BOARDS REMUNERATION

A WORD FROM THE REMUNERATION COMMITTEE CHAIR

Dear Shareholders,

Unibail-Rodamco-Westfield delivered solid 2019 results, with Adjusted Recurring Earnings Per Share (AREPS) achieved above the top of guidance, continued successful non-core asset disposals of €4.8 Bn[1], a low cost of debt, rebranding of flagship assets in Continental Europe and excellent performance against the ambitious Better Places 2030 CSR agenda.

After significant changes to the remuneration policy following the Westfield Transaction in 2018, in 2019, the Remuneration Committee (RC) has focused on targeted improvements and stabilising remuneration practices for the Management Board (MB) and Supervisory Board (SB).

The RC and SB are committed to in-depth engagement with a large number of shareholders. Throughout 2019, about 40 meetings or calls were held with shareholders and proxy advisors. This has provided the RC with useful insights on how to keep the SB and MB remuneration policies aligned with best governance standards and with shareholders' interests and expectations. I would like to thank all investors and advisers who engaged with us, we highly value your views and all feedback was fully debated by the committee.

Based on this feedback, as well as the long-term strategy of the Group, the RC has focused its efforts on the following decisions:

Assessment of the 2019 MB performance
The Group presented a solid performance in 2019, which, after stringent assessment by the RC, in particular on the delivery of cost and revenue synergies, resulted in a score of 85.9% of maximum Short-Term Incentive (STI) for the Group CEO and 84.9% for the Group CFO. Despite this strong performance, in light of recent share price developments, the Group CEO and CFO volunteered to the SB to reduce their overall payments to the same level as awarded for 2018. Upon the recommendation of the RC, the SB decided to accept their proposal (corresponding to 79.2% and 75.1% of maximum STI for the Group CEO and Group CFO, respectively).

Long-Term Incentive scheme
During 2019, the SB received feedback from several shareholders regarding the performance testing of our Stock Options (SO). To date the exercise of vested options was partly subject to the URW Total Shareholder Return (TSR) outperforming our reference index on the day of the exercise. This approach, which maintained a constant performance condition throughout the duration of the option, was considered by some shareholders as a form of 're-testing'.

In response, the SB, upon the recommendation of the RC, has decided to change the TSR performance condition test on the day of exercise into a single TSR test at the end of the three-year performance period. This design change will be implemented from the 2020 LTI award, with no change to the rest of the SO plan design.

2020 Long-Term Incentive grant
In line with shareholder feedback, the RC's mid-term aim is to re-balance the MB's remuneration more towards the long-term. To that end, the LTI grant size policy has been clarified. While the maximum possible grant remains at 180% of Fixed Income (FI), the RC is in the opinion that it would take exceptional circumstances to justify that sort of LTI quantum. Under normal circumstances, the RC expects the grant size to be 70% to 90% of FI.

In setting the 2020 LTI award, the RC took into account this 70% to 90% of FI guideline, its willingness to rebalance more to the long-term and the more demanding exercise condition described above. In the market conditions prevailing at the grant date, the RC decided to set the 2020 LTI award value at 70% of FI (unchanged from 2019, at the lower end of the target range). It was also decided to cap the number of SO granted in the LTI mix, despite their exercise price being 37% above share price at grant and their unusually low IFRS value.

(1) Disposed or agreed to be disposed between the closing of the Westfield Transaction and February 12th, 2020 .

Implementation of the EU Shareholder Rights Directive
Finally, significant time was spent on reviewing the implications of the new European Shareholder Rights Directive, its interpretation by the Afep-Medef and its implementation in French law. As from 2020, our shareholders will be required to express their support for our SB and MB remuneration through seven binding votes:

- An ex-post vote for the overall remuneration report. The remuneration of the SB in 2020 is conditioned to shareholder approval of this report;
- Three ex-post votes, respectively for the SB Chairman and both MB Members. The payment of MB Members' STIs in respect of 2019 is subject to your approval of their individual remuneration in 2019; and
- Three ex-ante votes on the remuneration policy for the SB Chairman, the SB members and committees and the MB.

On behalf of the SB, I express our confidence in our SB and MB remuneration policies, which we believe are well-aligned with both Group strategy and shareholders' interests, and the rigour applied to their implementation in 2019.

On a personal note, after 12 years as a member of the SB, I will not stand for re-election at the 2020 General Meeting as I would no longer be considered independent as per the Afep-Medef Code. Roderick Munsters will be succeeding me in the capacity of RC Chairman, and Jacques Stern will succeed me as SB Vice-Chairman. I would like to express my gratitude to shareholders, the Management and Supervisory Boards for their support throughout. It has been a privilege to serve on URW's SB.

We look forward to receiving your support at the 2020 General Meeting.

Yours faithfully,

Mary Harris
Remuneration Committee Chair

3.3.1 REMUNERATION POLICY

3.3.1.1 MANAGEMENT BOARD REMUNERATION POLICY

The following remuneration policy applicable to the Management Board (MB) Members will be submitted for shareholder approval (resolutions n°9 and n°10)[1]. The 2019 remuneration policy approved at the 2019 Annual General Meeting (AGM) remains applicable until then.

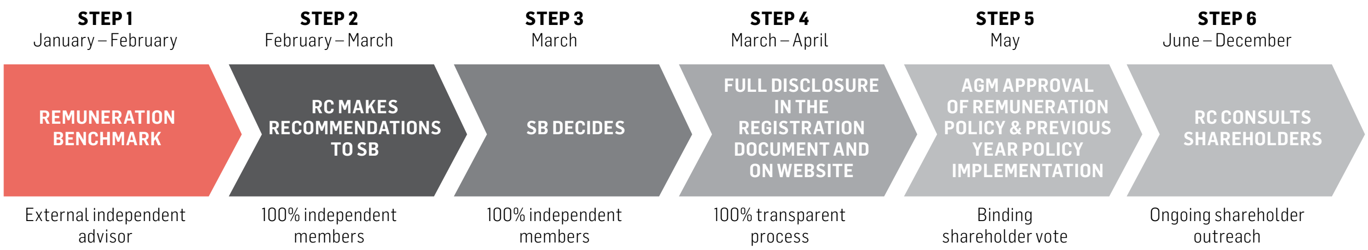
GOVERNANCE AND DECISION MAKING PROCESS

The remuneration of the MB Members is determined by the Supervisory Board (SB), upon recommendation of the Remuneration Committee (RC), and in accordance with the Afep-Medef Code as revised in June 2018[2].

The SB designs the Group remuneration policy in line with the best market practices and shareholder interests. This policy ensures the alignment of the MB with shareholders and with Group strategy by:

(i) targeting competitive remuneration levels;
(ii) creating a direct and explicit link between Group performance and each MB Member's remuneration; and
(iii) ensuring a balanced approach between short- and medium/long-term performance.

Our decision making process is driven by the RC which ensures transparency and independence:



(1) Pursuant to the Article L. 225-82-2 of the French Commercial Code, as amended by the government ordinance dated November 27, 2019, implementing the Shareholder's Rights Directive II.
(2) An amended Afep-Medef Code has been published in January 2020 but is applicable as from 2021 only.

The remuneration policy of MB Members relies on:

5 OBJECTIVES

ATTRACT	MOTIVATE	RETAIN	REWARD	ALIGN
Attract high-potential candidates to boost the management team	Motivate to deliver on challenging short- and long-term objectives	Retain to maintain a highly-experienced and collaborative MB	Reward to achieve individual and collective objectives, and to make decisions that contribute to the Group's value creation and long-term success	Align the MB Member's interests with those of shareholders and other stakeholders

5 GUIDING PRINCIPLES

BEST REMUNERATION GOVERNANCE STANDARDS	COMPREHENSIVE REMUNERATION ASSESSMENT	PAY FOR PERFORMANCE	TRANSPARENCY	INDEPENDENT EXTERNAL BENCHMARKING
The SB and RC commit to the highest standards of remuneration governance, and constantly strive to take account of the latest recommendations from national and international authorities as well as voting policies of shareholders and proxy advisors	MB Members have each component of their remuneration reviewed individually and collectively	Individual and Company performance-related remuneration is the cornerstone of the Remuneration Policy. It ensures the alignment of MB Members' interests with the long-term value creation objectives of the Group and its shareholders	The SB conducts significant outreach and engagement with shareholders and proxy advisors with respect to the remuneration policy. Continued efforts are made to explain and get feedback	A comparative analysis is conducted at the start of every mandate (or whenever a specific review is needed) by an external independent advisor. The latest review was performed in 2018, pursuant to the Westfield Transaction. It took into account the best governance practices and remuneration levels in 5 peer groups relevant to the new size and geographical scope of the Group

In particular, the rules below are strictly enforced by the SB:

Included

- ✓ Reasonable and balanced remuneration based on benchmarks provided by an external independent advisor
- ✓ Cap on Short-Term Incentives (STI)
- ✓ Cap on overall Long-Term Incentives (LTI) allocation
- ✓ Same LTI scheme for employees and MB
- ✓ 3-year vesting for Performance Shares
- ✓ 3-year vesting for Performance Stock Options
- ✓ Stringent performance conditions over a 3-year performance period
- ✓ CSR related performance measures in STI and LTI
- ✓ Obligation to retain shares
- ✓ Obligation to invest in shares
- ✓ Clawback & Malus provisions

Excluded

- × No welcome bonus
- × No exceptional remuneration
- × No employment contract
- × No Service Agreement
- × No additional defined benefit pension ("retraite chapeau")
- × No intra-Group Board fees
- × No contractual severance package
- × No contractual non-compete indemnity
- × No discount on Performance Stock Options subscription price
- × No profit-sharing scheme
- × No reward for underperformance

SUMMARY OF MAIN REMUNERATION FEATURES FOR 2020

The table below summarizes the MB remuneration policy applicable in 2020, subject to AGM approval. The 2020 remuneration policy is unchanged in quantum and principles from the 2019 one, which was approved at the 2019 AGM by 72.79% and 77.27% of shareholder votes respectively for the Group CEO and Group CFO. There is only one design change, relative to the TSR performance-testing of Stock Options following shareholder engagement and feedback (for more details, please refer to section 3.3.4).

<table>
<tr><th>Elements</th><th>Purpose and Link to Strategy</th><th>Operation</th><th>Group CEO</th><th>Group CFO</th></tr>
<tr><td>Fixed Income (FI)</td><td>Attract high-calibre experienced individuals with a competitive remuneration level that reflects the scope, complexity and dynamics of the business.</td><td>Set at the start of each 4-year mandate.</td><td>€1,250,000</td><td>€800,000</td></tr>
<tr><td>Short-Term Incentive (STI)</td><td>Drive short-term strategy and reward achievement of annual financial and operational objectives.</td><td>Quantitative component: linked to the Group's financial performance.
• Adjusted Recurring Earnings per Share (AREPS): stretch target at top bracket of the Group's yearly guidance.
• Key Strategic Goals: revenue synergies, net debt reduction and disposals.
Qualitative component: individual objectives pre-defined annually by the SB.</td><td>Maximum
200% of FI:
80% quantitative
20% qualitative</td><td>Maximum
150% of FI:
70% quantitative
30% qualitative</td></tr>
<tr><td>Long-Term Incentive (LTI)</td><td>Retain and align with the medium/long-term value creation objectives of the Group and its shareholders.</td><td><table><tr><th>KPIs</th><th>50% External</th><th>50% Internal</th></tr><tr><td>90% Financial</td><td>45% TSR</td><td>45% AREPS</td></tr><tr><td>10% CSR</td><td>5% CSR rating</td><td>5% CSR goals</td></tr></table></td><td colspan="2">• Target range: 70% to 90% of FI (IFRS value)
• Maximum grant value: 180% of FI
• 3-year performance period
• Presence condition: continuous presence of 2 years preceding vesting or exercise</td></tr>
<tr><td>Supplementary Contribution Scheme</td><td rowspan="2">Provide access to a benefits scheme.</td><td>Annual contribution paid into a blocked savings account.</td><td>€90,000
+10% of (FI+STI)</td><td>€45,000
+10% of (FI+STI)</td></tr>
<tr><td>Other benefits</td><td>Health and life insurance, unemployment insurance, international assignment extra-compensation, company car and company savings plan (no top-up contribution).</td><td>approx. €25,000</td><td>approx. €50,000</td></tr>
<tr><td>Shareholding obligation</td><td>Further align the MB and the shareholder interests.</td><td>Retain 30% of capital gains (net of tax) of SO exercised and PS vested until target % of FI is held.</td><td>300% of FI</td><td>200% of FI</td></tr>
<tr><td>Clawback/Malus</td><td>Enforce the URW Code of Ethics</td><td colspan="3">To the extent permitted by applicable law, in the event of gross misconduct or fraud causing a material adverse impact to the Group, in particular resulting in a financial restatement, the SB reserves the right to reduce or cancel unvested LTI or STI amounts (malus), seek reimbursement of paid STI or vested LTI, or obtain damages (clawback).</td></tr>
</table>

FIXED INCOME (FI)

The FI is determined at the start of each mandate, and, in line with the recommendations of the Afep-Medef Code, shall remain unchanged during an MB Member's mandate. By exception, increases during a mandate may occur as a result of an enlarged scope of responsibilities or significant changes in the Group or the market.

The FI is determined taking into consideration:
(i) The level and complexity of the role;
(ii) The profile, experience and career within the Group or elsewhere;
(iii) The comparative remuneration analyses for similar functions and responsibilities based on external benchmarks.

In order to set the remuneration at the right level, the SB and the RC seek guidance from an external independent advisor to benchmark market practices and apply the best governance standards. URW's ability to attract, motivate and retain world-class talent through competitive remuneration levels is key to ensure strong Group performance.

Given the unique features of the Group among CAC40 and European real estate companies and its extended geographical scope, including the US and the UK markets, the external independent advisor, Willis Towers Watson (WTW), used in 2018 a blended benchmarking approach based on the following five peer groups:

- France General Industry (CAC40)
- Selected European Real Estate
- Selected UK General Industry
- Selected US Real Estate
- Selected US General Industry (for information only)

For more details on the peer group components, please refer to the glossary.

3.

The FI of the Group CEO and the Group CFO remain unchanged for 2020, as follows:

Function	MB Member	Fixed Income[1] 2019	**Fixed Income[1] 2020**
Group CEO	Mr Christophe Cuvillier	€1,250,000	€1,250,000
Group CFO	Mr Jaap Tonckens	€800,000	€800,000

(1) Before income tax and social security charges

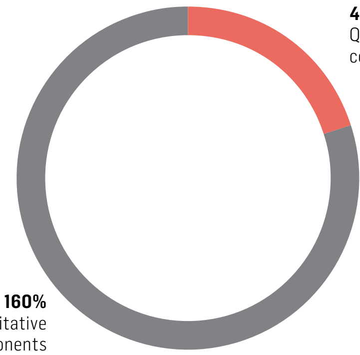
SHORT-TERM INCENTIVE (STI)

The payment of the STI of MB Members is subject to prior approval by the AGM (ex-post vote-resolutions n°5 and n°6).[1]

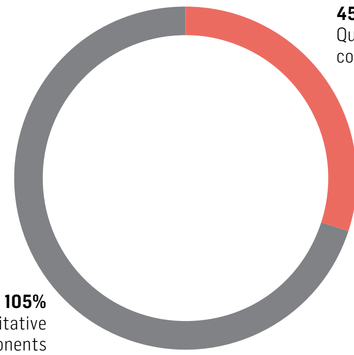
STRUCTURE

The structure of the STI for the Group CEO and the Group CFO remains unchanged for 2020. The STI is capped at 200% of FI for the Group CEO and 150% for the Group CFO, with quantitative and qualitative components detailed below:

GROUP CEO
STI maximum potential award
200% of FI



GROUP CFO
STI maximum potential award
150% of FI



PERFORMANCE CRITERIA APPLICABLE TO THE STI

The table below summarises the approach which will be taken by the RC, then the SB, to assess the 2020 performance of MB members. The RC and SB will take account of results delivered vs. budgets and plans according to agreed payout formulae. However, the SB, upon recommendation of the RC, may make use of its discretion in determining or adjusting the STI pay-out if unforeseeable circumstances (such as the very specific and unstable Covid-19 crisis context) had significant effects on the level of achievement of one or more performance criteria, outside management control. This provision will allow the SB to ensure the adequacy between the implementation of the remuneration policy and the performance of the MB member and of the Group. Any exercise of discretion by the SB shall be disclosed, explained and justified in regard, amongst other considerations, of alignment with shareholders' interests, and would remain subject to a binding shareholder vote at the following AGM.

Performance Indicator		Description	Weighting of Performance Indicators Group CEO (% of FI)	Group CFO (% of FI)
Quantitative	AREPS	Payment linked to the achievement in AREPS vs. the guidance provided to shareholders. 100% achievement (stretch target) is met when AREPS for the year reaches the top of the Group's yearly guidance.	128%	84%
	Key Strategic Goals	**Revenue synergies:** payment linked to the achievements in the Commercial Partnerships Net Margin in Continental Europe vs. the 2020 budget. The overall score will also be assessed on the quality and type of Commercial Partnerships.	8%	5.25%
		Net debt reduction: payment linked to the achievement in the reduction in Net Debt against the 2020 budget. The overall score will also be assessed on the types of actions taken by the MB to achieve these objectives as well as the market context.	8%	5.25%
		Disposals: payment linked to the achievement in the disposals vs. budget. The overall score will also be assessed on the appropriateness of the transactions in terms of type of assets and speed of execution.	16%	10.5%
Qualitative		Determined according to the attainment of several individual key objectives, approved by the SB, upon recommendation of the RC. They are established around two themes: • Business Objectives, • People and Personal Development Objectives. MB Members have objectives that vary from year to year. Each MB Member has at least one objective related to CSR, Diversity & Inclusion, Development, and Innovation & Digital. These objectives are precise, quantified and specific. The target attainment level of each objective is 80%. Qualitative objectives are commercially sensitive and are therefore disclosed retrospectively.	40%	45%
STI Maximum potential award			**200%**	**150%**

(1) Pursuant to the provisions of Article L. 225-100 III of the French Commercial Code.

LONG-TERM INCENTIVE (LTI)

The SB considers that long-term remuneration in the form of Performance Shares (PS) and Performance Stock Options (SO) is particularly appropriate as these instruments align the MB Members' interests with that of the shareholders. The SB defines the ratio of SO and PS granted. The LTI plan is a key component of the Group remuneration policy and an effective incentive and retention tool. It is applicable under the same terms and conditions to MB Members and to employees of the Group representing a target around 480 participants in 2020 (i.e. c.13% of total staff).

PRINCIPLES

Each year, the SB, upon recommendation of the RC, determines the LTI envelope taking numerous factors into account, including (i) the Group's general financial performance, (ii) the overall performance of MB Members, (iii) the other remuneration components and (iv) the amount of LTI granted the previous year.

The vesting is calculated according to the plan rules described below. However, the SB, upon recommendation of the RC, may make use of its discretion in adjusting downwards the LTI grants, determining or adjusting LTI targets or vesting if unforeseeable circumstances (such as the very specific and unstable COVID-19 crisis context) had significant effects on the level of achievement of one or more performance criteria, outside management control. This provision will allow the SB to ensure the adequacy between the implementation of the remuneration policy and the performance of the Group. Any exercise of discretion by the SB shall be disclosed, explained and justified in regard, amongst other considerations, of alignment with shareholders' interests.

PS and SO are both subject to presence and performance conditions with a 3-year vesting period. In addition, MB Members have a retention and investment obligation in Stapled Shares.

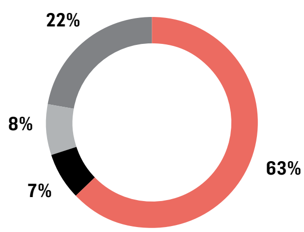
Main features of the LTI structure (applicable to both SO and PS unless specified)

Element		Description	Comments
Value		Target range: 70% to 90% of FI (IFRS value) Maximum: 180% of FI	The Group CEO grant value was 70% of FI in 2019 and 150% of FI in 2018 (70% plus 80% of special LTI conditioned on the successful integration of Westfield). No minimum guaranteed.
Performance and vesting period		3 years	Applies to all plan participants with a single performance testing on vesting date.
Performance condition	External	45% TSR, 5% CSR	• No reward for underperformance. • To align interests, the same performance conditions apply to all plan participants. • See detailed description of performance conditions below.
	Internal	45% AREPS, 5% CSR	
Exercise period (SO only)		5 years	Options are exercisable between the 3rd and the 8th anniversary of the grant, provided performance conditions have been met at the end of the performance period.
Presence condition		24 months of continuous presence prior to vesting (PS) or exercise (SO)	
Share retention obligation		30% of vested shares 30% of net SO gain at exercise	Retention obligation applies up to a Stapled Share ownership equivalent to 300% of FI for the Group CEO and 200% for the Group CFO, until the end of their last mandate as MB Member. See further details below.
Additional notes		No discount on SO exercise price	
		Compliant with Afep-Medef Code for CSR objectives	

Performance conditions applicable to PS and SO in 2020

KPI's	50% External Performance conditions	50% Internal Performance conditions
90% Financial	**45% TSR:** vesting is conditioned to the Stapled Share TSR outperforming the Reference Index, designed to reflect URW's unique geographical footprint and diversity of assets.	**45% AREPS:** vesting is calculated based on AREPS compounded growth over the reference period, to measure URW's long-term profit growth (compared to the compounded annual guidance ranges communicated to investors), with progressive vesting:
10% CSR	**5% CSR rating:** URW ranking vs sector peers by ISS-ESG over 3-year vesting period.	**5% CSR goals:** Overall achievement rate of the Better Places 2030 plan Group-wide, assessed by the SB over the vesting period. Progressive vesting straight-lined between 0% and 100%.

Reference Index composition



Eurozone retail
FR office
UK retail
US retail

See Glossary for details of index member companies.

Below guidance	0%
At threshold of compounded guidance	30%
Between threshold and high end	30% to 100%
At or above high end of compounded guidance	100%

Not "PRIME" in any year	0%
"PRIME" in 1 year out of 3	33%
"PRIME" in 2 years out of 3	66%
"PRIME" in 3 years out of 3	100%

As from 2019, to reflect the Group's ongoing commitment to sustainability, CSR related performance conditions have been added to the existing performance conditions, applicable to both PS and SO, and taking into account internal and external performance.

The internal component of the CSR related performance conditions corresponds to the achievement of the Better Places 2030 strategy and will be assessed by the SB.

The external CSR component has been selected after an extensive analysis of the potential reference indices to find the most relevant and appropriately challenging KPI. The ISS-ESG rating was chosen for the following reasons:

- it is recognised by investors and experts as a strong and credible ESG rating;
- it allows for relative ranking within the international real estate sector;
- it is based on both a qualitative & quantitative approach;
- it has high transparency on its rating & scoring methodology.

The "Prime" threshold is awarded to companies achieving the best ESG scores among their sector peers. The threshold is defined based on an "absolute best-in-class approach". "Prime" companies rank among the sustainability leaders in that industry[1]. Remaining "Prime" implies keeping up with the progress on ESG metrics compared to all other peer companies.

SHARE RETENTION AND INVESTMENT OBLIGATIONS

In order to align the interests of shareholders and MB Members and pursuant to an SB decision (in line with the Afep-Medef Code), MB Members must meet retention and investment requirements in Stapled Shares[2]:

- Obligation to retain Stapled Shares:
  - MB Members must maintain a personal investment in Stapled Shares, equivalent to 30% of the capital gain (net of tax) on the date of exercise of the SO granted, until the end of their last mandate as MB Members;
  - MB Members must retain 30% of the PS vested (after expiry of the holding period where applicable), as a personal investment, until the end of their last mandate as MB Members;
  - this retention obligation applies up to a value equivalent to 300% of the gross annual FI for the Group CEO and 200% for the Group CFO.

(1) Of more than 7,000 issuers scored by ISS-ESG, only 609 achieve Prime status (source: ISS-ESG).
(2) Set on October 10, 2007 for SO and March 5, 2012 for PS by an SB decision pursuant to Article L. 225-185 of the French Commercial Code.

As at December 31, 2019, the MB Members held the following number of Stapled Shares:

MB Member	Number of shares	Value at 31/12/19[(1)]	% of Fixed Income	Obligation met
Christophe Cuvillier	107,686	15,146,036	1,212%	Yes
Jaap Tonckens	13,943	1,961,083	245%	Yes

As evidenced in the table above, the MB Members have a significant personal investment in the Group, well above the minimum required shareholding obligations. This is indeed a strong assurance that MB Members' interests are aligned with those of shareholders.

- Obligation to invest in Stapled Shares:
  - in compliance with the Afep-Medef Code, MB Members must acquire one Stapled Share for every two PS vested (after the expiry of the holding period where applicable);
  - this rule is however suspended when the MB Member owns or comes to own a number of Stapled Shares equivalent to at least 50% of their gross annual FI in any given year;
  - MB Members are strictly prohibited from using hedging instruments to cover the risk on Stapled Shares owned as a result of receiving PS or of exercising SO.

SUPPLEMENTARY CONTRIBUTION SCHEME (SCS)

The SCS consists of an annual contribution paid into a blocked savings account only available to MB Members at the end of their last mandate.

Supplementary Contribution Scheme

Group CEO	• a fixed amount of €90,000; and • a variable amount of 10% of the total cash remuneration earned each year (i.e. FI for year N plus STI for year N-1).
Group CFO	• a fixed amount of €45,000; and • a variable amount of 10% of the total cash remuneration earned each year (i.e. FI for year N plus STI for year N-1).

OTHER BENEFITS

The MB Members benefit from:

- the Group health and life insurance;
- an unemployment insurance (GSC type);
- an expatriate health insurance and an International Assignment Extra-compensation, where applicable, for Non-French tax resident MB Members only;
- the company savings plan (without the benefit of the top-up contribution offered to employee participants); and
- a company car (hybrid or electric vehicles only).

CLAWBACK/MALUS

To align the Group's policies with the highest standards of corporate governance, its Code of Ethics reserves the right of action (including reimbursement or damages) with respect to MB Members to the extent permitted by applicable law, in the event of gross misconduct or fraud causing a material adverse impact to the Group, in particular resulting in a financial restatement.

Additionally, in such a situation, the SB, upon recommendation of the RC, would assess the relevant MB Member's performance and take appropriate action on the annual STI payment and on the LTI, including cancelling all rights to any unvested SO and PS for such MB Member (malus).

(1) Closing share price on 31/12/2019: €140.65.

3.3.1.2 SUPERVISORY BOARD MEMBERS REMUNERATION POLICY

The following remuneration policy applicable to the SB Members will be submitted to the approval of the shareholders (resolution n°11)[1]. The 2020 remuneration policy described below will take effect subject to shareholder approval. The 2019 remuneration policy approved at the 2019 AGM remains applicable until then.

GOVERNANCE AND DECISION-MAKING PROCESS

The annual remuneration of the SB Members is intended to attract and retain high-calibre individuals with the right degree of expertise and experience. Typically, this includes having been at some point a member of the executive team of a company at least similar in size to URW. The SB remuneration policy is determined by the SB, upon recommendation of the RC and, in the case of the SB Chair's remuneration, in his absence.

The annual remuneration of SB Members is designed to only be reviewed, under RC supervision, at long intervals. It may be reviewed in the event of significant changes in the Group or the market. In order to ensure a reasonable remuneration while attracting and maintaining diverse and international members, an analysis is conducted by an external independent advisor. This analysis compares the remuneration of independent directors and Chairs in the home countries of the SB Members as well as in countries where they have extensive experience (France, the Netherlands, Germany, UK and the US).

While attendance is mandatory for the SB Chair, SB Member attendance is also essential to the proper functioning of the SB and its Committees. Accordingly, a significant portion (67%) of the annual remuneration received by the other SB Members is based on attendance at both SB and Committee Meetings.

Furthermore, a "Physical Presence Rule" applies to this variable portion. Attendance by phone should not occur for more than 30% of scheduled meetings. The SB Members will not be paid the attendance-based portion for those meetings attended by phone above this threshold.

To account for the time spent on international travel, all SB Members also receive an out-of-country indemnity for time spent on their duties as SB Members outside their country of residence.

In order to ensure a high standard of supervision and monitoring of the Group strategy as well as to avoid any potential conflict of interest, the SB Members are prohibited from receiving any remuneration related to Group performance.

To promote alignment between SB Members and shareholder interests, all SB Members are required to hold, within two years of appointment, a number of Stapled Shares at least equal to one year of remuneration.

In 2019, in light of the challenges met in recruiting US-based SB Members, the SB, led by the RC, adjusted the out-of-country indemnities for inter-continental travel from €3,000/€5,000 to €6,000, as outlined in the table below. This is the only modification in the SB remuneration policy from the prior year. All other components remain strictly identical. The overall SB remuneration envelope and SB remuneration structure remain unchanged and the SB Chairman and other SB Member remuneration remain lower than their median respective benchmark in most European countries and in the US.

(1) Pursuant to the French Government Ordinance dated November 27, 2019 implementing the Shareholder's Rights Directive II.

REMUNERATION COMPONENTS

		SB Member remuneration policy for 2020 onwards[1]	
SB Chair Basic Annual remuneration		€225,000	
Other SB Member Basic Annual remuneration		€75,000	
		Fixed (33%) €25,000	*Attendance-based (67%) €50,000*
Additional SB Vice-Chair remuneration		€18,000	
Additional AC remuneration	Chairman	€20,000	
	Member	€18,000	
		Fixed (33%) €6,000	*Attendance-based (67%) €12,000*
Additional GNC or RC remuneration	Chairman	€10,000	
	Member	€9,000	
		Fixed (33%) €3,000	*Attendance-based (67%) €6,000*
Out of Country Indemnity	European travel	€1,500 per event	
	Inter-continental travel	€6,000 per event	
Ad hoc meetings and other additional special task pursuant to SB request	By call	€1,000	
	Physical	€1,500	
Short-Term Incentive		None	
Long-Term Incentive or any remuneration related to Group performance		None	
Exceptional remuneration		None	
Welcome bonus		None	
Contractual severance package		None	
Contractual non-compete indemnity		None	
Pension		None	
Other benefits		None	

(1) Before income tax and social security charges.

Since being approved by 98.13% of shareholder votes on May 17, 2019, the SB remuneration envelope remains unchanged at €1.4 *Mn*, in addition to the SB Chairman remuneration.

3.

3.3.2 CORPORATE OFFICERS REMUNERATION REPORT

Pursuant to the French government ordinance implementing the Shareholder's Rights Directive II, this report on the remuneration of the corporate officers will be submitted to the AGM to be held on May 15, 2020 (resolution n°8). As per the amended article L. 225-100 II of the French Commercial Code, the payment of remuneration to the SB Members in 2020 is subject to this resolution being approved.

This report also provides all details on resolutions n°5 to n°7 to be submitted for separate approval. As per the amended article L. 225-100 III of the French Commercial Code, the payment of the STI for 2019 of the Group CEO and the Group CFO is subject, respectively, to resolutions n°5 and n°6 being approved.

This remuneration report consists of two sections:
- the information to be disclosed pursuant to article L. 225-37-3 of the French Commercial Code (when not directly included in the 2019 Say-on-Pay); and
- the 2019 remuneration of the MB and SB Members resulting from the strict implementation of the approved remuneration policy; these remunerations will be subject to a specific binding vote at the 2020 General Meeting.

The RC's focus is to align pay with performance, while ensuring that we continue to attract and retain the talent key to delivering our strategy. Its primary aim is to reward sustainable performance aligned with shareholder interests. The RC appreciates the shareholder support on the remuneration policy at the last AGM and feedback on expected improvements. Further to the votes on the remuneration policy and MB Say-on-Pay for 2018, as well as in anticipation of the Shareholders Rights Directive II implementation, the RC spent considerable time engaging with a large number of shareholders and proxy voting agencies.

In line with the current remuneration policy approved by the shareholders at the 2019 AGM, the RC considered the MB Members' performance against the financial and strategic non-financial performance measures which had been set to reflect the Group's priorities for 2019. Separately, performance against each MB Member's personal objectives was assessed on an individual basis. The RC determined the outcomes of the 2019 STI and the value of the LTI awards, ensuring that they are appropriately balanced.

The RC reviewed the updated Afep-Medef Code and is pleased to confirm that the Group's remuneration policy is in full compliance with all recommendations.

In line with French regulations, this remuneration report will be submitted to the 2020 AGM for shareholder approval[(1)].

3.3.2.1 INFORMATION TO BE DISCLOSED PURSUANT TO ARTICLE L. 225-37-3 OF THE FRENCH COMMERCIAL CODE

COMPLIANCE WITH THE REMUNERATION POLICY IN 2019

The implementation of the approved remuneration policy is monitored by the SB with the assistance of the RC. In 2019, the remuneration policy was fully implemented with no deviation or exception, as summarised in the table below:

		Group CEO		Group CFO	
		Maximum	Actual	Maximum	Actual
Variable pay Maxima respected	Annual 2019 STI payout[(2)] (% of FI)	200.0%	158.4%	150.0%	112.7%
	LTI 2019 grant value (% of FI)	180.0%	70.0%	180.0%	70.0%
Principles respected	Actual 2019 STI calculated according to KPIs presented at 2019 AGM	Yes			
	LTI vesting calculated according to vesting formula	Yes			
	LTI 2019 performance criteria in line with 2018 Registration Document principles	Yes			
	Fixed Income unchanged since start of each MB Member's term	Yes			
	Supplementary Contribution Scheme (SCS) 2019 paid according to defined formula	Yes			
	Benefits 2019 paid in line with benefit policies	Yes			
	No commitment to welcome payment or post-mandate payment taken[(3)]	Yes			
	No exceptional remuneration	Yes			
	MB Member shareholding requirement met	Yes			

(1) Further details can be found in the 2020 AGM notice
(2) To be paid upon shareholder approval.
(3) i.e. contractual severance package, contractual non-compete indemnity, additional defined benefit pension scheme "*retraite chapeau*".

EXCEPTIONAL EVENTS

In accordance with article L. 225-37-3 of the French Commercial Code, the SB confirms that none of the following events happened in 2019.

Application of Clawback/malus	No
New MB Member	No
Change in MB Members' responsibilities	No
Anticipated revision of the MB Member remuneration	No

GENDER EQUITY AMONG THE SUPERVISORY BOARD

The composition of the SB reflects the Group commitment to promote gender equity. The 50 male / 50 female ratio complies with the 40% requirement set by article L. 225-18-1 of the French Commercial Code. The provisions of the article L. 225-45 (2°) of the French Commercial Code have therefore not been applied. See also further details in section 3.2.2.

SHAREHOLDER ENGAGEMENT

The SB is committed to active shareholder engagement. Extensive and proactive consultation with shareholders on the remuneration policy has been a long-standing practice.

Following the 2019 General Meeting and based on the direct feedback and consultation during this period, the SB committed to a review of one element of the SO plans applicable to grants made from January 1, 2020. This review, conducted under the supervision of the RC, focused on the exercise conditions for the portion of the SO subject to the TSR performance condition, to review any mechanism that could be considered by some as a "re-testing" mechanism.

The RC conducted a comprehensive study with the assistance of an external independent advisor between July and November 2019 to review and analyse potential adjustments. The SB held one additional *ad hoc* meeting to consider the RC's final recommendations. In conducting this review, the RC and SB considered alignment with shareholders, cost to URW SE, neutrality to the participant, potential dilutive impact and URW SE compensation philosophy and strategy.

Following the recommendation of the RC, the SB agreed to change the TSR performance condition for SO: instead of being tested upon exercise, which could have been considered as a form of 're-testing', the condition will be solely tested once on the SO vesting date, i.e. on the third anniversary of the grant (for further details, please refer to see section 3.3.4).

REMUNERATION RATIOS AND PERFORMANCE EVOLUTION

The table below sets out the 5-year history of the ratio between the total remuneration of each MB Member and that of the remuneration of French employees[1]. Due to the very limited headcount of URW SE[2], calculations have been made over the employees of the fully owned French entities of the URW Group, for a total of 456 employees on 31 December 2019.[3]

All figures in EUR unless specified		2015	2016	2017	2018	2019
Group CEO	Group CEO total remuneration	€2,457,809	€2,880,354	€2,971,676	€4,166,209	€4,129,005
	Multiple of average remuneration	29.5	33.8	35.6	41.1	39.5
	Multiple of median remuneration	42.1	47.4	47.9	63.7	60.2
Group CFO	Group CFO total remuneration	€1,406,628	€1,473,875	€1,559,670	€2,390,107	€2,312,156
	Multiple of average remuneration	16.9	17.3	18.7	23.6	22.1
	Multiple of median remuneration	24.1	24.3	25.1	36.5	33.7
Company remuneration	Average	€83,417	€85,306	€83,578	€101,481	€104,409
	Median	€58,401	€60,773	€62,078	€65,431	€68,534
URW performance in million EUR	Net Rental Income	€1,452.8	€1,528.5	€1,582.6	€2,161.0	€2,491.2
	Adjusted Recurring Earnings	€1,030.4	€1,114.2	€1,202.1	€1,581.6	€1,711.6

(1) Pursuant to the new article L. 225-37-3 of the French Commercial Code and the corresponding Afep-Medef guidelines.
(2) URW SE has less than 0.5% of all Group employees in France. The ratio obtained on this very limited scope is therefore not statistically relevant. When calculated strictly on URW SE, the ratios would have been for the years 2015 to 2019, respectively:
– For the Group CEO: 46.7, 53.0, 53.7, 70.9 and 69.2
– For the Group CFO: 26.7, 27.1, 28.2, 40.7 and 38.7
Given the small size of the URW SE headcount, median and average ratios are the same.
(3) After eliminating all non like-for-like employees over two years.

In 2018, the integration of Westfield had a number of consequences:

- Increase in the remuneration of both MB Members reflecting the significantly larger business size (as reflected in the NRI and Adjusted Recurring Earnings information provided) and the enlarged geographical scope of the Group;
- Similarly, the remuneration of a number of senior employees with Group-wide responsibilities was adjusted to reflect their enlarged scope of responsibilities, resulting in an increase in the average remuneration between 2017 and 2018.

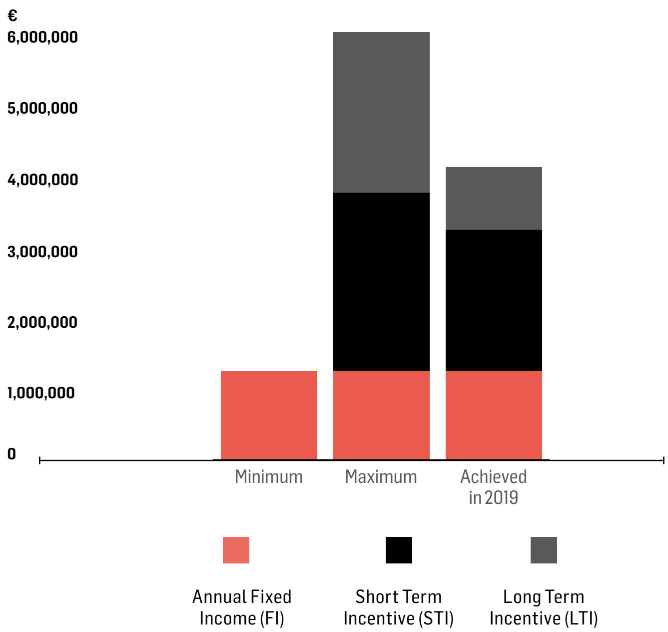
3.3.2.2 CORPORATE OFFICERS REMUNERATION IN 2019

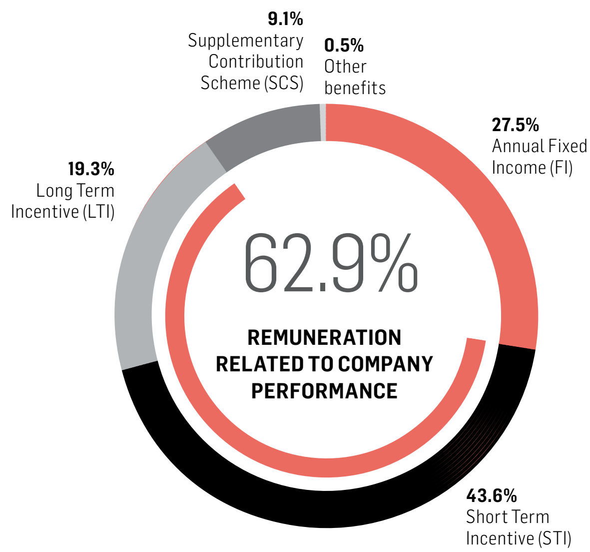
The following remuneration elements paid or granted in 2019 are submitted for approval to the shareholders through a binding vote.[1]

3.3.2.2.1 MANAGEMENT BOARD REMUNERATION

The following remuneration elements, paid during, or granted for 2019 to the Group CEO and the Group CFO, are submitted for approval to the shareholders through a binding vote. These remuneration elements include those paid by URW SE and all its affiliates for, respectively, the Group CEO and the Group CFO mandates. The payment of the STI of the MB Members will be conditioned to shareholder approval at the 2020 AGM (resolutions n°5 and n°6).

MR CHRISTOPHE CUVILLIER, GROUP CHIEF EXECUTIVE OFFICER (GROUP CEO) AND CHAIRMAN OF THE MANAGEMENT BOARD





Figures may not add up due to rounding.

Elements of remuneration	Amounts or countable valuations granted for 2019 financial year	Comments
Annual Fixed Income - FI (Paid in respect of the 2019 financial year) *See Section 3.3.1.1 for details*	€1,250,000	The Gross FI was determined by the SB on March 5, 2018, upon the recommendation of the RC, based on benchmarks provided by an external independent advisor. It was set at €1,250,000 for the whole duration of the four year-mandate. For more information on the methodology and the peer groups used to determine the FI, please refer to section 3.3.1.1.

(1) Pursuant to the new Article L. 225-100 II and III of the French Commercial Code, as amended by government ordinance dated November 27, 2019 implementing the Shareholder's Rights Directive II.

Elements of remuneration	Amounts or countable valuations granted for 2019 financial year	Comments
Short-Term Incentive - STI (Paid in respect of the 2019 financial year) *See Section 3.3.1.1 for details*	€1,979,388	

STI component		Weight	Strech target (for 100% achievement	Achieved 2019	% Achieved	% Payout	2019 Payout (€)
Quantitative	AREPS	64%	€12.0	€12.03	100.25%	100.25%	€1,604,000
	Revenue synergies	8%	€17.1 Mn	€11.1 Mn	64.91%	0.00%(1)	€0
	Disposals	8%	See assessment details below			75.00%(2)	€150,000
	Total quantitative	80%				87.70%	€1,882,188
	Total (capped at 100%)	80%				87.70%	€1,882,188
Qualitative		20%			78.50%	78.50%(3)	€392,500
Total STI		100%				85.86%	€2,146,500
Total STI after overall reduction						**79.18%**	**€1,979,388**

(1) Every euro above target counts double, with achievement capped at 140%. No payout below 80% achievement.
(2) Overall assessment by the RC and the SB.
(3) As assessed by the RC and the SB.

The gross STI was determined by the SB on March 9, 2020, upon the recommendation of the RC, and is before income tax and social security charges.

The quantitative component (80% of the maximum STI) takes into account three factors:

- **AREPS:** reported result was €12.37. The RC adjusted it for the impact of foreign exchange, IFRS 16 and delays in planned disposals. After adjustment, AREPS was €12.03 vs. the stretch target of €12.00 (top of guidance given to shareholders in February 2019), a 100.25% achievement;
- **Synergies:** after due consideration, and despite significant synergies delivered since the Westfield Transaction (€99 Mn combined Cost + Revenue synergies vs. an initial run-rate target of €100 Mn), the RC considered that (i) cost synergies delivered were largely achieved in 2018 and therefore should not be taken into account for the assessment of the 2019 STI and (ii) revenue synergies delivered were below the required 80% threshold in 2019 (€11.1 Mn vs €17.1 Mn phased-in target, an achievement of 64.9%), and therefore no annual bonus on this KPI should be payable. The SB endorsed this recommendation;
- **Disposals:** in 2019, a total of €2.76 Bn of Net Disposal Proceeds were achieved, when including the sale to a JV of a 54.2% interest in a €2.0 Bn portfolio of five French assets, subject to closing in Q2 2020. Disposals made were at a premium to book value. The RC assessed the Disposals performance and recommended a payout of 75% of maximum, which the SB endorsed.

The overall quantitative score was therefore 87.7%, with a corresponding payout of €1,882,188.

The **qualitative component** (20% of the maximum STI) is determined according to the achievement of several individual objectives, pre-defined by the SB upon the recommendation of the RC.

Among significant qualitative objectives achieved by the Group CEO in 2019:

- **Leasing:** strong involvement on key 2019 leasing deals and building continuous relationship with strong retail partners, luxury retailers and new potential US/UK cross borders; significant achievements in International Leasing with multi-country deployments of destinations brands;
- **Strategy:** accelerated Group effort on active densification (retail mix, new retail concepts) ; continuous momentum on digital strategy with a CRM database of 9.8 Mn members (+2.8 Mn) and transactional loyalty programs successfully piloted in 4 Shopping Centers to provide insight into the spending patterns of customers of URW tenants (in store and online);
- **Integration:** very successful launch of the Westfield brand in 10 Flagships in Continental Europe on time and budget; organisational integration on track;
- **CSR:** URW recognized in terms of rating by GRESB and CDP A list; strong leadership in the redesign of the new CSR strategy to integrate the US/UK and new challenges; continuous decrease by over 10% of the Group total carbon footprint (scope 1,2,3) since 2015 thanks to reduction in construction, operations and transportation of visitors.

3.

<table>
<tr><th>Elements of remuneration</th><th>Amounts or countable valuations granted for 2019 financial year</th><th>Comments</th></tr>
<tr><td></td><td></td><td>The overall qualitative score was 78.5%, with a corresponding payout of €392,500.

On the basis of these achievements, the total 2019 STI would have been €2,146,500, i.e. 85.9% of maximum STI. However, despite the strong performance delivered in 2019, and in light of the recent developments in the share price, the Group CEO has voluntarily offered to reduce his overall STI payment to the same level paid in 2019 for 2018 results. Upon the recommendation of the RC, the SB decided to accept the Group CEO's proposal, and reduced the STI amount to €1,979,388, corresponding to 79.2% of maximum STI.

The total STI paid in 2019, in respect of 2018, was €1,979,388 (95.7% of maximum STI), as approved by 73.98% of shareholder votes at the 2019 AGM.</td></tr>
<tr><td>Long-Term Incentive - LTI

Performance Shares (PS) and Performance Stock Options (SO)

(Granted during the 2019 financial year)

(Economic value at the grant date according to IFRS 2 requirements, based on the evaluation conducted by Willis Towers Watson)

See Section 3.3.4 for details</td><td></td><td>In accordance with the 2019 MB remuneration policy, the economic value of PS and SO granted to the Group CEO in 2019 must not exceed 180% of his FI.

The Group CEO is bound by an obligation to hold Stapled Shares and an obligation to invest in shares as described in Section 3.3.1.1 of the remuneration policy.</td></tr>
<tr><td>Annual LTI Grant

Performance Shares (PS) and Performance Stock Options (SO)</td><td>€874,997</td><td>On March 19, 2019, the SB, upon the recommendation of the RC, granted a combination of PS and SO to Mr Cuvillier, with the following characteristics:
<table>
<tr><th></th><th>Presence condition</th><th>Performance period</th><th>Performance condition</th><th>Number of units</th><th>Economic value (IFRS)</th><th>% of total number of units granted (maximum: 8%)</th></tr>
<tr><td>PS</td><td rowspan="2">2 years of continuous presence at the date of vesting or exercise</td><td>3 years</td><td>50% external (45% TSR, 5% CSR)</td><td>9,774</td><td>€730,103</td><td>5.68%</td></tr>
<tr><td>SO</td><td>3 years</td><td>50% Internal (45% AREPS, 5% CSR)</td><td>42,500</td><td>€144,894</td><td>5.68%</td></tr>
<tr><td>TOTAL</td><td></td><td></td><td></td><td></td><td>€874,997 (70% of FI)</td><td></td></tr>
</table>
The structure and performance conditions of the 2019 LTI grant were presented in the 2019 remuneration policy applicable to the Group CEO, which was approved by 72.79% of shareholder votes at the 2019 AGM.</td></tr>
<tr><td>Supplementary Contribution Scheme - SCS</td><td>€412,939</td><td>Mr Cuvillier does not benefit from any additional defined benefits pension scheme ("retraite chapeau").

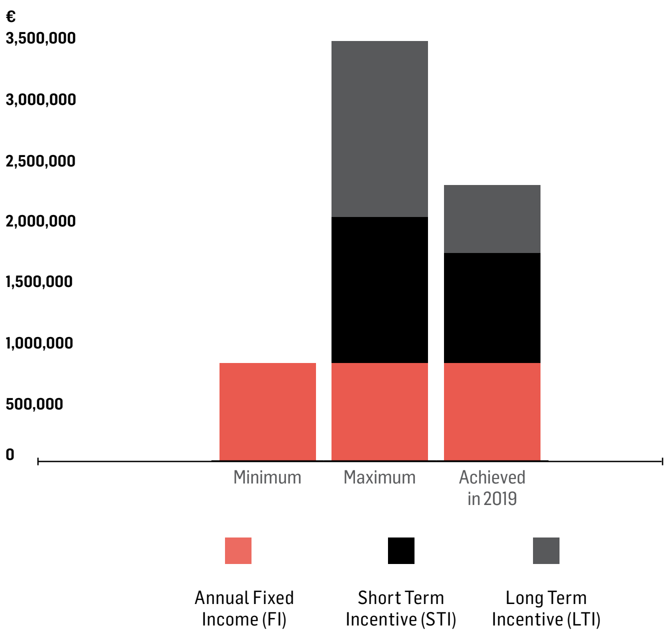
He benefits from the SCS, an annual net contribution paid into a blocked savings account (available only after the end of his last mandate as MB Member) equivalent to:
• a fixed amount of €90,000,
• a variable amount of 10% of the total cash remuneration earned each year (i.e. FI for year N plus STI for year N-1).

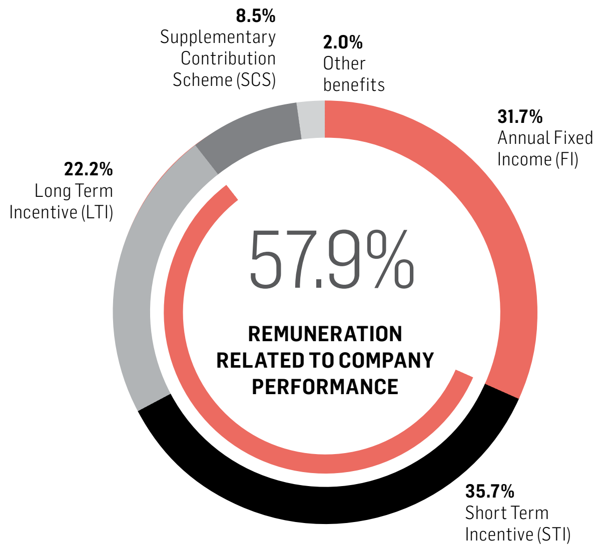
Employer social security contributions are due on the above mentioned amount.</td></tr>
<tr><td>Group life and health insurance</td><td>n/m</td><td>Mr Cuvillier benefits from the Group's life and health insurance under the same terms as those applied to the category of employees he is affiliated with, with respect to social security benefits and other items of his remuneration.</td></tr>
<tr><td>Benefits in Kind</td><td>€24,620</td><td>Mr Cuvillier benefits from a company car and an unemployment contribution (GSC type).</td></tr>
<tr><td>Deferred or multi-annual STI</td><td>n/a[1]</td><td></td></tr>
<tr><td>Exceptional remuneration</td><td>n/a[1]</td><td></td></tr>
<tr><td>Welcome bonus</td><td>n/a[1]</td><td></td></tr>
<tr><td>Contractual severance package</td><td>n/a[1]</td><td></td></tr>
</table>

Elements of remuneration	Amounts or countable valuations granted for 2019 financial year	Comments
Contractual non-compete indemnity	n/a(1)	
Employment contract	n/a(1)	
Service agreement	n/a(1)	
Intra-Group Board fees	n/a(1)	
Profit Sharing Scheme	n/a(1)	

n/a means "not applicable". n/m means "not material".
(1) Not provided for in the remuneration policy.

MR JAAP TONCKENS, GROUP CHIEF FINANCIAL OFFICER (GROUP CFO) AND MANAGEMENT BOARD MEMBER





Figures may not add up due to rounding.

<table>
<tr><th>Elements of remuneration</th><th>Amounts or countable valuations submitted to shareholders</th><th>Comments</th></tr>
<tr><td>Annual Fixed Income - FI

(Paid in respect of the 2019 financial year)

See Section 3.3.1.1 for details</td><td>€800,000</td><td>The Gross FI was determined by the SB on March 5, 2018, upon the recommendation of the RC, based on benchmarks provided by an external independent advisor. It was set at €800,000 for the whole duration of the four year-mandate. For more information on the methodology and the peer groups used to determine the FI, please refer to section 3.3.1.1.</td></tr>
<tr><td>Short-Term Incentive - STI

(Paid in respect of the 2019 financial year)

See Section 3.3.1.1 for details</td><td>€901,662</td><td>
<table>
<tr><th colspan="2">STI component</th><th>Weight</th><th>Strech target (for 100% achievement</th><th>Achieved 2019</th><th>% Achieved</th><th>% Payout</th><th>2019 Payout (€)</th></tr>
<tr><td rowspan="5">Quanti-ties</td><td>AREPS</td><td>56%</td><td>€12.0</td><td>€12.03</td><td>100.25%</td><td>100.25%</td><td>€673,680</td></tr>
<tr><td>Revenue synergies</td><td>7%</td><td>€17.1 Mn</td><td>€11.1 Mn</td><td>64.91%</td><td>0.00%[1]</td><td>€0</td></tr>
<tr><td>Disposals</td><td>7%</td><td colspan="3">See assessment details below</td><td>75.00%[2]</td><td>€63,000</td></tr>
<tr><td>Total quantitative</td><td>70%</td><td></td><td></td><td></td><td>87.70%</td><td>€736,680</td></tr>
<tr><td>Total (capped at 100%)</td><td>70%</td><td></td><td></td><td></td><td>87.70%</td><td>€736,680</td></tr>
<tr><td colspan="2">Qualitative</td><td>30%</td><td></td><td></td><td>78.20%</td><td>78.20%[3]</td><td>€281,520</td></tr>
<tr><td colspan="2">Total STI</td><td>100%</td><td></td><td></td><td></td><td>84.85%</td><td>€1,018,200</td></tr>
<tr><td colspan="2">Total STI after overall reduction</td><td></td><td></td><td></td><td></td><td>75.14%</td><td>€901,662</td></tr>
</table>

(1) Every euro above target counts double, with achievement capped at 140%. No payout below 80% achievement.
(2) Overall assessment the RC and the SB.
(3) As assessed by the SB.

The gross STI was determined by the SB on March 9, 2020, upon the recommendation of the RC, and is before income tax and social security charges.

The quantitative component (70% of the maximum STI) takes into account three factors:

AREPS: reported result was €12.37. The RC adjusted it for the impact of foreign exchange, IFRS 16 and delays in planned disposals. After adjustment, AREPS was €12.03 vs. the stretch target of €12.00 (top of guidance given to shareholders in February 2019), a 100.25% achievement;
Synergies: after due consideration, and despite significant synergies delivered since the Westfield Transaction (€99 Mn combined Cost + Revenue synergies vs. an initial run-rate target of €100 Mn), the RC considered that (i) cost synergies delivered were largely achieved in 2018 and therefore should not be taken into account for the assessment of the 2019 STI and (ii) revenue synergies delivered were below the required 80% threshold in 2019 (€11.1 Mn vs €17.1 Mn phased-in target, an achievement of 64.9%), and therefore no annual bonus on this KPI should be payable. The SB endorsed this recommendation;
Disposals: in 2019, a total of €2.76 Bn of Net Disposal Proceeds were achieved, when including the sale to a JV of a 54.2% interest in a €2.0 Bn portfolio of five French assets, subject to closing in Q2 2020. Disposals made were at a premium to book value. The RC assessed the Disposals performance and recommended a payout of 75% of maximum, which the SB endorsed.

The overall quantitative score was therefore 87.7%, with a corresponding payout of €736,680.</td></tr>
</table>

Elements of remuneration	Amounts or countable valuations submitted to shareholders	Comments
Short-Term Incentive - STI (Paid in respect of the 2019 financial year) *See Section 3.3.1.1 for details* *(continued)*		**The qualitative component** (30% of the maximum STI) is determined according to the achievement of several individual objectives, pre-defined by the SB upon the recommendation of the RC. Among significant qualitative objectives achieved by the Group CFO in 2019: • **Balance sheet:** raised €4.6 Bn of long-term capital with an average maturity of 11.8 years and an average coupon of 1.7%; extended the Group's weighted average debt maturity to 8.2 years while maintaining its weighted average cost of debt at 1.6%; • **Investor Relations:** proactive IR effort widely recognized by investors (Institutional Investor 2019 Europe All Executive Team – Property Best CFO #1 ranking); 433 meetings covering 71.3% of URW's shareholder base; • **Finance operations:** first unified BP process implemented across the Group; convergence of Finance IT and processes in the US and the UK; timely delivery of the first full year consolidated financial statements of Unibail-Rodamco-Westfield; • **CSR:** URW membership in the main ESG indices confirmed; EPRA Sustainability Gold Award for the 8th consecutive year. The overall qualitative score was 78.2%, with a corresponding payout of €281,520. On the basis of these achievements, the total 2019 STI would have been €1,018,200, i.e. 84.9% of maximum STI. However, despite the strong performance delivered in 2019, and in light of the recent developments in the share price, the Group CFO has voluntarily offered to reduce his overall STI payment to the same level paid in 2019 for 2018 results. Upon the recommendation of the RC, the SB decided to accept the Group CFO's proposal, and reduced the STI amount to €901,662, corresponding to 75.1% of maximum STI. The total STI paid in 2019, in respect of 2018, was €901,662 (95.7% of maximum STI), as approved by 78.78% of shareholder votes at the 2019 AGM.
Long-Term Incentive LTI Performance Stock Options (SO) and Performance Shares (PS) (Granted during the 2019 financial year) (Economic value at the grant date according to IFRS 2 requirements, based on the evaluation conducted by Willis Towers Watson) *See Section 3.3.4 for details*		In accordance with the 2019 MB remuneration policy, the economic value of PS and SO granted to the Group CFO in 2019 must not exceed 180% of his FI. The Group CFO is bound by an obligation to hold Stapled Shares and an obligation to invest in shares as described in Section 3.3.1.1 of the remuneration policy.

<table>
<tr><th>Elements of remuneration</th><th>Amounts or countable valuations submitted to shareholders</th><th>Comments</th></tr>
<tr><td>Annual LTI Grant

Performance Shares (PS) and Performance Stock Options (SO)</td><td>€559,971</td><td>On March 19, 2019, the SB, upon the recommendation of the RC, granted a combination of PS and SO to Mr Tonckens, with the following characteristics:
<table>
<tr><th></th><th>Presence condition</th><th>Performance period</th><th>Performance condition</th><th>Number of units</th><th>Economic value (IFRS)</th></tr>
<tr><td>PS</td><td rowspan="2">2 years of continuous presence at the date of vesting or exercise</td><td>3 years</td><td>50% external
(45% TSR, 5% CSR)</td><td>6,255</td><td>€467,239</td></tr>
<tr><td>SO</td><td>3 years</td><td>50% Internal
(45% AREPS, 5% CSR)</td><td>27,200</td><td>€92,732</td></tr>
<tr><td>TOTAL</td><td></td><td></td><td></td><td></td><td>€559,971
(70% of FI)</td></tr>
</table>
The structure and performance conditions of the 2019 LTI grant were presented in the 2019 remuneration policy applicable to the Group CFO, which was approved by 78.78% of shareholder votes at the 2019 AGM.</td></tr>
<tr><td>Supplementary Contribution Scheme - SCS</td><td>€215,166</td><td>Mr Tonckens does not benefit from any additional defined benefits pension scheme (“retraite chapeau”).

He benefits from the SCS, an annual net contribution paid into a blocked savings account (available only after the end of his last mandate as MB Member) equivalent to:
• a fixed amount of €45,000,
• a variable amount of 10% of the total cash remuneration earned each year (i.e. FI for year N plus STI for year N-1).

Employer social security contributions are due on the above mentioned amount.</td></tr>
<tr><td>Group life and health insurance</td><td>n/m</td><td>Mr Tonckens benefits from the Group’s life and health insurance under the same terms as those applied to the category of employees he is affiliated with, with respect to social security benefits and other items of his remuneration.</td></tr>
<tr><td>Benefits in Kind</td><td>€50,523</td><td>Mr Tonckens benefits from an expatriate health insurance policy, an International Assignment Extra-Compensation and a company car.</td></tr>
<tr><td>Deferred or multi-annual STI</td><td>n/a(1)</td><td></td></tr>
<tr><td>Exceptional remuneration</td><td>n/a(1)</td><td></td></tr>
<tr><td>Welcome bonus</td><td>n/a(1)</td><td></td></tr>
<tr><td>Contractual severance package</td><td>n/a(1)</td><td></td></tr>
<tr><td>Contractual non-compete indemnity</td><td>n/a(1)</td><td></td></tr>
<tr><td>Employment contract</td><td>n/a(1)</td><td></td></tr>
<tr><td>Service agreement</td><td>n/a(1)</td><td></td></tr>
<tr><td>Intra-Group Board fees</td><td>n/a(1)</td><td></td></tr>
<tr><td>Profit Sharing Scheme</td><td>n/a(1)</td><td></td></tr>
</table>

n/a means “not applicable”. n/m means “not material”.
(1) Not provided for in the remuneration policy.

3.3.2.2.2 CHAIRMAN OF THE SUPERVISORY BOARD REMUNERATION

The following remuneration elements, paid during or granted for financial year 2019 to the SB Chairman, are submitted to the approval of the shareholders (resolution n°7).

MR COLIN DYER, CHAIRMAN OF THE SUPERVISORY BOARD

SB Chairman Mr Colin Dyer	2018	2019
SB Chairman remuneration	€180,000	€225,000
GNC Chairman remuneration[1]	€66,750	€73,500
Total remuneration	**€246,750**	**€298,500**

(1) Including the out of country indemnities.

Elements of remuneration	Other amounts or countable valuations submitted to shareholders
Fixed Income - FI	No[1]
Short-Term Incentive - STI	No[1]
Long-Term Incentive - LTI or any remuneration related to company performance	No[1]
Supplementary Contribution Scheme - SCS	No[1]
Group life and health insurance	No[1]
Benefits in kind	No[1]
Deferred or multi-annual STI	No[1]
Exceptional remuneration	No[1]
Welcome bonus	No[1]
Contractual severance package	No[1]
Contractual non-compete indemnity	No[1]
Employment contract	No[1]
Service agreement	No[1]
Intra-Group Board fees	No[1]
Profit Sharing Scheme	No[1]

(1) Not provided for in the remuneration policy.

3.

3.3.3 SUPPLEMENTARY INFORMATION

3.3.3.1 EVOLUTION OF THE MANAGEMENT BOARD MEMBERS REMUNERATION

Pursuant to the AMF recommendations and the Afep-Medef Code concerning the remuneration of executive officers of listed companies, the tables hereinafter present:

- the gross remuneration received in respect of the financial years 2015 through to 2019, i.e. including the STI due in respect of financial year N and paid in Year N+1 after the publication of the results of financial year N (Table no. 1); and
- the gross remuneration paid during 2018 and 2019 respectively, and including the STI that was paid in Year N due in respect of the previous year (Table no. 2).

FI, STI, LTI AND OTHER BENEFITS ALLOCATED TO MANAGEMENT BOARD MEMBERS IN RESPECT OF THE REFERRED YEARS (TABLE NO. 1 OF AMF/AFEP-MEDEF RECOMMENDATIONS)

Including the STI due in respect of financial year N and paid in Year N+1, after publication of the results of financial year N.

Mr Christophe Cuvillier Group Chief Executive Officer (since April 25, 2013) (Chief Operating Officer between June 1, 2011 and April 25, 2013)	Year 2015	Year 2016	Year 2017	Year 2018	**Year 2019**
Fixed Income	€882,654	€913,988	€1,000,000	€1,141,865	€1,250,000
Short-Term Incentive (STI)(1)	€1,323,981	€1,359,192	€1,500,000	€1,979,388	€1,979,388
Pension	€274,475	€313,797	€325,919	€354,187	€412,939
Other benefits	€20,772	€21,209	€24,212	€24,371	€24,620
Remuneration due in respect of the financial year	**€2,501,882**	**€2,608,186**	**€2,850,131**	**€3,499,810**	**€3,666,947**
Evolution year N vs, year N-1 (in %)	*19.0%*	*4.2%*	*9.3%*	*22.8%*	*4.8%*
Annual SO IFRS valuation allocated during the financial year(2)	€349,737	€359,522	€301,907	€204,424	€144,894
Evolution year N vs, year N-1 (in %)	*13.7%*	*2.8%*	*(16%)*	*(32.3%)*	*(29.1%)*
Annual PS IFRS valuation allocated during the financial year(2)	€242,547	€261,654	€286,365	€495,589	€730,103
Evolution year N vs, year N-1 (in %)	*31.4%*	*7.9%*	*9.4%*	*73.1%*	*47.3%*
LTISI (Additional PS in view of successful integration of Westfield) only applicable for 2018(3)				€799,960	
	€3,094,166	**€3,229,362**	**€3,438,403**	**€4,999,783**	**€4,541,944**
Evolution year N vs, year N-1 (in %)	*19.2%*	*4.4%*	*6.5%*	*45.4%*	*(9.2%)*

(1) Short Term Incentive indicated in column "Year N" is Short Term Incentive due in respect of Year N and paid Year N+1.
(2) The value corresponds to the value of the SO, PS and Additional PS at the time they were allocated according to IFRS 2 requirements (based on the evaluation conducted by Willis Towers Watson), notably after taking into account any discount related to performance criteria and the probability of presence in the Group after the vesting period, but before taking into account the effect of the spread of the charge during the vesting period according to IFRS 2.
(3) Approved by 97.88% of shareholder votes at the 2018 AGM.

Mr Jaap Tonckens Group Chief Financial Officer (Management Board Member since September 1, 2009)	Year 2015	Year 2016	Year 2017	Year 2018	**Year 2019**
Fixed Income	€550,000	€550,000	€650,000	€735,119	€800,000
Short-Term Incentive (STI)[1]	€527,450	€538,945	€650,000	€901,662	€901,662
Pension	€147,025	€152,745	€163,895	€183,512	€215,166
Other benefits	€30,209	€23,612	€23,790	€30,028	€50,523
Remuneration due in respect of the financial year	**€1,254,684**	**€1,265,302**	**€1,487,685**	**€1,850,321**	**€1,967,351**
Evolution year N vs, year N-1 (in %)	*7.6%*	*0.8%*	*17.6%*	*24.4%*	*6,3%*
SO IFRS valuation allocated during the financial year[2]	*€209,842*	*€215,713*	*€181,144*	*€137,566*	*€92,732*
Evolution year N vs, year N-1 (in %)	*13.7%*	*2.8%*	*(16%)*	*(24.1%)*	*(32.6%)*
PS IFRS valuation allocated during the financial year[2]	*€146,328*	*€157,100*	*€165,791*	*€317,448*	*€467,239*
Evolution year N vs, year N-1 (in %)	*35.3%*	*7.4%*	*5.5%*	*91.5%*	*47.2%*
LTISI (Additional PS in view of successful integration of Westfield) only applicable for 2018[3]				€519,946	
	€1,610,854	**€1,638,115**	**€1,834,620**	**€2,825,281**	**€2,527,322**
Evolution year N vs, year N-1 (in %)	*10.4%*	*1.7%*	*12.0%*	*54.0%*	*(10.5%)*

(1) Short Term Incentive indicated in column "Year N" is Short Term Incentive due in respect of Year N and paid Year N+1.
(2) The value corresponds to the value of the SO, PS and Additional PS at the time they were allocated according to IFRS 2 requirements (based on the evaluation conducted by Willis Towers Watson), notably after taking into account any discount related to performance criteria and the probability of presence in the Group after the vesting period, but before taking into account the effect of the spread of the charge during the vesting period according to IFRS 2.
(3) Approved by 97.88% of shareholder votes at the 2018 AGM.

DETAILS OF THE REMUNERATION PAID IN 2018 AND 2019 (TABLE NO. 2 OF AMF/AFEP-MEDEF RECOMMENDATIONS)

Including the STI paid during financial year N but which was due for the previous financial year.

Mr Christophe Cuvillier Group Chief Executive Officer (since April 25, 2013) (Chief Operating Officer between June 1, 2011 and April 25, 2013)	Financial year 2018		**Financial year 2019**	
	Amounts granted	Amounts paid	**Amounts granted**	**Amounts paid**
Fixed Income	€1,141,865	€1,141,865	€1,250,000	€1,250,000
Short-Term Incentive (STI)	€1,979,388	€1,500,000	€1,979,388	€1,979,388
Pension	€354,187	€354,187	€412,939	€412,939
Other benefits	€24,371	€24,371	€71,012	€71,012
Total direct remuneration	**€3,499,811**	**€3,020,423**	**€3,713,339**	**€3,713,339**
SO IFRS valuation allocated during the financial year[1]	€204,424	€204,424	€144,894	€144,894
PS IFRS valuation allocated during the financial year[1]	€495,589	€495,589	€730,103	€730,103
LTISI (Additional PS in view of successful integration of Westfield) only applicable for 2018[1] [2]	€799,960	€799,960	-	-
	€4,999,784	**€4,520,396**	**€4,588,336**	**€4,588,336**

(1) The value corresponds to the value of the SO, PS and Additional PS at the time they were allocated according to IFRS 2 requirements (based on the evaluation conducted by WTW), notably after taking into account any discount related to performance criteria and the probability of presence in the Group after the vesting period, but before taking into account the effect of the spread of the charge during the vesting period according to IFRS 2.
(2) Approved by 97.88% of shareholder votes at the 2018 AGM.

Mr Jaap Tonckens Group Chief Financial Officer (Management Board Member since September 1, 2009)	Financial year 2018 Amounts granted	Financial year 2018 Amounts paid	**Financial year 2019** **Amounts granted**	**Financial year 2019** **Amounts paid**
Fixed Income	€735,119	€735,119	€800,000	€800,000
Short-Term Incentive (STI)	€901,662	€650,000	€901,662	€901,662
Pension	€183,512	€183,512	€215,166	€215,166
Other benefits	€30,028	€30,028	€50,523	€50,523
Total direct remuneration	**€1,850,321**	**€1,598,659**	**€1,967,351**	**€1,967,351**
SO IFRS valuation allocated during the financial year(1)	€137,566	€137,566	€92,732	€92,732
PS IFRS valuation allocated during the financial year(1)	€317,448	€317,448	€467,239	€467,239
LTISI (Additional PS in view of successful integration of Westfield) only applicable for 2018(1) (2)	€519,946	€519,946	-	-
	€2,825,281	**€2,573,619**	**€2,527,322**	**€2,527,322**

(1) The value corresponds to the value of the SO, PS and Additional PS at the time they were allocated according to IFRS 2 requirements (based on the evaluation conducted by WTW), notably after taking into account any discount related to performance criteria and the probability of presence in the Group after the vesting period, but before taking into account the effect of the spread of the charge during the vesting period according to IFRS 2.
(2) Approved by 97.88% of shareholder votes at the 2018 AGM.

PERFORMANCE STOCK OPTIONS (SO)

PERFORMANCE STOCK OPTIONS (SO) GRANTED DURING FINANCIAL YEARS 2015 TO 2019 (TABLE NO. 4 OF AMF/AFEP-MEDEF RECOMMENDATIONS)

On March 19, 2019, the SB, upon the recommendation of the RC, granted to Group employees and MB Members a total of 748,372 SO, representing 0.53% of the fully diluted share capital on December 31, 2019.

69,700 SO (9.31% of the total SO granted) were allocated to the MB Members, of which 42,500 (5.68%) to the Group CEO, as detailed in the table below:

Plan Number	Plan performance n°8	Plan performance n°8	Plan performance n°8	Plan performance n°9	Plan performance n°10
Date of Grant	March 3, 2015	March 8, 2016	March 7, 2017	March 5, 2018	**March 19, 2019**
Opening of exercise period (at the opening of trading day)	March 4, 2019	March 9, 2020	March 8, 2021	March 6, 2022	March 20, 2022
End of exercise period (at the end of the trading day)	March 3, 2022	March 8, 2023	March 7, 2024	March 5, 2025	March 19, 2027
Exercise Price per SO	€256.81	€227.24	€218.47	€190.09	€144.55
Type of SO	Share subscription or purchase Stock Options subject to performance and presence conditions and with no discount				

Names of Management Board members	Number of SO granted	Value of SO granted(*)	Variation 2015 vs 2014 in value	Number of SO granted	Value of SO granted(*)	Variation 2016 vs 2015 in value	Number of SO granted	Value of SO granted(*)	Variation 2017 vs 2016 in value	Number of SO granted	Value of SO granted(*)	Variation 2018 vs 2017 in value	Number of SO granted	Value of SO granted(*)	Variation 2019 vs 2018 in value
Christophe Cuvillier Group Chief Executive Officer	42,500	€349,737	13.66%	42,500	€359,522	2.80%	42,500	€301,907	(16.0%)	42,500	€204,425	(32.2%)	42,500	€144,894	(29.1%)
Jaap Tonckens Group Chief Financial Officer	25,500	€209,842	13.66%	25,500	€215,713	2.80%	25,500	€181,144	(16.0%)	28,600	€137,566	(24.0%)	27,200	€92,732	(32.6%)

(*) The value corresponds to the value of the SO at the time they were allocated according to IFRS 2 requirements (based on the evaluation conducted by WTW), notably after taking into account any discount related to performance criteria and the probability of presence in the Group after the vesting period, but before taking into account the effect of the spread of the charge during the vesting period according to IFRS 2.

PERFORMANCE STOCK OPTIONS (SO) EXERCISED BY MANAGEMENT BOARD MEMBERS DURING THE 2019 FINANCIAL YEAR (ARTICLE L 225-184 OF THE FRENCH COMMERCIAL CODE) (TABLE NO. 5 OF AMF/AFEP-MEDEF RECOMMENDATIONS)

MB Members	Plan number - Tranche year	Number of SO exercised during the financial year	Date of exercise	Exercise price per SO	Number of SO exercised	Overall market performance of URW SE	Performance of the applicable Reference Index	Achievement of the Performance Condition at the exercise date
Mr Christophe Cuvillier Group CEO	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mr Jaap Tonckens Group CFO	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

PERFORMANCE SHARES (PS)

The detail on the plans in force, in particular the PS Plan (Performance Shares Plan no. 3) applicable to employees and MB Members is presented in Section 3.3.4.

On March 19, 2019, a total of 172,174 PS were granted to Group employees and MB Members, of which 16,029 (9.31%) to MB Members, of which 9,774 (5.68%) to the Group CEO.

The grant of PS to MB Members is presented in detail in Tables no. 6 and 7 in accordance with the recommendations of the Afep-Medef Code.

DETAILS OF THE PERFORMANCE SHARES GRANTED TO EACH MANAGEMENT BOARD (MB) MEMBER DURING FINANCIAL YEAR 2019 (ARTICLE L. 225-197-4 OF THE FRENCH COMMERCIAL CODE) (TABLE NO. 6 OF AMF/AFEP-MEDEF RECOMMENDATIONS)

	Performance Shares Plan no. 3 – Tranche 2019 (March 19, 2019)				
MB Members	**Number of PS granted**	Economic value of the PS grant(1)	Share transfer date(2)	Availability date (at the end of the trading day)(2)	Presence & performance conditions
Mr Christophe Cuvillier	9,774	€730,103	March 20, 2022	March 20, 2022	Mandatory
Mr Jaap Tonckens	6,255	€467,239	March 20, 2022	March 20, 2022	Mandatory
TOTAL PLAN MARCH 19, 2019	**16,029**	**€1,197,342**			

(1) The value corresponds to the value of the PS at the time they were attributed according to IFRS 2 requirements (based on the evaluation conducted by WTW), notably after taking into account any discount related to performance criteria and the probability of presence in the Group after the vesting period, but before taking into account the effect of the spread of the charge during the vesting period according to IFRS 2.

(2) The potential share transfer date is subject to the attainment of the performance condition on the third anniversary of the date of grant. If the performance condition is not met, all rights shall be definitively lost on the following day.

PERFORMANCE SHARES (PS) BECOMING AVAILABLE FOR SALE BY EACH MANAGEMENT BOARD MEMBER DURING FINANCIAL YEAR 2019 (TABLE NO. 7 OF AMF/AFEP-MEDEF RECOMMENDATIONS)

MB Members	Plan number and date	Number of PS becoming available for sale during the 2019 financial year	Acquisition condition
Mr Christophe Cuvillier	Performance Shares Plan no. 1 - March 3, 2014	**2,561**	Yes
	Performance Shares Plan no. 1 - March 3, 2015	n/a	Yes
	Performance Shares Plan no. 2 - April 21, 2016	n/a	Yes
	Performance Shares Plan no. 2 - March 7, 2017	n/a	Yes
	Performance Shares Plan no. 2 - March 5, 2018	n/a	Yes
	Performance Shares Plan no. 3 - March 19, 2019	n/a	Yes
Mr Jaap Tonckens	Performance Shares Plan no. 1 - March 3, 2015	**1,536**	Yes
	Performance Shares Plan no. 2 - April 21, 2016	n/a	Yes
	Performance Shares Plan no. 2 - March 7, 2017	n/a	Yes
	Performance Shares Plan no. 2 - March 5, 2018	n/a	Yes
	Performance Shares Plan no. 3 - March 19, 2019	n/a	Yes

n/a means the Performance Shares granted with respect to this Performance Plan are not yet available.

DETAILS OF PERFORMANCE SHARES (PS) FULLY VESTED FOR MB MEMBERS DURING THE 2019 FINANCIAL YEAR

MB Member	Plan number	Number of PS being fully vested during the 2019 financial year	Overall market performance of URW SE	Performance of the applicable reference index	Achievement of the Performance Condition
Mr Christophe Cuvillier Group CEO	Performance Shares Plan no. 2 - April 21, 2016	2,561	n/a[2]	n/a[2]	Yes
	Performance Shares Plan no. 2 - March 7, 2017 Performance Shares Plan no. 2 - March 5, 2018 Performance Shares Plan no. 3 - March 19, 2019	n/a			
Mr Jaap Tonckens[1] Group CFO	Performance Shares Plan no. 1 - March 3, 2015	1,536	n/a[2]	n/a[2]	Yes
	Performance Shares Plan no. 2 - April 21, 2016 Performance Shares Plan no. 2 - March 7, 2017 Performance Shares Plan no. 2 - March 5, 2018 Performance Shares Plan no. 3 - March 19, 2019	n/a			

(1) 4 years vesting period and no holding period for a non-French resident.
(2) Pursuant to the Westfield Transaction, the SB, upon the recommendation of the RC, decided that all outstanding PS plans (up to and including Plan no. 2 – 2016) performance conditions would be deemed met.

INFORMATION ON THE PERFORMANCE STOCK OPTIONS (SO) ON DECEMBER 31, 2019 (TABLE NO. 8 OF AMF/AFEP-MEDEF RECOMMENDATIONS)

	Performance Plan no. 7			Performance Plan no. 8			Performance Plan no. 9	**Performance Plan no. 10**
Plans	2012 Tranche	2013 Tranche	2014 Tranche	2015 Tranche	2016 Tranche	2017 Tranche	2018 Tranche	**2019 Tranche**
Date of AGM authorisation	April 27, 2011	April 27, 2011	April 27, 2011	April 23, 2014	April 23, 2014	April 23, 2014	April 25, 2017	May 17, 2018
Date of grant	March 14, 2012	March 4, 2013	March 3, 2014	March 3, 2015	March 8, 2016	March 7, 2017	March 5, 2018	March 19, 2019
Total number of SO granted	672,202	617,066	606,087	623,085	611,608	611,611	630,135	748,372
Effective grant as a % of the fully diluted shares[1]	0.70%	0.63%	0.61%	0.62%	0.60%	0.61%	0.62%	0.53%
Effective grant to the MB Members[2] as a % of the fully diluted shares[1]	0.16%	0.11%	0.15%	0.15%	0.15%	0.15%	0.15%	0.05%
to MB Members:	97,750	124,100	125,800	127,500	148,750	148,750	151,000	69,700
Mr Christophe Cuvillier	**29,750**	**42,500**	**42,500**	**42,500**	**42,500**	**42,500**	**42,500**	**42,500**
Mr Jaap Tonckens	**25,500**	**25,500**	**25,500**	**25,500**	**25,500**	**25,500**	**28,600**	**27,200**
Mr Olivier Bossard	**15,300**	**20,400**	**20,400**	**20,400**	**20,400**	**20,400**	**20,400**	**n/a**[3]
Mr Fabrice Mouchel	**11,900**	**15,300**	**17,000**	**18,700**	**18,700**	**18,700**	**17,000**	**n/a**[3]
Ms Astrid Panosyan	**n/a**[4]	**n/a**[4]	**n/a**[4]	**n/a**[4]	**18,700**	**18,700**	**17,000**	**n/a**[3]
Mr Jean-Marie Tritant	**15,300**	**20,400**	**20,400**	**20,400**	**22,950**	**22,950**	**25,500**	**n/a**[3]
End of vesting period (at the opening of the trading day)[5][6]	March 15, 2016	March 5, 2017	March 4, 2018	March 4, 2019	March 9, 2020	March 8, 2021	March 6, 2022	March 20, 2022
Expiry date (at the end of the trading day)[5][6]	March 14, 2019	March 4, 2020	March 3, 2021	March 3, 2022	March 8, 2023	March 7, 2024	March 5, 2025	March 19, 2026
Strike price *(€)*	146.11	173.16	186.10	256.81	227.24	218.47	190.09	144.55
Exercise terms (if the plan has more than one tranche)	See section 3.3.4	See section 3.3.4	See section 3.3.4	See section 3.3.4	See section 3.3.4	See section 3.3.4	See section 3.3.4	See section 3.3.4
Number of SO subscribed	497,688	355,337	23,466	0	1,913	0	0	0
Number of SO cancelled	174,514	153,313	208,907	200,828	141,743	94,569	53,465	28,239
OUTSTANDING STOCK OPTIONS	**0**	**108,416**	**373,714**	**422,257**	**467,952**	**517,042**	**576,670**	**720,133**

n/a means any information relating to a period within which the person involved was neither an MB Member nor an employee of the Group.
(1) On the basis of the fully diluted shares as at December 31, N-1.
(2) MB Members at the time of the grant.
(3) These participants are no longer MB Members since June 7, 2018.
(4) Ms. Astrid Panosyan was appointed as Chief Resources Officer effective September 1, 2015.
(5) Provided that the performance and presence conditions are met.
(6) Indicative dates which must be adjusted to take into account non-business days.

INFORMATION ABOUT PERFORMANCE SHARES (PS) ON DECEMBER 31, 2019 (TABLE NO. 9 OF AFEP-MEDEF RECOMMENDATIONS)

Plan	2015	2016	2017	2018	Additional LTISI	2019
Date of grant	March 3, 2015	April 21, 2016	March 7, 2017	March 5, 2018	May 24, 2018	March 19, 2019
Total number of PS granted:	37,554	36,745	39,770	82,539	38,130	172,174
To MB Members:	7,682	8,963	9,680	19,955	23,055	16,029
Mr Christophe Cuvillier	**2,561**	**2,561**	**2,766**	**5,616**	**6,472**	**9,774**
Mr Jaap Tonckens	**1,536**	**1,536**	**1,659**	**3,779**	**4,418**	**6,255**
Mr Olivier Bossard	**1,229**	**1,229**	**1,327**	**2,696**	**3,106**	**n/a(1)**
Mr Fabrice Mouchel	**1,127**	**1,127**	**1,217**	**2,247**	**2,588**	**n/a(1)**
Ms Astrid Panosyan	**n/a(2)**	**1,127**	**1,217**	**2,247**	**2,588**	**n/a(1)**
Mr Jean-Marie Tritant	**1,229**	**1,383**	**1,494**	**3,370**	**3,883**	**n/a(1)**
Starting date of the vesting period	March 3, 2015	April 21, 2016	March 7, 2017	March 5, 2018	May 24, 2018	March 19, 2019
Vesting date and if any starting date of the holding period(3)						
for French tax residents(4)	March 3, 2018	April 21, 2019	March 7, 2020	March 5, 2021	May 24, 2021	March 19, 2022
for non-French tax residents(4)	March 3, 2019	April 21, 2020	March 7, 2021	March 5, 2022	May 24, 2022	March 19, 2022
End of holding period (at the end of the trading day)(3)						
for French tax residents(5)	March 3, 2020	April 21, 2021	March 7, 2022	March 5, 2023	May 24, 2023	n/a
for non-French tax residents(6)	n/a	n/a	n/a	n/a	n/a	n/a
Number of Performance Shares vested (unavailable)	18,354	18,432	0	0	0	0
Number of Performance Shares vested (available)	8,685	0	0	0	0	0
Number of cancelled/expired PS	10,515	7,688	6,154	6,992	463	6,474
OUTSTANDING PS (UNVESTED)	**0**	**10,625**	**33,616**	**75,547**	**37,667**	**165,700**

(1) These participants are no longer MB Members since June 7, 2018.
(2) Ms. Astrid Panosyan was appointed as Chief Resources Officer effective September 1, 2015.
(3) Indicative dates which must be adjusted to take into account non business days.
(4) Provided that the performance and presence conditions are met.
(5) Holding period is no longer applicable for French tax resident starting from the 2019 grant.
(6) Holding period is not applicable.

On March 21, 2020, a total of 885,291 SO and 489,440 PS were granted to Group employees and MB Members of which 60,000 SO and 33,164 PS for the Group CEO and 38,400 SO and 21,225 PS for the Group CFO. The economic value of these grants represents 70% of their FI.

INFORMATION REQUIRED BY THE AMF ON THE SITUATION OF MANAGEMENT BOARD MEMBERS ON DECEMBER 31, 2019 (TABLE NO. 11 OF AMF RECOMMENDATIONS)

MB Members	Employment contract	Supplementary Contribution Scheme (SCS)	Additional defined benefits pension scheme ("retraite chapeau")	Contractual severance package	Contractual non-compete indemnity
Mr Christophe Cuvillier **Group Chief Executive Officer** First appointed as Group CEO: April 25, 2013 End of current mandate: AGM 2022	No	Yes	No	No	No
Mr Jaap Tonckens **Group Chief Financial Officer** First appointed: September 1, 2009 End of current mandate: AGM 2022	No	Yes	No	No	No

3.3.3.2 SUPERVISORY BOARD MEMBERS REMUNERATION 2018/2019

REMUNERATION OF THE SB MEMBERS FOR 2018 AND 2019 FINANCIAL YEARS

SB Members	2018[1]	2019[1]
Mr Philippe Collombel	€78,000	€99,500
Ms Jill Granoff[3]	€50,250	€116,000
Ms Mary Harris	€94,750	€130,500
Ms Dagmar Kollmann	€85,500	€108,500
Mr Peter Lowy[3]	€24,000	€30,536
Mr John McFarlane[4]	€36,500	€113,500
Mr Roderick Munsters[2]	€87,000	€103,500
Ms Sophie Stabile	€79,500	€97,000
Mr Jacques Stern	€96,000	€120,000
Ms Jacqueline Tammenoms Bakker	€87,000	€103,500
Mr Jean-Louis Laurens[5]	€56,500	n/a
Mr Alec Pelmore[5]	€49,000	n/a
TOTAL (EXCLUDING SB CHAIRMAN REMUNERATION)	**€824,000**	**€1,022,536**
Percentage used of the annual envelope approved by AGM	69.83%	73.04%

(1) Including the out of country indemnities, if any, and before withholding tax.
(2) Mandate started on May 17, 2018.
(3) Mandate started on June 7, 2018 and ended on May 17, 2019.
(4) Mandate started on June 7, 2018.
(5) Stepped down on June 7, 2018 to join the WFD Unibail-Rodamco NV SB.

3.3.3.3 SHARE AND LTI HOLDINGS (ARTICLE 15 OF APPENDIX 1 OF REGULATION EC 980/2019)

NUMBER OF SHARES, SO AND PS HELD BY MANAGEMENT BOARD MEMBERS ON DECEMBER 31, 2019

MB Members	Stapled Shares owned[1]	SO non exercised	PS subject to vesting period
Mr Christophe Cuvillier	107,686	255,000	24,628
Mr Jaap Tonckens	13,943	157,800	17,647

(1) Including the stapled shares equivalent to the number of units held in the company saving plan.

3.3.3.4 TOP TEN SO AND PS GRANTS AND EXERCISES (TABLE NO. 9 – AMF RECOMMENDATIONS)

TOP TEN PERFORMANCE SO GRANTS/EXERCISES IN 2019 (ARTICLE L. 225-184 OF THE FRENCH COMMERCIAL CODE)

	Top ten of Stock Options grants in 2019[1]	Top ten Stock Options exercises in 2019[1]
Number of granted Stock Options/and subscribed or purchased option[2]	164,434	8,713
Weighted average price	€144.55	€146.11
Plan no. 6 Tranche 2011	-	-
Plan no. 7 Tranche 2012	-	8,713
Plan no. 7 Tranche 2013	-	-
Plan no. 7 Tranche 2014	-	-
Plan no. 9 Tranche 2018	-	-
Plan no. 10 Tranche 2019	164,434	

(1) Excluding MB Members.
(2) The number of top grants may exceed 10 in the event that several participants have received the equal number of Stock Options. Each year the option holders list may vary.

TOP TEN PS GRANTS/AVAILABLE IN 2019 (ARTICLE L. 225-197-4 OF THE FRENCH COMMERCIAL CODE)

	Top ten of Performance Shares grants during the 2019 year(1)(2)	Top ten Performance Shares being definitively available during the 2019 year(1)(2)
Number of Performance Shares granted/available	37,812	8,563

(1) Excluding MB Members.
(2) The number of top grants exceeds 10 as several participants have received the same number of Performance Shares. Each year the option holders list may vary.

3.3.3.5 TRANSACTIONS OF CORPORATE OFFICERS ON GROUP SHARES (ARTICLE 223-26 OF THE AMF GENERAL REGULATION)

Name	Date	Nature of the transaction	Number	Unit price
MB Members				
Mr Christophe Cuvillier Group CEO	11/01/2019	Sale/Repurchase of Stapled Shares	87,553	€143.80
	23/04/2019	Performance Shares definitively vested	2,561	€154.65
	30/04/2019	Subscription to units of the company saving plan (Stapled Shares)	212.784	€117.49
Mr Jaap Tonckens Group CFO	04/03/2019	Performance Shares definitively vested	1,536	€142.80
	21/03/2019	Pledge of Stapled Shares	1,321	€234.95
	30/04/2019	Subscription to units of the company saving plan (Stapled Shares)	212.784	€117.49
SB Members				
Ms Jacqueline Tammenoms Bakker SB Member	09/01/2019	Acquisition of Stapled Shares	235	€140.92
Mr Roderick Munsters SB Member	15/02/2019	Acquisition of Stapled Shares	200	€142.56
	27/06/2019	Acquisition of Stapled Shares	300	€126.10

3.3.4 PERFORMANCE STOCK OPTIONS, PERFORMANCE SHARE PLANS AND EMPLOYEE SHAREHOLDING

The LTI equity compensation is an essential part of the Group's remuneration policy. It is a significant retention tool designed to strengthen the loyalty and engagement of participants in the Group's performance while aligning their interests with long-term value creation objectives of the Group and its shareholders, in particular following the Westfield Transaction.

The LTI is made up of two equity compensation instruments: Performance Shares (PS) and Performance Stock Options (SO) both subject to performance and presence conditions for all participants.

PS and SO are allocated to employees and MB Members in recognition of exemplary performance, for taking on additional responsibilities, for key roles within the Group and for their long-term contribution to the Group's performance.

The plans in force are strictly identical for all employees and MB Members.

The ratio of SO to PS is determined each year by the SB. This ratio is identical for every participant, whether an MB Member or an employee.

Grants are not automatic in number nor frequency. They vary from year to year, both in terms of participants and of Stapled Shares allocated. In 2019, there were 457 LTI participants, i.e. 12.6% of the Group employees.

In accordance with the Afep-Medef Code, the holding and equity investment obligations applicable to MB Members are described in Section 3.3.1.1.

3.3.4.1 PERFORMANCE STOCK OPTION AND PERFORMANCE SHARE PLANS

AUTHORISATION PRIOR TO THE GENERAL MEETING OF SHAREHOLDERS

The General Meeting of shareholders authorises the MB to allocate SO and PS and sets out the following principles:

- an authorisation period limited to 38 months;
- a maximum envelope strictly limiting the potential dilutive effect;
- a maximum percentage of grant for the CEO;
- a maximum percentage of grant for the MB Members;
- the obligation to provide presence and performance conditions; and
- the obligation to provide a reference period for the determination of performance condition(s).

DETERMINATION BY THE SUPERVISORY BOARD

On an annual basis, the SB, upon recommendation of the RC:

- determines the overall envelope of SO and PS to be granted taking into account the thresholds set by the General Meeting, the potential dilutive effect for shareholders and the financial cost of the grant to the Group;
- sets the number of SO and PS granted to each MB Member; and
- sets the share retention and investment obligations for MB Members.

IMPLEMENTATION BY THE MANAGEMENT BOARD

The MB determines the terms and conditions for grant of the plans, and specifically:

- the list of employee participants and their grant size, within the envelope determined by the SB;
- the terms and conditions of the plan, in particular the presence conditions;
- the vesting and reference periods for the SO and PS;
- the subscription price at grant is not discounted, and in line with the rules set out in the French Commercial Code.

3.3.4.2 GENERAL CONDITIONS APPLICABLE TO GRANTS OF SO AND PS TO EMPLOYEES AND MB MEMBERS

The SO and PS plans are based on the following principles:

- plans are strictly identical for all employees and MB Members;
- a stable and consistent grant period to avoid any windfall effect. Pursuant to Article L. 225-177 of the French Commercial Code, no grant may be made:
  - less than 20 trading days after (i) the detachment of the shares from a coupon giving entitlement to a dividend or (ii) a capital increase;
  - within 10 trading days preceding or following the date on which the consolidated financial statements or the annual financial statements are made public; and
  - within the period between the date on which corporate bodies become aware of inside information.
- except for legitimate reasons, no grant may occur beyond a period of 120 days following the date of publication of the annual financial statements;
- no discount on the strike price of the Stock Options is allowed;
- a continuous presence condition of 24 months just prior to the exercise of SO or the delivery of PS;
- stringent performance conditions, calculated over a long period (minimum 3 years), directly linked to the Group's performance and long-term strategy: no reward for under-performance;
- a cap on the grants to the Group CEO and the Group CFO;
- a cap on the overall grant to restrict the potential dilutive effect and the financial cost to the Group.

CURRENT AUTHORISATIONS – POTENTIAL DILUTIVE EFFECT

- Performance Stock Options current authorisation:

The authorisation of the General Meeting in force for the 2020 SO plan was granted on May 17, 2019 (resolution no. 20).

- Performance Shares current authorisation:

The authorisation of the General Meeting in force for the 2020 PS plan was granted on May 17, 2019 (resolution no. 21).

- Overall potential dilutive effect:

The total number of (i) SO granted but not yet exercised; (ii) PS granted but not yet vested; and (iii) SO and PS that may be granted under the unused part of the envelopes still in force, cannot give rise to a number of shares exceeding 8% of the fully diluted share capital.

The potential dilutive effect of these instruments remains therefore limited and managed by the Group. If all the required performance conditions were met over the specified period and no cancellations were to occur during the course of the plan, this would amount to 2.47% of the fully-diluted capital as at December 31, 2019.

PRESENCE CONDITION

The SO and the PS may only vest for those participants who are able to justify their effective presence within the Group for 24 continuous months just prior to exercise or vesting. The SO and PS would lapse in the event of resignation, dismissal, contractual termination or revocation of the participant for any reason whatsoever. However, they would remain valid in the event of (i) retirement; (ii) termination of activity due to death or disability (Categories 2 or 3 as provided for in Article L. 341-4 of the French Social Security Code or equivalent under the applicable local regulations); (iii) explicit and justified MB or SB decision in exceptional circumstances; or (iv) employer substitution.

PERFORMANCE CONDITION

The SB ensures that the LTI promotes overall performance and does not encourage excessive risk taking. Measuring and taking into account the performance of the Group over the long-term to align shareholders' interests with those of the participants, be they employees or MB Members[1].

Starting 2020, as for the PS, the SO plans will have a single test of all their performance conditions at the end of the 3-year performance period.

3.

(1) For more details on the performance condition, please refer to the 2020 remuneration policy described in 3.3.1.1.

3.4 COMPLIANCE

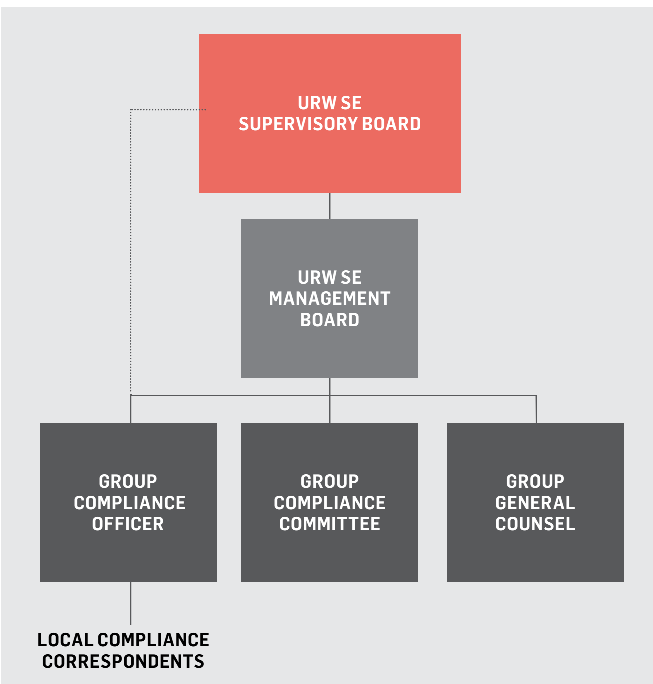
3.4.1 ETHICS AND COMPLIANCE WITHIN THE URW GROUP

3.4.1.1 ETHICS AND COMPLIANCE: A DAILY AND ESSENTIAL REQUIREMENT

Ethics is one of the Group's core values and the Group is committed to conducting business in an ethical and fair manner. The Group has a "zero tolerance" principle against all forms of unethical practices, such as inappropriate, disrespectful or unlawful behaviour, corruption, bribery, influence peddling and human rights violations. The Group's compliance procedures are based on a precise allocation of duties and responsibilities as well as promotion of compliance awareness through a "tone from the top" approach and active training programs to ensure accountability and strict and effective compliance within the Group.

3.4.1.2 ORGANISATIONAL STRUCTURE: THE TONE FROM THE TOP

Aiming to ensure appropriate sharing of information, right level of accountability, due and effective support and promotion, URW has set up a robust compliance organisation matching its geographical and local footprint.



3.4.1.2.1 MANAGEMENT AND SUPERVISORY BOARDS OF URW SE

The Management Board of URW SE is responsible, under the supervision of the Supervisory Board, for compliance with all laws and regulations applying to the Group. Promoting compliance awareness from the top on a recurring basis is one of the Management Board's responsibilities and part of the compliance framework. The Management Board reports all material compliance breaches to the Supervisory Board. The Annual Compliance Report and, if any, dedicated incident reports related to compliance matters, are presented and discussed with the Management Board and Supervisory Board.

3.4.1.2.2 GROUP COMPLIANCE OFFICER

The Group Compliance Officer (GCO) is appointed by the Supervisory Board of URW SE upon recommendation of the Group Chief Executive Officer. To ensure full independence, the GCO reports to the Group Chief Executive Officer and the Chairman of the Supervisory Board. The GCO is responsible for compliance matters for the entire Group. The GCO is directly responsible for the EU platform and through supervision for the US platform, in collaboration with the Compliance Officer of WFD URNV (CO URNV). The GCO's scope of responsibility includes:

- designing and monitoring the implementation of the compliance program (including the Code of Ethics, Anti-Corruption Program, Anti-Money Laundering Procedure and Whistleblowing Policy);
- promoting compliance awareness for all employees and managers as well as for the Management and Supervisory Boards, through classroom trainings, e-learning courses and information sessions;
- maintaining and updating the Group's anti-corruption risk mapping;
- investigating possible compliance breaches, including breaches reported through the URW Integrity Line, the Group's whistleblowing platform;
- regularly reporting to the Group Compliance Committee whether the Group complies with applicable laws and regulations; and
- issuing and presenting the Annual Compliance Report to the Management and Supervisory Boards.

In addition to dedicated resources and budgets, the GCO and the CO URNV have support from a Group Compliance Manager and a Local Compliance Correspondents Network to fulfill their tasks. They may also request support and/or input from any department, notably the Group legal department, as well as from external advisors.

3.4.1.2.3 GROUP COMPLIANCE COMMITTEE

The Group Compliance Committee is composed of four members, appointed by the URW SE Management Board. It consists of the Group Chief Resources Officer (chairman), the Group Compliance Officer (GCO), the Group General Counsel and one Management Board member from URW SE or WFD URNV who is not directly involved in the matter which the committee is handling.

The Group Compliance Committee's responsibilities are:
- hearing and reviewing the Group compliance report prepared by the GCO;
- making recommendations on compliance due diligences presented by the GCO or the CO URNV on the business ethics environment in case of potential new market entry;
- periodically reviewing the adequacy and effectiveness of the Group's Anti-Corruption Program with the Group General Counsel, the Local Compliance Correspondents (EU platform) and the CO URNV (US platform) and suggesting possible improvement; and
- participating in the crisis management in case of a material compliance breach.

3.4.1.2.4 GROUP GENERAL COUNSEL

Within URW, the following compliance matters fall under the scope of the Group General Counsel:
- identifying and advising the Management Boards of URW SE and the Governance and Nomination Committee on (emerging) corporate governance issues or significant developments in the law and/or corporate governance practices;
- supervising the Group's regulatory compliance, in interaction with the GCO; and
- determining and announcing (extra) closed periods.

3.4.1.2.5 LOCAL COMPLIANCE CORRESPONDENTS NETWORK

The network of Local Compliance Correspondents (LCC) exists to locally promote compliance awareness in the different regions where the Group conducts business as well as to monitor and provide support for the local implementation of the Group's compliance procedures. The LCC provides first level compliance advice at local level to URW staff, reports any (potential) compliance breach or issue to the GCO and makes appropriate suggestions to improve compliance procedures, in to the Anti-Corruption Program, to ensure effective implementation across the Group.

3.4.1.2.6 AUDIT AND INTERNAL CONTROL

In an ever-changing operating environment, the Group is audited by external and internal professionals, who have the following responsibilities to detect and counter any violation of the compliance's procedures, and to improve them.

3.4.1.3 CODE OF ETHICS

The Code of Ethics describes values and principles that every employee of the Group must observe in the course of their work. These rules of conduct guide employees' and managers' behaviour when acting within or on behalf of Unibail-Rodamco-Westfield Group.

In particular, the Code of Ethics strictly prohibits the offering or receiving of illegal sums, establishes clear restrictions on the giving and/or receiving of gifts and requires employees to comply with applicable laws and regulations. An annual training campaign (e-learning) is organised to raise the awareness of employees of the Group's ethical principles. Any violation of these principles may result in disciplinary actions and legal proceedings. The Code of Ethics can be found at https://www.urw.com/en/group/corporate-governance/code-of-ethics.

3.4.1.4 WHISTLEBLOWING PLATFORM: URW INTEGRITY LINE

All employees and contractors are invited to report cases or suspicions of criminal activities, violations of national and international laws and serious threats or harm to the general interest, or breaches to the Group's Code of Ethics relating to corruption by using the Group's whistleblowing platform. The platform is available 24/7 from any location worldwide in all languages spoken within the Group (https://urw.integrityline.org/). The whistleblowing platform allows anonymous reporting and ensures strict confidentiality of the identity of the reporter. The Group policy is to guarantee to not discipline, discriminate or retaliate against any employee or other person who in good faith reports information related to a violation. The GCO and the CO URNV (for the US platform) investigate reported incidents but the Management Board is ultimately responsible. The GCO and the CO URNV may also seek assistance of the LCC when investigating.

3.4.1.5 ANTI-CORRUPTION PROGRAM

3.4.1.5.1 ANTI-CORRUPTION PROGRAM DESIGN AND CONTEXT

The Group's Anti-Corruption Program (ACP) aims at combating and preventing corruption, bribery and influence peddling and has been created in order to comply with applicable laws, such as the French Sapin II, the UK Bribery Act 2010 and the US Foreign Corrupt Practices Act. The ACP includes risk mapping of the various operations in the different regions of the Group, such as the regulatory landscape, transactions, relationships with public officials and relationships with business partners. The Management Board of URW strictly enforces the Group's zero tolerance principle in regards to violations of the ACP.

The Group's ACP is built on eight pillars:

CODE OF CONDUCT

In addition to the Group's Code of Ethics, the ACP includes a code of conduct related to corruption, bribery and influence peddling. There is a zero tolerance principle for breaches of the ACP and violations may be sanctioned. The URW Code of Ethics and ACP are both integral parts of the Group's compliance program.

RISK MAPPING

The Group's corruption risk mapping consists of several criteria related to the Group's location and operations. The main risk areas are sponsorships/donations, investment/divestment, development, airports, procurements processes and dealing with public officials. The methodology applied to design the risk mapping is documented and includes interviews at corporate and local levels to validate and update potential scenarios related to corruption.

INTERNAL ALERT SYSTEM

The Group has a whistleblowing procedure (the "URW Integrity Line"), which enables all staff as well as contractors to confidentially, and anonymously, report incidents to the GCO and the CO URNV (for the US platform). The whistleblowing procedure and platform are accessible at https://urw.integrityline.org/.

THIRD PARTY DUE DILIGENCE

The Group has a "Know Your Partner" procedure which consists of a tailored due diligence to assess partners' risk of exposure to corruption before entering into contractual relationships. The due diligences may consist of questionnaires, internal and/or external background checks and interviews. Under certain circumstances the GCO reports due diligence findings to the GCC to discuss the risk profile and provide recommendations.

ACCOUNTING CHECKS

The Group has a collective decision-making process regarding investment, divestment and procurement. The Group applies a "four eyes" principle when processing invoices, meaning that the person approving the purchase order is different from the person approving the invoice. There is also a segregation of duties for any payment. Manual entries in accounting are systematically reviewed by the chief accountant and accounts are reviewed by statutory auditors.

TRAINING

To raise awareness and entrench the compliance culture within the Group, employees are required to attend mandatory trainings on ethics but also on the Anti-Corruption Program ranging from general anti-corruption trainings to specified trainings regarding how to perform a due diligence. The most exposed departments that are identified in the URW corruption risk mapping are required to attend classroom trainings. There is also a mandatory Group-wide e-learning on anti-corruption for all employees and managers.

DISCIPLINARY SANCTIONS

Disciplinary sanctions may be taken in cases of corruption, bribery or breaches of the ACP based on the Group's zero tolerance principle for violations of its ACP. In accordance with local regulations, the ACP is part of the internal charter ruling local activities and contributes to the disciplinary basis.

ACP ASSESSMENT

To ensure compliance with the ACP and constant improvement, the ACP is part of the scope of the Internal Audit department and has been reviewed by a law firm in 2017 and is currently under a second review.

Pursuant to the ACP, the Group also includes anti-corruption clauses in contracts with business partners, to contractually remind the contracting parties that corruption and/or unethical behaviour will not be tolerated by either of them.

3.4.1.5.2 GIFTS, MEALS AND ENTERTAINMENT

Hospitality, promotional or other business expenditure, received as well as given, need to be reasonable in value, infrequent, directly related to the promotion of the Group's assets, know-how, products or services, the execution of a contract, or to develop and maintain cordial business relations out of any tendering phase or in the frame of the Group's CSR policy, approved (as the case may be) and not given for any corrupt purpose or with the intent of receiving anything in return.

3.4.1.5.3 DEALING WITH PUBLIC OFFICIALS

The Group promotes dialogue with public institutions and non-governmental organisations in all countries where it operates. Relations with public officials must be conducted based on transparency and traceability. A reputational background screening must always be performed before entering into a business relationship with a public official.

3.4.1.5.4 SPONSORING AND CHARITABLE CONTRIBUTIONS

Donations to charities, non-profit initiatives or social projects comprise a risk of having funds or assets of value being diverted for the personal use or benefit of a public official or a private party. Particular caution needs to be observed if a potential contribution is directed towards an affiliation with a public official with whom the Group is doing, has done or is planning to do business. Any contributions above €/$/£15,000 must be prior validated by the Group CRO for European operations or by the President US for US operations. An annual list of all the Group's sponsoring and charitable contributions is kept and recorded in the Group's books.

3.4.1.6 PREVENTION OF MONEY LAUNDERING AND TERRORISM FINANCING

The procedure for prevention of money laundering and terrorism financing (AML) requires employees and managers to be vigilant and perform due diligences before entering into certain business relationships. These due diligences include identifying the risk profile of the partner/operation and investigating potential ultimate beneficial owners and politically exposed persons through background checks via databases and the answering of questionnaires.

3.4.2 PERSONAL DATA

Personal data represents a major concern for customers, employees, and partners and for the URW Group as well.

Their sense of responsibility is essential during the implementation and development of the experience offered to URW customers, in a framework conducive to guaranteeing protection and exemplarity in the daily management of personal data collected in accordance with applicable national laws.

The Group therefore has (i) a clear and efficient structure with governance bodies for matters relating to the collection, use and protection of personal data, (ii) a set of robust processes to better support the daily processing of data, and (iii) a regulatory watch organized to ensure the best level of compliance in a constantly evolving legal and regulatory context.

3.4.2.1 A CLEAR AND EFFICIENT GOVERNANCE OF PERSONAL DATA

While 2018 was marked by the implementation of numerous measures to comply with the new regulations relating to the protection of personal data General Data Protection Regulation (GDPR), 2019 was the first financial year during which initial feedback has been conducted on the compliance measures deployed and their effects.

This active search for compliance, which represents a constantly renewed challenge, is based on a clear managerial willingness directly integrated into the various services of the Group. The Group shall ensure compliance with its legal and regulatory obligations while supporting marketing and commercial strategies, in order to offer ever more innovative services to its customers, partners and other stakeholders.

The governance in place is based on different levels according to an escalation principle.

This governance is organized around:
- A Data Protection Officer (DPO) for the group registered with the CNIL:

  This Group DPO:
  - Leads a network of local data privacy correspondents or local DPOs in each continental European country where the group is present. Each local correspondent (some of whom have DPO status with local data protection entities) carries out legal and operational monitoring for the country for which they are responsible. All of the correspondents meet monthly in a dedicated committee to share best market practices.
  - Coordinates the Group's personal data protection strategy with the Privacy Counsel responsible for compliance with the California Consumer Privacy Act for the Group's activities in the State of California (USA).
- The management, in project mode, of personal data questions, allowing a "privacy by design" approach by the teams in charge of projects or services likely to involve the collection or use of personal data (IT, HR, marketing, brands, legal, etc.);
- A Data Protection Committee notably composed of the Group Chief Resources Officer, the US President, the Group General Counsel, the Group IT Director, the Group Commercial Director, the Chief Operating Officer Europe, the Group DPO, whose purpose is to ensure the proper application of the Group strategy relating to data protection, to review the impact assessments of certain projects and the risks of exposure of the data collected, and to adopt the risk management measures deemed appropriate.

3.4.2.2 MANAGE PERSONAL DATA ON A DAILY BASIS IN A RESPONSIBLE MANNER

Mindful of its responsibilities in this area, the Group is committed to ensuring effective protection and reasonable processing of the personal data collected.

3.4.2.2.1 A DAILY THOROUGHNESS

Each new project involving the processing of personal data is supported by legal department. In addition, significant efforts are made in terms of awareness and training on the management of personal data: each employee receives online GDPR training, and the most exposed departments are provided with personalized face-to-face training.

The Group has set up an access and complaints process open to its customers and has already deployed an integrated management tool in the United States, enabling it to respond quickly and appropriately to the requests of people exercising their rights in terms of personal data.

This management also involves strengthening the Group's relationships with its partners so that they engage in a compliance process.

3.4.2.2.2 A REASONED AND CONTROLLED USE OF PERSONAL DATA

Beyond the establishment of an internal framework suitable for ensuring compliance with regulations, the effective application of this framework is subject to regular monitoring and internal audit missions carried out by the Group's dedicated teams.

3.4.2.3 SUPPORT AN EVER-CHANGING LEGAL CONTEXT

Beyond the European Regulation on the Protection of Personal Data, each Member State of the European Union has interpreted the provisions of the GDPR by the enactment of national standards and by the jurisprudence developed by its national authorities (courts and local data protection authorities). At the same time, the State of California (USA), in which the Group operates, has implemented its own regulations.

This multiplication of applicable standards and regulations, combined with objectives or philosophies that may diverge, makes it increasingly complex to monitor regulatory developments. This is one of URW's endeavors to take up this major challenge on a daily basis, in order to maintain global compliance taking into account local specificities.

3.5 REPORT OF THE SUPERVISORY BOARD ON CORPORATE GOVERNANCE

In accordance with Article L. 225-68 of the French Commercial Code, at its meeting held on February 12, 2020, the SB agreed on the corporate governance report which will be submitted at the next General Meeting, at the same time as the observations of the SB concerning the MB report and the financial statements, it being specified that the observations are presented in the Notice of meeting of the 2020 General Meeting.

	Text references	Sections of the Universal Registration Document
Governance		
List of all the terms of office and duties carried out in any company by each company officers	L. 225-37-4 of the French Commercial Code	3.2
Related party agreements	L. 225-37-4 of the French Commercial Code	3.2.2.5
Reference to the resolutions voted under the ex-ante vote	L. 225-82-2 of the French Commercial Code	3.3.1
Table summarising the delegations currently in force	L. 225-37-4 of the French Commercial Code	7.5
Composition and conditions for preparing and organising the Supervisory Board’s work	L. 225-37-4 of the French Commercial Code	3.2.2
Description of the diversity policy applicable to the members of the Supervisory Board, as well as a description of the aims of this policy, of its implementation methods and the results obtained	L. 225-37-4 of the French Commercial Code	3.2.2
Limitations on the powers of the Management Board by the Supervisory Board	L. 225-37-4 of the French Commercial Code	7.6.5.2.1
“Comply or Explain”	L. 225-37-4 of the French Commercial Code	3.1
Special arrangements for shareholders taking part in the General Meeting	L. 225-37-4 of the French Commercial Code	n/a
Management procedure of common agreements in application of the second paragraph of the Article L. 225-87 of the French Commercial Code	L. 225-37-4 of the French Commercial Code	3.2.2.5
Information on elements likely to have an effect in the event of a take-over bid or a public exchange offer	L. 225-37-5 of the French Commercial Code	7.8
Observations by the Supervisory Board on the Management Board report and the statutory financial statements	L. 225-68 of the French Commercial Code	Notice of meeting
Remuneration		
Information on the Remuneration Policy	L. 225-82-2 of the French Commercial Code	3.3
Information on the remunerations of the corporate officers	L. 225-37-3 of the French Commercial Code	3.3

CHAPTER 4

ACTIVITY REVIEW

4.1 MANAGEMENT DISCUSSION AND ANALYSIS[1]

4.1.1 BUSINESS REVIEW AND 2019 RESULTS

4.1.1.1 ACCOUNTING PRINCIPLES AND SCOPE OF CONSOLIDATION

ACCOUNTING PRINCIPLES

Unibail-Rodamco-Westfield's ("URW" or "the Group") consolidated financial statements as at December 31, 2019, were prepared in accordance with International Financial Reporting Standards ("IFRS") as applicable in the European Union at that date.

URW has adopted the new IFRS 16 effective January 1, 2019. URW has applied IFRS 16 using the modified retrospective approach, thus comparative information has not been restated.

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Other than right-of-use relating to investment property, these right-of-use assets are depreciated over the contract period or over the useful lifetime, whichever is shorter. The interest expenses related to these leases are presented in the Net financing result. There are optional exemptions for short-term leases which URW has selected to utilise. The lease expense is recognised on a straight-line basis as permitted by IFRS 16. Prior to the application of IFRS 16, URW had already capitalised lease obligations, primarily ground leases, and as at December 31, 2018, had recorded €387 Mn as capitalised lease obligations (in current and non-current liabilities), pursuant to IAS 17.

At initial application of IFRS 16, URW has recognised new right-of-use assets and respective lease liabilities of €474 Mn, mainly relating to its contracts with Los Angeles International ("LAX") Airport for the management of the Tom Bradley Terminal and Terminal 1. URW has measured a right-of-use asset at the date of initial application for leases previously recorded as an operating lease at an amount equal to the lease liabilities.

Under IFRS 16, payments of lease liabilities are presented in financing activities and related interest expense as interest paid, while previously the full amount of lease payments, with respect to operating leases, were included in the cash flow from operations before financing items and taxes.

IFRS 16 IMPACT IN 2019

Consolidated statement of financial position (impact as at January 1, 2019)

- +€410 Mn increase in Investment properties at fair value;
- +€64 Mn increase in Other tangible assets;
- +€474 Mn increase in the Non-current lease liabilities (+€441 Mn) and Current lease liabilities (+€33 Mn).

Consolidated income statement

- +€50.7 Mn positive impact on 2019 Net Rental Income ("NRI");
- -€23.1 Mn increase in Financial expenses;
- -€0.3 Mn in Administrative expenses;
- +€27.3 Mn positive impact on the Net recurring result for the period.

Consolidated statement of cash flows

- +€62.5 Mn positive impact on Total cash flow from operating activities;
- -€62.5 Mn negative impact on Total cash flow from financing activities.

URW also adopted IFRIC 23 as of January 1, 2019, with no significant impact on its consolidated financial statements. No other significant changes were made to the accounting principles applied for the preparation of the financial statements under IFRS as applicable in the European Union since December 31, 2018.

Since 2018, the Group also prepares financial statements in a proportionate format, in which the joint-controlled entities are accounted for on a proportionate basis, instead of being accounted for using the equity method under IFRS. URW believes that these financial statements in a proportionate format give stakeholders a better understanding of its underlying operations and the joint-controlled entities, as they represent a significant part of the Group's operations in the US and the UK. The Group has structured its internal operational and financial reporting according to this proportionate format. Therefore, the business review and results are presented based on the financial statements on a proportionate basis, with no impact on the net results.

Where applicable, the performance indicators are compliant with the Best Practices Recommendations published by the European Public Real Estate Association ("EPRA")[2]. These are reported in a separate chapter at the end of this section.

SCOPE OF CONSOLIDATION

The principal changes in the scope of consolidation since December 31, 2018, are:

- The disposal of URW's 34% stake in the Jumbo shopping centre in February 2019;
- The disposal of a 75% stake in the Cherry Park residential project at Westfield Stratford City to two institutional investors in May 2019;
- The disposal of the Majunga office building to a consortium of institutional investors in July 2019; and
- The disposal of URW's 66.67% stake in the Ring-Center shopping centre in Berlin in December 2019.

OPERATIONAL REPORTING

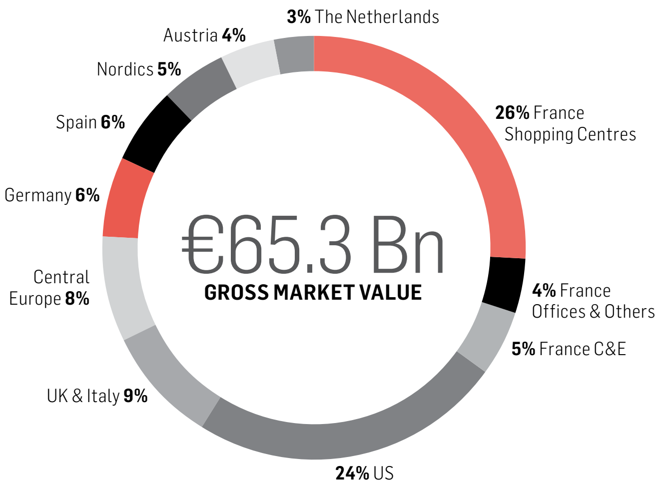
URW operates in nine regions: France, the United States of America ("US"), Central Europe, Spain, the United Kingdom ("UK"), the Nordics, Austria, Germany and The Netherlands. In addition, the Group has significant development projects in Italy and Belgium.

As France has substantial activities in all three business lines of the Group, this region is itself divided in three segments: Shopping Centres, Offices & Others and Convention & Exhibition ("C&E")[3]. The other regions operate almost exclusively in the Shopping Centres segment.

4.

(1) The Management Discussion & Analysis (MD&A) is based on the Financial statements prepared on a proportionate basis.
(2) EPRA Best Practices Recommendations are available on the EPRA website: www.epra.com.
(3) C&E includes the Les Boutiques du Palais retail asset.

The chart below shows the split of proportionate Gross Market Values ("GMV") per region as at December 31, 2019.



Figures may not add up due to rounding.

4.1.1.2 BUSINESS REVIEW BY SEGMENT

Due to the completion of the Westfield acquisition on June 7, 2018, URW has been operating as one Group since that date only. Consequently, the Business review by Segment presented below has been prepared based on the Group's Continental European activities prior to the transaction. A separate section ("UK and US Business Review") has been added to give investors an overview of the most significant business events in the UK and the US in 2019. Unless otherwise indicated, all references are to URW's Continental European operations and relate to the period ended December 31, 2019. Comparisons relate to the same period in 2018.

CONTINENTAL EUROPE – SHOPPING CENTRES

ACTIVITY

Footfall(1)

The number of visits to URW's shopping centres through November 30 was up by +3.3% and by +3.8% for Flagships demonstrating the appeal of the Group's assets. In France, footfall was up by +5.9% (+521 bps vs. the CNCC index) and by +6.5% for Flagships (+576 bps vs. the CNCC index). Footfall through November 30 in Central Europe grew by +2.6% and by +2.3% and +1.3% in Germany and Spain (outperforming their national footfall indices by +338 bps and +98 bps, respectively). In the Nordics, it remained stable despite the negative performance of Fisketorvet (-3.5%) due to the impact of works around the shopping centre. In The Netherlands, footfall decreased by -1.1%.

The number of visits to URW's shopping centres through December 31 was up by +2.6% and by +3.0% for Flagships. In France, footfall was up by +4.6% (+431 bps vs. the CNCC index) and by +5.0% for Flagships (+473 bps vs. the CNCC index), despite a loss of 1.8 million visits in December 2019 vs. December 2018, mainly in the Paris region, due to public transport strikes.

Tenant sales(2)

URW's tenant sales through November 30 increased by +5.2%, and by +5.5% for Flagships, outperforming the aggregate national sales index(3) by +304 bps and +340 bps, respectively. A key contributor of tenant sales growth was URW's longstanding proactive operating management, including active rotation of tenants, introduction of new and dynamic concepts to meet changing consumer preferences and attracting visitors with vibrant and unique events.

Entertainment (+7.5%), sport (+7.0%), dining (+6.9%) and health & beauty (+5.1%) were the main sales growth contributors, along with the exceptional performance of the automotive segment. Despite a challenging market, sales of fashion apparel (30.5% of GLA) were up by +2.2% vs. a flat performance in 2018.

The very strong performance of the Nordics (+14.1%) and France (+5.4%) benefited from the notable impact of the deliveries of the Tesla Model 3. Excluding Tesla, the Group's tenant sales through November 30 increased by +3.3%.

(1) Footfall in URW's shopping centres in operation, including extensions of existing assets, but excluding deliveries of new brownfield projects, newly acquired assets and assets under heavy refurbishment. For the 2019 reporting period, shopping centres excluded due to delivery or ongoing works were Les Ateliers Gaîté, La Part-Dieu, CH Ursynow, Westfield Mall of the Netherlands, Garbera, La Vaguada and Gropius Passagen. Les Boutiques du Palais is now included in the C&E segment. Footfall data include shopping centres accounted for using the equity method (Westfield Rosny 2, CentrO, Paunsdorf and Metropole Zlicin), but not Zlote Tarasy as it is not managed by URW.

(2) Tenant sales performance in URW's shopping centres (except The Netherlands) in operation, including extensions of existing assets, but excluding deliveries of new brownfield projects, newly acquired assets and assets under heavy refurbishment. For the 2019 reporting period, shopping centres excluded due to delivery or ongoing works were Les Ateliers Gaîté, La Part-Dieu, CH Ursynow, Garbera and Gropius Passagen. Primark sales are based on estimates. Les Boutiques du Palais is now included in the C&E segment. Tenant sales data include shopping centres accounted for using the equity method (Westfield Rosny 2, CentrO, Paunsdorf and Metropole Zlicin), but not Zlote Tarasy as it is not managed by URW.

(3) Based on latest national indices available (year-on-year evolution) as at November 2019: France: Institut Français du Libre Service (IFLS)-excluding food; Spain: Instituto Nacional de Estadistica; Central Europe: Česky statisticky urad (Czech Republic), Polska Rada Centrow Handlowych (Poland), Eurostat (Slovakia); Austria: KMU Forschung; the Nordics: HUI Research (Sweden), Danmarks Statistik (Denmark); Germany: *Destatis-Genesis*, excluding online only operators and fuel sales (Federal Statistical Office). Including online only sales for France, Spain, the Czech Republic and Slovakia and excluding online only sales for Germany, the Nordics, Austria and Poland.

Region	Tenant Sales Growth (%) (November 2019)	Performance versus National Sales Index (bps)
France	+5.4	+379
Central Europe	+3.9	+166
Spain	+1.8	(74)
Nordics	+14.1	+1,054
Austria	+0.7	+2
Germany	+4.4	+86
Total	**+5.2**	**+304**

- In France, tenant sales grew by +5.4%, outperforming the IFLS index by +379 bps and the CNCC index by +459 bps. All Flagships showed positive sales performance, the main contributors being Westfield Carré Sénart (+13.5%), Polygone Riviera (+9.7%), Westfield Vélizy 2 (+9.6%) and Westfield Parly 2 (+6.9%);
- In Central Europe, tenant sales increased by +3.9%, mainly driven by Wroclavia (+15.4%), Westfield Chodov (+9.9%) and Aupark (+6.9%), partially offset by the impact of the Sunday trading ban introduced in 2018 and expanded in 2019 on Westfield Arkadia (-3.3%) and Galeria Mokotow (stable) (three out of four Sundays closed in 2019 vs. two out of four in 2018);
- Spanish tenant sales increased by +1.8% underperforming the national sales index at +2.5% by -74 bps. Despite the good performance in Bonaire (+6.4%), Parquesur (+3.9%) and Glòries (+2.5%), the region's tenant sales were affected by La Vaguada (-1.7%), negatively impacted by one specific tenant and La Maquinista (-1.7%), affected primarily by the closure of the metro lines during summer and social unrest in Catalonia;
- In the Nordics, tenant sales (+14.1%) were positively impacted by the outstanding performance of Tesla in Westfield Mall of Scandinavia (+24.5%) and Täby Centrum (+19.2%). Tenant sales in Fisketorvet (-3.5%) were affected by the road works and closure of the main access from the city centre (reopened at the beginning of November);
- In Austria, tenant sales grew by +0.7%, in line with the national sales index;
- In Germany, tenant sales grew by +4.4%, outpacing the national sales index by +86 bps, driven primarily by the excellent performance of CentrO (+6.4%) and Ruhr Park (+6.3%).

URW's tenant sales through December 31 grew by +4.7% and by +5.0% for Flagships, impacted by the public transport strikes in France and a calendar effect (one Saturday less in December than in 2018).

Leasing

Although retailers are increasingly focusing on the relevance of existing stores and are taking more time to decide on new store openings, URW signed 1,367 deals (+9%[1] vs. 2018) with a Minimum Guaranteed Rent uplift[2] of +12.0% (+11.7% in 2018) and +13.9% (+14.4%) in Flagships[3]. The rotation rate[4] was 10.6%, in line with URW's objective of rotating at least 10% of tenants or concepts annually in every shopping centre.

Thanks to the new international leasing platform, the Group enhanced its retailer relationships between the US and Europe by accelerating the development of international retailers such as Abercrombie & Fitch (signing ten deals in total: five in France, four in Spain and one in Austria), Hugo Boss (six deals across Continental Europe) and The Void (a virtual reality experience with eight deals signed in Continental Europe).

2019 was marked by a number of bankruptcies (98 retailers and 203 stores) in URW's Continental European portfolio, the bulk of which in France and the Nordics. In total, this accounts for a potential exposure of €30.7 Mn of MGR (annual passing rent (Group share)) of tenants affected, representing 2.2% of MGR. 79% of the affected units are either still occupied or have already been re-let.

Proactive leasing took place to rotate non-performing tenants through relettings and unit restructurings. Main signings include:

- **Westfield Forum des Halles:** the reletting of the ex-Forever 21 unit to a pharmacy (over 2,000 sqm) opening in May 2020, strengthening the convenience offer of the centre, and of the ex-New Look unit to Bershka (2,000 sqm, to be their largest store worldwide in a shopping centre) opening in Q4-2020;
- **Westfield Mall of Scandinavia:** the introduction of temporary NA-KD concept, one of the fastest growing online fashion retailers, on over 2,500 sqm, following the bankruptcy of a home goods retailer. The unit is now leased on a permanent basis to Decathlon (opening in February 2020);
- **Westfield Les 4 Temps:** the split and re-letting of the ex-New Look unit to Pull & Bear opening in Q2-2020 and to the differentiating dining offer Yaya (a Greek restaurant operated by the famous chef Juan Arbelaez);
- **La Maquinista:** the closure of Forever 21 and introduction of Urban Outfitters and two other differentiating international fashion retailers with flagship stores.

4.

(1) Restated for the 66 leases signed in 2018 in the four disposed Spanish shopping centres (July 2018) and in Jumbo (February 2019). The number of leases signed in 2018 before such restatement was 1,319.
(2) Minimum Guaranteed Rent (MGR) uplift: difference between new MGR and indexed old MGR. Indicator calculated on renewals and relettings only.
(3) URW's Flagship assets in Continental Europe are: Westfield Les 4 Temps, Aéroville, Westfield Parly 2, Westfield Vélizy 2, Westfield Carré Sénart, Westfield Rosny 2, Westfield Forum des Halles, Carrousel du Louvre, CNIT, Confluence, La Part-Dieu, Villeneuve 2, Westfield Euralille, Polygone Riviera, La Vaguada, Parquesur, Bonaire, Splau, La Maquinista, Glòries, Donau Zentrum, Shopping City Süd, Centrum Cerny Most, Westfield Chodov, Wroclavia, Galeria Mokotow, Zlote Tarasy, Westfield Arkadia, Aupark, Fisketorvet, Westfield Mall of Scandinavia, Täby Centrum, Stadshart Amstelveen, Westfield Mall of the Netherlands, Ruhr Park, Gropius Passagen, CentrO and Pasing Arcaden.
(4) Rotation rate: (number of re-lettings + number of assignments and renewals with new concepts)/number of stores. Short-term leases are excluded.

Concentration

Further to its strategic objective of focusing on Flagship Destinations and its €6 Bn disposal programme, URW in H2-2019 approached selected investors for a majority stake in five French shopping centres. In December, the Group received letters of intent from institutional investors pursuant to which the Group has reached an agreement to dispose of 54.2% of its interest in these assets at a price in line with the unaffected appraisal values of December 2018, with expected Net disposal proceeds for URW of €1,511 Mn. See "Post-Closing events".

Differentiation

The following brands have chosen to enter new European markets with stores located in URW's shopping centres:

- Victoria's Secret in France and Sweden (first full concepts in France in Westfield Forum des Halles and in Sweden in Westfield Mall of Scandinavia);
- Lyle & Scott in Sweden (Westfield Mall of Scandinavia);
- Intimissimi Uomo in Poland (Galeria Mokotow);
- John Reed in France (So Ouest);
- Under Armour in Sweden (Westfield Mall of Scandinavia) and Poland (Westfield Arkadia);
- America Today in Germany (CentrO);
- Dyson in Germany (CentrO) and first in a shopping centre in France (Westfield Parly 2);
- BALR. in Germany (first physical store outside The Netherlands, in CentrO);
- Maisons du Monde in Austria (Shopping City Süd);
- Ace & Tate in The Netherlands (first store in a shopping centre in Westfield Mall of the Netherlands).

URW concentrates on the best performing sectors and best in class retailers that are top of mind for customers, so-called "Influencer Brands". 153 leases were signed with Influencer Brands, including Tesla, Dyson, Rituals, JD Sports and John Reed. In addition, the Group signed 16 leases with the Inditex Group and three with Uniqlo.

URW continued to target Digital Native Vertical Brands ("DNVBs"), resulting in 19 deals signed in 2019 with brands such as Jimmy Fairly (two stores opened in France) and Daniel Wellington (three stores signed in France) and multi-brand pop-up concepts such as Pyramid in Carrousel du Louvre, which hosted 20 DNVBs.

The Group pursues its differentiation strategy through operating projects, including:

- Westfield Les 4 Temps: a new fashion destination opening in 2020, following the repurposing of the Castorama unit, including the largest Zara flagship in France (5,400 sqm), and a plaza hosting major events and Commercial Partnerships;
- La Maquinista: works started in October 2019 for the Fashion Pavilion. This project will create a new upmarket fashion cluster of 4,500 sqm.

Commercial partnerships

Brand ventures, media and specialty leasing revenues[1] increased by +11.2% to €32.7 Mn in 2019 vs. 2018, attributable to the roll-out of the new commercial partnerships strategy in 2019 and capturing €4.8 Mn of revenue synergies (out of €25 Mn total Commercial Partnerships synergies to be captured by 2023).

Main highlights include:

- Competitive tenders and standardisation of commercial terms with new contracts signed in Poland (€4.0 Mn value over the life of the contract) and in Germany with Visual Art, following a successful collaboration in the UK and in the Nordics;
- Implementation of the first pan-European deals, including Iqos (kiosks in Central Europe), Acium (kiosks in France and Spain), Waterdrop (kiosks in Austria and Germany) and Sephora (first brand partnership with experiential, retail and in-situ support in France, Germany and Poland);
- Implementation of new big format digital screens (e.g., in the Westfield Vélizy 2 extension).

Destinations and innovation

The roll-out of destination concepts continued and further differentiated these assets through the implementation of The Dining Experience, The Family Experience and Leisure and Wellness concepts:

- Westfield Vélizy 2: 23 fully let dining units, a virtual reality experience and an 18-screen UGC cinema. Footfall was +13.8% since opening;
- Westfield Carré Sénart: 12 fully let restaurants, a new IMAX® theatre in the Pathé cinema (now with 17 screens) and The Family Experience, with an outside playground and a paid childcare facility, as well as a new virtual reality concept (The Void). Footfall increased by +3.9% since the Dining Experience opening;
- Donau Zentrum: six new restaurants were added to the existing 16. The Void's virtual reality concept was signed, as well as a 2,800 sqm John Reed fitness facility;
- CentrO: 20 renovated and fully let dining units, the signing of The Void, as well as a 3,000 sqm venue to provide rotating exhibitions following a successful Game of Thrones campaign in February 2019;
- Westfield Parly 2: a new UGC 12-screen cinema with 2,200 seats opened in June 2019;
- Aéroville: a new leisure destination signed on 5,000 sqm with La Tête Dans Les Nuages opening in Q4-2020;
- Westfield Hamburg: the signing of the Kinopolis Cinema operator for ten screens and more than 2,000 seats.

(1) Income excluding the portion attributable to co-owners and tenants' associations.

URW Link continued developing relationships with start-ups:

- The food omnichannel platform tested in H1-2019 at Westfield Vélizy 2 was scaled through all Continental European countries thanks to new partnerships with Wolt and Lieferando and the international expansion of the partnerships with Deliveroo and Uber Eats. In the seven selected French assets, 47% of the eligible restaurants have already partnered with delivery companies;
- An extension of the “Sous les Fraises” urban farm, built on the roof of So Ouest, opened in June 2019;
- The partnership with “Too Good to Go”, rolled-out across the French portfolio, exceeded expected results with over 100,000 meals saved in 2019. Smart food waste solutions will be implemented across all shopping centres in Europe in 2020;
- TROOV, the French start-up helping visitors to recover their lost objects, was successfully rolled-out through the French portfolio.

To further strengthen its relationship with start-ups, URW partnered with blisce/, a tier-1 Venture Capital growth vehicle which invests in promising and innovative direct-to-consumer concepts. This partnership provides URW with both technology insights and access to innovative start-ups shaping the future of consumption and retail. URW participated indirectly in the fundraising of three start-ups: Dice, a leading app for live events, Brut, a global digital media platform, and Headspace, a digital well-being platform.

As a result of these efforts, URW was awarded the eCAC40 “Management and Governance” Trophy by Les Echos, the leading French business newspaper, for the Group’s leadership in digital transformation.

Marketing and digital

Westfield Rebranding

- The Westfield brand was rolled out successfully across ten European Flagships in September: Arkadia, Carré Sénart, Centrum Chodov, Euralille, Forum des Halles, Les 4 Temps, Mall of Scandinavia, Parly 2, Rosny 2 and Vélizy 2;
- Westfield rebranded shopping centres generated higher levels of communication awareness than competing centres (97% vs. 87%), and Westfield brand awareness increased in all markets through the launch campaign. 62% of all shoppers across all markets view the new “Come Together” campaign positively.

Events

In 2019, the Group staged high quality events and focused on creating differentiation for its customers:

- Westfield launch campaigns starring famous artists thanks to the strength of the Westfield brand, such as John Legend, Rita Ora and Clean Bandit;
- NFL in CentrO: a visit of the AFWB (American Football Without Barriers) association with autograph and training sessions, resulting in a +10% footfall increase for the duration of the event;
- eSports Festival in Donau Zentrum: a weekend e-gaming event took place, resulting in a +12% footfall increase vs. the prior week (with 1,500 people attending the live contest in the cinema) and over one million views on Twitch (the world’s leading live streaming platform for gamers);
- The Disney Frozen 2 activation took place in La Maquinista, Parquesur, Splau, Glòries, Westfield Mall of Scandinavia, Fisketorvet, Westfield Arkadia, Wroclavia, Centrum Cerny Most, Donau Zentrum and Shopping City Süd in November/December. Over the three-week activation, 102,000 shoppers participated.

Digital and Data

- As at December 31, the Group’s CRM database had 9.8 million members (+2.8 million);
- A transactional loyalty program was successfully piloted in four shopping centres. A further European roll-out is being finalised. This program provides insight into the spending patterns of customers of URW tenants, both in store and online;
- Partnerships with the leading mobile operators in all countries were extended, gathering more data on the trade areas and extensive insights about the competing centres;
- The Group launched five in-mall analytics proof of concepts on different technologies. Following successful pilots, some of these technologies are already being rolled-out.

NET RENTAL INCOME

Total consolidated Net Rental Income ("NRI") of the Shopping Centre portfolio was €1,483.1 Mn as a result of like-for-like growth of +3.1%, minor acquisitions in Spain and France and deliveries in France, partially offset by the impact of disposals in Spain and the Nordics and of works in assets in the pipeline.

	Net Rental Income *(€Mn)*		
Region	2019	2018	%
France(*)	663.4	647.2	2.5%
Central Europe	223.0	211.6	5.4%
Spain	156.8	155.5	0.8%
Nordics	122.7	141.5	(13.3%)
Austria	111.4	107.6	3.5%
Germany	143.5	139.6	2.8%
The Netherlands	62.4	59.0	5.8%
TOTAL NRI	**1,483.1**	**1,462.0**	**1.4%**

(*) In 2019, Les Boutiques du Palais was reclassified from France Shopping Centres to Convention & Exhibition (C&E). 2018 was restated accordingly.
Figures may not add up due to rounding.

The total net change in NRI amounted to +€21.1 Mn and breaks down as follows:

- +€11.1 Mn from the acquisition of units or shares mainly in Spain (in Parquesur and La Vaguada) and France (the UGC cinema in Westfield Rosny 2);
- +€5.4 Mn from deliveries in France (the dining and leisure extensions of Westfield Vélizy 2 and Westfield Carré Sénart, and the UGC cinema in Westfield Parly 2);
- +€4.9 Mn from the implementation of IFRS 16 as of January 1, 2019;
- -€2.3 Mn due to an exceptional non-lease related provision in the Nordics;
- -€3.3 Mn due to a negative currency effect (SEK);
- -€9.2 Mn due to assets moved to the pipeline, primarily in France (mainly in La Part-Dieu and Westfield Forum des Halles), The Netherlands and Spain;
- -€26.4 Mn due to disposals of assets, mainly in Spain (El Faro, Bahia Sur, Los Arcos and Vallsur in July 2018) and the Nordics (Jumbo in February 2019);
- +€40.9 Mn of like-for-like NRI growth[1] (+3.1%).

	Net Rental Income *(€Mn)* Like-for-like		
Region	2019	2018	%
France	569.1	553.7	2.8%
Central Europe	220.0	211.6	4.0%
Spain	136.4	123.5	10.5%
Nordics	125.5	128.8	(2.6%)
Austria	103.8	101.2	2.5%
Germany	139.6	139.6	0.0%
The Netherlands	50.2	45.3	10.7%
TOTAL NRI Lfl	**1,344.6**	**1,303.7**	**3.1%**

Figures may not add up due to rounding.

(1) Like-for-like NRI: Net Rental Income excluding acquisitions, divestments, transfers to and from pipeline (extensions, brownfields or redevelopment of an asset when operations are stopped to enable works), all other changes resulting in any change to square metres and currency exchange rate differences in the periods analysed.

Region	Net Rental Income Like-for-like evolution *(%)* Indexation	Renewals, relettings net of departures	Other	Total
France	1.7%	0.0%	1.1%	2.8%
Central Europe	1.1%	1.8%	1.0%	4.0%
Spain	2.2%	3.0%	5.4%	10.5%
Nordics	2.0%	(2.3%)	(2.3%)	(2.6%)
Austria	2.3%	(1.1%)	1.4%	2.5%
Germany	1.3%	0.4%	(1.6%)	0.0%
The Netherlands	1.4%	(0.1%)	9.5%	10.7%
TOTAL	**1.7%**	**0.3%**	**1.2%**	**3.1%**

Figures may not add up due to rounding.

Like-for-like NRI grew by +3.1% (+4.0%), of which +3.2% for Flagships, and includes indexation of +1.7% (+1.4%), "Renewals and relettings net of departures" of +0.3% (+1.3%) due to an increase (+0.1%) in vacancy, mainly in the Nordics, Austria and in The Netherlands, and leasing negotiations taking longer. The growth in "Other" of +1.2% (+1.3%), was positively impacted by Spain and The Netherlands with +5.4% and +9.5%, respectively, due to the reversals of provisions for litigation. "Other" in France was +1.1% (+2.5%), as a result of key money, indemnities, Sales Based Rent ("SBR") and commercial partnerships, partly offset by an increase of provisions for doubtful debtors. In the Nordics and Germany, the negative contribution from "Other" came mainly from higher provisions for doubtful debtors, lower SBR in the Nordics (see below) and key money in Germany. The increase in provisions for doubtful debtors had a net impact of circa -0.2% on the like-for-like NRI growth as the Group takes a conservative view on overdues considering the current retail environment.

"Renewals and relettings net of departures" were flat in France, primarily due to the departure of two large tenants (in Westfield Forum des Halles and Carrousel du Louvre). The -2.3% "Renewals and relettings net of departures" in the Nordics resulted mainly from bankruptcies in Täby Centrum.

Across the portfolio, SBR represented 2.6% (€38.5 Mn) of NRI, stable compared to 2018, resulting from an increase in France and Germany offset mainly by a decrease in the Nordics (primarily due to conversion of SBR into MGR) and Austria.

URW's top ten tenants as a percentage of total MGR Contracted (for the entire Group) listed in alphabetical order:

% of total MGR Contracted	10.4%
Largest tenant	2.4%
Apple	
Fnac	
Foot Locker	
H&M	
Hollister	
Mango	
Printemps	
Sephora	
Victoria's Secret	
Zara	

LEASING ACTIVITY

URW signed 1,367 leases (1,253[(1)]) on standing assets for €207.7 Mn of MGR. The MGR uplift on renewals and relettings was +12.0% (+11.7%). This uplift was primarily due to a strong reversion in Spain, France and Central Europe, partially offset by a decrease in The Netherlands and Germany. The MGR uplift in Flagships was +13.9% (+14.4%).

(1) Restated for the leases signed in 2018 in the four disposed Spanish shopping centres (July 2018) and in Jumbo (February 2019). The number of leases signed in 2018 before such restatement was 1,319.

Region	Lettings/relettings/renewals excl. Pipeline				
				MGR uplift	
	Number of leases signed	sqm	MGR (*€Mn*)	*€Mn*	%
France	381	139,117	85.5	9.1	17.0%
Central Europe	318	65,603	38.4	4.0	12.6%
Spain	173	38,459	23.2	5.4	31.8%
Nordics	166	48,681	22.2	0.8	5.0%
Austria	117	26,727	15.4	0.9	7.0%
Germany	145	34,712	17.1	(0.9)	(6.2%)
The Netherlands	67	26,204	6.1	(1.1)	(17.5%)
TOTAL	**1,367**	**379,504**	**207.7**	**18.2**	**12.0%**

MGR: Minimum Guaranteed Rent.
Figures may not add up due to rounding.

VACANCY AND OCCUPANCY COST RATIO ("OCR")

The Estimated Rental Value ("ERV") of vacant space in operation in the portfolio was €43.2 Mn (€42.0 Mn).

The EPRA vacancy rate(1) was 2.5% as at December 31, 2019 (2.4% as at December 31, 2018, but down from 2.8% as at June 30, 2019). This increase is mainly due to The Netherlands, the Nordics (mainly in Täby Centrum) and Central Europe. Vacancy was stable in France and decreased in Spain and Germany.

Region	Vacancy		
	December 31, 2019		December 31, 2018
	€Mn	*%*	%
France	20.3	2.6%	2.6%
Central Europe	3.2	1.3%	1.2%
Spain	1.5	0.7%	0.9%
Nordics	4.5	3.3%	3.1%
Austria	1.3	1.1%	0.9%
Germany	7.5	3.4%	3.8%
The Netherlands	5.1	8.2%	5.1%
TOTAL	**43.2**	**2.5%**	**2.4%**

Excluding pipeline.
Figures may not add up due to rounding.

The OCR(2) was stable at 15.5%.

Region	OCR	
	2019	2018
France	15.7%	15.8%
Central Europe	15.4%	15.4%
Spain	13.6%	13.6%
Nordics	15.8%	15.2%
Austria	17.3%	17.1%
Germany	15.5%	15.6%
The Netherlands(1)	-	-
TOTAL	**15.5%**	**15.5%**

(1) Tenant sales not available in The Netherlands.

(1) EPRA vacancy rate: ERV of vacant spaces divided by ERV of total surfaces.
(2) Occupancy Cost Ratio ("OCR"): (rental charges + service charges including marketing costs for tenants, all including VAT)/(tenant sales, including VAT). As tenant turnover is not known for all tenants for The Netherlands, no reliable OCR can be calculated for this country. Primark sales are estimates.

CONTINENTAL EUROPE – OFFICES & OTHERS

PROPERTY MARKET

Take-up

Take-up in the Paris region of 2.32 million sqm was down by -10%, though in line with the ten-year annual average of 2.34 million sqm. The inner-Paris sector accounted for 898,000 sqm (-14%), of which 407,000 sqm (-13%) in the Paris Central Business District (CBD), and La Défense for 148,000 sqm (+8% vs. 2018, but -10% below the ten year average).

Available area and vacancy rate

The immediate supply in the Paris region decreased to 2.71 million sqm, of which only 21% of new or refurbished as new buildings, and the vacancy rate stood at 5%.

The inner-Paris office market saw an important supply shortage with a vacancy rate of only 2.3%. In Paris CBD, the vacancy rate reached 1.4%, with available supply of 101,000 sqm, of which only 12% of new or refurbished as new buildings.

The vacancy rate in La Défense reached 4.4% as at December 31, 2019, of which only 19,000 sqm (11%) of new or refurbished as new buildings. However, the immediate supply is likely to increase significantly in 2020 with the expected delivery of 253,000 sqm from the Trinity, Alto, Latitude, Landscape Eria and Akora buildings.

Rental values

Prime rental values remained high in the Paris region, especially in the Paris CBD where several transactions exceeding €850 per sqm were recorded. In La Défense, lack of leasing deals in new buildings resulted in lower prime rent values than expected. The highest rent was €540 per sqm, recorded in Cœur Défense (Adecco for 11,000 sqm).

The average level of incentives in the Paris region for transactions above 1,000 sqm remained at around 20%, stable compared with last year, with significant variations depending on volume, lease duration and location.

Investment market

The total volume of transactions in the Paris region increased by nearly +11% to €21.7 Bn[1] (€19.7 Bn), reflecting strong investor appetite (the 2019 volume was +73% above the ten-year average, and +31% above the five-year average).

58 deals above €100 Mn were recorded (55). Over the last two years, such transactions accounted for more than two-thirds of total investments (71% in 2019 vs. 67% in 2018), with an acceleration in 2019 in transactions above €200 Mn. 58% of the transactions were accounted for by domestic players (56%). European investors remained stable (€14.9 Bn, vs. €14.8 Bn in 2018) and represented 69% of total volume (75%). The acceleration in the investment market was mainly driven by Asian investors (mostly from South Korea) with €5.0 Bn (+€3.9 Bn) representing 23% of total volume (5%).

The largest single-asset transactions were:

- Majunga (€850 Mn), Tour EDF (ca. €550 Mn), Tour CBX (ca. €450 Mn) and Tour Eqho (49% share deal based on ca. €745 Mn) in La Défense;
- Crystal Park (ca. €691 Mn) and Carreau de Neuilly (€306 Mn) in Neuilly-sur-Seine;
- Sways (ca. €530 Mn) in Issy-les-Moulineaux.

Investment funds (45%, vs. 41%), insurance companies (27%, vs. 20%) and SCPIs (14%, vs. 18%) accounted for 86% of the market in 2019.

Paris was again the main target for investors representing 39% of transactions (in line with the five year average) while the share of transactions in La Défense increased to 15% (12%).

In La Défense, prime office yields were stable at around 4.00%, with four transactions above €400 Mn. Prime office yields in Paris CBD fell below 3.00% for the first time ever, to 2.80%.

(1) Source: Cushman & Wakefield.

ACTIVITY

Consolidated NRI amounted to €89.6 Mn, a -36.2% decrease due primarily to the 2018 and 2019 disposals.

	Net Rental Income *(€Mn)*		
Region	2019	2018	%
France[(1)]	72.0	123.8	(41.8%)
Nordics	10.0	11.0	(9.0%)
Other countries	7.5	5.6	33.2%
TOTAL NRI	**89.6**	**140.4**	**(36.2%)**

(1) Includes the NRI from the hotels Novotel Lyon Confluence, Pullman Montparnasse and CNIT Hilton previously included in the Convention & Exhibition segment. 2018 was restated accordingly.
Figures may not add up due to rounding.

The decrease of -€50.8 Mn breaks down as follows:

- -€53.4 Mn due to the impact of disposals in 2018 in France (Capital 8 in November and Tour Ariane in December) and the Nordics (Eurostop Örebro in July) and the disposal of Tour Majunga in July 2019;
- -€0.3 Mn due to a negative currency effect (SEK);
- -€0.2 Mn due to an office conversion to retail in Donau Zentrum;
- +€2.1 Mn due to the delivery of Versailles Chantiers in France;
- +€1.0 Mn due to minor acquisitions in Spain (in La Vaguada) and France (in Tour Rosny);
- +€0.4 Mn resulting from the net impact of pipeline transfers in France, with the delivery of Shift and transfer of Michelet to held for redevelopment;
- The like-for-like NRI growth was -€0.6 Mn (-1.2%) mainly due to France (-€0.6 Mn), mostly because of the negative impact of the renewal of the SNCF lease in the CNIT, and the Nordics (-€0.7 Mn), partially offset by an indemnity received.

	Net Rental Income *(€Mn)* Like-for-like		
Region	2019	2018	%
France	35.5	36.1	(1.5%)
Nordics	10.3	11.0	(6.1%)
Other countries	5.9	5.3	11.4%
TOTAL NRI Lfl	**51.7**	**52.3**	**(1.2%)**

Figures may not add up due to rounding.

The NRI from hotels (Novotel Lyon Confluence, Pullman Montparnasse and CNIT Hilton) decreased to €5.8 Mn (€6.1 Mn), mainly due to the closure of the Pullman Montparnasse hotel for renovation.

33,586 weighted square meters (wsqm) were leased in standing assets, including 13,835 wsqm in France (mainly the Xylem renewal in Rue du Port in Nanterre and the lettings of Stop&Work, France Habitation and SMABTP in Versailles Chantiers and Accor in Les Villages) and 15,287 wsqm in the Nordics (renewals and relettings in Täby Centrum, Solna and Nacka Forum).

The ERV of vacant office space in operation amounted to €8.8 Mn, representing an EPRA vacancy rate of 8.7% (4.4%), of which €6.7 Mn or 8.5% (2.9%) in France, an increase mainly due to the impact of the disposal of the fully-let Majunga office building, the delivery of Versailles Chantiers and departures in Les Villages, partially offset by lettings in Versailles Chantiers and Le Sextant.

CONVENTION & EXHIBITION

This activity is exclusively located in France and consists of a real estate venues and services company (Viparis). Viparis is owned jointly with the Chamber of Commerce and Industry of Paris Île-de-France (CCIR) and is fully consolidated by URW.

The Convention & Exhibition business has a seasonal results pattern, with annual, biennial and triennial shows, and an uneven distribution of shows during the year.

2019 was characterised by the following shows:

Annual shows:

- The 115th edition of Foire de Paris attracted 486,000 visitors (+4%);
- The 56th edition of the International Agriculture show ("SIA") attracted 633,200 visitors (-6%);
- The 4th edition of Vivatech attracted over 124,000 visitors (+24%) comprising 125 nationalities, 450 speakers and more than 13,000 start-ups.

Biennial shows:

- The 53rd edition of the International Paris Air Show attracted 2,453 exhibitors (+4% vs. 2017) from 49 countries and 316,500 visitors (stable vs. 2017);
- The "Paris International Agri-Business Show" (SIMA) welcomed approximately 230,000 visits (stable vs. 2017), with exhibitors from 140 countries;
- "Le Mondial du Bâtiment", one of the world's leading shows of the construction sector welcomed 284,000 professional visitors and more than 1,700 exhibitors.

The 33rd edition of the "Food Ingredients Europe & Natural Ingredients" show was the most successful one in France so far with more than 24,000 attendees and 1,700 exhibitors from 74 countries.

In the Congress segment, Paris has become a key city globally for cardiovascular research hosting a national congress (in January, JESFC at Palais des Congrès de Paris ("PCP")), a European congress (in May, EuroPCR at PCP) and the joint global congress of the European Society of Cardiology and the World Heart Federation (one of the largest international congresses with 32,000 healthcare professionals from 150 countries) in September at the Paris Convention Centre.

In the Corporate segment, Paris Expo Porte de Versailles welcomed the new P30 Huawei worldwide launch, the Google Cloud Summit, the HPE Technology and Solutions Summit and the Microsoft Ignite The Tour conference.

Paris was ranked worldwide leader for congresses and events above 5,000 visitors by ICCA.

In total, 708 events were held in Viparis venues during 2019, of which 241 shows, 96 congresses and 371 corporate events.

Viparis' EBITDA(1) increased by +€16.6 Mn (+13.1%) compared to the reported EBITDA (€126.7 Mn) for 2017.

The second phase (2017-2019) of renovation works on the Porte de Versailles site was delivered, with the inauguration of the new Pavilion 6 in November and the delivery of the Novotel and Mama Shelter hotels in December. The first event (Rent – Real estate & new tech exhibition) in the new Pavilion 6 took place in November 2019.

As at December 31, 2019, signed and pre-booked events in Viparis venues amounted to 90% of its expected 2020 rental income, in line with previous years.

The NRI from the hotels Novotel Lyon Confluence, Pullman Montparnasse and CNIT Hilton is now included in the NRI of the Offices & Others segment, and 2018 was restated accordingly.

UK AND US BUSINESS REVIEW

This section provides an overview of the most significant business events for URW in the UK and the US. While the Group's accounts reflect the UK and the US business activities only from June 1, 2018, in this section, unless otherwise indicated, references to tenant sales, rents, leases signed, vacancy and occupancy cost ratios relate to the year ended December 31, 2019, and comparisons relate to the same period in 2018.

UK

Footfall

Footfall through November 30 was up by +3.4%, outperforming the UK shopping centres footfall index(2) by +530 bps, primarily as a result of URW's proactive management of its shopping centres (tenant rotation, dynamic marketing events and asset management). Footfall at Westfield London grew by +3.5%. Westfield Stratford City saw continued growth (+3.3%), boosted also by increased traffic to events at the London Stadium and Queen Elizabeth Olympic Park, and increased traffic from the International Quarter office occupants.

The number of visits to the Group's shopping centres was up by +2.8% through December 31.

Tenant sales

The quality and URW's proactive management of its shopping centres drove tenant sales growth of +5.3% through November 30, compared to the UK sales index(3) at -0.2%, reflecting the growth of +8.1% at Westfield London, as a result of the Phase 2 extension, and of +2.7% in Westfield Stratford City as a result of relettings (e.g., Morphe and Thérapie Clinic) and the expansion of existing tenants (e.g., Zara and Superdrug). The two centres, voted #1 and #2, respectively, in the UK, continue to benefit from the growth in office, residential and mixed-use investment in their respective catchment areas.

Strong growth in auto (+15.3%), culture, media & technology (+13.5%), entertainment (+7.7%), luxury (+6.0%), sports (+5.3%) and fashion apparel (+4.9%) was only partly offset by a decline in department stores (-8.7%).

URW's tenant sales through December 31 increased by +4.7%.

(1) EBITDA restated for triennial events (in-Cosmetics 2019) and Palais des Congrès de Versailles (no longer managed by Viparis since December 31, 2018).
(2) Source: British Retail Council, November 2019.
(3) Market sales based on the BDO High Street Sales tracker (Jan – Nov average, total basis).

Leasing activity, occupancy and NRI

120 leases (out of 789 units) were signed, primarily due to the rent reviews at Westfield Stratford City, as well as lease renewals and new lettings at Westfield London, with an MGR uplift of +11.1% (+19.8%). In addition, ten leases were signed in Westfield London Phase 2.

Notable signings at Westfield Stratford City included Samsung (a new 5G concept store) and a second flagship location of JD Sports (pro-actively replacing the Topshop/Topman unit, part of Arcadia's Company Voluntary Arrangement ("CVA")). At Westfield London, key signings included Polo Ralph Lauren, Hollister, Gilly Hicks, Abercrombie & Fitch, UNTUCKit, Jimmy Fairly and the relocation and extension of Rituals. The successful completion of the food court refurbishment at Westfield London also brought in 16 new dining retailers, including first lettings to differentiating tenants such as Master Bao and Pizza Pilgrims. Westfield London also saw the opening of a new events venue leased to Broadwick Ventures in the Dimco building, adjacent to the centre.

EPRA vacancy of 7.7% as at December 31, 2019, was down from 8.7% as at June 30, 2019 (7.4% as at December 31, 2018). Vacancy was mostly driven by the delayed backfill of Westfield London Phase 1, some non-renewals and the impact of administration for certain retailers.

NRI decreased by -3.4%, primarily as the ten-year expiries at Westfield London resulted in higher vacancy and because of lower rents from tenants in CVA or administration, partly offset by the opening of Westfield London Phase 2 in March 2018 and relettings with reversion. On a like-for-like basis, NRI decreased by -4.2%.

Despite a sizeable number of UK retailers entering into a CVA procedure, the UK assets experienced a more limited impact relative to the market, amounting to -1.8% of the region's NRI. Of the 20 stores involved, ten are in the top category with no NRI impact. 36 stores also entered administration in 2019, with an NRI impact of -1.3%. The Group expects to reduce this impact by reletting a number of affected units and repurposing one of the department stores in Westfield London.

The OCR was 19.9% (19.6%), an increase due to the settlement of rent reviews and expiry of transitional rates relief periods.

Commercial Partnerships and events

Brand ventures, media and specialty leasing revenues increased by +12.6% to £11.3 Mn, primarily driven by additional income from the new indoor media contract with JC Decaux and specialty leasing revenues from the Westfield London Phase 2 extension.

Significant events included:

- The Annual Job Show at both Westfield London and Westfield Stratford City; featuring over 100 organisations promoting hundreds of employment and training opportunities;
- The inaugural Winter Village at Westfield London saw the Square transformed into a Christmas market offering an array of seasonally inspired food, treats and handcrafted gifts;
- Santa's Snowflake Grotto returning for another year at both UK centres with a traditional Nordic theme.

Marketing and digital

The number of digital newsletter subscribers was 1.85 million as at December 31, 2019 (+24.1%), in addition to 71,950 Instagram followers (+16.8%).

Key highlights include:

- The Summer campaign ran for eight weeks across both centres with external advertising and an event in both centres, positioning them as the ultimate destinations for dining and leisure. Turnover was significantly up across these categories during the campaign period (+9.1% compared to the same period in 2018). A free family event was also executed across both centres, with over 60,000 customers participating, +106% vs. 2018.
- In September 2019, the new Westfield "Come Together" campaign was launched in line with the newly rebranded centres in Continental Europe. It ran across Westfield London and Westfield Stratford City with a fashion led approach during September and October supporting retailers' new collections. The campaign increased awareness by +15% in the catchment area compared to the same period in 2018. To further support fashion and beauty retailers, Westfield partnered with ELLE to showcase a free fashion and beauty event "ELLE Weekender" across three days at both centres. Footfall for the week was +3.5% year-on-year and over 70 retailers were supported throughout the partnership and event, as well as sponsors including The Body Shop, Mionetto and The Skin Library.

US

Tenant sales[1]

Total tenant sales were up by +1.7% through November 30, 2019. Growth was boosted by strong performance in the Flagships, up by +3.3%, compared to the national sales index of +3.7%[2], which includes e-commerce sales.

Sales growth at the category level was led by luxury (+8.4%), food & beverage (+4.5%) and culture, media and technology (+4.1%), but was partially offset by weakness in the fashion apparel category (-3.8%). While fashion sales in aggregate remained under pressure, retailers with a clear brand proposition were able to drive growth (e.g., Aritzia, COS, Indochino, Suitsupply, UNTUCKit and Zara).

Total tenant sales were up by +1.6% through December 31, 2019, and +3.2% for the Flagships. Following their successful redevelopment, Westfield Century City and Westfield UTC continued to perform strongly with sales up by +10.6% and +12.6%, respectively.

Specialty tenant sales[3] per square foot ("psf") through December 31, 2019, increased by +5.1% to $715 psf, with Flagships up by +4.3%, to $849 psf, and Regionals by +4.3%, to $507 psf.

Leasing

1,029 leases were signed on standing assets (1,004), representing 3.4 million (3.2 million) sq ft and $161.3 Mn of MGR ($159.9 Mn). In addition, 103 leases were signed on 370,000 sq ft of pipeline project space, mainly at Westfield Valley Fair.

Strong leasing continued at Westfield Century City and Westfield UTC with 43,000 and 63,000 sq ft signed, respectively. Both centres were over 95% leased[4] as at December 31, 2019.

The lease expiry profile in 2019 was high. Consequently, 66% of the leases signed were renewals, demonstrating positive tenant retention across both the Flagship and Regional portfolios.

Average rental spreads[5] were +1.6%, of which +4.7% in Flagships and -8.5% in Regionals. Average rental spreads for relettings were +5.3%, of which +10.2% in Flagships and -12.7% in Regionals.

Entertainment, food & beverage, health & wellness and luxury comprised 50% of the lettings[6], while fashion retailers comprised only 25%.

The Group signed with many high-profile retailers in 2019 in the following key categories: (* First signings in the US, ** First time signings for URW).

- **Entertainment** (18 leases, 122,000 sq ft) concepts taking large footprints: Toys "R" Us (one of only two stores to open in the US as the brand emerged from bankruptcy) and Hasbro* (Westfield Garden State Plaza), Kidz Resort** (Westfield Annapolis), Playlive Nation (Westfield Brandon and Westfield Valley Fair), Gameworks** (Westfield Oakridge) and The Void (eight leases signed);
- **Food & Beverage** (130 leases, 233,000 sq ft) continued to diversify the Group's tenant mix with both popular and innovative concepts: Eataly (Westfield Valley Fair), Ramen Nagi (Westfield Century City and Westfield Santa Anita), Shake Shack (Westfield San Francisco Centre and Westfield Galleria at Roseville), Eddie V's** (Westfield Garden State Plaza) and Mendocino Farms Sandwich Market** (Westfield Mission Valley);
- **Health & Wellness** (51 leases, 110,000 sq ft) continued to expand: Retro Fitness** (Westfield Annapolis), UFC Gym** (Westfield Oakridge), Kindbody (Westfield Century City), and Orange Theory Fitness and Forward Health (Westfield Valley Fair);
- **Luxury** (11 leases, 25,000 sq ft): Versace (Westfield Topanga and Westfield Valley Fair), Gucci, Tiffany & Co., Gentle Monster**, Breitling, Montblanc, Chanel Beauté, and Bulgari** (Westfield Valley Fair), Messika** (Westfield Century City) and Tourneau (Westfield San Francisco Centre);
- **DNVBs**[7] (28 leases, 49,000 sq ft): Fashion Nova (Westfield Topanga), Casper and Peloton (Westfield UTC), Bonobos (Westfield Garden State Plaza), Happy Socks, Tonal**, Mirror** and Calmist** (Westfield Century City) and Stance (Westfield San Francisco Centre and Westfield Topanga).

URW continues to help online players explore growth opportunities and capitalise on the "Halo Effect" of brick and mortar locations. A recent study by the International Council of Shopping Centers found that online traffic increased an average of 37% after the opening of a physical store in a trade area, with emerging retailers up an average of 45%. As at December 31, URW had 78 stores trading across 29 DNVBs, of which 21 (Bonobos, Candid, Casper, Fashion Nova, Happy Socks, Honey Birdette, Indochino, Morphe Cosmetics, Peloton, Quay, Razer, Rebag and Stance) opened in 2019. Current DNVBs with multiple locations include: Amazon (six), Bonobos (four), Casper (four), Morphe Cosmetics (four), Peloton (eight), Stance (four) and UNTUCKit (five). URW is also creating a DNVB precinct dedicated to such retailers in its Westfield Valley Fair project.

(1) Tenant sales excluding Tesla.
(2) US Census Bureau November 2019 Advance Monthly Retail Sales, excluding gas.
(3) Specialty tenant sales <10K sq ft (ca. 929 sqm) on a trailing 12-month basis (excluding Tesla).
(4) Occupancy based on a square foot basis, including development space and including executed permanent and temporary leases.
(5) For the US portfolio, the rental spreads reflect the trailing 12-months average increase in total rent, including common area maintenance charges, for specialty stores (excluding lease extensions, deals with zero prior rent and deals for less than 12 months).
(6) Excludes renewals and extensions.
(7) Digital sales platforms eliminating all intermediaries to sell the products they manufacture directly to consumers.

Commercial Partnerships

Commercial Partnerships revenue for the year amounted to $80.9 Mn. Excluding a one-time termination fee in 2018, underlying revenues grew by +5.1%. Key highlights included:

- Specialty Leasing: +11% driven by pop-up stores and kiosks in the fashion, food and other consumer goods segments;
- Events: +23% driven by Westfield Century City's second full year of events, with significant growth coming from the entertainment industry (Starz, Fox, ABC and Disney);
- Media: stable excluding the one-time termination fee of $3.8 Mn in 2018. The electronics (Samsung, Microsoft), healthcare (UCLA, Valley Health), entertainment (Amazon, Netflix and NBC Universal) and beverage/spirits (Johnny Walker and Macallan) industries were key customers.

Marketing and digital

The Group launched four seasonal holiday markets ("The Markets") across Westfield Century City, Westfield World Trade Center, Westfield Topanga and Westfield Garden State Plaza. In addition to a selection of curated DNVB kiosks and food operators, The Markets featured a series of décor and scenic elements mimicking a winter village, including attractions such as a life-size Westfield train, an ice skating rink and snow falling on the hour at Westfield Century City, Instagram-able moments including an oversized chrome snowman and winter lights garden at Westfield World Trade Center and live performances by carolers in all properties. The Markets generated more than two million customer visits to the events spaces and close to 900,000 visits to the pop-up merchants. Press coverage reached 78 million impressions confirming the uniqueness and buzz of these one-of-a-kind experiences.

The Brand Pop-Up at Westfield Century City closed its second complete year with a successful line-up, including first-to-market brands or concepts such as Sergio Rossi, United Nude, The Last Line, Farm Rio, Ghost Democracy and Nickelodeon which opened a successful Holiday gifts shop to close the year. A similar concept will open at Westfield World Trade Center in Q3-2020.

The Group continued to make significant progress with its Customer Acquisition & Engagement strategy, with 700,000 customers acquired in 2019, an increase of +53%, to reach a total of over two million. Westfield Rewards, the Group's loyalty program, successfully launched at a fifth centre in September (Westfield Galleria at Roseville) after successfully launching at four centres in April with an objective to increase malls and stores visitation as well as average spend.

Digital Partnerships accelerated in H2-2019. Active discussions focused on food delivery with key players such as Uber Eats, Doordash, Grubhub and Postmates. The partnerships were phased and included both operational initiatives to enhance the drivers' ability to pick up food more quickly at the Group's locations as well as strategic initiatives to beta-test new features on the partners' app.

Marketing budgets were strategically shifted to shopping centres in order to increase each centre's ability to deliver local events and activations tailored to their trade area and customer base, with centre budgets increased by +66%. As a result, centre teams executed a total of 460 events across the portfolio. Although most events were free to the public, income reached $4.0 Mn.

Extensions and renovations

URW completed the following projects:

- Westfield Topanga (interior unification and upgrade renovation): delivered in September;
- Westfield Oakridge (Sears box repurposing): delivered in November with the opening of the Living Spaces furniture store. As at December 31, 2019, the project was 99% leased;
- Westfield Valencia (interior upgrade renovation): delivered in November.

URW also achieved important milestones on other projects:

- Palisade at Westfield UTC (residential tower): leasing launched in late April. The building welcomed its first tenants in July; 143 units had been leased (48%) of which 115 occupied as at December 31, 2019. The phased leasing program is on track;
- Westfield Valley Fair extension: the extension area was 80% pre-let, with the first tenants scheduled to open in March 2020. 88 leases representing 252,000 sq ft were signed in 2019 with tenants including Gucci, Versace, Bulgari, Tiffany and Eataly.

Pre-letting continues on the redevelopment of former department stores at Westfield Annapolis, Westfield Garden State Plaza and Westfield Topanga.

Airports

Despite challenging passenger traffic levels, due to aircraft capacity constraints as a result of the grounding of Boeing's 737 MAX fleet as well as a reduction in Asian traveler spend, the Airports division's net income was up by +23% (excluding the IFRS 16 adjustment) with strong sales productivity and operating expense management.

Net Operating Income

Comparable Net Operating Income ("Comp NOI"[(1)]) increased by +2.4% (-1.6%), of which +5.4% (-0.3%) in Flagships and -6.8% (-4.7%) in Regionals. These results were positively impacted by Westfield Century City and Westfield UTC, which benefited from stabilisation following their opening in late 2017.

Occupancy[(2)] was 94.8%, -80 bps below December 31, 2018, but +140 bps above June 30, 2019. Occupancy was 96.2% (96.2%) for the Flagships, up by +160 bps vs. June 30, 2019, and 92.9% (94.8%) for the Regionals, up by +130 bps vs. June 30, 2019. Occupancy was impacted by bankruptcies (-130 bps) and other store closures, including certain big-boxes. Many current vacancies have new lease commitments pending, representing 140 bps of potential occupancy.

Tenant bankruptcies in 2019 affected 195 units (1.2 million sq ft), with Forever 21 alone accounting for 711,000 sq ft and 26 of their 31 locations still trading. At Westfield World Trade Center, the XXI Forever unit has been partially relet to The Void (57% of the affected GLA).

The OCR[(3)] for specialty stores was down by -70 bps vs. December 31, 2018, to 12.6% (12.3% for the Flagships and 13.4% for the Regionals).

Average leasing revenue psf

Average leasing revenue for specialty stores was $91.93 psf, an increase of +3.8%. The increase in Flagships was +3.7% to $112.68 psf, and in Regionals +1.3% to $58.30 psf.

4.1.1.3 INTEGRATION AND SYNERGIES

18 months after the closing of the acquisition of Westfield Corporation, the organisation is now fully in place, operating as one Group with a clear focus on execution of the value creation strategy: the first ten European Flagships were rebranded, significant achievements in International Leasing with multi-country deployments of destinations brands (e.g., The Void) were accomplished, and a number of international Commercial Partnership deals were concluded. Through December 2019, €11.1 Mn of revenue synergies (28% of the expected €40 Mn) were realised.

As a result of strong execution, the Group outperformed the initial €60 Mn cost synergies target by +€27.9 Mn for a total of €87.9 Mn.

4.1.1.4 CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The Better Places 2030 CSR strategy was extended to all regions of the Group in 2019 as part of URW's global integration agenda. The Group's commitment to address climate change across its value chain and halve its carbon footprint is more fundamental than ever. Better Places 2030 is now also tackling new environmental challenges like biodiversity, responsible consumption and the circular economy. CSR has also become a cornerstone of URW's human resources strategy, as the Group is increasing its commitment to diversity and inclusion, and CSR-related risks including climate change have been integrated into the Group Risk Management Framework. A renewed CSR governance was also set up to integrate the European and US platforms.

The Group's ambitious CSR agenda was again recognised by equity and debt investors as a value creation driver for its stakeholders. URW membership in the main ESG indices was confirmed and the Group's CSR achievements were evidenced by ratings and awards:

INDICES:

- Euronext Vigeo indices: World 120, Eurozone 120, Europe 120 and France 20;
- FTSE4Good Index series;
- Ethibel Sustainability Index (ESI) Excellence Europe and Excellence Global;
- CAC 40® Governance index – "Top 10 performers";
- ECPI® indices.

RATINGS:

- GRESB (Global Real Estate Sustainability Benchmark): 1st among all listed retail real estate companies worldwide, 2nd among all listed European real estate companies, and rated "Green Star" for the 9th consecutive year (5 stars – highest performance level);
- CDP: part of the CDP Climate Change A List in 2019 for the 2nd consecutive year;
- MSCI ESG: AAA for the 6th consecutive year;
- ISS ESG Corporate rating: C+/Prime status. URW is also part of the 1st Decile Rank, relative to industry group;
- VigeoEiris: URW was ranked "Top performer" in Europe in the Real Estate sector ESG performance assessment;
- Standard Ethics: rated for the first time in 2019. URW obtained EEE – 'Excellent' (on a scale of EEE to F).

AWARDS:

- Unibail-Rodamco-Westfield received its 8th consecutive EPRA Sustainability Gold Award.

For more information on Better Places 2030 and detailed 2019 performance, please refer to chapter 2.

(1) Comp NOI: Net Operating Income before management fees, termination/settlement income and straight-line adjustments.
(2) Occupancy based on a square foot basis, excluding development space, and including executed and temporary leases.
(3) Calculated for specialty stores. Occupancy cost is based on total rent, including common area maintenance charges.

4.1.1.5 2019 RESULTS

The results of the Group presented below are based on the Consolidated income statement in a proportionate format, in which the joint-controlled entities are accounted for on a proportionate basis instead of being accounted for using the equity method under IFRS. URW believes the financial statements on a proportionate basis give stakeholders a better understanding of the underlying operations of URW and the joint-controlled entities, as they represent a significant part of the Group's operations in the US and the UK. The Group has structured its internal operational and financial reporting according to this proportionate format.

These results include Westfield's results since June 1, 2018.

Unless otherwise indicated, all references below relate to the 12-month period ended December 31, 2019, and comparisons relate to the same period in 2018.

GROSS RENTAL INCOME

The Gross Rental Income ("GRI") amounted to €3,083.4 Mn (€2,619.6 Mn), an increase of +17.7%. This growth resulted mainly from the acquisition of Westfield (+€505.1 Mn, corresponding to 12 months of GRI in 2019 and seven months in 2018, and which includes the US common area maintenance charges billed to tenants) and from the growth in the retail segment in Continental Europe (+0.8%), due to like-for-like growth and deliveries, offset by the negative impact of disposals and a weaker SEK, among other factors.

	Gross Rental Income *(€Mn)*		
Region	2019	2018	%
France(*)	714.3	699.3	2.1%
Central Europe	224.5	216.9	3.5%
Spain	169.5	174.7	(3.0%)
Nordics	136.3	151.6	(10.1%)
Austria	116.7	111.8	4.3%
Germany	154.6	149.8	3.2%
The Netherlands	71.0	70.4	0.8%
Subtotal Continental Europe - Retail	**1,586.8**	**1,574.5**	**0.8%**
Offices & Others(**)	99.2	152.2	(34.8%)
C&E(*) (**)	208.5	209.2	(0.3%)
Subtotal Continental Europe	**1,894.6**	**1,935.9**	**(2.1%)**
US - Shopping Centres	957.7	544.2	-
US - Offices & Others	19.7	11.9	-
UK	211.4	127.7	-
Subtotal US and UK	**1,188.8**	**683.7**	**-**
TOTAL URW	**3,083.4**	**2,619.6**	**17.7%**

(*) In 2019, Les Boutiques du Palais was reclassified from France Shopping Centres to Convention & Exhibition (C&E). 2018 was restated accordingly.
(**) In 2019, the hotels CNIT Hilton, Novotel Lyon Confluence and Pullman Montparnasse were reclassified from Convention & Exhibition to Offices & Others (France). 2018 was restated accordingly.
Figures may not add up due to rounding.

NET RENTAL INCOME

NRI amounted to €2,491.2 Mn (€2,161.0 Mn), an increase of +15.3%. This growth resulted mainly from the acquisition of Westfield (+€364.6 Mn, corresponding to 12 months of NRI in 2019 and seven months in 2018) and from the growth in the retail segment in Continental Europe due to like-for-like growth and deliveries, offset by the negative impact of disposals and a weaker SEK, among other factors.

	Net Rental Income *(€Mn)*		
Region	2019	2018	%
France(*)	663.4	647.2	2.5%
Central Europe	223.0	211.6	5.4%
Spain	156.8	155.5	0.8%
Nordics	122.7	141.5	(13.3%)
Austria	111.4	107.6	3.5%
Germany	143.5	139.6	2.8%
The Netherlands	62.4	59.0	5.8%
Subtotal Continental Europe - Retail	**1,483.1**	**1,462.0**	**1.4%**
Offices & Others(**)	89.6	140.4	(36.2%)
C&E(*) (**)	95.1	99.9	(4.7%)
Subtotal Continental Europe	**1,667.8**	**1,702.2**	**(2.0%)**
US - Shopping Centres	652.8	351.1	-
US - Offices & Others	13.3	8.4	-
UK	157.3	99.4	-
Subtotal US and UK	**823.4**	**458.8**	**-**
TOTAL URW	**2,491.2**	**2,161.0**	**15.3%**

(*) In 2019, Les Boutiques du Palais was reclassified from France Shopping Centres to Convention & Exhibition (C&E). 2018 was restated accordingly.
(**) In 2019, the hotels CNIT Hilton, Novotel Lyon Confluence and Pullman Montparnasse were reclassified from Convention & Exhibition to Offices & Others (France). 2018 was restated accordingly.
Figures may not add up due to rounding.

Net property development and project management income was +€41.3 Mn (+€37.0 Mn), as a result of URW's Design, Development & Construction (DD&C) activity in the US and the UK.

Net property services and other activities income from Property Management (PM) services in France, the US, the UK, Spain and Germany was +€98.4 Mn (+€103.8 Mn), a decrease of -€5.4 Mn resulting mainly from the positive impact of the Westfield acquisition, more than offset by a decrease in the services activity in France and Germany and a one-off indemnity received in 2018.

CONTRIBUTION OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

The Contribution of companies accounted for using the equity method[1] amounted to €30.5 Mn (€64.9 Mn), a decrease of -€34.4 Mn, mainly due to higher negative valuation movements in the US and to the decrease of -€7.5 Mn of the recurring result of Zlote Tarasy due to the disposal of the Lumen and Skylight office buildings in 2018.

Contribution of companies accounted for using the equity method *(€Mn)*

	2019			2018			2019/2018
Region	Recurring activities	Non-recurring activities	Total	Recurring activities	Non-recurring activities	Total	Change
France	-	-	-	-	-	-	-
Central Europe	39.1	23.2	62.3	46.6	27.5	74.1	(11.8)
Spain	-	-	-	-	-	-	-
Germany	2.7	(7.0)	(4.2)	1.0	(1.9)	(0.9)	(3.3)
Subtotal Continental Europe - Retail	**41.8**	**16.2**	**58.1**	**47.6**	**25.6**	**73.2**	**(15.2)**
Offices & Others	-	-	-	-	-	-	-
C&E	-	-	-	-	-	-	-
Subtotal Continental Europe	**41.8**	**16.2**	**58.1**	**47.6**	**25.6**	**73.2**	**(15.2)**
US	9.0	(36.5)	(27.5)	7.1	(15.4)	(8.3)	(19.2)
UK	-	-	-	-	-	-	-
Subtotal US and UK	**9.0**	**(36.5)**	**(27.5)**	**7.1**	**(15.4)**	**(8.3)**	**(19.2)**
TOTAL URW	**50.8**	**(20.3)**	**30.5**	**54.7**	**10.2**	**64.9**	**(34.4)**

Figures may not add up due to rounding.

Administrative expenses (including Development expenses) amounted to -€219.8 Mn (-€145.9 Mn), an increase mainly due to the acquisition of Westfield (12 months of Administrative expenses in 2019 vs. seven months in 2018). As a percentage of NRI from shopping centres and offices, administrative expenses were 9.2% (7.1%), negatively impacted by the increase of development expenses (impact of +0.7% on the ratio) and the higher weight of administrative expenses in the ex-Westfield regions.

Acquisition and related costs amounted to -€51.5 Mn (-€268.7 Mn) mainly due to the integration costs of Westfield, including the rebranding of ten shopping centres in Continental Europe, consulting, IT system integration and the shutdown of the Sydney office.

Results on disposal of investment properties and shares were +€49.7 Mn (+€80.1 Mn) and +€19.7 Mn (+€3.0 Mn), respectively, reflecting the gains on disposals (compared to the book value of such assets) mainly due to the disposal of Majunga in July and Jumbo in February.

Valuation movements on assets amounted to -€1,615.6 Mn (-€7.4 Mn), of which -€1,466.2 Mn (+€38.2 Mn) for investment properties and -€149.4 Mn (-€45.5 Mn) for services.

(1) Contribution of companies accounted for using the equity method represents URW's share of the Net recurring result for the period of entities accounted for using the equity method which are not joint-controlled (and therefore not retreated on a proportionate basis) and interest received on loans granted to these entities. This corresponds to Zlote Tarasy, Ring-Center (disposed of on December 30, 2019) and Gropius Passagen in Europe and to the Blum/Centennial and Starwood Ventures entities in the US.

Region	Valuation movements on investment properties (€Mn) 2019	2018	Change
France(*)	(277.0)	(24.3)	(252.7)
Central Europe	111.6	149.9	(38.3)
Spain	46.1	124.1	(78.0)
Nordics	24.7	28.9	(4.1)
Austria	(116.5)	39.8	(156.3)
Germany	(179.0)	(23.8)	(155.1)
The Netherlands	(89.6)	(80.8)	(8.8)
Subtotal Continental Europe - Retail	**(479.6)**	**213.8**	**(693.4)**
Offices & Others(**)	191.9	210.4	(18.5)
C&E(*) (**)	(180.6)	(76.5)	(104.2)
Subtotal Continental Europe	**(468.3)**	**347.8**	**(816.1)**
US - Shopping Centres	(417.4)	(153.4)	(264.0)
US - Offices & Others	17.8	(13.1)	30.9
UK - Shopping Centres	(611.7)	(99.6)	(512.1)
UK - Offices & Others	13.5	(43.4)	56.9
Subtotal US and UK	**(997.9)**	**(309.6)**	**(688.3)**
TOTAL URW	**(1,466.2)**	**38.2**	**(1,504.4)**

(*) In 2019, Les Boutiques du Palais was reclassified from France Shopping Centres to Convention & Exhibition (C&E). 2018 was restated accordingly.
(**) In 2019, the hotels CNIT Hilton, Novotel Lyon Confluence and Pullman Montparnasse were reclassified from Convention & Exhibition to Offices & Others (France). 2018 was restated accordingly.
Figures may not add up due to rounding.

The negative valuation movements for the US and UK investment properties resulted mainly from a decrease of the values of regional assets in the US and an increase of the Exit Capitalisation Rates in the UK. Please refer to the section “Property portfolio and Net Asset Value” for further detail.

The valuation movements on services break down as follows:

Region	Valuation movements on services *(€Mn)* 2019	2018	Change
Services Continental Europe	(2.4)	(2.4)	-
Subtotal Continental Europe	**(2.4)**	**(2.4)**	-
Net property development - Amortisation	(141.4)	(32.3)	(109.1)
Other property services - Amortisation	(5.5)	(10.8)	5.3
Subtotal US and UK	**(147.0)**	**(43.1)**	**(103.9)**
TOTAL URW	**(149.4)**	**(45.5)**	**(103.9)**

Figures may not add up due to rounding.

The amortisation of -€141.4 Mn for the US and UK relates to those DD&C and airport contracts recognised as intangible assets in the Consolidated statement of financial position which are amortised over the duration of these contracts.

FINANCING RESULT

Net financing costs (recurring) totalled -€450.4 Mn (after deduction of capitalised financial expenses of €64.1 Mn allocated to projects under construction) (-€369.5 Mn). This increase of -€80.9 Mn includes 12 months of financial expenses for the Westfield acquisition and the higher cost of the ex-Westfield's debt vs. seven months in 2018, partially offset by lower financial expenses for UR on a standalone basis. It also includes -€23.1 Mn of additional financial expenses resulting from the implementation of IFRS 16 as of January 1, 2019.

URW's average cost of debt(1) for the period was 1.6% (1.6% in 2018). URW's financing policy is described in the section "Financial resources".

Non-recurring financial result amounted to -€348.6 Mn (-€288.8 Mn):
- -€7.6 Mn mark-to-market of the ORNANEs issued in 2014 and 2015;
- -€341.0 Mn mainly due to the mark-to-market of derivatives and revaluation of preference shares, partially offset by exchange rate gains resulting from the revaluation of bank accounts and debt issued in foreign currencies. URW recognises the change in value of its derivatives directly in the income statement.

Income tax expenses are due to the Group's activities in countries where specific tax regimes for property companies(2) do not exist and/or are not used by the Group.

In April 2019, the Group executed changes in the structure of its US operations ("the 2019 Restructurings") to exit the US portfolio from the legacy Australian platform. The 2019 Restructurings also allowed the Group to apply a material step-up of the tax base of the US real estate resulting in a material decrease of the deferred tax liabilities related to the US portfolio.

The income tax amounted to a credit of +€1.1 Bn (-€121.8 Mn) primarily due to the impact of the 2019 Restructurings, with a net impact of +€1.1 Bn (comprising a +€1.3 Bn reversal of deferred tax liabilities and a -€0.2 Bn exit tax payment, both non-recurring).

Income tax allocated to the recurring net result amounted to -€50.8 Mn (-€27.9 Mn), an increase compared to 2018 which included the positive impact of the reversal of a provision related to tax litigation decided in favour of URW. Non-recurring income tax amounted to a credit of +€1.1 Bn (-€93.9 Mn), mainly due to the 2019 Restructurings.

External non-controlling interests amounted to -€2.2 Mn (-€211.7 Mn) comprising recurring and non-recurring external non-controlling interests. The recurring external non-controlling interests amounted to -€202.9 Mn (-€203.4 Mn) and mainly relate to French shopping centres (-€111.4 Mn, mainly Westfield Les 4 Temps, Westfield Parly 2 and Westfield Forum des Halles), to the stake of the CCIR in Viparis (-€42.7 Mn) and to URW Germany and Ruhr Park (-€37.4 Mn). The non-recurring non-controlling interests amounted to +€200.7 Mn (-€8.4 Mn), due primarily to the impact of negative valuation movements in 2019.

Net result for the period attributable to the holders of the Stapled Shares was a profit of €1,103.3 Mn. This figure breaks down as follows:
- €1,759.7 Mn of recurring net result (+9.3% vs. 2018) as a result of NRI growth and the acquisition of Westfield, partially offset by the €3.3 Bn of disposals in 2018 and 2019 and the increase of net financing costs;
- -€656.4 Mn of non-recurring net result(3) (-€578.6 Mn in 2018) because of the reversal of deferred tax liabilities in the US more than offset by negative valuation movements and the negative mark-to-market of financial instruments.

The Adjusted Recurring Earnings(4) reflect a profit of €1,711.6 Mn.

The average number of shares and ORAs(5) outstanding during 2019 was 138,354,383 (122,412,784). The increase is due to the capital increase of 38,319,974 shares issued for the acquisition of Westfield (with an impact of +15,852,921 on the average number of shares in 2019 compared to 2018) and the issuance of performance shares in 2018 and 2019. The number of shares outstanding as at December 31, 2019, was 138,378,605.

EPRA Recurring Earnings per Share (REPS) for 2019 came to €12.72 compared to €13.15 for 2018, a decrease of -3.3%.

Adjusted Recurring Earnings per Share (AREPS)(6) for 2019 came to €12.37 compared to €12.92 for 2018, a decrease of -4.3% due mainly to the full-year effect of the Westfield transaction and the impact of the €3.3 Bn of disposals made in 2018 and 2019. Adjusted for the positive impact of IFRS 16, the AREPS for the period would be €12.17.

(1) Average cost of debt = Recurring financial expenses (excluding those on financial leases and related to partners' current accounts) + capitalised financial expenses (excluding non-recurring financial expenses such as mark-to-market and termination costs of financial instruments including bonds repurchased, currency impact)/ average net debt over the period.
(2) For example, in France: SIIC (Société d'Investissements Immobiliers Cotée); and in the US: REITs.
(3) Include valuation movements, disposals, mark-to-market and termination costs of financial instruments, including bond tender premiums, impairment of goodwill or reversal of negative goodwill and other non-recurring items.
(4) Under IFRS, the Hybrid Securities are accounted for as shareholders' equity. The Adjusted Recurring Earnings are calculated based on the Recurring net result for the period attributable to the holders of the Stapled Shares minus the coupon on the Hybrid Securities (from June 1, 2018).
(5) The 5,757 remaining ORAs as at January 1, 2019 were fully converted into shares during 2019.
(6) Under IFRS, the Hybrid Securities are accounted for as shareholders' equity. The Adjusted Recurring Earnings are calculated based on the Recurring net result for the period attributable to the holders of the Stapled Shares minus the coupon on the Hybrid Securities (from June 1, 2018).

4.1.1.6 GOODWILL[1]

GOODWILL CALCULATION

During 2019, the Group reviewed the purchase price allocation and the calculation of the goodwill resulting from the Westfield acquisition, with no major change compared to December 31, 2018.

The only modification made during 2019 is the reclassification of the LAX and Chicago airports contracts from Intangible assets to Investment properties at fair value. The amount of this reclassification in the Consolidated statement of financial position as at December 31, 2018 is €164 Mn. The Consolidated statement of financial position as at December 31, 2018 has been restated accordingly and the impact of this reclassification is also reflected in the Consolidated statement of financial position as at December 31, 2019.

ALLOCATION OF THE GOODWILL

Each investment property meets the criteria to qualify as a Cash Generating Unit ("CGU"). As part of operational management, investment properties are managed at a geographical segment level. Consequently, goodwill has been allocated to geographical segments, which is the lowest level at which goodwill is monitored for internal management purposes.

The €2,336.9 Mn goodwill resulting from the Westfield acquisition was allocated to the geographical segments of URW benefiting from the acquisition of Westfield, and breaks down as follows:

€Mn	Goodwill per geographical segment at acquisition date
France Retail	728.8
Central Europe	145.2
Spain	103.8
Nordics	99.8
Total Continental Europe	**1,077.6**
US	818.7
UK	440.5
WFD Goodwill	**2,336.9**

Figures may not add up due to rounding.

The intangible assets and the goodwill allocated to the US and to the UK were converted into US dollars and pound sterling, respectively, at the exchange rates at acquisition date, and were converted into euros at the closing rates as at December 31, 2018 and December 31, 2019, respectively, in the Consolidated statement of financial position. The goodwill allocated to the Continental European segments was kept in euros, except for the Nordics (in Swedish krone).

IMPAIRMENT TESTS

According to IFRS, recoverable value of goodwill is tested annually or whenever there is an indication that an asset may be impaired at each reporting date.

Since the carrying amount of net assets of the Group is more than its market capitalisation, the Group performed impairment tests of the goodwill allocated to each geographical segment as per December 31, 2019, based on:

- The detailed five year Business Plan 2020-2024 per geographical segment, including detailed profit and loss statements, proposed capital expenditure and disposals, as prepared at the end of 2019;
- The discount rates before tax per geographical segment based on a calculation of the WACC per region which reflects the current market assessment of the interest rates and the specific risks associated with each geographical segment as at December 31, 2019;
- An allocation of the Group's corporate administrative expenses to the geographical segments, as a percentage of their respective NRI;
- A discounted cash-flow calculation for each geographical segment on a ten-year basis, consistent with the method applied by the Group's appraisers, and a discounted terminal value, to which a long-term growth rate estimated as at December 31, 2019, is applied.

The enterprise value calculated for each geographical segment was then compared to the net asset value of each geographical segment, including the intangible assets and goodwill allocated, as disclosed in the notes to the Consolidated Financial Statements as at December 31, 2019. Following these tests, the value of the goodwill reported as at December 31, 2019, was found to be justified.

(1) This section refers to the IFRS Consolidated financial statements.

BREAKDOWN OF THE GOODWILL

The goodwill in the Consolidated statement of financial position (IFRS) breaks down as follows:

€Mn	Dec. 31, 2019	Dec. 31, 2018	Change
Goodwill justified by fee business	839.1	824.2	14.9
Goodwill justified by tax optimisations	241.0	255.7	(14.7)
Other goodwill	1,798.3	1,783.3	15.1
Total Goodwill	**2,878.4**	**2,863.1**	**15.3**

Figures may not add up due to rounding.

4.1.1.7 CONSOLIDATED STATEMENT OF CASH FLOWS

The Consolidated statement of cash flows was prepared only in IFRS, not on a proportionate basis.

Unless otherwise indicated, all references below relate to the year ended December 31, 2019, and comparisons relate to the same period in 2018.

CASH FLOW FROM OPERATING ACTIVITIES

The total cash flow from operating activities was +€1,887.1 Mn (+€1,794.0 Mn), an increase of +€93.1 Mn mainly due to the positive impact of the Westfield acquisition, partially offset by the income tax paid (-€211.7 Mn) and the change in working capital requirement (-€118.0 Mn).

CASH FLOW FROM INVESTMENT ACTIVITIES

The cash flow from investment activities was -€416.7 Mn (-€4,271.1 Mn). 2018 was impacted by the cash component of the acquisition of Westfield. The capital expenditures decreased slightly from -€1,597.6 Mn in 2018 to -€1,525.4 Mn in 2019.

CASH FLOW FROM FINANCING ACTIVITIES

The total cash flow from financing activities amounted to -€1,345.9 Mn (+€2,252.0 Mn) as the Group repaid €3,826.2 Mn of debt, whereas in 2018 the Group raised the financing for the acquisition of Westfield (€1,989.0 Mn of Hybrid securities and €3,000.0 Mn of senior debt).

4.1.1.8 POST-CLOSING EVENTS

The Group on February 12, 2020, announced it had received binding offers from a consortium of leading French investors, comprised of Crédit Agricole Assurances and La Française (collectively, the "Consortium"), to acquire a 54.2% stake in a joint-venture ("JV") on five French shopping centres (Aéroville, So Ouest, Confluence, Toison d'Or and Rennes Alma).

Collectively, the five assets have 320,785 sqm of GLA, footfall of 42.5 million and sales of €6,484 per sqm for small units in 2019. Unibail-Rodamco-Westfield has currently agreed to hold a 45.8% stake in the holding that will hold the assets and will manage the shopping centres on behalf of the JV through long-term management contracts. The Group's stake in the holding will decrease as more investors join. According to the governance, the group will have a significant influence on the holding and as a result it will be accounted for using the equity method.

The offer price for the assets at 100%, €2,037 Mn, is in line with the last unaffected appraisal value as at December 31, 2018, and represents a Net Initial Yield of 4.80%. As part of the proposed transaction ("Transaction"), a syndicate of banks has underwritten €1.0 Bn in secured financing. Net disposal proceeds to URW are expected to amount to €1,511 Mn.

Further to this agreement, Unibail-Rodamco-Westfield has granted the Consortium an exclusivity period ending on May 15, 2020. During this period, the works council of Unibail-Rodamco-Westfield will be consulted. The Transaction is also subject to certain standard antitrust and regulatory approvals and is expected to close late in Q2-2020.

ADDITIONAL INFORMATION:

NOTICE: The Management Discussion & Analysis (MD&A) was prepared by the Management Board on February 10, 2020, and the Supervisory Board authorized its publication on February 12, 2020. Consequently, the MD&A does not take into account the impact of the COVID-19 pandemic and further statements made by URW post-February 12, 2020. As a result, the sections 4.1.1.9 Dividend and 4.1.1.10 Outlook and the section “Risk factors” are no longer to be relied upon and have to be read in conjunction with the disclosures directly below.

DISPOSAL OF FIVE FRENCH SHOPPING CENTRES

On March 6, 2020, URW announced that it had obtained the unanimous positive opinion of its works council and had signed a binding agreement with the Consortium to form a strategic partnership with Crédit Agricole Assurances and La Française.

The Transaction is also subject to certain standard antitrust and regulatory approvals and is expected to close late in Q2-2020.

COVID-19 OUTBREAK

Due to local government mandates and actions taken by businesses, as of March 19, 2020, the Group’s shopping centres in most countries where URW operates have been either closed or substantially closed (supermarkets, food stores and pharmacies are typically allowed to open, but access to URW’s shopping centres for the general public is generally prohibited). The Group’s Convention & Exhibition division is also seeing an impact, with the French government currently having banned all events. The Group’s offices division is not affected at this point.

The COVID-19 crisis continues to evolve rapidly and in recent days several governments in the markets in which the Group operates have taken additional measures to contain the spread of the virus. These measures will impact URW’s operations.

The Group’s primary focus is now on protecting the health and safety of its employees, tenants, and visitors, and URW is carefully monitoring the latest health guidelines issued by the World Health Organization, national, regional, and local governments and adapting its operations accordingly.

At this stage, it is too early to determine the situation’s impact on the contractual obligations of the Group’s retailers and other partners or to estimate the effect of any case-by-case support measures the Group may decide on. The Group has started an active dialogue with its tenants on how to address these unprecedented challenges and has already granted additional delays for paying their rents. In addition, URW is actively reducing administrative expenses, deferring non-essential capital expenditure and will make use of any relevant facilities or arrangements provided by the various national authorities to assist companies through the crisis.

LIQUIDITY

In light of this evolving situation, URW has taken all precautionary measures needed to ensure its access to liquidity. The Group now has €10.2 Bn in cash on hand and undrawn credit lines, which provides it with the liquidity needed to cover all expected funding needs even under an extreme “stress test” scenario, including assumptions about potential loss of rental income and service charge collection in 2020, as well as delays in or cancellation of disposals.

WITHDRAWAL OF 2020 GUIDANCE AND CANCELLATION OF THE FINAL DIVIDEND FOR THE 2019 FISCAL YEAR

On February 12, 2020, the Group announced its 2019 results and proposed a dividend of €10.80 per stapled share. There were only a limited number of COVID-19 cases outside China at that time. Since then, the COVID-19 pandemic has evolved significantly and at a very rapid pace.

Governments and business are employing stringent measures to slow the spread of the COVID-19 virus, as described in the press releases issued by the Group on March 16 and 19. There is currently a lack of clarity about whether further measures will be deployed and significant uncertainty about the duration and impact of the COVID-19 pandemic on the operations of the Group.

Consequently, on March 23, 2020, the Group announced that:

(1) It withdrew its 2020 AREPS guidance and that it expects to provide an update of its guidance when it can reliably estimate the duration, severity, and consequences of the current situation;
(ii) to satisfy its REIT dividend distribution obligations, it would pay an interim cash dividend of €5.40 per share, as planned, on March 26, 2020, and that such payment would cover the Group’s distribution obligations for 2019; and
(iii) Taking a prudent view of the uncertainties about the duration and impact of the crisis, and in order to further augment the Group’s strong liquidity position, it decided to cancel the payment of the final dividend of €5.40 per share.

URW will continue to focus on the strength of its asset portfolio, its capital allocation priorities and the preservation of its strong liquidity position, in addition to the health and safety of its employees and communities.

RATING AGENCIES

URW’s rating is under review by S&P and Moody’s in the context of their annual review and of the Coronavirus outbreak.

4.1.1.9 DIVIDEND

For the fiscal year 2019, the Group expects to propose a cash dividend of €10.80 per Stapled Share for approval by the Annual General Meetings (AGMs) of Unibail-Rodamco-Westfield SE to be held on May 15, 2020 and WFD Unibail-Rodamco N.V. to be held on June 9, 2020.

The dividend payment schedule is expected to be as follows:

- An interim dividend of €5.40 per Stapled Share on March 26, 2020 (ex-dividend date March 24, 2020) to be paid by Unibail-Rodamco-Westfield SE; and
- A final dividend of €5.40 per Stapled Share, subject to approval of the AGMs, on July 6, 2020 (ex-dividend date July 2, 2020). The split of the final dividend will be described in the convening notices for the AGMs.

The total amount of dividends paid with respect to 2019 would be €1,494.5 Mn for the 138,378,605 Stapled Shares outstanding as at December 31, 2019. This represents an 87% pay-out ratio of the adjusted net recurring result of the Group (89% of the adjusted net recurring result adjusted for the impact of IFRS 16).

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4.1.1.10 OUTLOOK

The macroeconomic environment was moderately positive in 2019, as concerns about global trade and Brexit uncertainties were partially offset by further easing by the US Federal Reserve and the European Central Bank. Consumer confidence generally remained positive, although online is taking an increasing share of retail spend.

Looking ahead, the future trading relationship between the UK and the EU, the coronavirus, the Presidential elections in the US, its trade policies, further responses thereto from its trading partners and adverse geopolitical events, could affect economic growth. Furthermore, the retail environment is undergoing rapid change and many retailers are adapting their business models to manage this new reality by rightsizing their store portfolios and expanding only selectively, with more risk sharing for landlords. URW's high quality portfolio of shopping destinations in the wealthiest catchment areas is best positioned to face such challenges.

The Group disposed of €1.3 Bn of offices and shopping centres in 2019 and reached an agreement to dispose of five French retail assets. Upon closing of the Transaction, the Group will have already completed 80% of its €6.0 Bn objective set in 2019. In addition to the remaining €1.2 Bn of disposals, as part of its annual business plan exercise, URW has identified a further almost €2.5 Bn of Continental European and US assets to be disposed of over the next few years.

The €1.3 Bn of disposals closed in 2019 and those expected to close in 2020 ("Disposals") will further increase the average portfolio quality and reduce leverage. These disposals will, of course, have an impact on the Group's AREPS in 2020 and 2021.

As a result of the solid underlying operating income growth expected despite the challenging retail environment, the €2 Bn of deliveries in 2020 and the secured cost of debt, offset by the estimated impact of the Disposals (around 50 cents per share), the 2020 AREPS is expected to be in the range of €11.90 – €12.10.

The substantial disposals made and planned by URW are a critical part of its strategy of concentration, differentiation and innovation, active asset rotation and deleveraging. However, they mask the underlying trends, which reflect ongoing operational growth, delivery of development projects (albeit fewer than in the Group's previous business plan), and a well-managed cost of debt. The output of the 2020-2024 business plan, reflects an underlying compound annual growth rate of the AREPS, i.e., excluding the impact of the disposals in the plan, of between +3% and +5%.

This outlook is derived from the annual business plan process for URW's operations in Continental Europe, the US and the UK. This exercise results in annual growth rates which vary from year to year. The key inputs in the Group's business plan, which is built on an asset by asset basis and based on economic conditions as at year-end 2019, are estimates and assumptions relating to indexation, rental uplifts, disposals over the life of the plan, timely delivery of pipeline projects, cost of debt, currency movements and taxation. Variations in these assumptions will also cause growth rates to vary from one plan to the next. The Group's current business plan does not assume any acquisitions.

DIVIDEND OUTLOOK

Based on the outputs of its 2020-2024 business plan exercise, the Group currently expects to maintain its dividend for 2020 and 2021 at a minimum of €10.80 and grow it broadly in line with the growth in AREPS thereafter.

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4.1.2 INVESTMENTS AND DIVESTMENTS

In 2019, URW invested €1,570.9 Mn[(1)], Group share, in capital expenditures in assets and on construction, extension and refurbishment projects, compared to €1,530.7 Mn in 2018, which included only seven months of Westfield capex.

4.1.2.1 TOTAL CAPITAL EXPENDITURE

The total investments break down as follows:

	Proportionate			
	2019		2018	
in €Mn	100%	Group share	100%	Group share
Shopping Centres	1,184.3	1,125.1	1,240.7	1,161.1
Offices & Others	364.8	364.6	292.5	292.1
Convention & Exhibition	161.6	81.2	129.2	77.4
Total Capital Expenditure	**1,710.8**	**1,570.9**	**1,662.4**	**1,530.7**

Figures may not add up due to rounding.

4.1.2.2 SHOPPING CENTRES

URW invested €1,125.1 Mn[(2)] in its Shopping Centre portfolio in 2019:

- New acquisitions amounted to €2.8 Mn, mainly in France (Westfield Vélizy 2) and Spain (La Vaguada);
- €521.2 Mn were invested in construction, extension and refurbishment projects, including mainly: the Westfield Mall of the Netherlands, Westfield Vélizy 2, Gaîté Montparnasse, La Part-Dieu, Westfield Valley Fair and Garbera extensions and Westfield Hamburg (see also section "*Development projects*");
- €264.9 Mn were invested in enhancement and improvement projects on standing assets, including mainly Donau Zentrum, Täby Centrum, Westfield Carré Sénart, Westfield UTC and Westfield Topanga;
- Replacement Capex[(3)] amounted to €166.0 Mn;
- Financial interest, eviction and other costs were capitalised for €42.3 Mn, €48.5 Mn and €79.4 Mn, respectively.

4.1.2.3 OFFICES & OTHERS

URW invested €364.6 Mn in its Offices & Others portfolio in 2019:

- New acquisitions amounted to €0.9 Mn in The Netherlands;
- €281.6 Mn were invested in construction and refurbishment projects, mainly in France (the Trinity, Shift and Versailles Chantiers projects), the UK (Westfield Stratford City and Westfield London) and Germany (Westfield Hamburg offices, residential and hotels) (see also section "*Development projects*");
- €52.6 Mn were invested in enhancement and improvement projects on standing assets, mainly in the US and France;
- Replacement Capex amounted to €3.4 Mn;
- Financial interest and other costs capitalised amounted to €26.1 Mn.

4.1.2.4 CONVENTION & EXHIBITION

URW invested €81.2 Mn in its Convention & Exhibition portfolio in 2019:

- €23.5 Mn were invested for construction works at Porte de Versailles;
- €48.8 Mn were invested in enhancement and improvement projects on standing assets, mainly in Porte de Versailles;
- Replacement Capex amounted to €6.6 Mn;
- Financial interest and other costs capitalised amounted to €2.3 Mn.

The second phase (2017-2019) of renovation works on the Porte de Versailles site was delivered, with the inauguration of the new Pavilion 6 in November 2019 and the delivery of the Novotel and Mama Shelter hotels in December 2019.

(1) On a proportionate basis, Group share.
(2) Total capitalised amount in asset value, Group share.
(3) Replacement Capex relates to works either on equipment or the structure of a standing asset. The primary purpose of Replacement Capex is to ensure that the asset is in good working order and/or to make minor improvements. These investments can be triggered by obsolescence, maintaining technical performance at market levels or compliance with regulatory requirements. These amounts do not include Replacement Capex spent as part of the TIC of extension and/or renovation projects on which the Group's standard Return On Investment (ROI) is expected.

4.1.2.5 DISPOSALS

On February 28, 2019, URW completed the disposal of its 34% stake in the Jumbo shopping centre in Helsinki to co-owner Elo Mutual Pension Insurance Company. The Net Disposal Price ("NDP") of €248.6 Mn represented a premium to the December 31, 2018 book value and implies a Net Initial Yield ("NIY") of almost 5%.

On May 9, 2019, URW completed the disposal of a 75% stake in Cherry Park residential project in London to PSP Investments and QuadReal.

On July 3, 2019, URW completed the disposal of the Tour Majunga, an office property building in La Défense, to a consortium of institutional investors led by South-Korean securities firm Mirae Asset Daewoo and Amundi Real Estate. The NDP of the transaction was €850 Mn and represented a premium to the December 31, 2018 book value and a NIY of 4.16%.

On December 30, 2019, URW disposed of its 66.67% stake in Ring-Center shopping centre in Berlin.

Upon closing of the Transaction, the Group will have completed €4.8 Bn (80%) of its announced €6.0 Bn disposal programme and is in discussions on the disposal of a further number of assets.

4.1.3 DEVELOPMENT PROJECTS AS AT DECEMBER 31, 2019

As at December 31, 2019, URW's share of the Total Investment Cost ("TIC"[(1)] and "URW TIC"[(2)]) of its development project pipeline amounted to €8.3 Bn, with a total of 1.4 million sqm of Gross Lettable Area ("GLA" [(3)]) to be redeveloped or added to the Group's standing assets.

4.1.3.1 DEVELOPMENT PROJECT PORTFOLIO OVERVIEW

The Group's pipeline stood at €8.3 Bn[(4)] (€11.9 Bn as at December 31, 2018). The -€3.6 Bn decrease in the URW TIC results from:

- The completion and delivery of ten projects of which six in Europe and four in the US, including URW's first residential development (-€0.6 Bn);
- The revision of the Westfield Milano and the Westfield Montgomery projects as well as other programme changes (+€0.1 Bn);
- The removal of certain projects following an in-depth review of the pipeline (-€3.2 Bn);
- The addition of small projects in H2-2019: the La Maquinista Fashion Pavilion and two refurbishment projects at Westfield Les 4 Temps: Clairière and Dôme (+€0.1 Bn).

Development remains a core skill set of URW and the Group believes there continues to be significant value creation potential in the portfolio. However, to optimise capital and returns, the Group initiated, as part of its annual five year business plan process, a detailed review of its development pipeline and removed projects which:

- require major redefinition; or
- are postponed significantly due to market or administrative circumstances; or
- did not meet the Group's return targets.

(1) 100% TIC is expressed in value at completion. It equals the sum of: (i) all capital expenditures from the start of the project to the completion date and includes: land costs, construction costs, study costs, design costs, technical fees, tenant fitting-out costs paid for by the Group, letting fees and related costs, eviction costs and vacancy costs for renovations or redevelopments of standing assets; and (ii) tenants' lease incentives and opening marketing expenses. It excludes: (i) capitalised financial interest; (ii) overhead costs; (iii) early or lost Net Rental Income; and (iv) IFRS adjustments.
(2) URW TIC: 100% TIC multiplied by URW's percentage stake in the project, plus specific own costs, if any.
(3) GLA equals Gross Lettable Area of projects at 100%.
(4) This includes the Group's share of projects fully consolidated and projects accounted for using the equity method, excluding Viparis projects.

This review led to the removal of the projects listed below from the December 31, 2018 pipeline. URW will continue to review changes to or alternatives for such projects in line with URW's capital allocation priorities, return objectives, mixed-use strategy and Better Places 2030.

Removed Development Projects	Business	Country	City	Type	URW Ownership	100% GLA *(sqm)*	100% Total Investment Cost *(€Mn)*	URW Total Investment Cost *(€Mn)*
VAL TOLOSA	Shopping Centres	France	Toulouse region	Greenfield/Brownfield	60%	65,308	290	
VILLENEUVE 2 EXTENSION	Shopping Centres	France	Lille region	Extension/Renovation	100%	17,741	140	
MAQUINEXT	Shopping Centres	Spain	Barcelona	Extension/Renovation	51%	37,570	200	
3 PAYS	Shopping Centres	France	Hésingue	Greenfield/Brownfield	100%	84,088	390	
BUBNY	Shopping Centres	Czech Rep.	Prague	Greenfield/Brownfield	65%	55,114	250	
CROYDON	Shopping Centres	UK	London	Greenfield/Brownfield	50%	162,116	1,550	
OTHER						77,953	290	
Total Controlled								**2,030**
FISKETORVET RETAIL EXTENSION	Shopping Centres	Denmark	Copenhagen	Extension/Renovation	100%	13,559	160	
VITAM	Shopping Centres	France	Neydens	Extension/Renovation	80%	76,582	430	
OTHER						215,322	1,210	
Total Secured Exclusivity								**1,120**
Total								**3,150**

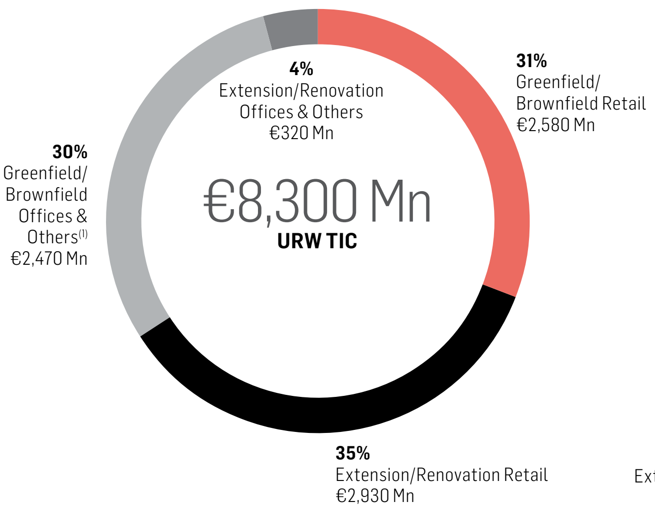
Since December 2018, the Group delivered:

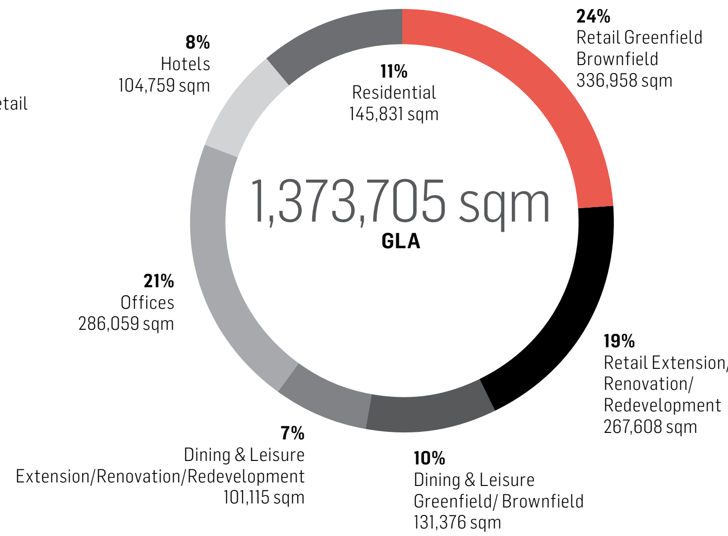
- In February: the 3,811 sqm Westfield Carré Sénart leisure extension, combining dining, a new generation IMAX Cinema and family activities;
- In March: the 16,147 sqm Versailles Chantiers office building and the 19,637 sqm Westfield Vélizy 2 leisure extension, with its new dining area "Les Tables de Vélizy" composed of 23 new restaurants and the UGC Cinema with 18 screens;
- In June: the 3,700 sqm Westfield Parly 2 Cinema with 12 screens;
- In August: Palisade at Westfield UTC, with 300 residential units, including a rooftop "sky lounge" and a state-of-the art fitness center and wellness facilities;
- In September: the renovation of Westfield Topanga;
- In October: the Gropius Passagen refurbishment project;
- In November: the renovation of Westfield Valencia, including improvement of family amenities and the food court; and the Westfield Oakridge transformation with the opening of the Living Spaces furniture store;
- In December: the Shift office redevelopment project.

In addition, the Group made significant progress on existing pipeline projects. After final administrative authorisations were obtained, works started in March 2019 for the 19,616 sqm Garbera extension project and are on track for the opening in November 2021. In May, the Cherry Park residential project broke ground after the closing of the disposal of 75% of the project to two institutional investors. In October and November, works started for the La Maquinista Fashion Pavilion and Dining Experience, and the Westfield Les 4 Temps Clairière projects.

The pipeline categories are as follows:

URW DEVELOPMENT PIPELINE BY CATEGORY[1]



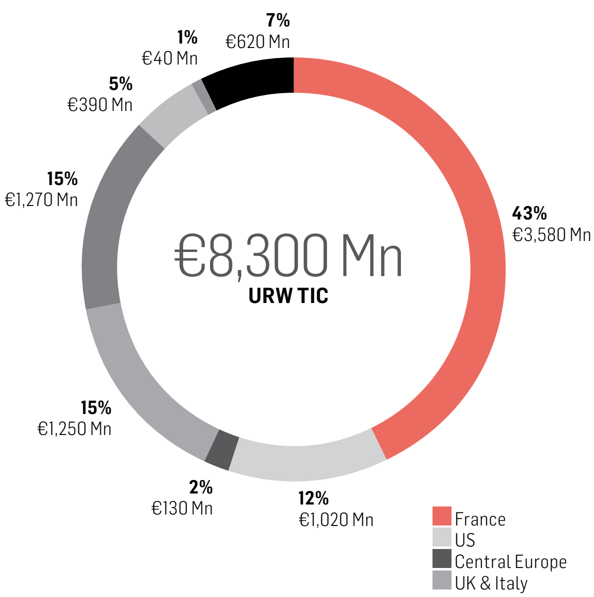


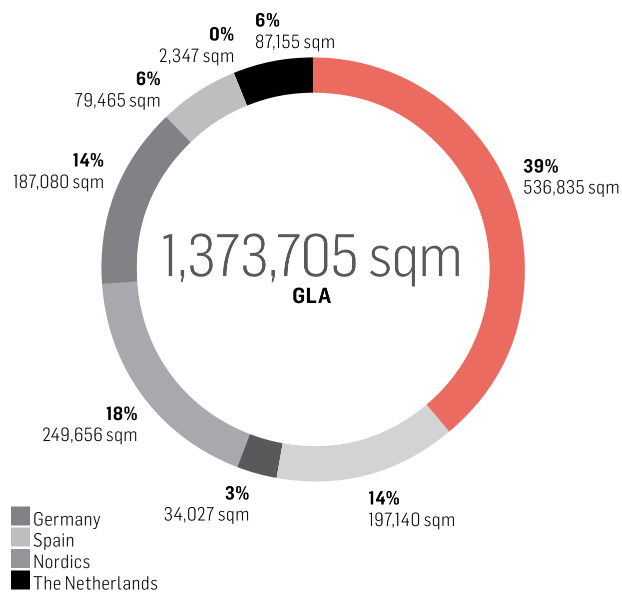
(1) Including Residential and Hotel units.

The Group currently expects to prioritise extensions and restructuring and refurbishment works on standing assets, as well as to selectively add to its existing portfolio. 53% of the €5.5 Bn retail pipeline consists of extension and renovation projects. Greenfield and brownfield projects account for 47%. 27% of the approximately 857,000 sqm retail pipeline consists of Dining and Leisure areas. €1.9 Bn (35%) of the Retail pipeline are committed. In addition, third party urban regeneration developments are ongoing around a number of the Group's assets and are expected to reinforce the respective catchment areas and the position of URW's destinations.

Development projects in the Offices & Others sector amount to €2.8 Bn. Greenfield and brownfield projects represent 89% and correspond to approximately 406,000 sqm of new GLA, of which 65% are expected to be completed in 2024 or later. The remainder will be invested in the redevelopment or refurbishment of 110,000 sqm GLA of existing assets. €0.8 Bn (28%) of the Offices & Others pipeline are committed.

URW DEVELOPMENT PIPELINE BY REGION[1]





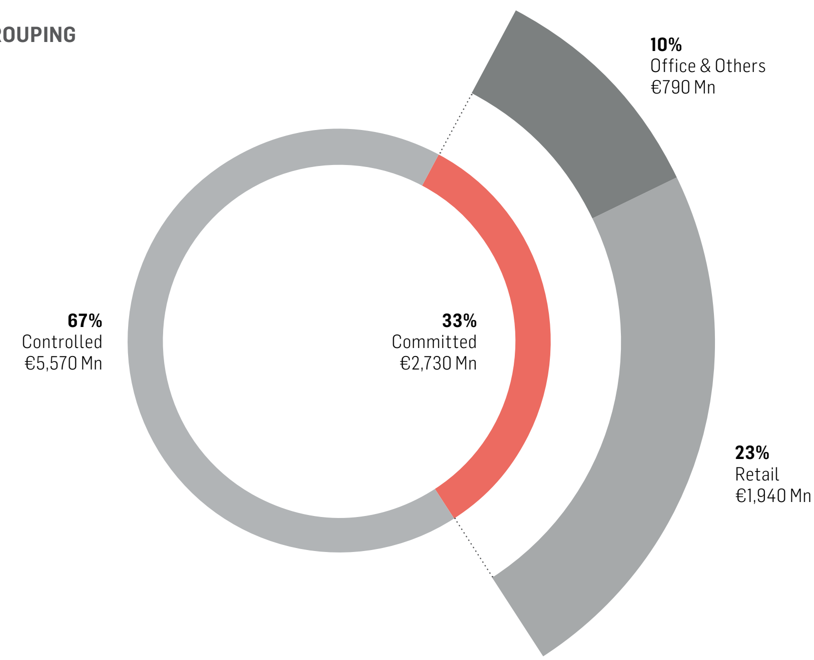
(1) Figures may not add up due to rounding.

4.1.3.2 A SECURED AND FLEXIBLE DEVELOPMENT PIPELINE

In parallel with the in-depth pipeline review, the Group has also refined the pipeline groupings. The Group's pipeline now consists of two distinct groupings:

1. **Committed:** projects for which URW owns the land or building rights and has obtained:
   - all necessary administrative authorisations and permits;
   - approvals of JV partners (if applicable);
   - approvals of URW's internal governing bodies to start superstructure construction works; and
   - on which such works have started.
2. **Controlled:** projects in an advanced stage of studies, for which URW controls the land or building rights, and all required administrative authorisations have been filed or are expected to be filed shortly. There can be no assurance these will become "Committed" projects, as this will be subject to having obtained all required administrative approvals, as well as those of JV partners (if applicable), and of URW's internal governing bodies to start superstructure works.

URW DEVELOPMENT PIPELINE BY GROUPING



The €2.7 Bn "Committed" development pipeline (URW TIC) now includes, following the start of construction or renovation works in 2019:
- Cherry Park;
- The Garbera extension;
- The La Maquinista Fashion Pavilion;
- Westfield Les 4 Temps Clairière, which will bring a brand new fashion offer together with a large event space for fashion and food events as well as concerts and roadshows.

The "Controlled" category now includes the Westfield Les 4 Temps Dôme project.

€1.7 Bn have already been spent on Committed projects and €1.1 Bn on Controlled projects. For Committed projects, €1.0 Bn are still to be invested over the next three years, of which €0.5 Bn have been contracted.

4.1.3.3 VARIANCES IN URW DEVELOPMENT PIPELINE PROJECTS IN 2019

Since December 31, 2018, there have been changes in the URW TIC and in the delivery dates of some projects, in particular:
- The Neo project planning was delayed because of the cancellation of part of the road connection permits;
- The Sisters and Triangle projects were delayed and the URW TIC increased because of administrative procedures and change of market conditions;
- The Westfield Hamburg mixed-use development was delayed and the URW TIC increased due to project changes.

4.1.3.4 INVESTMENTS IN 2019

See section "*Investments and divestments*".

4.1.3.5 DELIVERIES EXPECTED IN THE NEXT 12 MONTHS

Eight projects representing a URW TIC of ca. €2,110 Mn are scheduled to be delivered in 2020:

- Three major retail extensions: Westfield Valley Fair, Westfield Mall of the Netherlands and La Part-Dieu;
- The Trinity greenfield office project in La Défense;
- The hotel project at Gaîté Montparnasse;
- Three retail restructuring projects: the La Maquinista Fashion Pavilion and the Westfield Les 4 Temps Clairière and Dôme.

The average pre-letting(1) of the retail and offices & others deliveries stands at 71%(2) and 51%(3), respectively.

(1) GLA signed, all agreed to be signed and financials agreed.
(2) Excluding renovation projects.
(3) Excluding residential projects.

4.1.3.6 PROJECTS OVERVIEW

DEVELOPMENT PROJECTS – DECEMBER 31, 2019

Development projects(1)	Business	Country	City	Type	URW ownership	100% GLA *(sqm)*	100% Total Investment Cost *(€Mn)*	URW Total Investment Cost *(€Mn)*	Yield on cost(2)	Earliest opening date(3)	Project valuation
WESTFIELD VALLEY FAIR	Shopping Centres	US	San Jose	Extension/ Renovation	50%	46,673	1,050			H1 2020	Fair value
TRINITY	Offices & Others	France	Paris	Greenfield/ Brownfield	100%	49,479	350			H1 2020	Fair value
WESTFIELD MALL OF THE NETHERLANDS*	Shopping Centres	The Netherlands	The Hague region	Extension/ Renovation	100%	87,155	620			H2 2020	Fair value
LA PART-DIEU EXTENSION	Shopping Centres	France	Lyon	Extension/ Renovation	100%	33,400	410			H2 2020	Fair value
GAÎTÉ MONTPARNASSE RETAIL*	Shopping Centres	France	Paris	Redevelopment/ Extension	100%	29,744	180			H1 2021	Fair value
GAÎTÉ MONTPARNASSE OTHERS*	Offices & Others	France	Paris	Redevelopment/ Extension	100%	64,422	240			H1 2021	Fair value
GARBERA EXTENSION	Shopping Centres	Spain	San Sebastián	Extension/ Renovation	100%	19,616	130			H2 2021	At cost
CHERRY PARK	Offices & Others	UK	London	Greenfield/ Brownfield	25%	87,085	790			H2 2024	Fair value
OTHER						10,010	100				
Total Committed								**2,730**	**6.2%**		

(1) Figures subject to change according to the maturity of projects.
(2) Stabilised expected Net Rental Income divided by the URW TIC.
(3) In the case of staged phases in a project, the date corresponds to the earliest possible opening date of the last phase.

(*) Units acquired for the project are included in the TIC at their acquisition cost.

Development projects[1]	Business	Country	City	Type	URW ownership	100% GLA (sqm)	100% Total Investment Cost (€Mn)	URW Total Investment Cost (€Mn)	Yield on cost[2]	Earliest opening date[3]	Project valuation
WESTFIELD GARDEN STATE PLAZA RESTRUCTURING*	Shopping Centres	US	New York region	Extension/ Renovation	50%	12,368	110			H1 2021	Fair value
WESTFIELD TOPANGA RESTRUCTURING*	Shopping Centres	US	Los Angeles region	Extension/ Renovation	55%	15,881	240			H2 2021	Fair value
ALTAMAR	Shopping Centres	Spain	Benidorm	Greenfield/ Brownfield	100%[4]	58,551	220			H1 2022	At cost
WESTFIELD VALENCIA RESTRUCTURING*	Shopping Centres	US	Valencia	Extension/ Renovation	50%	20,718	100			H1 2022	At cost
WESTFIELD HAMBURG RETAIL	Shopping Centres	Germany	Hamburg	Greenfield/ Brownfield	100%	96,211	740			H1 2023	At cost
WESTFIELD HAMBURG OTHERS	Offices & Others	Germany	Hamburg	Greenfield/ Brownfield	100%	90,869	530			H1 2023	At cost
WESTFIELD MILANO	Shopping Centres	Italy	Milan	Greenfield/ Brownfield	75%	154,572	1,330			H1 2023	Fair value
WESTFIELD ROSNY 2 LEISURE EXTENSION	Shopping Centres	France	Paris region	Extension/ Renovation	100%	9,352	80			H1 2023	At cost
WESTFIELD VELIZY 2 RETAIL EXTENSION	Shopping Centres	France	Paris region	Extension/ Renovation	100%	20,098	210			H2 2023	At cost
WESTFIELD MONTGOMERY MIXED USE RETAIL*	Shopping Centres	US	Washington region	Extension/ Renovation	50%	26,736	170			H2 2023	Fair value
WESTFIELD MONTGOMERY MIXED USE RESIDENTIAL*	Offices & Others	US	Washington region	Extension/ Renovation	50%	45,902	160			H2 2023	Fair value
METROPOLE ZLICIN EXTENSION	Shopping Centres	Czech Rep.	Prague	Extension/ Renovation	50%	25,640	160			H2 2024	At cost
TRIANGLE	Offices & Others	France	Paris	Greenfield/ Brownfield	100%	88,409	640			H2 2024	At cost
SISTERS	Offices & Others	France	Paris	Greenfield/ Brownfield	100%	90,434	750			Post 2024	At cost
NEO	Shopping Centres	Belgium	Brussels	Greenfield/ Brownfield	86%	123,204	690			Post 2024	At cost
OTHER						67,176	380				
Total Controlled								**5,570**	**7-8% target**		
URW TOTAL PIPELINE								**8,300**			

(1) Figures subject to change according to the maturity of projects.
(2) Stabilised expected Net Rental Income divided by the URW TIC.
(3) In the case of staged phases in a project, the date corresponds to the earliest possible opening date of the last phase.
(4) % ownership after exercise of option rights.

(*) Units acquired for the project are included in the TIC at their acquisition cost.

4.

4.1.4 PROPERTY PORTFOLIO AND NET ASSET VALUE AS AT DECEMBER 31, 2019

URW's EPRA Net Asset Value (NAV) per share as at December 31, 2019, came to €213.30 (€221.80 as at December 31, 2018).

URW's EPRA triple Net Asset Value (NNNAV)[1] amounted to €199.20 per share (€210.80 as at December 31, 2018). This decrease of -€11.60 (-5.5%) is the result of: (i) +€9.35 per share representing the sum of: (a) the Recurring Earnings Per Share of +€12.72, (b) -€6.79 per share representing the revaluation of property and intangible assets, net of the capital gains on disposals, (c) foreign exchange movements and other items for +€0.68 per share, (d) the change of transfer taxes and deferred tax adjustments of +€2.78 per share, and (e) the dilutive effect of the instruments giving access to the Group's shares of -€0.04 per share; (ii) the impact of the payment of the dividend for 2018 of -€10.80 per share; and (iii) the negative impact of the mark-to-market of debt and financial instruments of -€10.15 per share.

The Going Concern NAV[2] (GMV based) came to €217.50 per share as at December 31, 2019 (€233.90 as at December 31, 2018).

The EPRA NAV, the EPRA NNNAV and the Going Concern NAV as at December 31, 2019, do not include the Group's Hybrid Securities, which are not part of the Equity attributable to the holders of the Stapled Shares, but include €12.98 per share of goodwill not justified by the fee business or tax optimisations and which is mainly related to Westfield.

4.1.4.1 PROPERTY PORTFOLIO

Unless otherwise indicated, the data presented in the property portfolio are on a proportionate[3] basis and as at December 31, 2019, and comparisons are with values as at December 31, 2018.

The total GMV of the URW asset portfolio[4] amounted to €65.3 Bn (€65.2 Bn).

CONTINENTAL EUROPE – SHOPPING CENTRES

Demand for commercial real estate across Continental Europe[5] remained robust with record levels of equity raised. €227 Bn of commercial real estate were traded in 2019, down -4% from 2018.

However, investor demand for commercial real estate showed a clear differentiation among classes. Demand for logistics assets remained strong as the sector benefited from demand as occupiers sought to streamline supply chains for omnichannel retailing and last mile delivery. Logistics transaction volumes in 2019 were +5% higher than 2018, at €27 Bn (12%). Alternatives (predominantly hotels, student and senior housing) also remained in favour. Although investment volumes slipped marginally, their share of total activity represented 29%.

In contrast, retail suffered from weaker demand as investors took a more cautious attitude toward the sector, on the back of increased online sales, with investment amounting to €30 Bn, down -25% from 2018. The biggest fall was in shopping centres (-45% at €7.9 Bn). However, in 2019 insurance companies bought large, core and dominant shopping centres across Europe after a lack of transactions in this type of asset during the previous 18 months, demonstrating a demand for prime retail assets.

URW's Shopping Centre portfolio's GMV decreased by -1.3% on a like-for-like basis. This decrease was driven by the yield impact (-3.3%) as appraisers increased Exit Capitalisation Rates ("ECR") and Discount Rates ("DR") for a number of assets in the portfolio. This was partly offset by a positive rent impact (+2.0%). The value of the Group's Dutch portfolio decreased by -6.2% on a like-for-like basis, of which -7.7% driven by yield impact, partly offset by a positive rent impact of +1.5%. The like-for-like GMV decrease of the Group's German, Austrian and French shopping centres was -5.0%, -4.5% and -1.8%, respectively. However, Central Europe, Spain and the Nordics saw like-for-like GMV growth of +2.5%, +1.1% and +0.8%, respectively.

UNITED KINGDOM (UK)

Investment volumes in UK real estate[6] amounted to €60 Bn in 2019, a decrease of -15% vs. 2018. Retail saw a -29% fall to €6.4 Bn, with shopping centres (-37% to €1.4 Bn) and high street retail (-57% to €1.2 Bn) suffering the most.

The number of UK shopping centre transactions continued to be very limited. There was little appetite from investors to venture into the shopping centre market whilst the current uncertain occupier market prevails. Market activity was confined to sub £50 Mn asset sales, with many sellers having breached their banking covenants, and with a limited purchaser base mainly consisting of local authorities looking to preserve the integrity of their town centres, opportunistic purchasers who see value in a scheme or were looking to repurpose the asset.

The principal reason for this lack of activity was the UK occupier market which remained weak in almost all retail segments due to the rise in e-commerce, the burden of business rates, continued CVAs and Administrations and the weakness of a number of British retailers leading to store closures and a contraction of store portfolios. The uncertainties related to Brexit limited new retail entries into the UK.

There was no market activity at the super prime asset level. Nevertheless, an indicator of confidence in the prime/super prime sectors were successful secured debt issues for both Westfield Stratford City and Intu Derby during the year.

The like-for-like GMV of the Group's UK shopping centres decreased by -8.5%, of which -4.4% driven by the rent impact and -4.1% driven by the yield impact. This decrease was mainly due to Westfield London.

(1) EPRA NNNAV (triple net asset value): corresponds to the Going concern NAV per share less the estimated transfer taxes and capital gain taxes.
(2) Going Concern NAV: the amount of equity per share needed to replicate the Group's portfolio with its current financial structure.
(3) The sum of the GMV for the assets fully consolidated, the ownership at share of the GMV of assets jointly controlled accounted for using the equity method and the equity values for assets not controlled by URW (Zlote Tarasy, Ring-Center (disposed of on December 30, 2019), Gropius Passagen, and Blum/Centennial and Starwood Ventures entities).
(4) Including the Group's services business, the airport activities, the trademark, transfer taxes and transaction costs. Does not include the goodwill not justified by the fee business nor the impact of the application of IFRS 16.
(5) Source: Cushman & Wakefield, estimates.
(6) Source: Cushman & Wakefield, estimates.

Westfield London and Westfield Stratford City are two of the most productive assets of the Group in Europe. However, their Exit Capitalisation Rates are the highest among the top ten European assets of the Group.

UNITED STATES (US)

US retail investment volumes in 2019 saw a -3.5% year-on-year decline, with total sales reported by Real Capital Analytics of $52.3 Bn. For shopping centres, the decrease in deal volume was -6.5% (excluding the impact of the Westfield and Brookfield transactions which took place in 2018).

Regional mall transaction activity remained subdued at $2.4 Bn. Notable transactions included the acquisition of a 48.5% interest in the Gardens Mall, Palm Beach by Taubman, in an off-market process, and the acquisition by Brookfield of outstanding interests in four joint-venture assets (Perimeter Mall, Atlanta; Shops at Merrick Park, Miami; Towson Town Center, Baltimore; and Park Meadows, Denver), and the divestment of a partial interest by Brookfield of Bridgewater Commons, New Jersey, and The SoNo Collection, Connecticut.

According to appraisers, valuation parameters and the outlook for super-regional malls remained mostly stable. The bifurcation of the retail real estate market continued, with perceived strong demand for prime assets, but limited demand for "B" and "C" grade shopping centres, which are priced based on their short-term cash flows and redevelopment potential.

The value of the Group's US shopping centres decreased by -1.6% on a like-for-like basis, driven by a negative yield impact (-3.7%), partly compensated by a positive rent impact (+2.1%).

OFFICES & OTHERS

The value of URW's Offices & Others portfolio increased by +6.2% on a like-for-like basis, as a result of positive yield and rent impacts (+5.6% and +0.5%, respectively).

CONVENTION & EXHIBITION

The Convention & Exhibition portfolio value decreased by -6.7% on a like-for-like basis, mainly driven by a negative yield impact (-6.2%).

URW'S PORTFOLIO

	Proportionate					
Asset portfolio valuation (including transfer taxes)[a]	Dec. 31, 2019		Like-for-like change net of investment – 2019[b]		Dec. 31, 2018	
	€Mn	%	€Mn	%	€Mn	%
Shopping Centres	56,495	86%	(980)	(2.0%)	56,514	87%
Offices & Others	4,186	6%	94	6.2%	3,924	6%
Convention & Exhibition	2,984	5%	(187)	(6.7%)	3,222	5%
Services	1,676	3%	92	6.0%	1,541	2%
Total URW	**65,341**	**100%**	**(981)**	**(1.8%)**	**65,201**	**100%**

Figures may not add up due to rounding.

(a) On a proportionate basis, including transfer taxes and transaction costs (see the section "Proportionate, IFRS and Group share figures for the property portfolio" for IFRS and Group share figures).
The portfolio valuation includes:
– The appraised or at cost value of the entire property portfolio, whether fully consolidated or under joint operation;
– The value of the trademark;
– The equity value of URW's investments in assets not controlled by URW (Zlote Tarasy, Ring-Center (disposed of on December 30, 2019), Gropius Passagen, and Blum/Centennial and Starwood Ventures entities). The equity value of URW's share investments in assets not controlled by URW amounted to €948 Mn (€1,057 Mn).
The valuations take into account the negative cash flows related to rents paid on concessions or leaseholds, which are accounted for as financial debt on the consolidated statement of financial position.
The portfolio does not include €2.1 Bn of goodwill not justified by the fee business, nor financial assets such as the €594 Mn of cash and cash equivalents on the Group's consolidated statement of financial position as at December 31, 2019.

(b) Excluding the currency effect, investment properties under construction, assets not controlled by URW and changes in the scope (including acquisitions, disposals and deliveries of new projects) during 2019. Changes in scope consist mainly of the:
– Acquisition of retail units in Westfield Vélizy 2, La Vaguada and Parquesur;
– Disposal of an office building: Majunga in La Défense;
– Disposal of a retail asset: Jumbo in Finland;
– Disposal of the share investment in Ring-Center in Germany;
– Disposal of 75% of a residential project, Cherry Park, in Westfield Stratford City;
– Disposal of retail units in Westfield Parly 2;
– Disposal of office units in Zoetermeer;
– Delivery of two office buildings: Versailles Chantiers and Shift in the Paris region;
– Delivery of the residential building Palisade at Westfield UTC;
– Delivery of the Westfield Oakridge transformation; and
– Delivery of two hotels at Porte de Versailles.
The like-for-like change in the portfolio valuation is calculated excluding the changes described above.

	Proportionate	
URW Valuation as at Dec. 31, 2018 *(€Mn)*	**65,201**	
Like-for-like revaluation	(981)	
Revaluation of non like-for-like assets	24	(a)
Revaluation of shares	(49)	(b)
Capex/Acquisitions/Transfers	1,856	
Disposals	(1,233)	(c)
Constant currency effect	523	(d)
URW Valuation as at Dec. 31, 2019 *(€Mn)*	**65,341**	

Figures may not add up due to rounding.
(a) Non like-for-like assets include IPUC valued at cost or at fair value, projects such as the Gaîté and Trinity offices, the hotel project at Gaîté Montparnasse, the La Part-Dieu extension, Les Ateliers Gaîté, Westfield Milano and Westfield Mall of the Netherlands and assets delivered in 2019 such as the office buildings at Versailles Chantiers and Shift in the Paris region, the hotels at Porte de Versailles, the Westfield Oakridge transformation and the residential building Palisade at Westfield UTC.
(b) Revaluation of the shares in companies holding the assets not controlled by URW (Zlote Tarasy, Gropius Passagen and Blum/Centennial and Starwood Ventures entities).
(c) Value as at December 31, 2018.
(d) Currency impact of +€523 Mn, including +€300 Mn in the US and +€259 Mn in the UK, partly offset by the Nordics (-€36 Mn), before offsets from foreign currency loans and hedging programs.

Appraisers

URW has allocated properties across independent appraisers by region for comparison and benchmarking purposes. The valuation process has a centralised approach, intended to ensure that, on the Group's portfolio, capital market views are taken into account. Assets are appraised twice a year (in June and December), except services companies, which are appraised once a year.

	Proportionate	
Appraiser	Property location	% of total portfolio
Cushman & Wakefield	France/The Netherlands/Central Europe/UK[a]/US	45%
JLL	France/Germany/Nordics/Spain/Austria/Italy	28%
Duff & Phelps	US	9%
PwC[b]	France/Germany/UK/US	9%
Other appraisers	Central Europe/UK[a]/US	7%
At cost, under sale agreement or internal		2%
		100%

Figures may not add up due to rounding.
(a) The Group's UK portfolio was valued by Cushman & Wakefield and Avison Young.
(b) PwC assesses Convention & Exhibition venues as well as all of the Group's services activities, the trademark, and the airport activities.

Fees paid to appraisers are determined prior to the valuation campaign and are independent from the value of properties appraised. A detailed report, dated and signed, is produced for each appraised property. None of the appraisers have received fees from URW representing more than 10% of their turnover.

Valuation methodology

Appraisal methods used by appraisers are compliant with international standards and guidelines as defined by RICS ("Royal Institution of Chartered Surveyors"), IVSC ("International Valuation Standards Council") and FSIF ("*Fédération des Sociétés Immobilières et Foncières*").

Independent appraisers determine the fair market value based on the results of two methods: the discounted cash flow ("DCF") methodology and/or the yield methodology. Furthermore, the resulting valuations are cross-checked against the initial yield, value per square meter and the fair market values established through actual market transactions.

Appraisers have been given access to all information relevant for valuations, such as the Group's confidential rent rolls, including information on vacancy, break options, expiry dates and lease incentives, performance indicators (e.g., footfall and sales where available), letting evidence and the Group's cash flow forecasts from annually updated detailed asset business plans. Appraisers make their independent assessments of current and forward looking cash flow profiles and usually reflect risk either in the cash flow forecasts (e.g. future rental levels, growth, investment requirements, void periods and incentives), in the applied required returns or discount rates and in the yield applied to capitalise the exit rent to determine an exit value.

The yield and rent impacts are used to explain and split the revaluation into two parts. The yield impact indicator is very sensitive to any change in the assumptions made for the asset which complicates its interpretation. It is calculated as the change in potential yield, excluding capex, to eliminate the impact of vacancy. Therefore, if the NRI is projected to grow faster than the value of the asset net of capex, there will be a negative yield impact. In addition, the potential yield expands and therefore generates a negative yield impact in case of defensive capex or eviction costs or an increase in the ERV of vacant units. The rent impact is mechanically obtained by deducting the yield impact from the like-for-like revaluation.

As the value of the assets is based on cash-flows and ECR, the Net Initial Yield ("NIY") may be lower than the ECR for a number of reasons. The main reasons are: the vacancy as at the valuation date which the appraisers assume will be rented and the reversion which will be captured in the cash-flows. The NIY is an output rather than an input.

Valuation scope

98% of URW's portfolio was appraised by independent appraisers.

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

IPUC are taken at fair value once management considers that a substantial part of the project's uncertainty has been eliminated, such that a reliable fair value can be established. URW uses its long-standing guidelines to establish the residual level of risk, focusing notably on uncertainty remaining in construction and leasing.

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

The La Part-Dieu extension, Westfield Mall of the Netherlands and the Gaîté offices have been carried at fair value since June 30, 2019.

As a result of the acquisition accounting for the Westfield transaction, the main projects in the US, the UK and Italy were carried at fair value as at December 31, 2019.

Les Ateliers Gaîté and the La Maquinista Fashion Pavilion project were assessed at fair value for the first time as at December 31, 2019.

Refer to the table in the Section "*Development Projects as at December 31, 2019*" for the valuation method used for each development project in the Group's pipeline.

The remaining assets of the portfolio (2%) were valued as follows:

- At cost for IPUC for which a reliable value could not yet be established. These include assets under development: Garbera extension, as well as the majority of development projects included in the "Controlled" category (see section "Development Projects" for more details);
- At bid value for assets subject to an agreement pursuant to which these will be disposed of: Bobigny 2.

Unless otherwise indicated, valuation changes and references to asset values include transfer taxes and transaction costs.

SHOPPING CENTRE PORTFOLIO

The value of URW's Shopping Centre portfolio is the addition of the value of each individual asset as determined by the Group's appraisers, except as noted above. This approach does not include the "portfolio value", which reflects the additional value of having a large group of unique assets in a single portfolio.

Evolution of URW's Shopping Centre portfolio valuation

The value of URW's Shopping Centre portfolio[1] amounted to €56,495 Mn (€56,514 Mn).

	Proportionate	
URW Valuation as at Dec. 31, 2018 *(€Mn)*	**56,514**	
Like-for-like revaluation	(980)	
Revaluation of non like-for-like assets	(77)	(a)
Revaluation of shares	(49)	(b)
Capex/Acquisitions/Transfers	947	(c)
Disposals	(317)	(d)
Constant currency effect	457	(e)
URW Valuation as at Dec. 31, 2019 *(€Mn)*	**56,495**	

Figures may not add up due to rounding.
(a) Non like-for-like assets include IPUC valued at cost or at fair value, projects such as the La Part-Dieu extension, Les Ateliers Gaîté, Westfield Milano and Westfield Mall of the Netherlands and assets delivered in 2019 such as the Westfield Oakridge transformation.
(b) Revaluation of the shares in companies holding the assets not controlled by URW (Zlote Tarasy, Gropius Passagen, and Blum/Centennial and Starwood Ventures entities).
(c) Includes the impact of the transfer of Les Boutiques du Palais to the Convention & Exhibition segment and the transfer of office, residential and hotel projects of Westfield Hamburg to Offices & Others.
(d) Value as at December 31, 2018.
(e) Currency impact of +€457 Mn, including the US (+€283 Mn) and the UK (+€207 Mn), partly offset by the Nordics (-€34 Mn), before offsets from foreign currency loans and hedging programs.

Based on an asset value excluding estimated transfer taxes and transaction costs, the Shopping Centre division's NIY is stable at 4.3%.

Shopping Centres portfolio by region – Dec. 31, 2019	Proportionate Valuation including transfer taxes *€Mn*	Valuation excluding estimated transfer taxes *€Mn*	Net Inital Yield[a] Dec. 31, 2019	Net Inital Yield[a] Dec. 31, 2018
France[b]	16,517	15,882	4.2%	4.0%
Central Europe	5,408	5,360	4.9%	4.9%
Spain	3,827	3,740	4.4%	4.4%
Nordics	3,282	3,215	4.1%	4.1%
Germany	3,591	3,398	4.6%	4.4%
Austria	2,510	2,497	4.4%	4.2%
The Netherlands	1,703	1,603	4.9%	5.1%
Subtotal Continental Europe	**36,837**	**35,696**	**4.4%**	**4.3%**
US	15,204	15,082	4.1%	4.2%
UK & Italy	4,454	4,239	4.3%	4.3%
Subtotal US and UK	**19,658**	**19,320**	**4.2%**	**4.3%**
Total URW	**56,495**	**55,016**	**4.3%**	**4.3%**

Figures may not add up due to rounding.
(a) Annualised contracted rent (including indexation) and other incomes for the next 12 months, net of operating expenses, divided by the asset value net of estimated transfer taxes and transaction costs. Shopping centres under development or not controlled by URW, the trademark and the airport activities are not included in this calculation.
(b) The effect of including key money in the French region's NRI would increase the NIY of French shopping centres from 4.2% to 4.3%.

(1) Including the airport activities and the trademark.

US Shopping Centres portfolio by category – Dec. 31, 2019	Proportionate Valuation including transfer taxes €Mn	Valuation excluding estimated transfer taxes €Mn	Net Initial Yield[a] Dec. 31, 2019	Net Initial Yield[a] Dec. 31, 2018
US Flagships[b]	13,101	12,983	3.8%	3.9%
US Regionals	2,103	2,099	6.0%	6.1%
Total US	**15,204**	**15,082**	**4.1%**	**4.2%**

Figures may not add up due to rounding.
(a) Annualised contracted rent (including indexation) and other incomes for the next 12 months, net of operating expenses, divided by the asset value net of estimated transfer taxes and transaction costs. Shopping centres under development or not controlled by URW, the trademark and the airport activities are not included in the calculation of NIY.
(b) The airport activities and the trademark are included in the valuation of the US Flagships.

For the valuation of URW's US assets, the NIY calculation was changed to be consistent with the methodology used by the independent appraisers for the Group's European assets. Using the methodology used by appraisers as at December 31, 2018, the NIY as at December 31, 2019, would have been 4.3% for the US and 4.4% for URW compared to 4.2% and 4.3%, respectively, as at December 31, 2018.

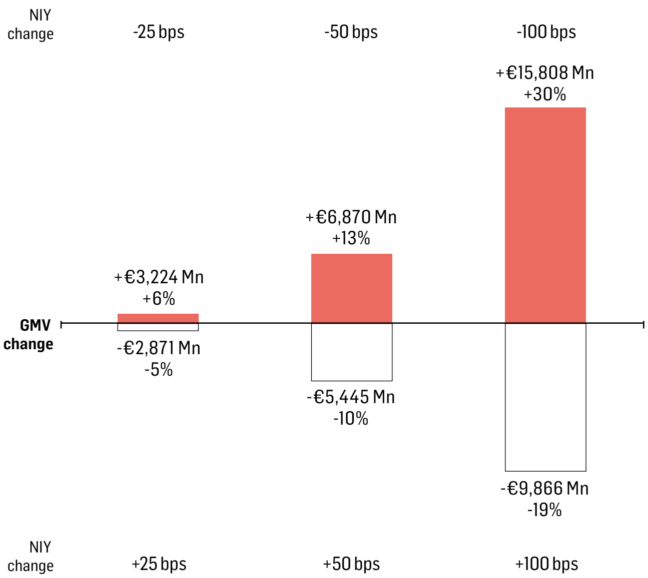
The following table shows the geographic split of the Group's retail assets:

	Proportionate			
	Dec. 31, 2019		Dec. 31, 2018	
Valuation of Shopping Centre portfolio (including transfer taxes)	€Mn	%	€Mn	%
France	16,517	29%	16,282	29%
Central Europe	5,408	10%	5,321	9%
Spain	3,827	7%	3,703	7%
Nordics	3,282	6%	3,486	6%
Germany	3,591	6%	3,756	7%
Austria	2,510	4%	2,583	5%
The Netherlands	1,703	3%	1,631	3%
Subtotal Continental Europe	**36,837**	**65%**	**36,763**	**65%**
US	15,204	27%	14,933	26%
UK & Italy	4,454	8%	4,818	9%
Subtotal US and UK	**19,658**	**35%**	**19,751**	**35%**
Total URW	**56,495**	**100%**	**56,514**	**100%**

Figures may not add up due to rounding.

Sensitivity

SENSITIVITY TO NET INITIAL YIELD CHANGE



Figures may not add up due to rounding.

A change of +25 basis points (bps) in NIY, the main output of the appraisal models, would result in a downward adjustment of -€2,871 Mn (or -5.5%) of URW's Shopping Centre portfolio value (excluding assets under development, the trademark and the airport activities).

A change of +130 bps in NIY, which corresponds to the NIY widening between 2007 and 2009, would have a negative impact of -€12,141 Mn (or -23.1%) on URW's Shopping Centre portfolio value (excluding assets under development, the trademark and the airport activities).

Like-for-like analysis

On a like-for-like basis, the value of URW's Shopping Centre portfolio, after accounting for works, capitalised financial and leasing expenses and eviction costs, decreased by -€980 Mn (-2.0%), of which -€591 Mn (-1.2%) in H1-2019 and -€389 Mn (-0.8%) in H2-2019. This decrease was the result of a yield impact of -3.5%, partly offset by a positive rent impact of +1.5%.

	Proportionate			
	Shopping Centres – Like-for-like (LfL) change[(a)]			
2019	LfL change *€Mn*	LfL change %	LfL change – Rent impact	LfL change – Yield impact[(b)]
France	(281)	(1.8%)	1.9%	(3.7%)
Central Europe	115	2.5%	4.5%	(1.9%)
Spain	40	1.1%	(0.7%)	1.8%
Nordics	26	0.8%	1.9%	(1.1%)
Germany	(168)	(5.0%)	2.3%	(7.3%)
Austria	(116)	(4.5%)	1.6%	(6.1%)
The Netherlands	(68)	(6.2%)	1.5%	(7.7%)
Subtotal Continental Europe	**(452)**	**(1.3%)**	**2.0%**	**(3.3%)**
US	(190)	(1.6%)	2.1%	(3.7%)
UK & Italy	(338)	(8.5%)	(4.4%)	(4.1%)
Subtotal US and UK	**(528)**	**(3.3%)**	**0.6%**	**(3.9%)**
Total URW	**(980)**	**(2.0%)**	**1.5%**	**(3.5%)**

Figures may not add up due to rounding.
(a) Like-for-like change net of investments from December 31, 2018, to December 31, 2019, excluding assets not controlled by URW.
(b) Yield impact calculated using the change in potential yields (to neutralise changes in vacancy rates) and taking into account key money.

Like-for-like revaluations illustrated the resilience of the 55 Flagship shopping centres which represent 89% of URW's retail exposure (excluding assets under development, the airport activities and the trademark).

	Proportionate			
	Shopping Centres – Like- for-like (LfL) change by category[(a)]			
2019	LfL change *€Mn*	LfL change %	LfL change – Rent impact	LfL change – Yield impact[(b)]
Flagships	(452)	(1.0%)	2.2%	(3.2%)
Regionals	(528)	(8.5%)	(1.5%)	(7.0%)
Total URW	**(980)**	**(2.0%)**	**1.5%**	**(3.5%)**

Figures may not add up due to rounding.
(a) Like-for-like change net of investments from December 31, 2018, to December 31, 2019, excluding assets not controlled by URW.
(b) Yield impact calculated using the change in potential yields (to neutralise changes in vacancy rates) and taking into account key money.

OFFICES & OTHERS PORTFOLIO

Evolution of URW's Offices & Others portfolio valuation

Offices & Others portfolio includes the offices, the hotels (except the hotels at Porte de Versailles), the residential building Palisade at Westfield UTC and the residential projects.

The total value of URW's Offices & Others portfolio amounted to €4,186 Mn (€3,924 Mn).

	Proportionate	
URW Valuation as at Dec. 31, 2018 *(€Mn)*	**3,924**	
Like-for-like revaluation	94	
Revaluation of non like-for-like assets	134	(a)
Capex/Acquisitions/Transfers	927	(b)
Disposals	(916)	(c)
Constant currency effect	23	(d)
URW Valuation as at Dec. 31, 2019 *(€Mn)*	**4,186**	

Figures may not add up due to rounding.
(a) Non like-for-like assets include IPUC valued at cost or at fair value, projects such as the Gaîté and Trinity offices, the hotel project at Gaîté Montparnasse and assets delivered in 2019 such as the office buildings at Versailles Chantiers and Shift in the Paris region and the residential building Palisade at Westfield UTC.
(b) Includes the impact of the transfer of the CNIT Hilton, the Novotel Lyon Confluence and the Pullman Montparnasse hotels from the Convention & Exhibition segment and the office, residential and hotel projects of Westfield Hamburg from Shopping Centres.
(c) Value as at December 31, 2018, including the disposal of a 75% stake in the Cherry Park residential project and Majunga.
(d) Currency impact of +€23 Mn in total, including the UK (+€19 Mn) and the US (+€6 Mn), partly offset by the Nordics (-€2 Mn), before offsets from foreign currency loans and hedging programs.

The split by region of the total Offices & Others portfolio is the following:

	Proportionate			
	Dec. 31, 2019		Dec. 31, 2018	
Valuation of Offices & Others portfolio (including transfer taxes)	***€Mn***	**%**	*€Mn*	%
France	2,830	68%	2,879	73%
Nordics	171	4%	168	4%
Other countries	411	10%	144	4%
Subtotal Continental Europe	**3,412**	**82%**	**3,191**	**81%**
US	356	8%	302	8%
UK & Italy	419	10%	432	11%
Subtotal US and UK	**774**	**18%**	**733**	**19%**
Total URW	**4,186**	**100%**	**3,924**	**100%**

Figures may not add up due to rounding.

4.

For occupied offices and based on an asset value excluding estimated transfer taxes and transaction costs, the Offices & Others division's NIY decreased by -27 bps to 5.5%.

Valuation of occupied office space – Dec. 31, 2019	Proportionate			
	Valuation including transfer taxes €Mn[(a)]	Valuation excluding estimated transfer taxes €Mn[(a)]	Net Inital Yield[(b)] Dec. 31, 2019	Net Inital Yield[(b)] Dec. 31, 2018
France	1,597	1,538	5.1%	5.6%
Nordics	144	140	7.6%	7.9%
Other countries	132	129	6.5%	7.1%
Subtotal Continental Europe	**1,873**	**1,807**	**5.4%**	**5.8%**
US	228	221	6.5%	5.8%
UK & Italy	80	76	n.m.	n.m.
Subtotal US and UK	**308**	**298**	**5.8%**	**4.9%**
Total URW	**2,181**	**2,105**	**5.5%**	**5.7%**

Figures may not add up due to rounding.
(a) Valuation of occupied office space as at December 31, 2019, based on the appraiser's allocation of value between occupied and vacant spaces.
(b) Annualised contracted rent (including latest indexation) and other incomes for the next 12 months, net of operating expenses, divided by the value of occupied space net of estimated transfer taxes and transaction costs. Assets under development are not included in this calculation.

Sensitivity

A change of +25 bps in NIY, the main output of the appraisal models, would result in a downward adjustment of -€118 Mn (-4.9%) of URW's Offices & Others portfolio value (occupied and vacant spaces, excluding assets under development).

Like-for-like analysis

The value of URW's Offices & Others portfolio, after accounting for the impact of works and capitalised financial and leasing expenses, increased by +€94 Mn (+6.2%) on a like-for-like basis, due to a yield impact of +5.6% and a rent impact of +0.5%.

2019	Proportionate			
	Offices & Others – Like-for-like (LfL) change[(a)]			
	LfL change €Mn	LfL change %	LfL change – Rent impact	LfL change – Yield impact[(b)]
France	61	6.4%	1.2%	5.2%
Nordics	(1)	(0.3%)	(1.1%)	0.8%
Other countries	7	5.9%	(8.9%)	14.8%
Subtotal Continental Europe	**67**	**5.4%**	**(0.2%)**	**5.6%**
US	18	8.1%	4.4%	3.7%
UK & Italy	9	13.1%	2.6%	10.5%
Subtotal US and UK	**27**	**9.3%**	**4.1%**	**5.2%**
Total URW	**94**	**6.2%**	**0.5%**	**5.6%**

Figures may not add up due to rounding.
(a) Like-for-like change net of investments from December 31, 2018, to December 31, 2019.
(b) Yield impact calculated using the change in potential yields (to neutralise changes in vacancy rates).

CONVENTION & EXHIBITION PORTFOLIO

Valuation methodology

The valuation methodology adopted by PwC for the venues is mainly based on a discounted cash flow model applied to the total net income projected over the life of the concession or leasehold (net of the amounts paid for the concession or leasehold) if it exists, or otherwise over a ten-year period, with an estimate of the asset 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, including the remaining capital expenditures to be spent on Porte de Versailles (€220 Mn).

The hotels at Porte de Versailles have been carried at fair value since June 30, 2018, using the same methodology.

Evolution of the Convention & Exhibition valuation

The value of URW's Convention & Exhibition venues, including transfer taxes and transaction costs, amounted to €2,984 Mn (€3,222 Mn).

	Proportionate	
URW Valuation as at Dec. 31, 2018 *(€Mn)*	**3,222**	(a)
Like-for-like revaluation	(187)	
Revaluation of non like-for-like assets	(34)	
Capex/Acquisitions/Transfers	(17)	(b)
URW Valuation as at Dec. 31, 2019 *(€Mn)*	**2,984**	(c)

Figures may not add up due to rounding.
(a) Of which €2,778 Mn for Viparis (including Palais des Sports) and €443 Mn for hotels (including the hotels at Porte de Versailles). Excluding the Convention & Exhibition space in Carrousel du Louvre and CNIT, 100%-owned by URW, the valuation for Viparis (including Palais des Sports) is €2,631 Mn.
(b) Includes the impact of the transfer of the CNIT Hilton, the Novotel Lyon Confluence and the Pullman Montparnasse hotels to Offices & Others and Les Boutiques du Palais from Shopping Centres.
(c) Excluding the Convention & Exhibition space in Carrousel du Louvre and CNIT, 100%-owned by URW, the valuation for Viparis (including Palais des Sports, Les Boutiques du Palais and the hotels at Porte de Versailles) is €2,850 Mn.

On a like-for-like basis, net of investments, the value of Convention & Exhibition venues decreased by -€187 Mn (-6.7%), of which -€171 Mn in H1-2019, mainly driven by a negative yield impact (-6.2%).

Based on these valuations, the average EBITDA yield (recurring earnings before interest, tax, depreciation and amortisation divided by the value of assets, excluding estimated transfer taxes and transaction costs) of Viparis's venues is stable at 5.3%.

SERVICES

The services portfolio is composed of URW's French, German, UK and US property services companies.

URW's services portfolio is appraised annually by PwC as at each year-end in order to include all significant fee business activities in the portfolio (€140 Mn in net services income in 2019) at their market value for the calculation of URW's NAV. In URW's Consolidated statement of financial position, intangible assets are not revalued but recognised at cost less amortisation charges and/or impairment losses booked.

	Proportionate	
URW Valuation as at Dec. 31, 2018 *(€Mn)*	**1,541**	
Like-for-like revaluation	92	
Constant currency effect	43	(a)
URW Valuation as at Dec. 31, 2019 *(€Mn)*	**1,676**	

Figures may not add up due to rounding.
(a) Currency impact of +€43 Mn in total, including the UK (+€32 Mn) and the US (+€11 Mn), before offsets from foreign currency loans and hedging programs.

PROPORTIONATE, IFRS AND GROUP SHARE FIGURES FOR THE PROPERTY PORTFOLIO

The figures presented previously in the section are on a proportionate basis.

The following tables also provide the IFRS GMV and the Group share level (in GMV) for URW's assets:

	Proportionate		IFRS		Group share	
URW Asset portfolio valuation – Dec. 31, 2019	€Mn	%	€Mn	%	€Mn	%
Shopping Centres	56,495	86%	53,995	86%	49,474	87%
Offices & Others	4,186	6%	4,106	7%	4,088	7%
Convention & Exhibition	2,984	5%	2,985	5%	1,560	3%
Services	1,676	3%	1,676	3%	1,587	3%
Total URW	**65,341**	**100%**	**62,762**	**100%**	**56,708**	**100%**

URW Asset portfolio valuation – Dec. 31, 2018	€Mn	%	€Mn	%	€Mn	%
Shopping Centres	56,514	87%	54,034	86%	49,417	87%
Offices & Others	3,924	6%	3,894	6%	3,870	7%
Convention & Exhibition	3,222	5%	3,223	5%	1,848	3%
Services	1,541	2%	1,541	2%	1,451	3%
Total URW	**65,201**	**100%**	**62,693**	**100%**	**56,586**	**100%**

URW Like-for-like change – net of investments – 2019	€Mn	%	€Mn	%	€Mn	%
Shopping Centres	(980)	(2.0%)	(638)	(1.6%)	(582)	(1.6%)
Offices & Others	94	6.2%	88	6.3%	88	6.4%
Convention & Exhibition	(187)	(6.7%)	(186)	(6.7%)	(100)	(6.8%)
Services	92	6.0%	92	6.0%	93	6.4%
Total URW	**(981)**	**(1.8%)**	**(645)**	**(1.4%)**	**(501)**	**(1.2%)**

URW Like-for-like change – net of investments – 2019 – Split rent/yield impact	Rent impact %	Yield impact %	Rent impact %	Yield impact %	Rent impact %	Yield impact %
Shopping Centres	1.5%	(3.5%)	1.2%	(2.8%)	1.3%	(2.9%)
Offices & Others	0.5%	5.6%	(0.4%)	6.7%	(0.2%)	6.6%

URW Net Initial Yield	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2018
Shopping Centres[(a)]	4.3%	4.3%	4.3%	4.2%	4.3%	4.2%
Offices & Others - occupied space[(b)]	5.5%	5.7%	5.4%	5.8%	5.4%	5.8%

Figures may not add up due to rounding.

(a) Annualised contracted rent (including indexation) and other incomes for the next 12 months, net of operating expenses, divided by the asset value net of estimated transfer taxes and transaction costs. Shopping centres under development and shopping centres not controlled by URW (Zlote Tarasy, Ring-Center (disposed of on December 30, 2019), Gropius Passagen, and Blum/Centennial and Starwood Ventures entities) are not included in the calculation. Shopping centres held by companies accounted for using the equity method are not included in the calculation of IFRS and Group share but are included in the proportionate.

(b) Annualised contracted rent (including latest indexation) and other incomes, net of operating expenses, divided by the value of occupied space net of estimated transfer taxes and transaction costs. Offices under development are not included in the calculation. Offices held by companies accounted for using the equity method are not included in the calculation of IFRS and Group share but are included in the proportionate.

ADDITIONAL VALUATION PARAMETERS – IFRS 13

URW complies with the IFRS 13 fair value measurement and the position paper[1] on IFRS 13 established by EPRA, the representative body of the publicly listed real estate industry in Europe.

Considering the limited public data available, the complexity of real estate asset valuations, as well as the fact that appraisers use in their valuations the non-public rent rolls of the Group's assets, URW believes it is appropriate to classify its assets under Level 3. In addition, unobservable inputs, including appraisers' assumptions on growth rates and ECR, are used by appraisers to determine the fair value of URW's assets.

In addition to the disclosures provided above, the following tables provide a number of quantitative data in order to assess the fair valuation of the Group's assets.

Shopping Centres

All shopping centres are valued using the discounted cash flow and/or yield methodologies.

Shopping Centres – Dec. 31, 2019		Net Initial Yield	Rent *€ per sqm*[(a)]	Discount Rate[(b)]	Exit Capitalisation Rate[(c)]	CAGR of NRI[(d)]
France	Max	7.7%	851	8.5%	7.5%	12.9%
	Min	2.0%	163	5.3%	3.6%	2.0%
	Weighted average	4.2%	527	5.8%	4.1%	3.7%
Central Europe	Max	6.8%	611	8.4%	7.8%	2.9%
	Min	4.4%	138	6.3%	4.7%	2.2%
	Weighted average	4.9%	393	6.8%	5.0%	2.5%
Spain	Max	8.0%	572	9.2%	6.8%	3.4%
	Min	4.1%	133	6.8%	4.3%	1.1%
	Weighted average	4.4%	355	7.0%	4.5%	3.1%
Nordics	Max	5.3%	449	8.3%	5.2%	3.8%
	Min	3.7%	187	6.1%	3.9%	2.5%
	Weighted average	4.1%	375	6.5%	4.1%	3.4%
Germany	Max	7.3%	473	8.0%	6.9%	3.8%
	Min	3.9%	161	5.9%	3.9%	2.3%
	Weighted average	4.6%	304	6.2%	4.5%	2.8%
Austria	Max	4.5%	407	6.1%	4.2%	2.8%
	Min	4.2%	362	6.1%	4.2%	2.3%
	Weighted average	4.4%	383	6.1%	4.2%	2.5%
The Netherlands	Max	7.2%	371	7.9%	7.1%	3.9%
	Min	4.2%	154	5.9%	4.3%	2.6%
	Weighted average	4.9%	252	6.6%	5.2%	3.2%
US	Max	11.0%	2,380	12.0%	10.5%	16.0%
	Min	3.1%	107	5.5%	4.3%	0.5%
	Weighted average	4.1%	584	6.3%	5.1%	4.1%
UK & Italy	Max	4.6%	703	6.1%	4.9%	3.6%
	Min	4.1%	661	6.1%	4.7%	2.3%
	Weighted average	4.3%	680	6.1%	4.9%	3.0%

NIY, DR and ECR weighted by GMV. Vacant assets, assets considered at bid value and assets under restructuring are not included in Min and Max calculation. Assets under development or not controlled by URW, the trademark and the airport activities are not included in this table.
(a) Average annual rent (MGR + SBR) per asset per sqm.
(b) Rate used to calculate the net present value of future cash flows.
(c) Rate used to capitalise the exit rent to determine the exit value of an asset.
(d) CAGR of NRI determined by the appraiser (between 6 and 10 years depending on duration of DCF model used).

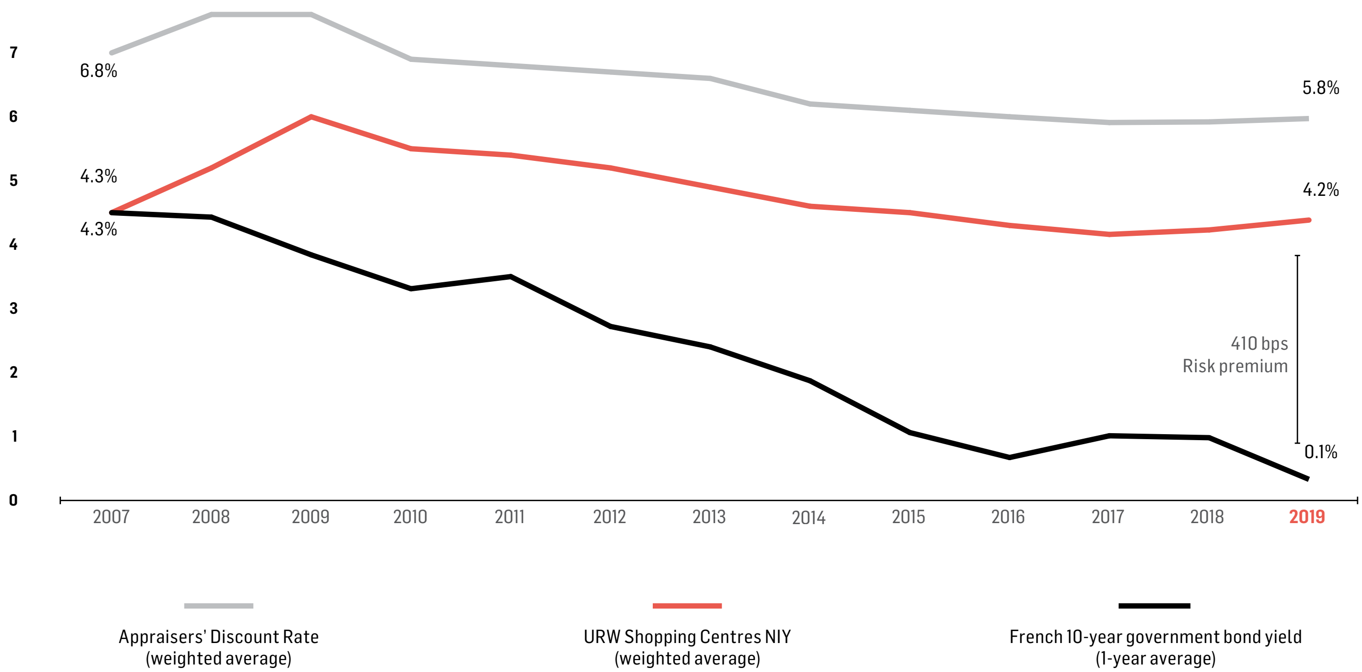
(1) EPRA Position Paper on IFRS 13 – Fair value measurement and illustrative disclosures, February 2013.

For the US, the split between Flagships and Regionals is as follows:

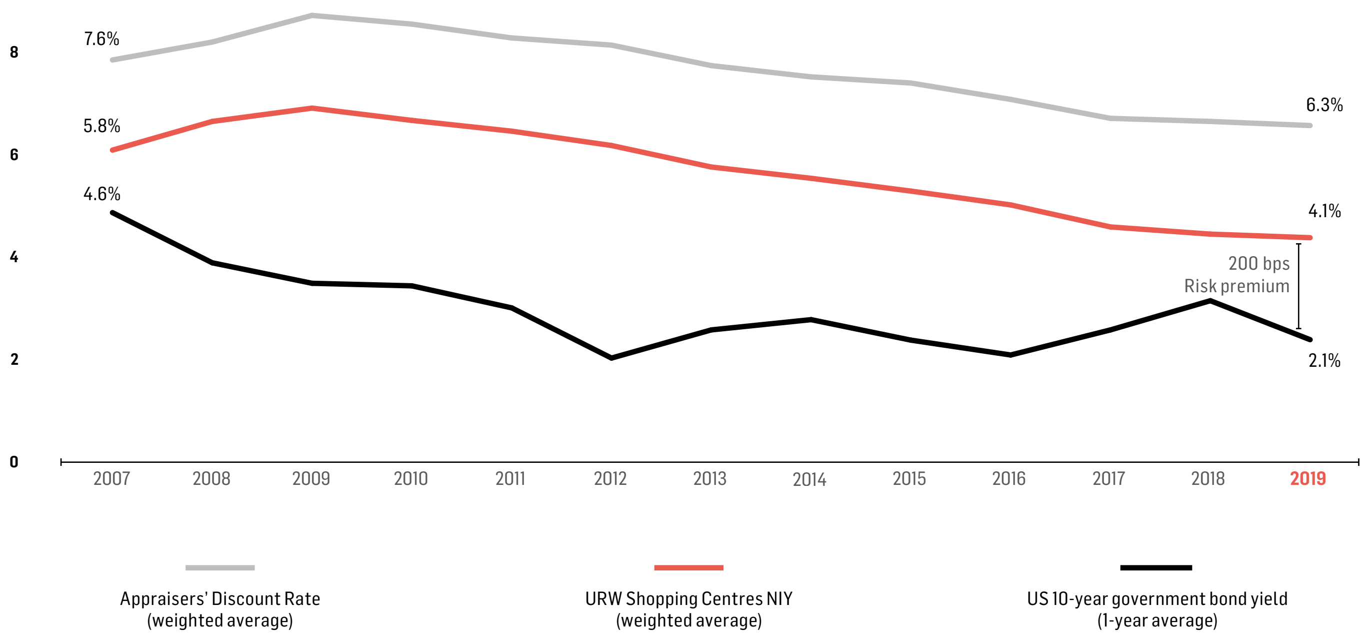
Shopping Centres – Dec. 31, 2019		Net Initial Yield	Rent *€ per sqm*[(a)]	Discount Rate[(b)]	Exit Capitalisation Rate[(c)]	CAGR of NRI[(d)]
US Flagships	Max	5.1%	2,380	7.0%	6.0%	5.5%
	Min	3.1%	415	5.5%	4.3%	2.8%
	Weighted average	3.8%	808	6.0%	4.8%	4.2%
US Regionals	Max	11.0%	494	12.0%	10.5%	16.0%
	Min	4.1%	107	6.5%	5.8%	0.5%
	Weighted average	6.0%	305	8.1%	6.9%	3.6%

NIY, DR and ECR weighted by GMV. Vacant assets, assets considered at bid value and assets under restructuring are not included in Min and Max calculation. Assets under development or not controlled by URW, the trademark and the airport activities are not included in this table.
(a) Average annual rent (MGR + SBR) per asset per sqm.
(b) Rate used to calculate the net present value of future cash flows.
(c) Rate used to capitalise the exit rent to determine the exit value of an asset.
(d) CAGR of NRI determined by the appraiser (10 years).

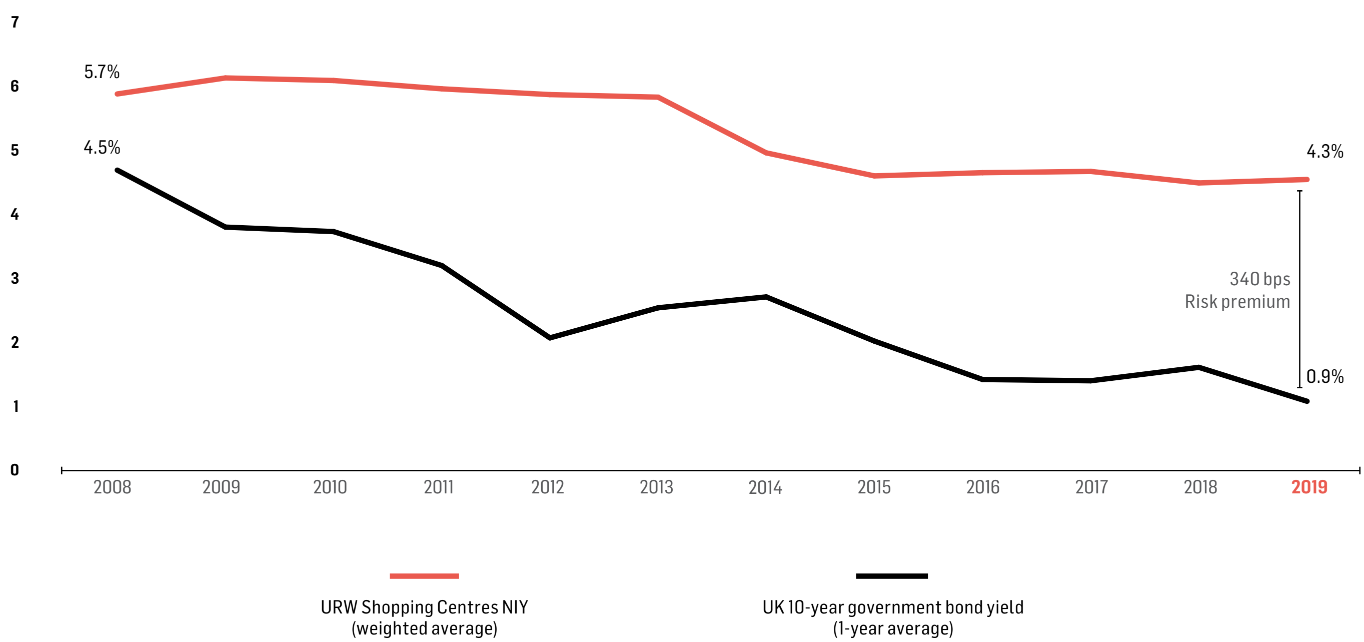
FRANCE SHOPPING CENTRES



US SHOPPING CENTRES



UK SHOPPING CENTRES



Offices & Others

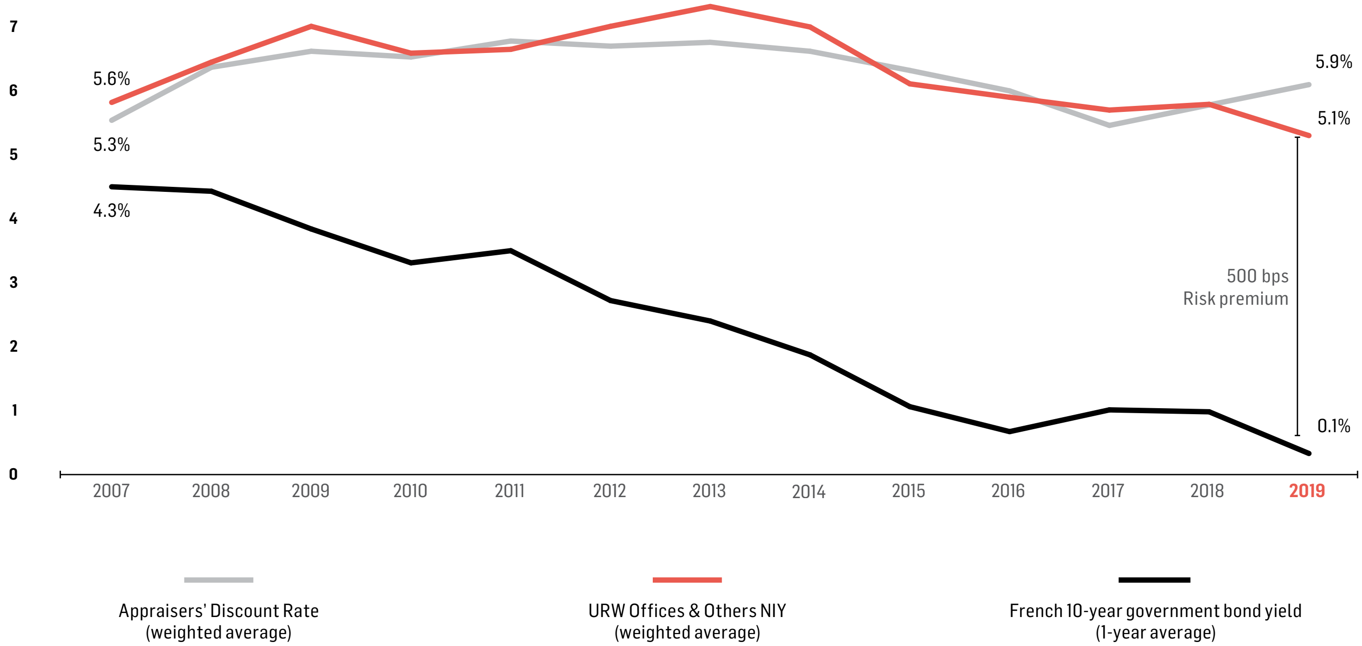
Offices & Others are valued using the discounted cash flow and yield methodologies.

Offices & Others – Dec. 31, 2019		Net Initial Yield on occupied space	Rent € per sqm[a]	Discount Rate[b]	Exit Capitalisation Rate[c]	CAGR of NRI[d]
France	Max	9.6%	511	8.5%	8.0%	12.5%
	Min	4.6%	106	5.7%	3.8%	(0.2%)
	Weighted average	5.1%	400	5.9%	4.5%	2.8%
Nordics	Max	9.7%	227	9.4%	7.8%	3.1%
	Min	6.2%	175	7.0%	5.2%	2.3%
	Weighted average	7.6%	196	8.0%	6.4%	2.6%
Other countries	Max	12.2%	182	8.8%	8.9%	24.1%
	Min	4.6%	40	5.5%	3.8%	0.5%
	Weighted average	6.5%	129	7.4%	5.9%	3.4%
US	Max	8.9%	689	9.3%	8.5%	6.4%
	Min	4.5%	280	6.9%	5.9%	2.9%
	Weighted average	6.5%	446	7.5%	6.3%	5.2%

NIY, DR and ECR weighted by GMV. Vacant assets and assets under restructuring are not included in Min and Max calculation. Assets under development are not included in this table, as well as the UK asset.

(a) Average annual rent (MGR) per asset per sqm. The computation takes into account the areas allocated to company restaurants.
(b) Rate used to calculate the net present value of future cash flows.
(c) Rate used to capitalise the exit rent to determine the exit value of an asset.
(d) CAGR of NRI determined by the appraiser (between 3 and 10 years, depending on duration of DCF model used).

FRANCE OFFICES & OTHERS



To value the Group's assets, appraisers use DR they consider investors will require to generate target returns. For example, since 2007, the gap between DR used by appraisers for the Group's shopping centre and office assets in France and the French government bond yields has widened materially. This, and their judgement on appropriate ECR, have led to wide yield differentials between the Group's French shopping centre and office assets relative to French government bond yields.

4.1.4.2 EPRA TRIPLE NET ASSET VALUE CALCULATION

The EPRA triple Net Asset Value (NNNAV) is calculated by adding to the equity attributable to the holders of the Stapled Shares, as shown on the Consolidated statement of financial position (under IFRS), several items as described hereafter.

EQUITY ATTRIBUTABLE TO THE HOLDERS OF THE STAPLED SHARES

As at December 31, 2019, the equity attributable to the holders of the Stapled Shares (which includes neither the Hybrid securities nor the External non-controlling interests) came to €25,951 Mn.

The equity attributable to the holders of the Stapled Shares incorporated the net recurring profit of €1,759.7 Mn and the net negative impact of -€656.4 Mn as a result of negative valuation movements and the negative mark-to-market of financial instruments partially offset by the reversal of deferred tax liabilities in the US.

The purchase price allocation of the Westfield acquisition was finalised as at June 30, 2019, and impairment tests of the remaining goodwill were performed as at December 31, 2019. Following these tests, the value of the goodwill reported as at December 31, 2019, was found to be justified.

The equity attributable to the holders of the Stapled Shares included €12.98 per share of goodwill not justified by the fee business or tax optimisations and which is mainly related to Westfield.

IMPACT OF RIGHTS GIVING ACCESS TO SHARE CAPITAL

Dilution from securities giving access to share capital as at December 31, 2019, was computed for such instruments "in the money" and having fulfilled the performance conditions.

In accordance with IFRS, financial instruments and the ORNANEs[1] were recorded on URW's statement of financial position at their fair value with the impact of the change in fair value included in the income statement and thus in the equity attributable to the holders of the Stapled Shares.

The ORNANEs issued in 2014 and 2015 were not restated for the NNNAV calculation as they were "out of the money" as at December 31, 2019, and therefore had no impact on the number of shares.

The exercise of "in the money" stock-options and performance shares with the performance conditions fulfilled as at December 31, 2019, would have led to a rise in the number of shares by +198,736, without any impact on the equity attributable to the holders of the Stapled Shares as they relate only to performance shares.

As at December 31, 2019, the fully-diluted number of shares taken into account for the NAV calculations was 138,577,341.

UNREALISED CAPITAL GAIN ON INTANGIBLE AND OPERATING ASSETS

The appraisal of property service companies in France, the US, the UK and Germany, the airport activities (excluding LAX and Chicago), of the operating asset of URW (7 Adenauer, Paris 16) and of the operations *("fonds de commerce")* of Viparis Porte de Versailles, Paris Nord Villepinte, Palais des Congrès de Paris and Palais des Congrès d'Issy-les-Moulineaux, gave rise to an unrealised capital gain of +€1,004 Mn (+€582 Mn), which was added for the purpose of the NAV calculation.

ADJUSTMENT OF DEFERRED TAXES ON CAPITAL GAINS

In accordance with accounting standards, deferred tax on property assets was calculated on a theoretical basis on the consolidated statement of financial position as at December 31, 2019.

For the purpose of the EPRA NAV calculation, deferred taxes on unrealised capital gains on assets not qualifying for tax exemption (€2,295 Mn) were added back.

Goodwill booked on the balance sheet as a result of deferred taxes was accordingly excluded from the NAV for a total amount of €241 Mn.

For the calculation of the EPRA NNNAV, estimated taxes actually payable should a disposal take place (€1,004 Mn) were deducted. For US and UK assets, this estimation is based on 50% of the deferred tax liabilities booked in the consolidated balance sheet.

MARK-TO-MARKET VALUE OF DEBT AND DERIVATIVES

In accordance with IFRS, derivatives and ORNANEs were recorded on URW's statement of financial position at their fair value.

The fair value adjustment (€547 Mn, excluding exchange rate hedging in accordance with the EPRA best practice recommendations) was added back for the EPRA NAV calculation and then deducted for the EPRA NNNAV calculation.

The value of the fixed-rate debt on the balance sheet of the Group is equal to the nominal value for the UR debt and the fair value of the Westfield debt at the accounting combination date (May 31, 2018). Taking fixed rate debt at its fair value would have had a negative impact of -€1,022 Mn. This impact was taken into account in the EPRA NNNAV calculation.

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

RESTATEMENT OF TRANSFER TAXES AND TRANSACTION COSTS

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

As at December 31, 2019, these estimated transfer taxes and other transaction costs compared to transfer taxes and costs already deducted from asset values on the statement of financial position (in accordance with IFRS) came to a positive net adjustment of €627 Mn.

EPRA TRIPLE NET ASSET VALUE

URW's EPRA NNNAV stood at €27,611 Mn or €199.20 per share (fully-diluted) as at December 31, 2019.

The EPRA NNNAV per share decreased by -5.5% (or -€11.60) compared to December 31, 2018.

The decrease of -€11.60 compared to December 31, 2018 was the sum of: (i) a net increase of +€9.35 per share, (ii) the impact of the payment of the dividend for 2018 of -€10.80, and (iii) the negative impact of the -€10.15 mark-to-market of the fixed-rate debt and derivatives.

4.1.4.3 GOING CONCERN NET ASSET VALUE

URW adds to the EPRA NNNAV per share estimated transfer taxes and effective deferred capital gain taxes resulting in a Going Concern NAV. This corresponds to the amount of equity needed to replicate the Group's portfolio with its current financial structure.

Going Concern NAV stood at €217.50 per share as at December 31, 2019, a decrease of -€16.40 (-7.0%) compared to December 31, 2018.

This decrease was the sum of: (i) a net increase of +€4.55 per share, mainly as a result of the recurring net result (+€12.72) partly offset by negative valuation movements, net of the capital gain on disposals (-€6.79), (ii) the impact of the payment of the dividend for 2018 of -€10.80 per share, and (iii) the negative impact of the -€10.15 mark-to-market of the fixed-rate debt and derivatives.

The following tables show the calculation presented in compliance with EPRA best practices recommendations. A bridge from December 31, 2018 to December 31, 2019 is also presented.

EPRA NNNAV calculation (All figures are Group share, in *€Mn*)	**Dec. 31, 2019**		June 30, 2019		Dec. 31, 2018	
	€Mn	***€/share***	*€Mn*	*€/share*	*€Mn*	*€/share*
Fully diluted number of shares		138,577,341		138,582,890		138,445,448
Equity attributable to the holders of the Stapled Shares	25,951		25,767		26,176	
Amounts owed to shareholders	0		747		0	
Effect of exercise of stock options	0		0		0	
Diluted NAV	25,951		26,514		26,176	
Add						
Revaluation of intangible and operating assets	1,004		601		582	
Added back/deducted						
Fair value of financial instruments	547		695		409	
Deferred taxes (on balance sheet)	2,295		2,372		3,797	
Goodwill as a result of deferred taxes	(241)		(241)		(256)	
EPRA NAV	**29,556**	**€213.30**	**29,941**	**€216.10**	**30,708**	**€221.80**
Fair value of financial instruments	(547)		(695)		(409)	
Fair value of debt	(1,022)		(1,230)		34	
Deferred taxes (effective)	(1,004)		(1,049)		(1,774)	
Impact of transfer taxes estimation	627		613		626	
EPRA NNNAV	**27,611**	**€199.20**	**27,580**	**€199.00**	**29,185**	**€210.80**
% of change over 6 months		**0.1%**		**(5.6%)**		**3.2%**
% of change over 1 year		**(5.5%)**		**(2.5%)**		**5.1%**

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

Going Concern NAV calculation (All figures are Group share, in *€Mn*)	Dec. 31, 2019		June 30, 2019		Dec. 31, 2018	
	€Mn	*€/share*	*€Mn*	*€/share*	*€Mn*	*€/share*
EPRA NNNAV	27,611		27,580		29,185	
Effective deferred capital gain taxes	1,004		1,049		1,774	
Estimated transfer taxes	1,529		1,540		1,418	
GOING CONCERN NAV	30,143	€217.50	30,169	€217.70	32,376	€233.90
% of change over 6 months		**(0.1%)**		**(6.9%)**		**3.0%**
% of change over 1 year		**(7.0%)**		**(4.1%)**		**6.7%**

Figures may not add up due to rounding.

Evolution of EPRA NNNAV and Going Concern NAV		EPRA NAV	EPRA NNNAV	Going concern NAV
As at December 31, 2018 per share (fully diluted)		**€221.80**	**€210.80**	**€233.90**
Revaluation of property assets(*)		(9.16)	(9.16)	(9.16)
Shopping Centres	(9.76)			
Offices & Others	1.33			
Convention & Exhibition	(0.73)			
Revaluation of intangible and operating assets		1.88	1.88	1.88
Capital gain on disposals		0.50	0.50	0.50
Subtotal revaluations and capital gain on disposals		**(6.79)**	**(6.79)**	**(6.79)**
Recurring Net Results		**12.72**	**12.72**	**12.72**
Distribution		**(10.80)**	**(10.80)**	**(10.80)**
Mark-to-market of debt and financial instruments		**(1.54)**	**(10.15)**	**(10.15)**
Variation in transfer taxes & deferred taxes adjustments		(2.90)	2.78	(1.98)
Variation in the fully diluted number of shares		(0.05)	(0.04)	(0.11)
Other (including foreign exchange difference)		0.85	0.68	0.70
Subtotal other variations		**(2.09)**	**3.41**	**(1.40)**
As at December 31, 2019 per share (fully diluted)		**€213.30**	**€199.20**	**€217.50**

Figures may not add up due to rounding.

(*) Revaluation of property assets is -€9.49 per share on a like-for-like basis, of which +€4.08 due to rental effect and -€13.58 due to yield effect, as appraisers have increased ECR and DR for a number of assets in the Shopping Centre portfolio.

4.1.5 FINANCIAL RESOURCES

In 2019, markets were impacted by rising geopolitical concerns, including the trade-war tensions between the US and China and Brexit uncertainties, leading to increased volatility.

Nevertheless, a more accommodative monetary policy by the European Central Bank ("ECB") and the US Federal Reserve (Fed) supported markets. The ECB cut its deposit rate in September and resumed its asset purchase programme (Quantitative Easing) in November. The Fed cut its Fed Funds rate three times in 2019, on the back of increased macroeconomic risks.

In this context, URW raised €5,135 Mn[(1)] of medium to long-term funds in the bond and bank markets.

As the Group's financial covenants are calculated in accordance with IFRS, unless otherwise indicated, the financial information in this section is presented in accordance with IFRS. The Group also provides such information on a proportionate basis.

Unless otherwise indicated, comparisons to ratios, debt outstanding, average cost of debt, the amount of undrawn credit lines and cash on hand relate to December 31, 2018.

As at December 31, 2019:[(2)]
- The Interest Coverage Ratio[(3)] ("ICR") was 5.7x[(4)] (6.1x[(5)]);
- The Loan-to-Value ("LTV") ratio[(6)] was 38.6%[(7)] (37.0%).

The increase in LTV is due to a combination of lower valuations and debt issued to finance development projects for future cash-flow growth and value creation. Pro-forma for the receipt of the proceeds from the disposal of the portfolio of five French assets, the LTV ratio would have been 37.2%.

The average cost of debt for 2019 was 1.6% (1.6%), representing the blended average cost of debt, of which an average of 0.9% for EUR and SEK denominated debt and an average of 3.4% for USD and GBP denominated debt.

4.1.5.1 DEBT STRUCTURE AS AT DECEMBER 31, 2019

URW's gross financial debt[(8)] was €24,728 Mn (€23,598 Mn).

The gross financial debt includes €603 Mn of net share settled bonds convertible into new and/or existing URW Stapled Shares (ORNANE) issued in June 2014 and in April 2015, following the repayment on July 1, 2019, of €397 Mn of the ORNANE issued in June 2014.

The net financial debt was €24,239 Mn (€23,228 Mn), excluding partners' current accounts and taking into account cash on-hand of €489 Mn[(9)] (€370 Mn). Pro-forma for the receipt of the proceeds of the sale of the five French assets, net financial debt would be €22,728 Mn.

(1) Debt not taking into account proportionate debt refinancing; i.e. Westfield Southcenter (US) and Westfield Stratford City (UK). €5,683 Mn including proportionate debt refinancing.
(2) Hybrid securities are accounted for as equity. The hybrid securities are deeply subordinated perpetual instruments with a coupon deferral option and are required to be classified as equity under IFRS. Details on the hybrid securities are available at: https://images-urw.azureedge.net/-/media/Corporate~o~Sites/Unibail-Rodamco-Corporate/Files/Homepage/INVESTORS/Financing-Activity/Bond-Issues/Prospectuses-Hybrid/20180423-2018-Prospectus-Hybrid_onlyEN.ashx?revision=035329ae-9e2d-4980-a5c7-97b97e3f2fd1
(3) Recurring EBITDA/Recurring Net Financial Expenses (including capitalised interest); Recurring EBITDA is calculated as total recurring operating results and other income less general expenses, excluding depreciation and amortisation.
(4) 4.9x on a proportionate basis.
(5) On a 2018 pro-forma basis, an ICR of 5.6x and a proportionate ICR of 4.8x.
(6) Net financial debt as shown on the Group's balance sheet, after the impact of derivative instruments on debt raised in foreign currencies/total assets, including transfer taxes (40.0% excluding transfer taxes). Proportionate LTV ratio as at December 31, 2019, was 40.5% (42.1% excluding transfer taxes).
(7) Excluding €2,039 Mn of goodwill as per the Group's European leverage covenants.
(8) After impact of derivative instruments on debt raised in foreign currencies. Excluding financial leases accounted as debt under IFRS 16.
(9) €594 Mn on a proportionate basis.

DEBT BREAKDOWN

URW's gross financial debt as at December 31, 2019:[1]

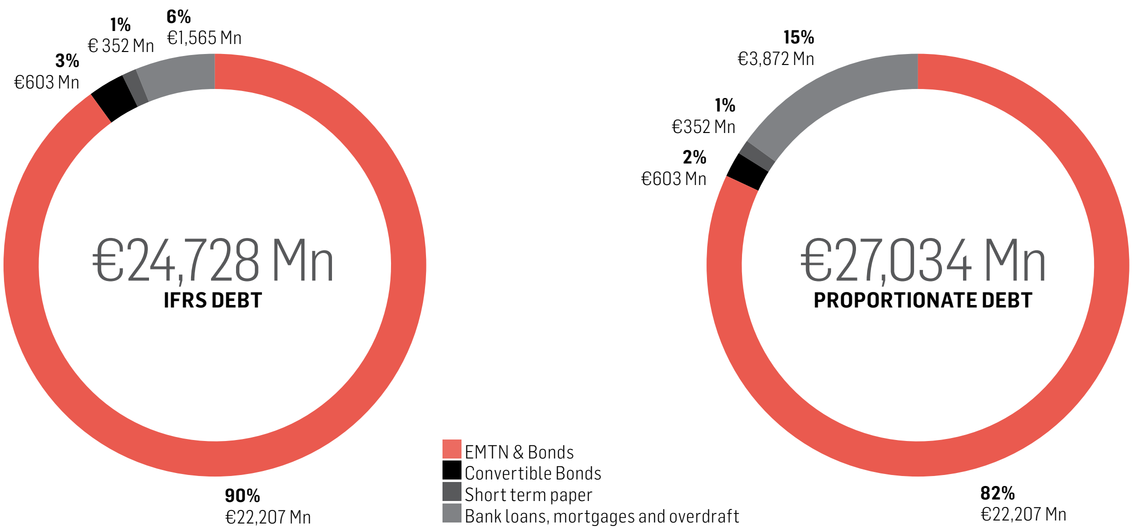
	Total URW (*€Mn*)
EMTN	16,344
Rule 144A and other Regulation S bonds	5,864
ORNANE	603
Short-Term paper	352
Bank loans, overdrafts	303
Mortgage loans	1,263
Total	**24,728**

The medium to long-term corporate debt issued by the various URW entities is cross guaranteed.

No loans are subject to prepayment clauses linked to the Group's ratings.[2]

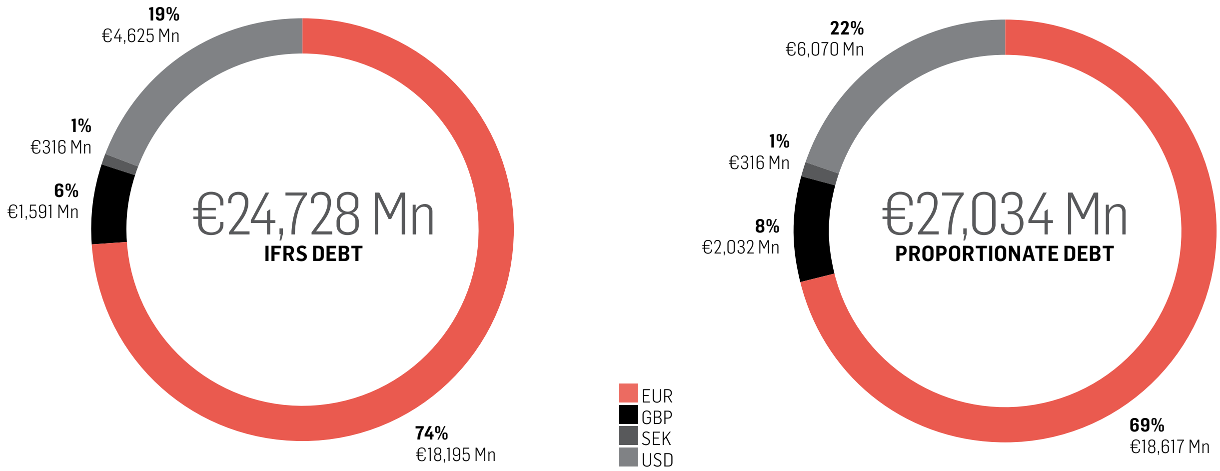
The Group's financing sources are as follows:

On a proportionate basis, the Group's gross financial debt stood at €27,034 Mn[3] and the net financial debt at €26,440 Mn, after taking into account the cash on-hand. Pro-forma for the receipt of the proceeds of the sale of the five French assets, net financial debt would be €24,929 Mn.



(1) Figures may not add up due to rounding.
(2) Barring exceptional circumstances (change in control).
(3) The sum of (i) IFRS debt and (ii) the Group's share of debt at joint-venture accounted for under the equity method under IFRS, most of which is secured by assets held in joint-ventures (mainly in the US and UK).

The split of the gross financial debt by currency is as follows:[1]



FUNDS RAISED

In 2019, the Group took advantage of favourable market windows to extend its maturity profile and secure attractive funding conditions through the following transactions:

- Public EMTN bonds:
  - €750 Mn with a 1.00% coupon and eight-year maturity;
  - €750 Mn with a 1.75% coupon and 15-year maturity;
  - €500 Mn with a 1.75% coupon and 30-year maturity;
  - €750 Mn with a 0.875% coupon and 12-year maturity.

- Rule 144A USD bonds:
  - $750 Mn with a 3.50% coupon and a ten-year maturity;
  - $750 Mn with a 2.875% coupon and a seven-year maturity.

- Private placements under URW's EMTN programme: €500 Mn Floating Rate Note ("FRN") with a two-year maturity and a margin of 33 bps over three month Euribor.[2]

On July 1, 2019, the Group issued a 30-year bond for €500 Mn with a coupon of 1.75%, the longest maturity ever achieved by the Group in the Euro bond market. URW was also the first real estate company to access this maturity on this market.

In total, €4,585 Mn[3] of bonds were issued with a weighted average maturity of 11.8 years at a weighted average coupon of 1.71%.

In addition, €550 Mn of medium to long-term bank financing transactions were completed in 2019:

- Two five-year revolving credit facilities for a total of €450 Mn;
- A €50 Mn five-year bank loan in Slovakia, to refinance debt on Aupark;
- A €50 Mn one-year revolving credit facility.

The Group also refinanced part of the debt consolidated on a proportionate basis:

- A $218 Mn ten-year mortgage loan to refinance maturing debt on Westfield Southcenter; ($120 Mn (€107 Mn) in URW's proportionate debt) with a 2.88% coupon (vs. 6.25%);
- A £750 Mn seven-year secured fixed rate bond to refinance secured debt on Westfield Stratford City (£375 Mn (€441 Mn) in URW's proportionate debt) with a 1.64% coupon (vs. 2.69%). This coupon is the lowest ever issued for a GBP benchmark transaction in the real estate sector.

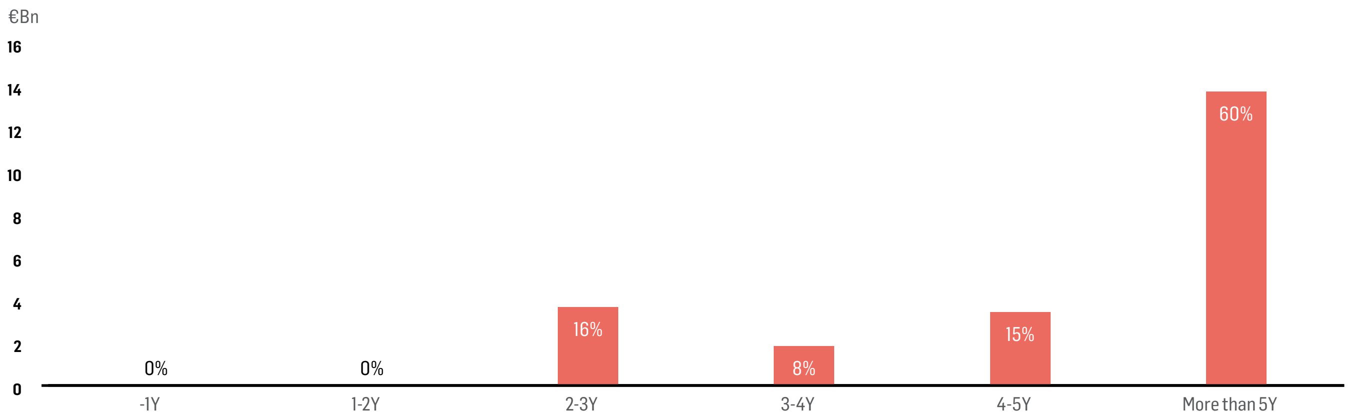
URW also accessed the money market by issuing short-term paper (Neu CP and Neu MTN). The average amount of short-term paper outstanding in 2019 was €1,061 Mn (€1,256 Mn on average in 2018), including €844 Mn of Neu CP raised at 2 bps above Eonia.

As at December 31, 2019, the total amount of undrawn credit lines came to €9,195 Mn (€8,409 Mn) and cash on-hand came to €489 Mn (€370 Mn). The undrawn credit lines include a $3,000 Mn (ca. €2,670 Mn) multi-currency revolving credit facility.

(1) Figures may not add up due to rounding.
(2) With a coupon floored at 0%.
(3) Of which Rule 144A bonds $1,500 Mn at 1.1234 EUR/USD rate.

DEBT MATURITY

The following chart illustrates URW's gross financial debt as at December 31, 2019, after the allocation of the committed credit lines (including the undrawn part of the revolving loans), by maturity date and based on the residual life of its facilities. 100% of the debt had a maturity of more than two years as at December 31, 2019 (after taking into account undrawn credit lines).

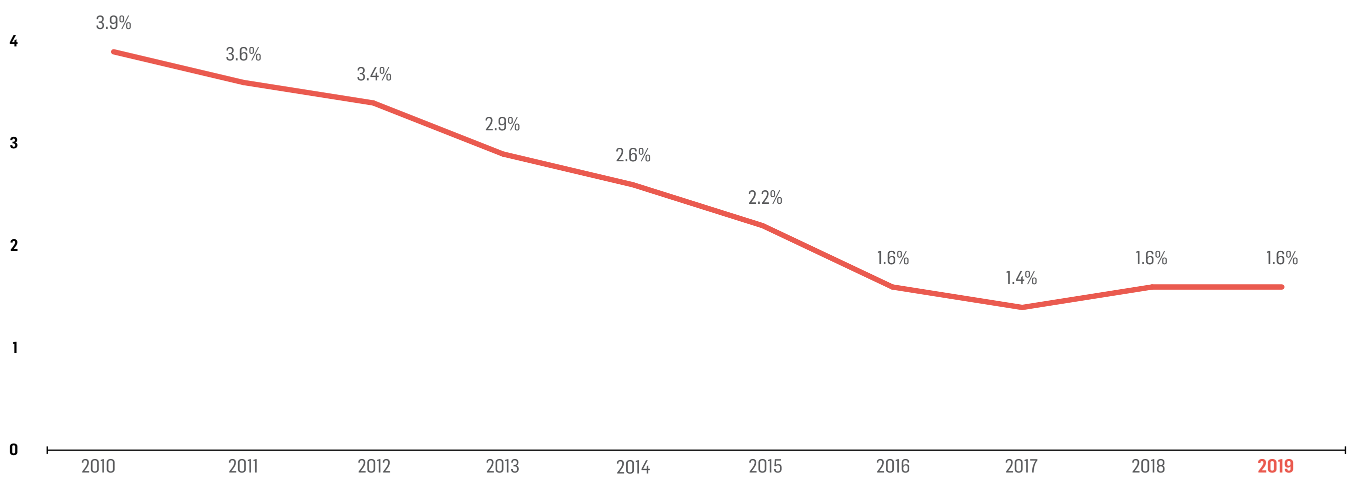


The average maturity of the Group's debt as at December 31, 2019, taking into account the undrawn credit lines, stood at 8.2 years.

LIQUIDITY NEEDS

URW's debt repayment needs[1] for the next 12 months are covered by the available undrawn credit lines (€9,195 Mn) and cash on-hand (€489 Mn). The amount of bonds and bank loans outstanding as at December 31, 2019, and maturing or amortising within one year is €2,169 Mn (including €2,134 Mn of bonds).

AVERAGE COST OF DEBT



The average cost of debt for 2019 was 1.6% (1.6%), representing the blended average cost of debt, of which an average of 0.9% for EUR and SEK denominated debt and an average of 3.4% for USD and GBP denominated debt.

(1) Excluding Neu CP and Neu MTN maturing in 2020 (€352 Mn) and overdrafts (€3 Mn).

This average cost of debt results from:
- The low coupon levels the Group achieved during the last years on its fixed rate debt;
- The level of margins on existing borrowings;
- The hedging instruments in place;
- The cost of carry of the undrawn credit lines;
- The cost of debt to finance the Westfield acquisition;
- Higher base rates in the US and the UK and debt issued by Westfield prior to completion of the acquisition.

4.1.5.2 RATINGS

URW has solicited a rating from both Standard & Poor's (S&P) and Moody's.

On April 17, 2019, Moody's confirmed the "A2" long-term rating of the Group, while changing its outlook to negative.

On September 20, 2019, Standard & Poor's confirmed its long-term rating "A" and its short-term rating "A-1" while changing its outlook to negative.

On December 10, 2019, Moody's published a credit update maintaining URW's "A2" rating and negative outlook unchanged.

4.1.5.3 MARKET RISK MANAGEMENT

Market risks can generate losses resulting from fluctuations in interest rates, exchange rates, raw material prices and share prices. URW's risk mainly relates to interest rate fluctuations on the debt it has taken out to finance its investments and maintain the cash position it requires and exchange rate fluctuations due to the Group's activities in countries outside the Eurozone, in particular in the US and the UK following the Westfield acquisition. The Group, through its activities, may be exposed to market risks which can generate losses as a result of fluctuations in stock markets. The Group is either: (i) directly exposed to fluctuations in stock prices due to the ownership of shares or financial instruments, or, (ii) indirectly exposed to fluctuations in stock prices, due to the ownership of funds, investment instruments or share based derivatives which are directly correlated with the price of the asset underlying such derivatives.

URW's interest risk management policy aims to limit the impact of interest rate fluctuations on results, while minimising the overall cost of debt. To achieve these objectives, the Group uses derivatives, mainly caps and swaps, to hedge its interest rate exposure through a macro hedging policy.

URW's exchange rate policy objective is to have an LTV ratio that is broadly consistent currency by currency. Thus, the Group raises debt in local currency, uses derivatives and buys or sells foreign currencies at spot or forward rates.

Due to its use of derivatives, 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. The Group implemented IFRS 13 for the mark-to-market calculations of its derivative transactions.

In Millions(*)	EUR(1)	USD	GBP	Total eq. EUR
Assets(2)	**43,596**	**16,259**	**3,992**	**62,762**
Net financial debt	**18,145**	**5,109**	**1,316**	**24,239**
LTV(3)	**41.6%**	**31.4%**	**33.0%**	**38.6%**

(*) In local currencies.

Pro-forma for receipt of the proceeds from the Transaction, the Group's LTV ratio would be 37.2%, of which 39.7% for the Euro based LTV.

On a proportionate basis, the Group's LTV was 40.5% (39.1% on a pro-forma basis, of which 40.1% for the Euro based LTV).

INTEREST RATE RISK MANAGEMENT

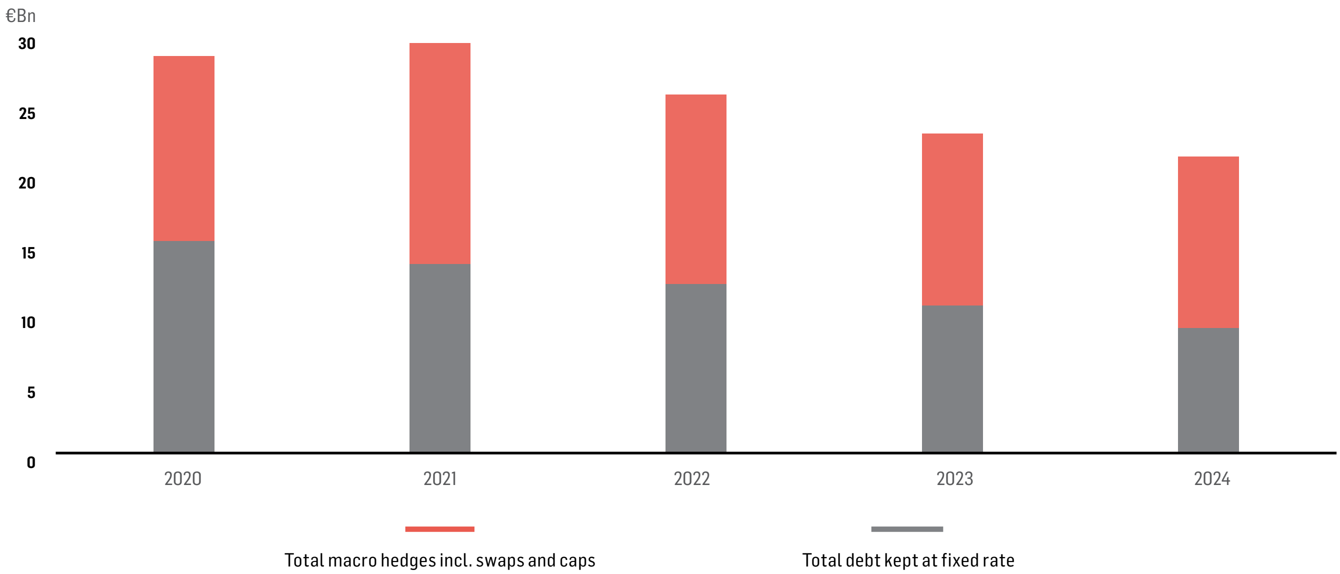
The bonds issued were kept at a fixed rate except the following bonds which were swapped to a variable rate:
- €750 Mn with a 1.00% coupon and eight-year maturity;
- €750 Mn with a 1.75% coupon and 15-year maturity.

In view of the debt reduction resulting from the disposal programme and the debt kept at fixed rate, the hedging program has been adjusted to reduce the amount of hedging instruments for a total cost of €104 Mn.

In total, and despite these hedge adjustments, the debt[4] the Group expects to raise:
- In 2020 and 2021 is fully hedged; and
- In 2022, 2023 and 2024 is hedged at more than 95%, 85% and 85%, respectively.

(1) Including SEK.
(2) Including transfer taxes and excluding €2,039 Mn of goodwill.
(3) The LTV per currency, on a proportionate basis, is 42.0%, 37.2%, 37.5% in EUR, USD and GBP, respectively.
(4) On a proportionate basis.

ANNUAL PROJECTION OF AVERAGE HEDGING AMOUNTS AND FIXED RATE DEBT UP TO 2024
(€Bn – AS AT DECEMBER 31, 2019)



The graph above shows:

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

URW in general does not classify its financial hedging instruments as cash flow hedges. As a result, any fair value changes in these instruments are recognised in the Group's income statement.

MEASURING INTEREST RATE EXPOSURE

The interest cost of outstanding debt was fully hedged as at December 31, 2019, through both:

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

Based on the estimated average proportionate debt position of URW in 2020, if interest rates (Euribor, Libor, Stibor or Pribor) were to rise by an average of +50 bps[1] during 2020, the estimated positive impact on financial expenses would be +€1.2 Mn, increasing the 2020 recurring net result by a broadly similar amount:

- Euro financial expenses would decrease by +€0.5 Mn;
- Dollar financial expenses would decrease by +$0.9 Mn (+€0.8 Mn);
- Sterling financial expenses would increase by -£0.1 Mn (-€0.1 Mn).

An additional +50 bps would decrease financial expenses by a further +€1.2 Mn.

In total, a +100 bps increase in interest rates during 2020 would have a net positive impact on financial expenses of +€2.4 Mn.

A -50 bps drop in interest rates would have a positive impact on the financial expenses of +€63 Mn, increasing the recurring net profit in 2020 by a broadly equivalent amount:

- Euro financial expenses would decrease by +€57.0 Mn;
- Dollar financial expenses would decrease by +$3.3 Mn (+€3.0 Mn);
- Sterling financial expenses would decrease by +£2.6 Mn (+€3.1 Mn).

FOREIGN EXCHANGE RISK MANAGEMENT

The Group is active in countries outside the Eurozone. When converted into euros, the income and value of the Group's investments may be influenced by fluctuations in exchange rates against the Euro. The Group's policy objective is to apply a broadly consistent LTV by currency allowing it to match part of the foreign currency asset value and income with debt and financial expenses in the same currency, thus reducing the exchange rate effects on the Group's balance sheet and earnings. Foreign exchange risk can be hedged by either matching investments in a specific currency with debt in the same currency, or using derivatives to achieve the same risk management goal.

Currency risk during the building period of pipeline investments is covered as early as possible after signing the actual building contract.

(1) The impact on exchange rates due to this theoretical increase of +50 bps in interest rates is not taken into account.
The theoretical impact of an increase or decrease in interest rates is calculated relative to the applicable rates as at December 31, 2019: 3m EUR Euribor (-0.383%), 3m USD Libor (1.908%) and 3m GBP Libor (0.792%).

MEASURE OF EXPOSURE TO FOREIGN EXCHANGE RISKS *(€Mn)*[1]

Currency	Assets	Liabilities	Net exposure	Hedging instruments	Exposure net of hedges
USD	12,657	(5,898)	6,759	623	7,382
GBP	4,586	(1,436)	3,151	(651)	2,500
SEK	2,796	(623)	2,173	(77)	2,095
Others	668	(714)	(-45)	460	415
Total	**20,707**	**(8,671)**	**12,037**	**355**	**12,391**

The main exposures kept are in USD, GBP and SEK. A change of 10% of EUR/USD, EUR/GBP or EUR/SEK (i.e. a +10% increase of EUR against the USD, GBP or SEK in 2020) would have an impact on shareholders' equity and on the recurring net result as follows:

	Impact on	
€Mn	Shareholder's equity	Recurring result
+10% in EUR/USD	(671.1)	(33.7)
+10% in EUR/GBP	(227.3)	(12.6)
+10% in EUR/SEK	(190.5)	(9.1)

However, the impact on the recurring result (or conversely a positive impact in case of a decrease of EUR vs. these currencies) would be fully offset by the FX hedging that the Group has put in place against EUR/USD, EUR/GBP, EUR/SEK fluctuations.

As at December 31, 2019, the SEK1,750 Mn credit line signed in December 2017 and the $3,000 Mn revolving credit facility signed in June 2018 were undrawn.

4.1.5.4 FINANCIAL STRUCTURE

As at December 31, 2019, the Gross Market Value of the Group's assets was €62,762 Mn (€65,341 Mn on a proportionate basis).

DEBT RATIO

The LTV ratio was 38.6%[2] (37.0%).

Out of the total Group's €6.0 Bn disposal plan announced in February 2019, €3.3 Bn (55%) was completed (€4.8 Bn or 80% including the proceeds from the Transaction).

INTEREST COVERAGE RATIO

The ICR for the period stood at 5.7x[3] (6.1x).

Financial ratios	**December 31, 2019**	December 31, 2018
LTV	38.6%	37.0%
ICR	5.7x	6.1x

These ratios show ample headroom vis-à-vis the unsecured credit facility covenants usually set at:

- In Europe:
  - a maximum LTV of 60%;
  - a minimum ICR of 2x.
- In the US:
  - a maximum LTV of 65%;
  - a minimum ICR of 1.5x;
  - a maximum of 50% for the Secured debt ratio;[4]
  - a minimum of 1.5x for the Unencumbered leveraged ratio.[5]

These covenants are tested twice a year based on the Group's IFRS financial statements.

As at December 31, 2019, 94% of the Group's credit facilities allowed an LTV of up to 60% for the Group or the borrowing entity, as the case may be. There are no financial covenants (such as loan-to-value or interest coverage ratios) in the Neu MTN, the Neu CP and the USCP programs of URW.

The US dollar bond indentures (Rule 144A and Reg S bonds) contain financial covenants based on the Group's financial statements:

- a maximum LTV of 65%;
- a minimum ICR of 1.5x;
- a maximum of 45% for the Secured debt ratio;
- a minimum of 1.25x for the Unencumbered leveraged ratio.

(1) Liabilities include, but are not limited to, the debt raised in the given currencies and deferred tax liabilities.
(2) Excluding €2,039 Mn of goodwill as per the Group's European leverage covenants. The proportionate LTV ratio of 40.5%.
(3) Proportionate ICR of 4.9x.
(4) The secured debt ratio (Secured debt/Total assets) was 2.0% as at December 31, 2019.
(5) The unencumbered leverage ratio (unencumbered assets/unsecured debt) was 2.1x as at December 31, 2019.

4.1.6 EPRA PERFORMANCE MEASURES

In compliance with the EPRA[1] Best Practices Recommendations[2], URW summarises the Key Performance measures of 2019 and 2018 below.

4.1.6.1 EPRA EARNINGS

EPRA earnings are defined as "recurring earnings from core operational activities", and are equal to the Group's definition of recurring earnings.

	2019	2018
EPRA Earnings (€Mn)	1,759.7	1,609.8
EPRA Earnings/share (€/share)	12.72	13.15
Growth EPRA Earnings/share (%)	(3.3%)	9.1%

Bridge between Earnings per IFRS Statement of income and EPRA Recurring Earnings:

Recurring Earnings per share	2019	2018
Net result of the period attributable to the holders of the Stapled Shares (€Mn)	**1,103.3**	**1,031.1**
Adjustments to calculate EPRA Recurring Earnings, exclude:		
(i) Changes in value of investment properties, development properties held for investment and other interests	(1,102.4)	62.2
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	68.6	83.1
(iii) Profits or losses on sales of trading properties including impairment charges in respect of trading properties		0.0
(iv) Tax on profits or losses on disposals	(210.1)	(33.7)
(v) Negative goodwill/goodwill impairment	(7.1)	(4.9)
(vi) Changes in fair value of financial instruments and associated close-out costs	(351.8)	(289.8)
(vii) Acquisition costs on share deals and non-controlling joint venture interests	(45.8)	(268.7)
(viii) Deferred tax in respect of EPRA adjustments	1,324.9	(53.4)
(ix) Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation)	(533.4)	(65.2)
(x) Non-controlling interests in respect of the above	200.7	(8.4)
EPRA Recurring Earnings	**1,759.7**	**1,609.8**
Average number of shares and ORA	138,354,383	122,412,784
EPRA Recurring Earnings per Share (REPS)	**12.72 €**	**13.15 €**
EPRA Recurring Earnings per Share growth	**(3.3%)**	**9.1%**

4.1.6.2 EPRA NET ASSET VALUE AND EPRA NNNAV

For a more detailed description of the EPRA NAV and EPRA NNNAV, please see the Net Asset Value section included in this report.

	Dec. 31, 2019	Dec. 31, 2018
EPRA NAV (€/share)	213.30	221.80
EPRA NNNAV (€/share)	199.20	210.80
% change over 1 year	(5.5%)	5.1%

(1) EPRA: European Public Real estate Association.
(2) Best Practices Recommendations. See www.epra.com

4.

4.1.6.3 EPRA NET INITIAL YIELDS

The following table provides the Group yields according to the EPRA Net Initial Yield definitions per segment for URW's Net Initial Yields:

	Dec. 31, 2019		Dec. 31, 2018	
	Shopping Centres[3]	Offices & Others[3]	Shopping Centres[3]	Offices & Others[3]
Unibail-Rodamco-Westfield yields	**4.3%**	**5.5%**	**4.3%**	**5.7%**
Effect of vacant units	0.0%	(0.6%)	0.0%	(0.3%)
Effect of EPRA adjustments on NRI	0.1%	0.0%	0.1%	0.0%
Effect of estimated transfer taxes and transaction costs	(0.1%)	(0.2%)	(0.1%)	(0.2%)
EPRA topped-up yields[1]	**4.3%**	**4.8%**	**4.3%**	**5.3%**
Effect of lease incentives	(0.1%)	(1.2%)	(0.1%)	(1.1%)
EPRA Net Initial Yields[2]	**4.2%**	**3.6%**	**4.2%**	**4.2%**

Notes:
(1) EPRA topped-up yield: EPRA Net Initial Yield adjusted in respect of the expiration of rent free periods (or other unexpired lease incentives such as discounted rent periods and step rents).
(2) EPRA Net Initial Yield: annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the Gross Market Value of the portfolio.
(3) Assets under development or not controlled are not included in the calculation.

4.1.6.4 EPRA VACANCY RATE

The EPRA vacancy rate is defined as the ERV of vacant spaces divided by the ERV of total space (let plus vacant). The vacancy in the US is calculated as the ERV of vacant units over the sum of existing MGR + ERV of vacant units.

EPRA Vacancy Rate – total URW	Dec. 31, 2019	Dec. 31, 2018
Estimated Rental Value of vacant space (A)	185.7	165.6
Estimated Rental Value of the whole portfolio (B)	3,357.4	3,347.8
EPRA Vacancy rate (A/B)	**5.5%**	**4.9%**

EPRA Vacancy Rate – per region	Dec. 31, 2019	Dec. 31, 2018
Shopping Centres - Continental Europe		
France	2.6%	2.6%
Central Europe	1.3%	1.2%
Spain	0.7%	0.9%
Nordics	3.3%	3.1%
Austria	1.1%	0.9%
Germany	3.4%	3.8%
The Netherlands	8.2%	5.1%
Total Shopping Centres - Continental Europe	**2.5%**	**2.4%**
Offices & Others		
France	8.5%	2.9%
Total Offices & Others - Continental Europe	**8.7%**	**4.4%**
US	9.1%	8.3%
UK	7.7%	7.4%

4.1.6.5 EPRA COST RATIOS

EPRA references		Proportionate 2019	Proportionate 2018
	Include:		
(i-1)	General expenses	(202.3)	(143.8)
(i-2)	Development expenses	(17.4)	(2.1)
(i-3)	Operating expenses	(425.2)	(307.0)
(ii)	Net service charge costs/fees	(49.1)	(35.9)
(iii)	Management fees less actual/estimated profit element	0.0	0.0
(iv)	Other operating income/recharges intended to cover overhead expenses	0.0	0.0
(v)	Share of Joint Ventures expenses	(11.6)	(10.0)
	Exclude (if part of the above):		
(vi)	Investment Property Depreciation	0.0	0.0
(vii)	Ground rents costs	0.0	0.0
(viii)	Service charge costs recovered through rents but not separately invoiced	271.6	156.2
	EPRA Costs (including direct vacancy costs) (A)	**(434.1)**	**(342.6)**
(ix)	Direct vacancy costs	(49.1)	(35.9)
	EPRA Costs (excluding direct vacancy costs) (B)	**(385.0)**	**(306.7)**
(x)	Gross Rental Income (GRI) less ground rents	2,871.7	2,408.7
(xi)	Less: service fee and service charge costs component of GRI (if relevant)	(271.6)	(156.2)
(xii)	Add Share of Joint Ventures (Gross Rental Income less ground rents)	82.5	77.5
	Gross Rental Income (C)	**2,682.6**	**2,330.0**
	EPRA Cost Ratio (including direct vacancy costs) (A/C)	**16.2%**	**14.7%**
	EPRA Cost Ratio (excluding direct vacancy costs) (B/C)	**14.4%**	**13.2%**

Note:
The calculation is based on the EPRA recommendations and is applied on Shopping Centres and Offices & Others sectors.

4.1.6.6 CAPITAL EXPENDITURE

	Proportionate			
	2019		2018	
€Mn	100%	Group share	100%	Group share
Acquisitions[1]	(4.5)	3.7	217.1	228.4
Development[2]	863.1	826.3	691.5	640.0
Like-for-like portfolio[3]	633.3	542.2	530.5	464.0
Other[4]	218.8	198.6	223.2	198.1
Total Capital Expenditure	**1,710.8**	**1,570.9**	**1,662.4**	**1,530.7**
Conversion from accruals to cash basis	(7.1)	(39.0)	53.7	39.9
Total Capital Expenditure on cash basis	**1,703.7**	**1,531.9**	**1,716.1**	**1,570.5**

Notes:
(1) In 2019, includes mainly the acquisitions in France (Westfield Vélizy 2) and Spain (la Vaguada).
(2) In 2019, includes mainly the capital expenditures related to investments in the La Part-Dieu, Westfield Mall of the Netherlands and Gaîté Montparnasse extension projects and to the Westfield Hamburg and Trinity new development projects.
(3) In 2019, includes mainly the capital expenditures related to Donau Zentrum, Täby Centrum, Westfield Carré Sénart, Westfield UTC, Westfield Topanga, Porte de Versailles and Shift. Capital expenditure on the like-for-like portfolio includes capital expenditure spent on extension and works on standing assets. In 2019, URW spent €176.0 Mn on replacement capex, Group share.
(4) Includes eviction costs and tenant incentives, letting fees, capitalised interest relating to projects referenced above and other capitalised expenses of €49.9 Mn, €66.2 Mn, €61.3 Mn and €21.2 Mn in 2019, respectively (amounts in Group share).

4.1.6.7 LTV RECONCILIATION WITH THE BALANCE SHEET (B/S)

a) Under IFRS:

€Mn	Dec. 31, 2019 IFRS	June 30, 2019 IFRS	Dec. 31, 2018 IFRS[1]
Amounts accounted for in Balance sheet	**62,282.7**	**62,454.8**	**62,251.7**
Investment properties at fair value	44,589.9	46,116.0	46,068.8
Investment properties at cost	1,143.3	1,182.6	1,557.8
Shares and investments in companies accounted for using the equity method	10,194.6	10,058.3	10,273.3
Other tangible assets	344.5	352.9	292.2
Goodwill	2,878.4	2,846.1	2,863.1
Intangible assets	984.4	1,071.4	1,130.2
Properties or shares held for sale	2,147.6	827.5	66.2
Adjustments	**479.7**	**64.3**	**441.0**
Transfer taxes	2,189.9	2,206.6	2,189.8
Goodwill not justified by fee business [2]	(2,039.3)	(2,023.4)	(2,038.9)
Revaluation intangible and operating assets	1,234.0	718.7	679.0
IFRS adjustments, including	(905.0)	(837.6)	(388.9)
Financial leases	*(848.1)*	*(845.5)*	*(386.6)*
Other	*(56.9)*	*7.9*	*(2.3)*
Total assets, including Transfer Taxes (=A)	**62,762.4**	**62,519.1**	**62,692.7**
Total assets, excluding Transfer Taxes (=B)	**60,572.4**	**60,312.5**	**60,502.9**
Amounts accounted for in Balance sheet			
Net share settled bonds convertible into new and/or existing shares (ORNANE)	602.1	600.9	491.8
Non current bonds and borrowings	22,931.6	22,446.6	20,655.3
Current borrowings and amounts due to credit institutions	2,557.4	3,547.5	3,850.7
Total financial liabilities	**26,091.0**	**26,595.0**	**24,997.8**
Adjustments			
Mark-to-market of debt	18.1	20.1	27.8
Current accounts with non-controlling interests	(1,307.9)	(1,319.5)	(1,282.7)
Impact of derivative instruments on debt raised in foreign currency	(8.4)	(26.0)	(44.6)
Accrued interest/issue fees	(65.1)	(5.2)	(100.8)
Total financial liabilities (nominal value)	**24,727.8**	**25,264.5**	**23,597.5**
Cash & cash equivalents	(488.8)	(1,303.9)	(369.9)
Net financial debt (=C)	**24,239.0**	**23,960.6**	**23,227.6**
LTV ratio including Transfer Taxes (=C/A)	**38.6%**	**38.3%**	**37.0%**
LTV ratio excluding Transfer Taxes (=C/B)	**40.0%**	**39.7%**	**38.4%**

(1) December 31, 2018 has been restated as follows: reclassification of Los Angeles Airport (LAX) and Chicago Airport from Intangible assets to Investment properties at fair value.
(2) Adjustment of goodwill according to bank covenants.

Pro-forma for the disposal of the five French assets to institutional investors, the Group's LTV including Transfer Taxes would be 37.2%.

b) On a proportionate basis:

€Mn	Dec. 31, 2019 Proportionate	June 30, 2019 Proportionate	Dec. 31, 2018 Proportionate[1]
Amounts accounted for in Balance sheet	**64,619.1**	**64,715.6**	**64,538.2**
Investment properties at fair value	56,002.4	57,274.6	57,381.1
Investment properties at cost	1,222.3	1,268.0	1,656.0
Shares and investments in companies accounted for using the equity method	948.0	983.8	1,057.0
Other tangible assets	345.5	353.8	294.2
Goodwill	2,968.9	2,936.5	2,953.6
Intangible assets	984.4	1,071.4	1,130.2
Properties or shares held for sale	2,147.6	827.5	66.2
Adjustments	**722.3**	**251.4**	**662.6**
Transfer taxes	2,472.8	2,478.2	2,470.6
Goodwill not justified by fee business[2]	(2,129.8)	(2,113.9)	(2,129.3)
Revaluation intangible and operating assets	1,233.0	717.8	677.2
IFRS adjustments, including	(853.7)	(830.7)	(355.9)
Financial leases	*(857.4)*	*(854.7)*	*(395.8)*
Other	*3.7*	*24.0*	*39.9*
Total assets, including Transfer Taxes (=A)	**65,341.4**	**64,967.0**	**65,200.8**
Total assets, excluding Transfer Taxes (=B)	**62,868.6**	**62,488.8**	**62,730.2**
Amounts accounted for in Balance sheet			
Net share settled bonds convertible into new and/or existing shares (ORNANE)	602.1	600.9	491.8
Non current bonds and borrowings	25,159.5	24,078.6	22,446.5
Current borrowings and amounts due to credit institutions	**2,620.0**	**4,140.3**	**4,282.8**
Total financial liabilities	**28,381.7**	**28,819.9**	**27,221.1**
Adjustments			
Mark-to-market of debt	36.4	38.2	43.4
Current accounts with non-controlling interests	(1,307.9)	(1,319.4)	(1,282.7)
Impact of derivative instruments on debt raised in foreign currency	(8.4)	(26.0)	(44.5)
Accrued interest/issue fees	(67.5)	(13.3)	(108.5)
Total financial liabilities (nominal value)	**27,034.3**	**27,499.4**	**25,828.8**
Cash & cash equivalents	(594.3)	(1,395.9)	(463.2)
Net financial debt (=C)	**26,440.0**	**26,103.5**	**25,365.6**
LTV ratio including Transfer Taxes (=C/A)	**40.5%**	**40.2%**	**38.9%**
LTV ratio excluding Transfer Taxes (=C/B)	**42.1%**	**41.8%**	**40.4%**

(1) December 31, 2018 has been restated as follows: reclassification of Los Angeles Airport (LAX) and Chicago Airport from Intangible assets to Investment properties at fair value.
(2) Adjustment of goodwill according to bank covenants.

Pro-forma for the disposal of the five French assets to institutional investors, the Group's LTV including Transfer Taxes would be 39.1%.

4.

CHAPTER 5

FINANCIAL STATEMENTS AS AT DECEMBER 31, 2019

On February 10, 2020, the Management Board prepared the consolidated financial statements of Unibail-Rodamco-Westfield SE for the year ended December 31, 2019, and the Supervisory Board authorised their publication on February 12, 2020.

These consolidated financial statements will be submitted to the approval of the Annual General Meeting expected to be held on May 15, 2020.

5.1 CONSOLIDATED FINANCIAL STATEMENTS

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

In 2019, the Group transferred Novotel Confluence, Pullman Montparnasse and CNIT Hilton hotels from the Convention & Exhibition segment to the Offices & Others segment. In addition, the Group transferred one asset from the Shopping Centres segment to the Convention & Exhibition segment. 2018 figures were restated accordingly. The amounts of these reclassifications had no significant impact on the consolidated financial statements.

In the comparative figures, the former Westfield Corporation companies ("WFD") were consolidated from June 1, 2018. Thus, 2018 figures include seven months of WFD operations.

5.1.1 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€Mn)	Notes	2019	2018
Gross rental income	4.2.1/4.4.1	2,417.6	2,211.3
Ground rents paid	*4.2.1/4.4.2*	*(14.5)*	*(20.9)*
Service charge income	*4.2.1/4.4.2*	*376.6*	*375.5*
Service charge expenses	*4.2.1/4.4.2*	*(413.5)*	*(404.3)*
Property operating expenses	*4.2.1/4.4.2*	*(380.9)*	*(321.2)*
Operating expenses and net service charges		(432.3)	(370.9)
Net rental income		**1,985.2**	**1,840.3**
Property development and project management revenue		276.6	215.5
Property development and project management costs		(235.2)	(178.5)
Net property development and project management income	**4.4.4**	**41.3**	**37.0**
Property services and other activities revenues		310.1	307.2
Property services and other activities expenses		(211.4)	(198.9)
Net property services and other activities income	**4.2.1/4.4.3**	**98.7**	**108.2**
Share of the result of companies accounted for using the equity method		(77.9)	233.9
Income on financial assets		32.2	32.1
Contribution of companies accounted for using the equity method	**6**	**(45.7)**	**266.0**
Corporate expenses		(191.5)	(141.4)
Development expenses		(17.4)	(2.1)
Depreciation of other tangible assets		(2.0)	(1.9)
Administrative expenses	**4.4.5**	**(210.9)**	**(145.5)**
Acquisition and related costs	**4.4.6**	**(45.8)**	**(268.7)**
Proceeds from disposal of investment properties		957.2	985.4
Carrying value of investment properties sold		(908.3)	(905.3)
Result on disposal of investment properties	**5.6**	**48.9**	**80.1**
Proceeds from disposal of shares		223.0	463.4
Carrying value of disposed shares		(203.4)	(460.5)
Result on disposal of shares	**3.4.2/5.6**	**19.7**	**3.0**
Valuation gains on assets		924.0	885.1
Valuation losses on assets		(2,026.4)	(822.9)
Valuation movements on assets	**5.5**	**(1,102.4)**	**62.2**
Impairment of goodwill	**5.4**	**(7.1)**	**(4.9)**
NET OPERATING RESULT		**781.8**	**1,977.8**
Result from non-consolidated companies		1.7	–
Financial income		*278.3*	*171.0*
Financial expenses		*(670.0)*	*(502.6)*
Net financing costs	7.2.1	(391.7)	(331.6)
Fair value adjustment of net share settled bonds convertible into new and/or existing shares (ORNANE)	7.2.2/7.3	(7.6)	28.9
Fair value adjustments of derivatives, debt and currency effect	7.2.2	(343.5)	(318.0)
Debt discounting	7.2.2	(0.7)	(0.7)
RESULT BEFORE TAX		**40.1**	**1,356.5**
Income tax expenses	8.2	1,065.4	(113.6)
NET RESULT FOR THE PERIOD		**1,105.5**	**1,242.8**
Net result for the period attributable to:			
• The holders of the Stapled Shares		1,103.3	1,031.1
• External non-controlling interests	3.5.2	2.2	211.7
NET RESULT FOR THE PERIOD		**1,105.5**	**1,242.8**
Net result for the period attributable to the holders of the Stapled Shares analysed by amount attributable to:			
• Unibail-Rodamco-Westfield SE members		1,052.1	926.3
• WFD Unibail-Rodamco N.V. members		51.2	104.8
NET RESULT FOR THE PERIOD ATTRIBUTABLE TO THE HOLDERS OF THE STAPLED SHARES		**1,103.3**	**1,031.1**
Average number of shares (undiluted)	12.2	138,350,731	122,405,156
Net result for the period (Holders of the Stapled Shares)		1,103.3	1,031.1
Net result for the period per share (Holders of the Stapled Shares) (€)		**7.97**	**8.42**
Net result for the period restated (Holders of the Stapled Shares)[(1)]		1,110.9	1,002.2
Average number of shares (diluted)	12.2	140,466,405	126,031,428
Diluted net result per share (Holders of the Stapled Shares) (€)		**7.91**	**7.95**

(1) The impact of the fair value of the ORNANE and the related financial expenses are restated from the net result of the period if it has a dilutive impact.

Net comprehensive income *(€Mn)*	Notes	2019	2018
NET RESULT FOR THE PERIOD		**1,105.5**	**1,242.8**
Foreign currency differences on translation of financial statements of subsidiaries and net investments in these subsidiaries		198.5	9.1
Other comprehensive income that may be subsequently recycled to profit or loss		**198.5**	**9.1**
Employee benefits		(0.9)	(0.4)
Fair Value of Financial assets		3.4	(16.2)
Other comprehensive income not subsequently recyclable to profit or loss		**2.5**	**(16.6)**
OTHER COMPREHENSIVE INCOME		**200.9**	**(7.5)**
NET COMPREHENSIVE INCOME		**1,306.4**	**1,235.3**
• External non-controlling interests		2.0	211.7
NET COMPREHENSIVE INCOME (HOLDERS OF THE STAPLED SHARES)		**1,304.4**	**1,023.6**

5.

5.1.2 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€Mn)	Notes	31 Dec 2019	31 Dec 2018[1]
NON CURRENT ASSETS		**61,106.6**	**62,818.5**
Investment properties	**5.1**	**45,733.2**	**47,626.7**
Investment properties at fair value		*44,589.9*	*46,068.8*
Investment properties at cost		*1,143.3*	*1,557.8*
Shares and investments in companies accounted for using the equity method	6	10,194.6	10,273.3
Other tangible assets	5.2.2	344.5	292.2
Goodwill	5.4.2	2,878.4	2,863.1
Intangible assets	5.3.2	984.4	1,130.2
Investments in financial assets	7.3.1	343.5	302.9
Deferred tax assets	8.3	28.4	26.9
Derivatives at fair value	7.4	599.6	303.2
CURRENT ASSETS		**3,896.5**	**1,708.7**
Properties or shares held for sale	1.3	2,147.6	66.2
Inventories		91.2	95.2
Trade receivables from activity		513.0	550.6
Tax receivables		303.6	285.7
Other receivables		352.4	341.1
Cash and cash equivalents	7.3.9	488.8	369.9
TOTAL ASSETS		**65,003.2**	**64,527.2**
Equity attributable to the holders of the Stapled Shares		**25,950.8**	**26,176.1**
Share capital		691.9	691.4
Additional paid-in capital		13,478.2	13,471.0
Consolidated reserves		10,671.4	11,175.0
Hedging and foreign currency translation reserves		6.1	(192.4)
Consolidated result		1,103.3	1,031.1
• ***Equity attributable to Unibail-Rodamco-Westfield S.E. members***		***24,334.4***	***24,594.8***
• ***Equity attributable to WFD Unibail-Rodamco N.V. members***		***1,616.4***	***1,581.3***
Hybrid securities		1,988.8	1,989.0
External non-controlling interests		3,912.9	3,976.4
TOTAL SHAREHOLDERS' EQUITY		**31,852.5**	**32,141.5**
NON CURRENT LIABILITIES		**28,291.0**	**26,371.3**
Non current commitment to external non-controlling interests	3.5.1	172.2	178.4
Net share settled bonds convertible into new and/or existing shares (ORNANE)	7.3.4	602.1	491.8
Non current bonds and borrowings	7.3.9	22,931.6	20,655.3
Non current lease liabilities	7.3.3	806.7	384.0
Derivatives at fair value	7.4	1,025.0	450.7
Deferred tax liabilities	8.3	2,276.0	3,669.5
Non current provisions	9	110.3	128.7
Guarantee deposits		218.0	231.2
Amounts due on investments		149.1	181.8
CURRENT LIABILITIES		**4,859.7**	**6,014.4**
Liabilities directly associated with properties or shares classified as held for sale	1.3	110.7	–
Current commitment to external non-controlling interests		1.0	1.5
Amounts due to suppliers and other creditors		**1,349.4**	**1,401.5**
Amounts due to suppliers		*230.5*	*207.4*
Amounts due on investments		*633.5*	*624.7*
Sundry creditors		*485.3*	*569.4*
Other current liabilities	10	729.8	650.9
Current borrowings and amounts due to credit institutions	7.3.9	2,557.4	3,850.7
Current lease liabilities	7.3.3	41.4	2.6
Derivatives at fair value	7.4	30.1	77.0
Current provisions	9	39.9	30.2
TOTAL LIABILITIES AND EQUITY		**65,003.2**	**64,527.2**

(1) December 31, 2018 was restated as follows:
- reclassification of Los Angeles Airport (LAX) and Chicago Airport from Intangible assets to Investment properties at fair value;
- reclassification from Deferred tax liabilities to Non current provisions and Other current liabilities, as a consequence of IFRIC 23 (see note 2.1 "IFRS basis adopted").

5.1.3 CONSOLIDATED STATEMENT OF CASH FLOWS

(€Mn)	Notes	2019	2018
OPERATING ACTIVITIES			
Net result		**1,105.5**	**1,242.8**
Depreciation & provisions[(1)]		28.1	(29.8)
Impairment of goodwill		7.1	4.9
Changes in value of property assets		1,102.4	(62.2)
Changes in value of financial instruments		351.8	289.8
Charges and income relating to stock options and similar items		13.8	24.2
Net capital gains/losses on disposal of shares		(19.7)	(3.0)
Net capital gains/losses on sales of properties[(2)]		(48.9)	(80.1)
Share of the result of companies accounted for using the equity method		77.9	(233.9)
Income on financial assets		(32.2)	(32.1)
Dividend income from non-consolidated companies		(1.7)	(0.1)
Net financing costs	7.2.1	391.7	331.6
Income tax charge (income)		(1,065.4)	113.6
Westfield's acquisition and related costs		–	108.7
Cash flow before net financing costs and tax		**1,910.4**	**1,674.4**
Income on financial assets		32.2	32.1
Dividend income and result from companies accounted for using the equity method or non-consolidated		274.2	257.5
Income tax paid		(211.7)	(65.9)
Change in working capital requirement		(118.0)	(104.0)
TOTAL CASH FLOW FROM OPERATING ACTIVITIES		**1,887.1**	**1,794.0**
INVESTMENT ACTIVITIES			
Property activities		**(398.2)**	**(4,269.0)**
Acquisition of businesses, net of cash acquired	3.4.1	(35.5)	(4,457.8)
Amounts paid for works and acquisition of property assets	5.6	(1,525.4)	(1,597.6)
Repayment of property financing		80.7	212.3
Increase of property financing		(166.4)	(262.4)
Disposal of shares	3.4.2	291.2	797.2
Disposal of investment properties	5.6	957.2	1,039.3
Financial activities		**(18.5)**	**(2.1)**
Acquisition of financial assets		(33.1)	(11.6)
Disposal of financial assets		4.0	5.7
Change in financial assets		10.6	3.8
TOTAL CASH FLOW FROM INVESTMENT ACTIVITIES		**(416.7)**	**(4,271.1)**
FINANCING ACTIVITIES			
Capital increase of parent company		7.5	13.4
Change in capital from companies with non-controlling shareholders		10.1	5.0
Hybrid securities		–	1,989.0
Distribution paid to parent company shareholders	12.3	(1,493.9)	(1,079.2)
Dividends paid to non-controlling shareholders of consolidated companies		(84.1)	(98.2)
Coupon on the Hybrid Securities		(48.1)	(13.3)
New borrowings and financial liabilities		4,707.8	5,098.7
Repayment of borrowings and financial liabilities		(3,826.2)	(3,274.3)
Financial income	7.2.1	257.4	139.9
Financial expenses	7.2.1	(665.8)	(440.2)
Other financing activities	7.3.7	(210.6)	(88.8)
TOTAL CASH FLOW FROM FINANCING ACTIVITIES		**(1,345.9)**	**2,252.0**
Change in cash and cash equivalents during the period		**124.5**	**(225.1)**
Net cash and cash equivalents at the beginning of the year		**368.7**	**565.7**
Effect of exchange rate fluctuations on cash held		**(7.2)**	**28.1**
Net cash and cash equivalents at period-end	**7.3.9**	**486.0**	**368.7**

(1) Includes straight lining of key money and lease incentives.
(2) Includes capital gains/losses on property sales, disposals of short-term investment properties and disposals of operating assets.

5.

5.1.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€Mn)	Share capital	Additional paid-in capital	Bonds Redeemable for Shares	Consoli-dated reserves	Consoli-dated net result	Hedging & foreign currency translation reserves(1)	Equity attributable to the holders of the Stapled Shares	Hybrid Securities(2)	External non-controlling interests	Total Shareholders' equity
Equity as at December 31, 2017	**499.3**	**6,470.7**	**1.1**	**9,715.9**	**2,439.5**	**(210.3)**	**18,916.2**	**–**	**3,777.0**	**22,693.2**
Profit or loss of the period	–	–	–	–	1,031.1	–	1,031.1	–	211.7	1,242.8
Other comprehensive income	–	–	–	(16.6)	–	9.1	(7.5)	–	–	(7.5)
Net comprehensive income	**–**	**–**	**–**	**(16.6)**	**1,031.1**	**9.1**	**1,023.6**	**–**	**211.7**	**1,235.3**
Earnings appropriation	–	–	–	2,439.5	(2,439.5)	–	–	–	–	–
Dividends related to 2017	–	–	–	(1,079.2)	–	–	(1,079.2)	–	(98.2)	(1,177.4)
Stock options and Company Savings Plan	0.5	13.0	–	–	–	–	13.5	–	–	13.5
Conversion of Bonds Redeemable for Shares	–	–	(0.1)	–	–	–	(0.1)	–	–	(0.1)
Westfield acquisition	191.6	6,987.3	–	101.9	–	–	7,280.8	–	85.1	7,365.9
Share based payment	–	–	–	24.2	–	–	24.2	–	–	24.2
Hybrid Securities(2)	–	–	–	–	–	–	–	1,989.0	2.0	1,991.0
Coupon on the Hybrid Securities	–	–	–	(13.3)	–	–	(13.3)	–	–	(13.3)
Transactions with non-controlling interests	–	–	–	1.0	–	–	1.0	–	(1.1)	(0.1)
Changes in scope of consolidation and other movements	–	–	–	0.6	–	8.8	9.4	–	(0.1)	9.3
Equity as at December 31, 2018	**691.4**	**13,471.0**	**1.0**	**11,174.0**	**1,031.1**	**(192.4)**	**26,176.1**	**1,989.0**	**3,976.4**	**32,141.5**
Profit or loss of the period	–	–	–	–	1,103.3	–	1,103.3	–	2.2	1,105.5
Other comprehensive income	–	–	–	2.7	–	198.4	201.2	–	(0.2)	200.9
Net comprehensive income	**–**	**–**	**–**	**2.7**	**1,103.3**	**198.4**	**1,304.4**	**–**	**2.0**	**1,306.4**
Earnings appropriation	–	–	–	1,031.1	(1,031.1)	–	–	–	–	
Dividends related to 2018	–	–	–	(1,493.9)	–	–	(1,493.9)	–	(84.1)	(1,578.0)
Stock options and Company Savings Plan	0.5	7.2	–	0.5	–	–	8.2	–	–	8.2
Conversion of Bonds Redeemable for Shares	–	–	(1.0)	–	–	–	(1.0)	–	–	(1.0)
Share based payment	–	–	–	15.3	–	–	15.3	–	–	15.3
Hybrid Securities	–	–	–	–	–	–	–	(0.2)	–	(0.2)
Coupon on the Hybrid Securities	–	–	–	(48.1)	–	–	(48.1)	–	–	(48.1)
Transactions with non-controlling interests	–	–	–	(9.8)	–	–	(9.8)	–	18.4	8.6
Changes in scope of consolidation and other movements	–	–	–	(0.4)	–	–	(0.4)	–	0.2	(0.2)
Equity as at December 31, 2019	**691.9**	**13,478.2**	**–**	**10,671.4**	**1,103.3**	**6.1**	**25,950.8**	**1,988.8**	**3,912.9**	**31,852.5**

(1) The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries. The hedging reserve is used to record the effect of hedging net investments in foreign operations.
(2) In 2018, URW issued €2,000 Mn of Hybrid securities. These Hybrid securities are deeply subordinated perpetual instruments with a coupon deferral option and are accounted for in equity.

5.2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SIGNIFICANT EVENTS

The activity of the Group Unibail-Rodamco-Westfield ("URW") is not significantly affected by seasonality.

1.1 SIGNIFICANT EVENTS OF 2019

1.1.1 CHANGES IN THE STRUCTURE OF THE UNITED STATES OPERATIONS

In April 2019, the Group executed changes in the structure of its United States operations (the 2019 Restructurings) to exit the United States portfolio from the legacy Australian platform. The 2019 Restructurings also allowed the Group to apply a material step-up of the tax base of the United States real estate resulting in a +€1.3 Bn reversal of the deferred tax liability related to the United States portfolio.

As of the date of acquisition of Westfield, the rules and critical regulations related to the United States Tax Cuts and Jobs Act adopted in December 2017 that were conditional for the 2019 Restructurings had not yet been released, whereas the feasibility of the restructuring depended on future developments related to FIRPTA (Foreign Investment in Real Property Tax Act). Furthermore, the implementation of the 2019 Restructurings required certain legal reorganisations that involved the upfront payment of €0.2 Bn of tax. Based on those points, the Group accounted for the €1.3 Bn reversal of the deferred tax liability related to the United States portfolio as a credit to the income tax of 2019 together with the €0.2 Bn tax and other costs incurred for the implementation of the 2019 Restructurings.

1.1.2 FINALISATION OF WFD PURCHASE ACCOUNTING

The Los Angeles Airport (LAX) and Chicago Airport leasehold contracts are held by URW to earn rentals or for capital appreciation. Consequently, the property meets the definition of an investment property and can be recorded at fair value. Thus, Los Angeles Airport (LAX) and Chicago Airport have been reclassified from Intangible assets (€164.6 Mn) to Investment properties at fair value. The Consolidated statement of financial position as at December 31, 2018, has been restated accordingly. This reclassification did not impact either the deferred tax liability, or the goodwill.

During 2019, there was no other change in the measurement of the acquired assets and liabilities.

1.2 SIGNIFICANT EVENTS OF 2018

1.2.1 WESTFIELD CORPORATION ACQUISITION

On June 7, 2018, Unibail-Rodamco ("UR") announced it had completed the acquisition of Westfield Corporation ("WFD"), to create Unibail-Rodamco-Westfield ("URW" or "the Group"), the premier global developer and operator of flagship shopping destinations. URW combines two of the strongest and most respected names in the real estate industry to build on their legacies. The acquisition of WFD is a natural extension of UR's strategy of concentration, differentiation and innovation.

As the impact was not deemed significant, WFD was consolidated from June 1, 2018 rather than from June 7, 2018. From initial consolidation to December 31, 2018, WFD had contributed €342.1 Mn to the gross rental income and -€82.0 Mn to the net result of the Group.

If the combination had taken place on January 1, 2018, the contribution of WFD would have been:
- Gross rental income: +€571.9 Mn;
- Net result of the Group: -€31.2 Mn.

1.2.2 GOODWILL AS OF THE ACQUISITION DATE AND MAIN IMPACTS ON THE CONSOLIDATED FINANCIAL STATEMENTS

The purchase price for 100% of the outstanding stock of WFD was €11,911.4 Mn, of which:
- Market value of the 38,319,974 UR shares issued in exchange of WFD shares of €7,280.8 Mn. The share price used was €190.00, corresponding to the closing price of the UR share on June 4, 2018, its last day of quotation;
- Cash consideration of €4,742.7 Mn;
- Net hedging impact of -€112.1 Mn.

The preliminary purchase price allocation of the Westfield Corporation acquisition is presented below:

Purchase price allocation *(€Mn)*	WFD at acquisition date
Total consideration	**11,911.4**
Identifiable net asset at fair value(1)	
Investment properties(2)	9,256.9
Intangible assets(2)	957.6
Shares and investments in companies accounted for using the equity method	8,200.9
Other tangible assets	63.1
Financial assets	221.1
Deferred tax assets	58.5
Derivatives at fair value	81.0
Other current assets	263.0
Cash and cash equivalents	258.0
	19,360.2
External non-controlling interests	85.1
Long-term commitment to non-controlling interests	181.8
Long-term bonds and borrowings	6,787.6
Deferred tax liabilities	2,014.3
Other non current liabilities	134.6
Other current liabilities	582.4
	9,785.7
Total identifiable net asset at fair value	**9,574.5**
Goodwill arising on acquisition	**(2,336.9)**

(1) The Group has recorded at fair value the standing assets, the development projects, the intangible assets, the financial liabilities and the associated deferred taxes.
(2) Los Angeles Airport (LAX) and Chicago Airport have been reclassified from Intangible assets to Investment properties at fair value for an amount of €164.6 Mn (see note 1.1.2 "Finalisation of WFD purchase accounting").

The total identifiable net assets at fair value acquired amounted to €9,574.5 Mn as at June 7, 2018. These values were based on the accounting principles and methods defined in IFRS 3R applied by the Group requiring that the assets and liabilities are valued at their market value on the acquisition date.

The Westfield trademark and the following contracts with third parties have been valued and recorded as intangible assets:
- The Property Management (PM) business in the United States and the UK;
- The Development, Design & Construction (DD&C) business in the United States and the UK;
- The Airport activities in the US.

External appraisers valued these activities and the trademark at €1,649.8 Mn for opening balance sheet purposes of which:
- €957.6 Mn for the PM, DD&C and Airport contracts with third parties and the trademark. This amount was allocated to the intangible assets in the Consolidated statement of financial position;
- The difference of €692.2 Mn relates to the value of internal contracts with entities which are fully consolidated and future PM, DD&C and Airport activities to be generated.

The deferred tax liabilities (DTL) related to the intangible assets in the United States and the United Kingdom and the trademark amount to €224.2 Mn, which were booked in the non current DTL of the Consolidated statement of financial position at opening balance sheet.

Consequently, the goodwill related to the Westfield Corporation acquisition (WFD Goodwill) resulting from the preliminary purchase price accounting amounted to €2,336.9 Mn.

ALLOCATION OF THE GOODWILL

Each investment property meets the criteria to qualify as a Cash Generating Unit ("CGU"). As part of operational management, investment properties are managed at a geographical segment level. As a consequence, goodwill has been allocated to geographical segments, which is the lowest level at which goodwill is monitored for internal management purposes.

The €2,336.9 Mn goodwill has been allocated to the geographical segments of URW benefiting from the acquisition of Westfield as follows:
- The expected cost and revenue synergies were allocated to the US, the UK, France Retail, Spain, Central Europe and the Nordics;
- The values attributable to the incremental part of the PM and DD&C businesses were allocated to the United States and the United Kingdom and the value of the incremental part of the Airport activities was allocated to the US, based on the external valuation;
- The amount related to the value of the workforce acquired was allocated to the United States and the UK.

The allocation per geographical segment breaks down as follows:

In €Mn	Goodwill per geographical segment at acquisition date
France Retail	728.8
Central Europe	145.2
Spain	103.8
Nordics	99.8
Total Continental Europe	**1,077.6**
US	818.7
UK	440.5
WFD Goodwill	**2,336.9**

5.

The intangible assets and goodwill allocated to the United States and to the United Kingdom were converted into USD and GBP, respectively, with the exchange rates at acquisition date, and are converted into EUR with the closing rates at date of reporting in the year-end Consolidated statement of financial position. The remaining goodwill allocated to Continental Europe segment was kept in euros except for Nordics (in Swedish krona).

In compliance with IAS 36, an impairment test is performed at least once a year (see note 5.4.1 "Goodwill – Accounting principles").

1.3 ASSETS HELD FOR SALE

On February 12, 2020, the Group announced it had received binding offers from a consortium of leading French investors to acquire a 54.2% stake in a joint-venture on five French shopping centres: Aéroville, So Ouest, Confluence, Toison d'Or and Rennes Alma (see note 14 "Subsequent events" for more details).

In accordance with IFRS 5, these properties and their related assets and liabilities are shown on separate lines in the Consolidated statement of financial position: " Properties or shares held for sale" and "Liabilities directly associated with properties or shares classified as held for sale".

The impacts of this presentation, which are the same under IFRS and on a proportionate basis, are as follows:

In €Mn	31 Dec 2019
NON CURRENT ASSETS	**(2,050.6)**
Investment properties	**(2,050.6)**
Investment properties at fair value	*(2,049.9)*
Investment properties at cost	*(0.7)*
CURRENT ASSETS	**2,050.6**
Properties or shares held for sale[1]	**2,070.2**
Trade receivables from activity	(11.1)
Tax receivables	(5.0)
Other receivables	(3.4)
TOTAL ASSETS	**(0.0)**
NON CURRENT LIABILITIES	**(73.1)**
Non current lease liabilities	(52.8)
Guarantee deposits	(20.3)
CURRENT LIABILITIES	**73.1**
Liabilities directly associated with properties or shares classified as held for sale	110.7
Amounts due to suppliers and other creditors	**(29.8)**
Amounts due to suppliers	*(5.2)*
Amounts due on investments	*(7.4)*
Sundry creditors	*(17.3)*
Other current liabilities	(7.8)
TOTAL LIABILITIES AND EQUITY	**0.0**

(1) The amount of €2,147.6 Mn in the consolidated statement of financial position comprises two other assets.

NOTE 2. ACCOUNTING POLICIES

In accordance with EC regulation no. 1606/2002 of July 19, 2002, on the application of international accounting standards, URW has prepared its consolidated financial statements for the financial year ending December 31, 2019, under International Financial Reporting Standards (IFRS) as adopted in the European Union and applicable at this date.

These can be consulted on the website: http://ec.europa.eu/finance/company-reporting/ifrs-financialstatements/index_en.htm.

2.1 IFRS BASIS ADOPTED

The accounting principles and methods used are the same as those applied for the preparation of the annual consolidated financial statements as at December 31, 2018, except for the application of the new obligatory standards and interpretations described below.

STANDARDS, AMENDMENTS AND INTERPRETATIONS EFFECTIVE AS OF JANUARY 1, 2019

- IFRS 16: Leases;
- IAS 19 A: Plan Amendment, Curtailment or Settlement;
- IAS 28 A: Long-term Interests in Associates and Joint Ventures;
- IFRIC 23 Uncertainty over Income Tax Treatments;
- IFRS 9 A: Prepayment Features with Negative Compensation;
- Annual Improvements to IFRS Standards 2015-2017 Cycle (issued on December 12, 2017).

These standards, amendments and interpretations do not have a significant impact on the Group's accounts as at December 31, 2019.

APPLICATION OF IFRIC 23 AS OF JANUARY 1, 2019

IFRIC Interpretation 23, Uncertainty over Income Tax Treatments, (IFRIC 23) addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. It does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The Interpretation specifically addresses the following:
- whether an entity considers uncertain tax treatments separately;
- the assumptions an entity makes about the examination of tax treatments by taxation authorities;
- how an entity considers changes in facts and circumstances.

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. The Group applies significant judgement in identifying uncertainties over income tax treatments.

The first time application of IFRIC 23 has led to an immaterial reclassification of deferred tax liabilities, leading to a decrease of the Deferred Tax Liabilities as included on the balance sheet, at the same time increasing by an equal amount the “Non current provisions” and “Other current liabilities”. The figures in the balance sheet as at December 2018 were restated accordingly. Except as set forth above, the introduction of IFRIC 23 had no further impact on URW’s balance sheet and/or income statement.

APPLICATION OF IFRS 16 AS OF JANUARY 1, 2019

URW adopted the new IFRS 16 effective January 1, 2019. URW has applied IFRS 16 using the modified retrospective approach, thus comparative information has not been restated.

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Other than right-of-use relating to investment property, the right-of-use assets are depreciated over the contract period or over the useful lifetime, whichever is shorter.

The interest expenses related to these leases are presented in the Net financing result.

There are optional exemptions for short-term leases which URW has selected to utilise. The lease expense is recognised on a straight-line basis as permitted by IFRS 16. Prior to the application of IFRS 16, URW had already capitalised lease obligations, primarily ground leases, and as at December 31, 2018, had recorded €387 Mn as capitalised lease obligations (in current and non current liabilities), pursuant to IAS 17.

At initial application of IFRS 16, URW has recognised new right-of-use assets and respective lease liabilities for €474 Mn, mainly relating to its contracts with Los Angeles International Airport for the management of Tom Bradley Terminal and Terminal 1. URW has measured a right-of-use asset at the date of initial application for leases previously recorded as an operating lease at an amount equal to the lease liabilities.

Under IFRS 16, payments of lease liabilities are presented in financing activities and related interest expense as interest paid, while previously the full amount of lease payments, with respect to operating leases, were included in the cash flow from operations before financing items and taxes.

IFRS 16 IMPACT IN 2019

Consolidated statement of financial position (impact as at January 1, 2019)

- +€410 Mn increase in Investment properties at fair value;
- +€64 Mn increase in Other tangible assets;
- +€474 Mn increase in the Non current lease liabilities (€441 Mn) and Current lease liabilities (€33 Mn).

Consolidated income statement

- +€50.7 Mn positive impact on 2019 Net Rental Income (“NRI”);
- -€23.1 Mn increase in Financial expenses;
- -€0.3 Mn in Administrative expenses;
- +€27.3 Mn positive impact on the Net recurring result for the period.

Consolidated statement of cash flows

- +€62.5 Mn positive impact on Total cash flow from operating activities;
- -€62.5 Mn negative impact on Total cash flow from financing activities.

The following table provides details on the difference between lease commitments presented in off balance sheet in accordance with IAS 17 as of December 31, 2018, and lease liabilities measured according to IFRS 16 as of January 1, 2019:

	(€Mn)
Off balance sheet lease commitments as of December 31, 2018	**896.0**
Leases of low-value assets	(17.2)
Variable lease payments	(10.3)
Off balance sheet commitments revaluation to be consistent with IFRS 16 assumptions	(98.1)
Other	2.8
Lease liabilities as of January 1, 2019 (gross, without discounting)	**773.3**
Discounting impact	(299.5)
Lease liabilities as of January 1, 2019 (net, discounted)	**473.9**

STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT MANDATORILY APPLICABLE AS OF JANUARY 1, 2019

The following text has been adopted by the European Union as at December 31, 2019, but not applied in advance by the Group:

- Amendments to References to the Conceptual Framework in IFRS Standards (issued on 29 March 2018);
- Amendments to IAS 1 and IAS 8: Definition of Material;
- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform.

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

- IFRS 17: Insurance Contracts;
- IFRS 3 A: Business Combinations.

The measurement of the potential impacts of these texts on the consolidated accounts of URW is ongoing; no significant impacts are expected.

2.2 ESTIMATES AND ASSUMPTIONS

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

The actual amounts may differ from the estimates as the business environment may develop differently than assumed. In this case, the assumptions and, where necessary, the carrying amounts of the assets or liabilities affected are prospectively adjusted accordingly.

Assumptions and estimates are reviewed on an ongoing basis and are based on experience and other factors, including expectations regarding future events that appear reasonable under the given circumstances.

The most significant estimates are set out in the following notes: for the valuation of investment properties in note 5.1 “Investment properties”; for the intangible assets and goodwill, in notes 5.3 “Intangible assets” and 5.4 “Goodwill” respectively; and for fair value of financial instruments in note 7.4 “Hedging instruments”. Actual future results or outcomes may differ from these estimates. The property portfolio and intangible assets used by the Shopping Centres, Offices & Others and Convention & Exhibition segments are valued by independent appraisers.

NOTE 3. SCOPE OF CONSOLIDATION

3.1 ACCOUNTING PRINCIPLES

3 1.1 SCOPE AND METHODS OF CONSOLIDATION

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

According to IFRS 10, an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Group considers all facts and circumstances when assessing whether it controls an investee. The control over an investee is reassessed if facts and circumstances indicate that there are changes to one or more of the elements mentioned above.

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

- Control: the companies are fully consolidated.
- Joint control: is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement.
  - A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Each party shall account for the assets which it has rights to, liabilities which it has obligations for, revenues and expenses relating to its interests in a joint operation.
  - A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint ventures are accounted for using the equity method.
- Significant influence: accounted for using the equity method. Significant influence is the power to participate in the financial and operating policy decisions of the investee but it is not control or joint control of those policies. It is presumed where an entity holds 20% or more of the voting power (directly or through subsidiaries) on an investee, unless it can be clearly demonstrated that this is not the case.

3.1.2 FOREIGN CURRENCY TRANSLATION

Group companies with a functional currency different from the presentation currency

The Group's consolidated financial statements are presented in euros. The financial statements of each consolidated Group company are prepared in its functional currency. The functional currency is the currency of the principal economic environment in which it operates.

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

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

Foreign currency transactions

The Group's entities can realise operations in a foreign currency which is not their own functional currency. These transactions in foreign currencies are translated into Euro at the spot exchange rate on the date of the transaction. At the closing date, monetary assets and liabilities denominated in foreign currency are translated into functional currency at the exchange rate on that date. Foreign exchange differences arising on translation or on settlement of these transactions are recognised in the income statement account, with the exception of:

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

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

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currency are translated using the exchange rate on the date of transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into euros at exchange rates on the dates the fair value was determined, and are reported as part of the fair value gain or loss.

3.1.3 BUSINESS COMBINATIONS

To identify whether a transaction is a business combination the Group notably considers whether an integrated set of activities is acquired besides the investment property. The criteria applied may include the number of property assets held by the target company, the extent of the acquired processes and, particularly, the auxiliary services provided by the acquired entity. If the acquired assets are not a business, the transaction is recorded as an asset acquisition.

Business combinations are accounted for using the acquisition method. The acquisition is recognised at the aggregate of the consideration transferred, measured at acquisition date fair value, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are booked as expenses. For the companies accounted for using the equity method, acquisition costs are capitalised in the value of the shares.

At the date of acquisition and in accordance with IFRS 3 Revised, identifiable assets, liabilities and contingent liabilities of the acquired company are valued individually at their market value regardless of their purpose based upon current best estimates at such date. It is possible that further adjustments to initial evaluation may be recognised within 12 months of the acquisition in accordance with IFRS rules.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through the income statement.

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

Under IFRS 3 Revised, the acquisition of additional shares from non-controlling shareholders is regarded as an equity transaction and therefore no additional goodwill is recognised.

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

3.2 CONSOLIDATION OF WFD UNIBAIL-RODAMCO N.V.

As from June 7, 2018 after the completion of the Westfield acquisition by Unibail-Rodamco-Westfield SE ("URW SE", former Unibail-Rodamco SE), WFD Unibail-Rodamco N.V. is held for 60% directly by Unibail-Rodamco-Westfield shareholders (Stapled Share principle) and 40% directly by URW SE.

At the end of 2019, WFD Unibail-Rodamco N.V., owns 100% of URW America, owning directly and indirectly 92.2% of the United States real estate portfolio and 7.6% being indirectly held by Unibail-Rodamco-Westfield SE.

As a result of the Stapled Share Principle and consistent with the legal set up of the Transaction and governance of WFD Unibail-Rodamco N.V., the entity and its subsidiaries are fully consolidated.

The holders of the Stapled Shares are entitled to the same rights and obligations with respect to URW and WFD Unibail-Rodamco N.V. As a consequence, the 60% economic interest in WFD Unibail-Rodamco N.V. directly held by such holders is reflected under the caption "Net result for the period attributable to the holders of the Stapled Shares", which is split between:

- "Net result of the period attributable to the holders of the Stapled Shares analysed by amount attributable to Unibail-Rodamco-Westfield SE members", and
- "Net result for the period attributable to the holders of the Stapled Shares analysed by amount attributable to WFD Unibail-Rodamco N.V. members" on the face of the consolidated statement of comprehensive income.

On the face of the statement of financial position, the caption "Equity attributable to the holders of the Stapled Shares" is split between "Equity attributable to Unibail-Rodamco-Westfield SE members" and "Equity attributable to WFD Unibail-Rodamco N.V. members".

3.3 DESCRIPTION OF SIGNIFICANT CONTROLLED PARTNERSHIPS

The significant controlled partnerships are presented below.

VIPARIS AND PROPEXPO

The Viparis entities are equally held by Unibail-Rodamco-Westfield SE and its partner, the CCIR (Paris-Île-de-France Regional Chamber of Commerce and Industry). The relevant activities for these entities are the management of the Convention & Exhibition venues. The Managing Director, who holds the executives powers for the management of these relevant activities, is designated by Unibail-Rodamco-Westfield SE.

The Chairman, who has a non-executive role, is nominated by the partner and has no casting vote.

Each partner has the same number of Directors in the Management Board. In the event of a tied vote, the Directors designated by the Group have a casting vote.

There is no casting vote held by other governance or supervisory bodies (Shareholders' General Meetings) which could question this control.

The Group therefore considers that it has full control of the Viparis entities and thus the Viparis entities are fully consolidated.

Propexpo is a real estate company which owns part of the Viparis assets and is equally held by Unibail-Rodamco-Westfield SE and CCIR.

The relevant activities are the leasing, equipment, building, renovation as well as the management, servicing and maintenance of these assets.

The Managing Director, a Group company, cannot be removed without the agreement of the Group.

The executive Chairman is designated by the Group, whereas the non-executive Vice-President is designated by the CCIR.

There is no casting vote held by other governance or supervisory bodies (Shareholders' General Meetings) which could question this control.

The governance of both Propexpo managed by the Group and the Viparis entities which control the on-site property services are defined by the Shareholders' agreement between the Group and CCIR as with respect to Viparis.

Propexpo is therefore fully consolidated.

UNIBAIL-RODAMCO-WESTFIELD GERMANY GMBH

Unibail-Rodamco-Westfield Germany GmbH is jointly held by the Group (51%) and by Canada Pension Plan Investment Board (CPPIB) (49%).

The relevant activities are the leasing, equipment, building, renovation as well as the management, servicing and maintenance of these assets.

The Group is entitled to nominate three members of Unibail-Rodamco-Westfield Germany GmbH's Supervisory Board and CPPIB two members. According to the governance in place, the Group controls Unibail-Rodamco-Westfield Germany GmbH which is thus fully consolidated.

WESTFIELD PARLY 2 SHOPPING CENTRE

The Westfield Parly 2 shopping centre (Paris region) is held by the Group and the Abu Dhabi Investment Authority (ADIA).

The relevant activities are the leasing, equipment, building, renovation as well as the management, servicing and maintenance of the shopping centre.

The Managing Director is a URW company designated for an indefinite term, which holds powers in order to administrate the companies and obtain the authorisations needed for their activities.

There is no casting vote held by other governance or supervisory bodies (Management Boards, Shareholders' General Meetings) which could question this control.

As a result, the Group controls the asset which is fully consolidated.

WESTFIELD FORUM DES HALLES SHOPPING CENTRE & PARKING

The Westfield shopping centre and the parking Forum des Halles located in Paris are held by the Group (65%) and an insurance company, AXA (35%).

The Managing Director is a URW company designated for an indefinite term, which holds powers in order to administrate the Company and obtain the authorisations needed for its activities and cannot be removed without the agreement of the Group.

These assets are therefore fully consolidated.

WESTFIELD LES 4 TEMPS SHOPPING CENTRE

The asset is held for 53.3% by the Group and for 46.7% by two insurance companies.

The Managing Director is a URW company designated for an indefinite term, which holds large powers in order to administrate the Company and obtain the authorisations needed for its activities and cannot be removed without the agreement of the Group.

The asset is therefore fully consolidated.

3.4 SHARE DEALS: ACQUISITIONS AND DISPOSALS

3.4.1 ACQUISITIONS OF BUSINESSES, NET OF CASH ACQUIRED (CONSOLIDATED STATEMENT OF CASH FLOWS)

ACQUISITION OF BUSINESSES, NET OF CASH ACQUIRED

(€Mn)	2019	2018[2]
Acquisition price of shares	(35.5)[1]	(4,716.4)
Cash and current accounts	–	258.6
Acquisition of consolidated shares	**(35.5)**	**(4,457.8)**

(1) Refers to the acquisition of the 5.02% additional stake in CentrO.
(2) The acquisitions of 2018 refer mainly to the Westfield Corporation acquisition.

3.4.2 DISPOSALS OF CONSOLIDATED SHARES (CONSOLIDATED STATEMENT OF CASH FLOWS)

DISPOSAL OF SHARES/CONSOLIDATED SUBSIDIARIES

(€Mn)	2019	2018
Net price of shares sold	223.0	482.4
Cash and current accounts	68.2	314.7
Disposal of shares/consolidated subsidiaries[1]	**291.2**	**797.2**

(1) In 2019, corresponds mainly to the disposals of Jumbo and Ring-Center.
In 2018, corresponds mainly to the disposal of the Capital 8 office building in France.

3.5 NON-CONTROLLING INTERESTS AND COMMITMENT TO PURCHASE NON-CONTROLLING INTERESTS

3.5.1 COMMITMENT TO PURCHASE NON-CONTROLLING INTERESTS

The convertible redeemable preference shares arising from the Westfield Corporation acquisition are included in the captions "Non current commitment to external non-controlling interests" and "Current commitment to external non-controlling interests".

They are measured at fair value through profit or loss.

3.5.2 NON-CONTROLLING INTERESTS

In 2019, this item comprised mainly non-controlling interests in the following entities:

- Several shopping centres in France (€72.2 Mn, mainly Westfield Les 4 Temps, Westfield Parly 2 and Westfield Forum des Halles);
- Convention & Exhibition entities (€-42.3 Mn);
- Several shopping centres in Germany (€-28.1 Mn).

3.6 DESCRIPTION OF SIGNIFICANT JOINT OPERATIONS

WESTFIELD LONDON

Westfield London is jointly controlled by the Group and Commerz Real Investmentgesellschaft (CRI) since all the major decisions relating to the relevant activities of the company (leasing strategy, standard form lease agreements, operating expenses and capital expenses), require the approval of both partners. Each year, the Annual Budget Plan comprising Gross income and Operating expenses, capital expenditure, rent levels projected to be achieved on review of rents under each lease, proposed new lettings and the projected net income, shall be approved by both partners. The arrangements between CRI and URW give equal rights to both partners in the assets and the liabilities of the partnership.

Therefore, Westfield London is a Joint Operation company.

NOTE 4. NET RECURRING RESULT AND SEGMENT REPORTING

4.1 ACCOUNTING PRINCIPLES

Segment information is presented in respect of the Group's divisions and geographical segments, based on the Group's management and internal reporting structure and in accordance with IFRS 8.

Contributions of affiliates are also presented according to the Group's divisions and geographical segments.

Since the joint-controlled entities represent a significant part of the Group's operations in the United States and the UK, the Group's management and internal reporting structure segment information is prepared in a proportionate format, in which the joint-controlled entities are accounted for on a proportionate basis instead of being accounted for using the equity method under IFRS. The Group and its joint ventures use consistent accounting policies.

Therefore, the segment information presented in this section is prepared in a proportionate format.

BUSINESS SEGMENTS

The Group presents its result by segment: Shopping Centres, Offices & Others, Convention & Exhibition.

The Convention & Exhibition segment comprises management of exhibition venues (Viparis) and the management of the hotels at Porte de Versailles (in 2019, the Group transferred Novotel Confluence, Pullman Montparnasse and CNIT Hilton hotels from the Convention & Exhibition segment to the Offices & Others segment).

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 Bn in property investment, a local organisation dedicated to all three business lines: the "owner function" (asset selection and management including pipeline), Shopping Centres management, the finance function and a regional consolidated reporting.

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

- France, including France and Belgium;
- United States;
- Central Europe, including the Czech Republic, Poland and Slovakia;
- Spain;
- United Kingdom and Italy;
- Nordics, including Sweden, Denmark and Finland (during 2019, the Group sold its stake in the Jumbo shopping centre in Helsinki, Finland);
- Austria;
- Germany;
- The Netherlands.

The following note is presented on a proportionate basis.

4.2 CONSOLIDATED FINANCIAL STATEMENTS ON A PROPORTIONATE BASIS

4.2.1 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME ON A PROPORTIONATE BASIS

Consolidated income statement (€Mn)	2019 IFRS	Proportionate	Total 2019 Proportionate	2018 IFRS	Proportionate	Total 2018 Proportionate
Gross rental income	2,417.6	665.8	3,083.4	2,211.3	408.3	2,619.6
Ground rents paid	*(14.5)*	*(0.3)*	*(14.9)*	*(20.9)*	*(0.8)*	*(21.7)*
Service charge income	*376.6*	*73.9*	*450.5*	*375.5*	*47.9*	*423.4*
Service charge expenses	*(413.5)*	*(86.2)*	*(499.7)*	*(404.3)*	*(55.0)*	*(459.3)*
Property operating expenses	*(380.9)*	*(147.2)*	*(528.1)*	*(321.2)*	*(79.7)*	*(400.9)*
Operating expenses and net service charges	(432.3)	(159.8)	(592.1)	(370.9)	(87.6)	(458.5)
Net rental income	**1,985.2**	**506.0**	**2,491.2**	**1,840.3**	**320.7**	**2,161.0**
Property development and project management revenue	276.6	–	276.6	215.5	(0.0)	215.5
Property development and project management costs	(235.2)	–	(235.2)	(178.5)	0.0	(178.5)
Net property development and project management income	**41.3**	**–**	**41.3**	**37.0**	**(0.0)**	**37.0**
Property services and other activities revenues	310.1	(0.3)	309.8	307.2	(0.0)	307.2
Property services and other activities expenses	(211.4)	(0.0)	(211.5)	(198.9)	(4.4)	(203.3)
Net property services and other activities income	**98.7**	**(0.3)**	**98.4**	**108.2**	**(4.4)**	**103.8**
Share of the result of companies accounted for using the equity method	(77.9)	85.5	7.6	233.9	(195.6)	38.3
Income on financial assets	32.2	(9.2)	23.0	32.1	(5.5)	26.6
Contribution of companies accounted for using the equity method	**(45.7)**	**76.3**	**30.5**	**266.0**	**(201.1)**	**64.9**
Corporate expenses	(191.5)	(8.9)	(200.3)	(141.4)	(0.4)	(141.8)
Development expenses	(17.4)	–	(17.4)	(2.1)	–	(2.1)
Depreciation of other tangible assets	(2.0)	0.0	(2.0)	(1.9)	–	(1.9)
Administrative expenses	**(210.9)**	**(8.9)**	**(219.8)**	**(145.5)**	**(0.4)**	**(145.9)**
Acquisition and related costs	**(45.8)**	**(5.7)**	**(51.5)**	**(268.7)**	**–**	**(268.7)**
Proceeds from disposal of investment properties	957.2	1.8	959.1	985.4	82.7	1,068.1
Carrying value of investment properties sold	(908.3)	(1.0)	(909.3)	(905.3)	(82.8)	(988.1)
Result on disposal of investment properties	**48.9**	**0.8**	**49.7**	**80.1**	**(0.0)**	**80.1**
Proceeds from disposal of shares	223.0	–	223.0	463.4	(0.0)	463.4
Carrying value of disposed shares	(203.4)	–	(203.4)	(460.5)	–	(460.5)
Result on disposal of shares	**19.7**	**–**	**19.7**	**3.0**	**(0.0)**	**3.0**
Valuation gains on assets	924.0	90.3	1,014.3	885.1	131.4	1,016.4
Valuation losses on assets	(2,026.4)	(603.5)	(2,629.9)	(822.9)	(200.9)	(1,023.8)
Valuation movements on assets	**(1,102.4)**	**(513.1)**	**(1,615.6)**	**62.2**	**(69.6)**	**(7.4)**
Impairment of goodwill	**(7.1)**	**–**	**(7.1)**	**(4.9)**	**–**	**(4.9)**
NET OPERATING RESULT	**781.8**	**55.1**	**836.9**	**1,977.8**	**45.1**	**2,023.0**
Result from non-consolidated companies	1.7	0.1	1.8	–	(0.1)	(0.1)
Financial income	*278.3*	*1.2*	*279.5*	*171.0*	*0.0*	*171.0*
Financial expenses	*(670.0)*	*(59.8)*	*(729.8)*	*(502.6)*	*(37.9)*	*(540.5)*
Net financing costs	(391.7)	(58.7)	(450.4)	(331.6)	(37.9)	(369.5)
Fair value adjustment of net share settled bonds convertible into new and/or existing shares (ORNANE)	(7.6)	–	(7.6)	28.9	0.0	28.9
Fair value adjustments of derivatives, debt and currency effect	(343.5)	3.1	(340.3)	(318.0)	1.0	(317.0)
Debt discounting	(0.7)	–	(0.7)	(0.7)	0.0	(0.7)
RESULT BEFORE TAX	**40.1**	**(0.3)**	**39.8**	**1,356.5**	**8.2**	**1,364.6**
Income tax expenses	1,065.4	0.4	1,065.7	(113.6)	(8.2)	(121.8)
NET RESULT FOR THE PERIOD	**1,105.5**	**0.0**	**1,105.5**	**1,242.8**	**0.0**	**1,242.8**
Net result for the period attributable to:						
• The holders of the Stapled Shares	1,103.3	0.0	1,103.3	1,031.1	0.0	1,031.1
• External non-controlling interests	2.2	–	2.2	211.7	–	211.7
NET RESULT FOR THE PERIOD	**1,105.5**	**0.0**	**1,105.5**	**1,242.8**	**0.0**	**1,242.8**

4.2.2 CONSOLIDATED STATEMENT OF FINANCIAL POSITION ON A PROPORTIONATE BASIS

Consolidated statement of financial position (€Mn)	31 Dec 2019 IFRS	Proportionate	31 Dec 2019 Proportionate	31 Dec 2018 IFRS[(1)]	Proportionate	31 Dec 2018 Proportionate[(1)]
NON CURRENT ASSETS	**61,106.6**	**2,344.8**	**63,451.4**	**62,818.5**	**2,294.5**	**65,113.0**
Investment properties	**45,733.2**	**11,491.5**	**57,224.7**	**47,626.7**	**11,410.4**	**59,037.1**
Investment properties at fair value	*44,589.9*	*11,412.5*	*56,002.4*	*46,068.8*	*11,312.2*	*57,381.1*
Investment properties at cost	*1,143.3*	*79.0*	*1,222.3*	*1,557.8*	*98.2*	*1,656.0*
Shares and investments in companies accounted for using the equity method	10,194.6	(9,246.6)	948.0	10,273.3	(9,216.3)	1,057.0
Other tangible assets	344.5	1.0	345.5	292.2	2.0	294.2
Goodwill	2,878.4	90.5	2,968.9	2,863.1	90.5	2,953.6
Intangible assets	984.4	–	984.4	1,130.2	(0.0)	1,130.2
Investments in financial assets	343.5	8.4	351.9	302.9	8.0	310.9
Deferred tax assets	28.4	–	28.4	26.9	(0.0)	26.9
Derivatives at fair value	599.6	–	599.6	303.2	–	303.2
CURRENT ASSETS	**3,896.5**	**270.6**	**4,167.1**	**1,708.7**	**217.4**	**1,926.1**
Properties or shares held for sale	2,147.6	–	2,147.6	66.2	–	66.2
Inventories	91.2	11.9	103.1	95.2	1.9	97.1
Trade receivables from activity	513.0	96.7	609.7	550.6	70.6	621.2
Tax receivables	303.6	2.7	306.3	285.7	4.0	289.7
Other receivables	352.4	53.8	406.2	341.1	47.5	388.6
Cash and cash equivalents	488.8	105.5	594.3	369.9	93.3	463.2
TOTAL ASSETS	**65,003.2**	**2,615.4**	**67,618.6**	**64,527.2**	**2,511.9**	**67,039.1**
Equity attributable to the holders of the Stapled Shares	**25,950.8**	**–**	**25,950.8**	**26,176.1**	**–**	**26,176.1**
Share capital	691.9	–	691.9	691.4	–	691.4
Additional paid-in capital	13,478.2	–	13,478.2	13,471.0	–	13,471.0
Consolidated reserves	10,671.4	–	10,671.4	11,175.0	–	11,175.0
Hedging and foreign currency translation reserves	6.1	–	6.1	(192.4)	–	(192.4)
Consolidated result	1,103.3	–	1,103.3	1,031.1	–	1,031.1
• ***Equity attributable to Unibail-Rodamco-Westfield S.E. members***	***24,334.4***	**–**	***24,334.4***	***24,594.8***	**–**	***24,594.8***
• ***Equity attributable to WFD Unibail-Rodamco N.V. members***	***1,616.4***	**–**	***1,616.4***	***1,581.3***	**–**	***1,581.3***
Hybrid securities	1,988.8	–	1,988.8	1,989.0	–	1,989.0
External non-controlling interests	3,912.9	–	3,912.9	3,976.4	–	3,976.4
TOTAL SHAREHOLDERS' EQUITY	**31,852.5**	**–**	**31,852.5**	**32,141.5**	**–**	**32,141.5**
NON CURRENT LIABILITIES	**28,291.0**	**2,375.6**	**30,666.6**	**26,371.3**	**1,928.5**	**28,299.9**
Non current commitment to external non-controlling interests	172.2	3.3	175.5	178.4	2.1	180.5
Net share settled bonds convertible into new and/or existing shares (ORNANE)	602.1	–	602.1	491.8	–	491.8
Non current bonds and borrowings	22,931.6	2,227.9	25,159.5	20,655.3	1,791.2	22,446.5
Non current lease liabilities	806.7	9.3	816.0	384.0	9.1	393.1
Derivatives at fair value	1,025.0	–	1,025.0	450.7	0.0	450.7
Deferred tax liabilities	2,276.0	116.6	2,392.6	3,669.5	108.7	3,778.1
Non current provisions	110.3	0.3	110.6	128.7	0.3	129.0
Guarantee deposits	218.0	18.0	236.0	231.2	17.1	248.3
Amounts due on investments	149.1	0.2	149.3	181.8	0.0	181.8
CURRENT LIABILITIES	**4,859.7**	**239.8**	**5,099.5**	**6,014.4**	**583.4**	**6,597.7**

(1) December 31, 2018 was restated as follows:
- reclassification of Los Angeles Airport (LAX) and Chicago Airport from Intangible assets to Investment properties at fair value;
- reclassification from Deferred tax liabilities to Non current provisions and Other current liabilities, as a consequence of the application of IFRIC 23.

5.

Consolidated statement of financial position (€Mn)	31 Dec 2019 IFRS	Proportionate	31 Dec 2019 Proportionate	31 Dec 2018 IFRS(1)	Proportionate	31 Dec 2018 Proportionate(1)
Liabilities directly associated with properties or shares classified as held for sale	110.7	–	110.7	–	–	–
Current commitment to external non-controlling interests	1.0	–	1.0	1.5	–	1.5
Amounts due to suppliers and other creditors	**1,349.4**	**151.7**	**1,501.1**	**1,401.5**	**122.8**	**1,524.3**
Amounts due to suppliers	*230.5*	*43.1*	*273.6*	*207.4*	*27.6*	*235.0*
Amounts due on investments	*633.5*	*34.4*	*667.9*	*624.7*	*31.7*	*656.4*
Sundry creditors	*485.3*	*74.2*	*559.5*	*569.4*	*63.5*	*632.9*
Other current liabilities	729.8	23.8	753.6	650.9	26.7	677.6
Current borrowings and amounts due to credit institutions	2,557.4	62.6	2,620.0	3,850.7	432.1	4,282.8
Current lease liabilities	41.4	–	41.4	2.6	0.0	2.6
Derivatives at fair value	30.1	–	30.1	77.0	–	77.0
Current provisions	39.9	1.7	41.6	30.2	1.7	31.9
TOTAL LIABILITIES AND EQUITY	**65,003.2**	**2,615.4**	**67,618.6**	**64,527.2**	**2,511.9**	**67,039.1**

(1) December 31, 2018 was restated as follows:
- reclassification of Los Angeles Airport (LAX) and Chicago Airport from Intangible assets to Investment properties at fair value;
- reclassification from Deferred tax liabilities to Non current provisions and Other current liabilities, as a consequence of the application of IFRIC 23.

4.3 NET RECURRING RESULT DEFINITION

The income statement by segment is split between recurring and non-recurring activities. The non-recurring result before tax consists of the valuation movements on investment properties, fair value adjustments on derivatives and debts, termination costs of financial instruments on the full cancelled commitment period when the maturity of the financial instrument is beyond the current reporting period, bond tender premiums, currency gains/losses on revaluation of balance sheet items, the net result on disposals, impairment of goodwill or recognition of negative goodwill, as well as costs directly related to a business combination and other non-recurring items.

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

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

4.4 NET RESULT BY SEGMENT ON A PROPORTIONATE BASIS

Net result by segment on a proportionate basis (€Mn)		2019 Recurring activities	2019 Non-recurring activities[(2)]	2019 Result	2018 restated[(1)] Recurring activities	2018 restated[(1)] Non-recurring activities[(2)]	2018 restated[(1)] Result
SHOPPING CENTRES							
FRANCE	Gross rental income	714.3	–	714.3	699.3	–	699.3
	Operating expenses and net service charges	(50.9)	–	(50.9)	(52.1)	–	(52.1)
	Net rental income	**663.4**	**–**	**663.4**	**647.2**	**–**	**647.2**
	Contribution of companies accounted for using the equity method	–	–	–	–	–	–
	Gains/losses on sales of properties	–	1.8	1.8	–	3.1	3.1
	Valuation movements on assets	–	(277.0)	(277.0)	–	(24.3)	(24.3)
	Result from operations Shopping Centres France	**663.4**	**(275.2)**	**388.2**	**647.2**	**(21.1)**	**626.1**
UNITED STATES	Gross rental income	957.7	–	957.7	544.2	–	544.2
	Operating expenses and net service charges	(304.9)	–	(304.9)	(193.1)	–	(193.1)
	Net rental income	**652.8**	**–**	**652.8**	**351.1**	**–**	**351.1**
	Contribution of companies accounted for using the equity method	9.0	(36.5)	(27.5)	7.1	(15.4)	(8.3)
	Gains/losses on sales of properties	–	0.8	0.8	–	(0.2)	(0.2)
	Valuation movements on assets	–	(417.4)	(417.4)	–	(153.4)	(153.4)
	Result from operations Shopping Centres United States	**661.8**	**(453.1)**	**208.7**	**358.2**	**(169.0)**	**189.2**
CENTRAL EUROPE	Gross rental income	224.5	–	224.5	216.9	–	216.9
	Operating expenses and net service charges	(1.5)	–	(1.5)	(5.3)	–	(5.3)
	Net rental income	**223.0**	**–**	**223.0**	**211.6**	**–**	**211.6**
	Contribution of companies accounted for using the equity method	39.1	23.2	62.3	46.6	27.5	74.1
	Gains/losses on sales of properties	–	(1.2)	(1.2)	–	(0.2)	(0.2)
	Valuation movements on assets	–	111.6	111.6	–	149.9	149.9
	Result from operations Shopping Centres Central Europe	**262.2**	**133.6**	**395.7**	**258.3**	**177.2**	**435.4**
SPAIN	Gross rental income	169.5	–	169.5	174.7	–	174.7
	Operating expenses and net service charges	(12.7)	–	(12.7)	(19.2)	–	(19.2)
	Net rental income	**156.8**	**–**	**156.8**	**155.5**	**–**	**155.5**
	Contribution of companies accounted for using the equity method	–	–	–	–	–	–
	Gains/losses on sales of properties	–	(0.2)	(0.2)	–	24.5	24.5
	Valuation movements on assets	–	46.1	46.1	–	124.1	124.1
	Result from operations Shopping Centres Spain	**156.8**	**45.9**	**202.7**	**155.5**	**148.6**	**304.1**
UNITED KINGDOM	Gross rental income	211.4	–	211.4	127.7	–	127.7
	Operating expenses and net service charges	(54.1)	–	(54.1)	(28.3)	–	(28.3)
	Net rental income	**157.3**	**–**	**157.3**	**99.4**	**–**	**99.4**
	Contribution of companies accounted for using the equity method	–	–	–	–	–	–
	Gains/losses on sales of properties	–	–	–	–	(0.0)	(0.0)
	Valuation movements on assets	–	(611.7)	(611.7)	–	(99.6)	(99.6)
	Result from operations Shopping Centres United Kingdom	**157.3**	**(611.7)**	**(454.4)**	**99.4**	**(99.7)**	**(0.3)**
NORDICS	Gross rental income	136.3	–	136.3	151.6	–	151.6
	Operating expenses and net service charges	(13.6)	–	(13.6)	(10.1)	–	(10.1)
	Net rental income	**122.7**	**–**	**122.7**	**141.5**	**–**	**141.5**
	Contribution of companies accounted for using the equity method	–	–	–	–	–	–
	Gains/losses on sales of properties	–	19.5	19.5	–	0.5	0.5
	Valuation movements on assets	–	24.7	24.7	–	28.9	28.9
	Result from operations Shopping Centres Nordics	**122.7**	**44.2**	**166.9**	**141.5**	**29.4**	**170.9**

(1) 2018 figures were restated as follows: hotel assets were transferred from the Convention & Exhibition segment to the Offices & Others segment and one asset was reclassified from the Shopping Centres segment to the Convention & Exhibition segment.
(2) Non-recurring activities include valuation movements, disposals, mark-to-market and termination costs of financial instruments, bond tender premiums, impairment of goodwill or recognition of negative goodwill, amortisation of fair value of assets and liabilities recorded for the purpose of purchase price allocation, as well as costs directly incurred during a business combination and other non-recurring items.

Net result by segment on a proportionate basis (€Mn)		2019 Recurring activities	2019 Non-recurring activities(2)	2019 Result	2018 restated(1) Recurring activities	2018 restated(1) Non-recurring activities(2)	2018 restated(1) Result
SHOPPING CENTRES							
AUSTRIA	Gross rental income	116.7	–	116.7	111.8	–	111.8
	Operating expenses and net service charges	(5.3)	–	(5.3)	(4.3)	–	(4.3)
	Net rental income	**111.4**	**–**	**111.4**	**107.6**	**–**	**107.6**
	Contribution of companies accounted for using the equity method	–	–	–	–	–	–
	Gains/losses on sales of properties	–	0.1	0.1	–	–	–
	Valuation movements on assets	–	(116.5)	(116.5)	–	39.8	39.8
	Result from operations Shopping Centres Austria	**111.4**	**(116.5)**	**(5.1)**	**107.6**	**39.8**	**147.4**
GERMANY	Gross rental income	154.6	–	154.6	149.8	–	149.8
	Operating expenses and net service charges	(11.1)	–	(11.1)	(10.2)	–	(10.2)
	Net rental income	**143.5**	**–**	**143.5**	**139.6**	**–**	**139.6**
	Contribution of companies accounted for using the equity method	2.7	(7.0)	(4.2)	1.0	(1.9)	(0.9)
	Gains/losses on sales of properties	–	(0.2)	(0.2)	–	(0.3)	(0.3)
	Valuation movements on assets	–	(179.0)	(179.0)	–	(23.8)	(23.8)
	Result from operations Shopping Centres Germany	**146.2**	**(186.1)**	**(40.0)**	**140.6**	**(26.1)**	**114.5**
THE NETHER-LANDS	Gross rental income	71.0	–	71.0	70.4	–	70.4
	Operating expenses and net service charges	(8.6)	–	(8.6)	(11.5)	–	(11.5)
	Net rental income	**62.4**	**–**	**62.4**	**59.0**	**–**	**59.0**
	Contribution of companies accounted for using the equity method	–	–	–	–	–	–
	Gains/losses on sales of properties	–	1.4	1.4	–	(0.7)	(0.7)
	Valuation movements on assets	–	(89.6)	(89.6)	–	(80.8)	(80.8)
	Result from operations Shopping Centres The Netherlands	**62.4**	**(88.2)**	**(25.8)**	**59.0**	**(81.5)**	**(22.5)**
TOTAL RESULT FROM OPERATIONS SHOPPING CENTRES		**2,344.0**	**(1,507.1)**	**837.0**	**1,967.1**	**(2.4)**	**1,964.7**
OFFICES & OTHERS							
FRANCE	Gross rental income	78.1	–	78.1	132.2	–	132.2
	Operating expenses and net service charges	(6.0)	–	(6.0)	(8.5)	–	(8.5)
	Net rental income	**72.0**	**–**	**72.0**	**123.8**	**–**	**123.8**
	Contribution of companies accounted for using the equity method	–	–	–	–	–	–
	Gains/losses on sales of properties	–	46.5	46.5	–	56.6	56.6
	Valuation movements on assets	–	184.2	184.2	–	205.6	205.6
	Result from operations Offices France	**72.0**	**230.7**	**302.8**	**123.8**	**262.3**	**386.0**
OTHER COUNTRIES	Gross rental income	40.8	–	40.8	31.8	–	31.8
	Operating expenses and net service charges	(10.0)	–	(10.0)	(6.8)	–	(6.8)
	Net rental income	**30.8**	**–**	**30.8**	**25.0**	**–**	**25.0**
	Contribution of companies accounted for using the equity method	0.0	–	0.0	–	–	–
	Gains/losses on sales of properties	–	0.9	0.9	–	(0.2)	(0.2)
	Valuation movements on assets	–	39.0	39.0	–	(51.7)	(51.7)
	Result from operations Offices other countries	**30.8**	**39.8**	**70.7**	**25.0**	**(51.9)**	**(26.9)**
TOTAL RESULT FROM OPERATIONS OFFICES		**102.9**	**270.6**	**373.4**	**148.7**	**210.4**	**359.1**

(1) 2018 figures were restated as follows: hotel assets were transferred from the Convention & Exhibition segment to the Offices & Others segment and one asset was reclassified from the Shopping Centres segment to the Convention & Exhibition segment.
(2) Non-recurring activities include valuation movements, disposals, mark-to-market and termination costs of financial instruments, bond tender premiums, impairment of goodwill or recognition of negative goodwill, amortisation of fair value of assets and liabilities recorded for the purpose of purchase price allocation, as well as costs directly incurred during a business combination and other non-recurring items.

Net result by segment on a proportionate basis (€Mn)		2019 Recurring activities	2019 Non-recurring activities[2]	2019 Result	2018 restated[1] Recurring activities	2018 restated[1] Non-recurring activities[2]	2018 restated[1] Result
CONVENTION & EXHIBITION							
FRANCE	Gross rental income	208.5	–	208.5	209.2	–	209.2
	Operating expenses and net service charges	(113.4)	–	(113.4)	(109.3)	–	(109.3)
	Net rental income	**95.1**	–	**95.1**	**99.9**	–	**99.9**
	On site property services net income	**61.7**	**–**	**61.7**	**64.9**	**–**	**64.9**
	Valuation movements, depreciation, capital gains	(15.4)	(180.6)	(196.0)	(13.1)	(76.5)	(89.7)
	Impairment of goodwill	–	(7.1)	(7.1)	–	(4.9)	(4.9)
TOTAL RESULT FROM OPERATIONS C & E		**141.5**	**(187.7)**	**(46.2)**	**151.6**	**(81.4)**	**70.2**
Net property development and project management income		41.3	(141.4)	(100.1)	37.0	(32.3)	4.7
Other property services net income		52.0	(7.9)	44.1	52.1	(13.2)	38.9
Administrative expenses		(202.3)	–	(202.3)	(143.8)	–	(143.8)
Development expenses		(17.4)	–	(17.4)	(2.1)	–	(2.1)
Acquisition and related costs		–	(51.5)	(51.5)	–	(268.7)	(268.7)
NET OPERATING RESULT		**2,461.9**	**(1,625.0)**	**836.9**	**2,210.6**	**(187.6)**	**2,023.0**
Result from non consolidated companies		1.8	–	1.8	(0.1)	–	(0.1)
Financing result		(450.4)	(348.6)	(799.0)	(369.5)	(288.8)	(658.3)
RESULT BEFORE TAX		**2,013.4**	**(1,973.6)**	**39.8**	**1,841.0**	**(476.4)**	**1,364.6**
Income tax expenses		(50.8)	1,116.5	1,065.7	(27.9)	(93.9)	(121.8)
NET RESULT FOR THE PERIOD		**1,962.6**	**(857.1)**	**1,105.5**	**1,813.1**	**(570.2)**	**1,242.8**
External non-controlling interests		(202.9)	200.7	(2.2)	(203.4)	(8.4)	(211.7)
NET RESULT FOR THE PERIOD ATTRIBUTABLE TO THE HOLDERS OF THE STAPLED SHARES		**1,759.7**	**(656.4)**	**1,103.3**	**1,609.8**	**(578.6)**	**1,031.1**

(1) 2018 figures were restated as follows: hotel assets were transferred from the Convention & Exhibition segment to the Offices & Others segment and one asset was reclassified from the Shopping Centres segment to the Convention & Exhibition segment.
(2) Non-recurring activities include valuation movements, disposals, mark-to-market and termination costs of financial instruments, bond tender premiums, impairment of goodwill or recognition of negative goodwill, amortisation of fair value of assets and liabilities recorded for the purpose of purchase price allocation, as well as costs directly incurred during a business combination and other non-recurring items.

5.

4.4.1 GROSS RENTAL INCOME

REVENUE RECOGNITION

ACCOUNTING TREATMENT OF INVESTMENT PROPERTY LEASES

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

In case of an Investment Property Under Construction (IPUC), revenues are recognised once spaces are delivered to tenants.

RENTS AND KEY MONEY

Gross rental income consists of rents and similar income (e.g. occupancy compensation, key money, parking revenues) invoiced for Shopping Centres and Offices & Others properties over the period.

Under IFRS 16, the effects of rent-free periods, step rents, other rents incentives and key monies are spread over the fixed term of the lease.

Gross rental income from the Convention & Exhibition segment includes turnover generated by the rental of exhibition space and the provision of unavoidable associated support services to this space.

GROSS RENTAL INCOME BY SEGMENTS ON A PROPORTIONATE BASIS

(€Mn excluding taxes)	2019	2018[1]
Shopping Centres	**2,755.9**	**2,246.4**
France	714.3	699.3
United States	957.7	544.2
Central Europe	224.5	216.9
Spain	169.5	174.7
United Kingdom	211.4	127.7
Nordics	136.3	151.6
Austria	116.7	111.8
Germany	154.6	149.8
The Netherlands	71.0	70.4
Offices & Others	**118.9**	**164.0**
France	78.1	132.2
Other countries	40.8	31.8
Convention & Exhibition	**208.5**	**209.2**
Total	**3,083.4**	**2,619.6**

(1) 2018 figures have been restated as follows: hotel assets were transferred from the Convention & Exhibition segment to the Offices & Others segment and one asset was reclassified from the Shopping Centres segment to the Convention & Exhibition segment.

MINIMUM GUARANTEED RENTS UNDER LEASES ON A PROPORTIONATE BASIS

As at December 31, 2019, minimum future rents due under leases until the next possible termination date break down as follows:

Minimum future rents per year (€Mn)

Year	Shopping Centres	Offices & Others	Total
2020	2,073.9	97.8	2,171.7
2021	1,734.1	93.0	1,827.1
2022	1,378.7	85.4	1,464.1
2023	1,034.5	69.9	1,104.4
2024	843.6	66.1	909.7
2025	677.1	51.0	728.1
2026	560.7	47.0	607.7
2027	477.3	44.2	521.5
2028	346.8	40.4	387.2
2029	229.7	29.0	258.7
2030	151.7	27.2	178.9
Beyond	183.6	26.8	210.4
Total	**9,691.7**	**677.8**	**10,369.5**

4.4.2 OPERATING EXPENSES AND NET SERVICE CHARGES

The operating expenses and net service charges are composed of ground rents paid, net service charge expenses and property operating expenses.

GROUND RENTS PAID

GROUND LEASEHOLDS

Ground leaseholds are accounted for in accordance with IFRS 16 as described in note 5.1.1 "Investment properties – Accounting principles".

Buildings constructed on land under a lease agreement are recognised in accordance with the accounting principles described in note 5.1.1 "Investment properties – Accounting principles".

Ground rents correspond to variable lease payments (or straight-lining of initial payments) for properties built on land subject to leasehold or operated under an operating contract (concession). This item mainly applies to the convention & exhibition venue of Le Bourget in Paris and to some shopping centres, in particular in France.

SERVICE CHARGE INCOME AND SERVICE CHARGE EXPENSES

According to IFRS 15, the Group presented separately service charge income and service charge expenses. Comparative figures have been restated accordingly.

The net of charges re-invoiced to tenants relates mainly to vacant premises.

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, and expenses related to venue sites of the Convention & Exhibition segment.

4.4.3 NET PROPERTY SERVICES AND OTHER ACTIVITIES INCOME

REVENUE RECOGNITION

The net property services and other activities income consists of on-site property services, airport activities and other property services net income.

Based on the analysis of existing contracts, the current recognition of revenues complies with IFRS 15.

Convention & Exhibition's contracts consist of occupancy agreements or short-term lease including provision of premises and services. Both provision of premises and services form an indivisible whole and should be combined into a single contract (and single performance obligation) for the purposes of IFRS 15 revenue recognition. Revenues are recognised over the length of premises lease according to the pro rata temporis method.

Other property services net income is recognised when the services are provided.

Revenues from other activities mainly cover:

- fees for property management and maintenance services provided to Offices & Others and Shopping Centres. These fees are invoiced by property service companies for their property management activities on behalf of owners outside the Group;
- fees invoiced for leasing activity and consulting services. These fees are capitalised by the company owning the asset after elimination of the internal margins generated;
- fees for property services received by companies in the Convention & Exhibition segment.

Other expenses comprise charges relating to property services, general costs and depreciation charges for related fixed assets.

(€Mn)	2019	2018
Net other income	**98.4**	**103.8**
Convention & Exhibition	46.3	51.7
Other property services	52.0	52.1

4.4.4 NET PROPERTY DEVELOPMENT AND PROJECT MANAGEMENT INCOME

REVENUE RECOGNITION

Property development and project management income relates to Development, Design and Construction (DD&C) business which provides three types of services: provision of design, development and ultimately construction of a property project.

Based on the analysis of existing contracts, DD&C services are not distinct as the customer cannot benefit from each service on its own or together with other resources readily available to the customer, because the services are bundled to generate a single commercial outcome. As such, the Group takes the view that the three types of contracts should be combined into a single contract (and single performance obligation) for the purposes of IFRS 15 revenue recognition.

Revenues from DD&C business consist of fixed price contracts. URW has elected to use the input method of calculating revenue over time, which in this case is costs incurred.

Expenses comprise construction costs and related project management costs.

4.4.5 ADMINISTRATIVE EXPENSES

This item comprises personnel costs, head office and Group administrative expenses, expenses relating to development projects and not capitalised and depreciation charges and rents relating mainly to URW's headquarters in Paris and in the regions.

4.4.6 ACQUISITION AND RELATED COSTS

In 2019, acquisition and related costs amounted to -€51.5 Mn (-€268.7 Mn in 2018) mainly due to the integration costs of Westfield, including the rebranding of ten shopping centres in Continental Europe, consulting, IT system integration, severance costs and the shutdown of the Sydney office.

In 2018, this item comprises mainly the acquisition costs related to the Westfield Corporation acquisition.

4.5 OTHER INFORMATION BY SEGMENT ON A PROPORTIONATE BASIS

4.5.1 RECONCILIATION BETWEEN THE RESULTS BY SEGMENT AND THE INCOME STATEMENT OF THE PERIOD ON A PROPORTIONATE BASIS

FOR 2019

(€Mn)	Net rental income	Net property development and project management income, net property services and other activities income	Contribution of companies accounted for using the equity method	Administrative expenses	Result on disposal of investment properties and shares	Valuation movements on assets	Acquisition and related costs	Impairment of goodwill	Total
Shopping Centres									
France	663.4	–	–	–	1.8	(277.0)	–	–	388.2
United States	652.8	–	(27.5)	–	0.8	(417.4)	–	–	208.7
Central Europe	223.0	–	62.3	–	(1.2)	111.6	–	–	395.7
Spain	156.8	–	–	–	(0.2)	46.1	–	–	202.7
United Kingdom	157.3	–	–	–	–	(611.7)	–	–	(454.4)
Nordics	122.7	–	–	–	19.5	24.7	–	–	166.9
Austria	111.4	–	–	–	0.1	(116.5)	–	–	(5.1)
Germany	143.5	–	(4.2)	–	(0.2)	(179.0)	–	–	(40.0)
The Netherlands	62.4	–	–	–	1.4	(89.6)	–	–	(25.8)
Total Shopping Centres	**2,293.2**	**–**	**30.5**	**–**	**22.0**	**(1,508.8)**	**–**	**–**	**837.0**
Offices & Others									
France	72.0	–	–	–	46.5	184.2	–	–	302.8
Others	30.8	–	0.0	–	0.9	39.0	–	–	70.7
Total Offices & Others	**102.9**	**–**	**0.0**	**–**	**47.4**	**223.2**	**–**	**–**	**373.4**
C. & E.[1]									
France	95.1	46.3	–	–	–	(180.6)	–	(7.1)	(46.2)
Total C. & E	**95.1**	**46.3**	**–**	**–**	**–**	**(180.6)**	**–**	**(7.1)**	**(46.2)**
Not allocated	**–**	**93.4**	**–**	**(219.8)**	**–**	**(149.4)**	**(51.5)**	**–**	**(327.3)**
TOTAL 2019	**2,491.2**	**139.7**	**30.5**	**(219.8)**	**69.4**	**(1,615.6)**	**(51.5)**	**(7.1)**	**836.9**

(1) Convention & Exhibition segment.

5.

FOR 2018(2)

(€Mn)	Net rental income	Net property development and project management income, net property services and other activities income	Contribution of companies accounted for using the equity method	Administrative expenses	Result on disposal of investment properties and shares	Valuation movements on assets	Acquisition and related costs	Impairment of goodwill	**Total**
Shopping Centres									
France	647.2	–	–	–	3.1	(24.3)	–	–	626.1
United States	351.1	–	(8.3)	–	(0.2)	(153.4)	–	–	189.2
Central Europe	211.6	–	74.1	–	(0.2)	149.9	–	–	435.4
Spain	155.5	–	–	–	24.5	124.1	–	–	304.1
United Kingdom	99.4	–	–	–	(0.0)	(99.6)	–	–	(0.3)
Nordics	141.5	–	–	–	0.5	28.9	–	–	170.9
Austria	107.6	–	–	–	–	39.8	–	–	147.4
Germany	139.6	–	(0.9)	–	(0.3)	(23.8)	–	–	114.5
The Netherlands	59.0	–	–	–	(0.7)	(80.8)	–	–	(22.5)
Total Shopping Centres	**1,912.4**	**–**	**64.9**	**–**	**26.6**	**(39.3)**	**–**	**–**	**1,964.7**
Offices & Others									
France	123.8	–	–	–	56.6	205.6	–	–	386.0
Others	25.0	–	–	–	(0.2)	(51.7)	–	–	(26.9)
Total Offices & Others	**148.8**	**–**	**–**	**–**	**56.4**	**153.9**	**–**	**–**	**359.1**
C. & E.(1)									
France	99.8	51.7	–	–	(0.0)	(76.5)	–	(4.9)	70.2
Total C. & E	**99.8**	**51.7**	**–**	**–**	**(0.0)**	**(76.5)**	**–**	**(4.9)**	**70.2**
Not allocated	**–**	**89.1**	**0.0**	**(145.9)**	**–**	**(45.5)**	**(268.7)**	**–**	**(371.0)**
TOTAL 2018	**2,161.0**	**140.8**	**64.9**	**(145.9)**	**83.1**	**(7.4)**	**(268.7)**	**(4.9)**	**2,023.0**

(1) Convention & Exhibition segment.
(2) 2018 figures have been restated as follows: hotel assets were transferred from the Convention & Exhibition segment to the Offices & Others segment and one asset was reclassified from the Shopping Centres segment to the Convention & Exhibition segment.

4.5.2 STATEMENT OF FINANCIAL POSITION BY SEGMENT ON A PROPORTIONATE BASIS

FOR 2019

(€Mn)	Investment properties	Goodwill	Shares and investments in companies under the equity method	Other non current assets	Properties or shares held for sale	Other current assets	Total Assets	Total Liabilities excluding shareholders' equity
Shopping Centres								
France	13,452.9	731.7	–	3.9	2,062.3	250.6	16,501.5	582.9
United States	14,558.4	852.6	203.2	439.1	–	282.4	16,335.8	914.1
Central Europe	4,599.0	255.7	711.0	22.8	–	23.5	5,612.0	715.5
Spain	3,743.1	103.8	–	37.4	–	31.6	3,915.8	270.2
United Kingdom & Italy	4,105.5	454.0	–	253.9	–	187.3	5,000.7	389.7
Nordics	3,124.8	132.6	–	0.6	–	33.8	3,291.8	532.0
Austria	2,433.9	72.9	–	0.6	–	17.8	2,525.2	529.5
Germany	3,363.2	347.1	33.9	52.5	–	114.0	3,910.7	436.2
The Netherlands	1,589.3	–	–	0.0	–	27.0	1,616.3	63.3
Total Shopping Centres	**50,970.0**	**2,950.4**	**948.0**	**810.9**	**2,062.3**	**968.1**	**58,709.7**	**4,433.5**
Offices & Others								
France	2,378.0	–	–	154.7[2]	24.6	69.3	2,626.6	73.9
Others	1,234.6	–	–	0.0	60.7	52.8	1,348.1	72.0
Total Offices & Others	**3,612.6**	**–**	**–**	**154.7**	**85.3**	**122.1**	**3,974.7**	**146.0**
C. & E.[1]								
France	2,642.2	8.2	–	241.8[3]	–	131.3	3,023.5	243.3
Total C. & E	**2,642.2**	**8.2**	**–**	**241.8[3]**	**–**	**131.3**	**3,023.5**	**243.3**
Not allocated	**–**	**10.2**	**–**	**1,102.4[4]**	**–**	**798.1[5]**	**1,910.7**	**30,943.3**
Total Dec. 31, 2019	**57,224.7**	**2,968.9**	**948.0**	**2,309.8**	**2,147.6**	**2,019.5**	**67,618.6**	**35,766.1**

(1) Convention & Exhibition segment.
(2) Corresponds mainly to the operating asset of the Group's headquarters.
(3) Relates mainly to tangible and intangible assets.
(4) Refers mainly to the derivatives and intangible assets.
(5) Includes mainly cash and cash equivalents.

5.

FOR 2018[1]

(€Mn)	Investment properties[2]	Goodwill	Shares and investments in companies under the equity method	Other non current assets[2]	Properties or shares held for sale	Other current assets	Total Assets	Total Liabilities excluding shareholders' equity
Shopping Centres								
France	15,449.6	731.7	(0.0)	7.5	16.5	288.4	16,493.7	726.2
United States	14,056.2	836.5	229.4	535.3	–	210.3	15,867.7	2,275.9
Central Europe	4,417.8	255.7	791.6	20.3	–	27.3	5,512.8	678.9
Spain	3,621.3	103.8	–	27.2	–	30.2	3,782.5	321.0
United Kingdom & Italy	4,443.7	431.8	–	231.9	–	177.2	5,284.5	413.1
Nordics	3,333.7	148.5	–	1.0	–	33.4	3,516.6	557.6
Austria	2,489.3	72.9	–	0.9	–	13.1	2,576.2	517.8
Germany	3,336.6	347.1	36.0	33.2	–	101.4	3,854.3	403.8
The Netherlands	1,550.3	–	–	0.0	–	19.2	1,569.5	80.5
Total Shopping Centres	**52,698.3**	**2,928.0**	**1,057.0**	**857.2**	**16.5**	**900.5**	**58,457.7**	**5,975.0**
Offices & Others								
France	2,455.3	–	–	156.3[4]	–	136.4	2,748.0	102.9
Others	1,122.2	–	–	–	49.7	35.4	1,207.3	34.3
Total Offices & Others	**3,577.5**	**–**	**–**	**156.3**	**49.7**	**171.8**	**3,955.3**	**137.3**
C. & E.[3]								
France	2,761.2	15.3	–	244.5[5]	–	127.8	3,148.8	240.5
Total C. & E	**2,761.2**	**15.3**	**–**	**244.5[5]**	**–**	**127.8**	**3,148.8**	**240.5**
Not allocated	**–**	**10.3**	**–**	**807.3[6]**	**–**	**659.7[7]**	**1,477.3**	**28,544.9**
Total Dec. 31, 2018	**59,037.1**	**2,953.6**	**1,057.0**	**2,065.4**	**66.2**	**1,859.9**	**67,039.1**	**34,897.6**

(1) 2018 figures have been restated as follows: hotel assets were transferred from the Convention & Exhibition segment to the Offices & Others segment and one asset was reclassified from the Shopping Centres segment to the Convention & Exhibition segment.
(2) December 31, 2018, has been restated as follows: reclassification of Los Angeles Airport (LAX) and Chicago Airport from Intangible assets to Investment properties at fair value. Moreover, the WFD trademark is considered as a corporate assets and thus has been reclassified from "Shopping Centres" to "Not allocated".
(3) Convention & Exhibition segment.
(4) Corresponds mainly to the operating asset of the Group's headquarters.
(5) Relates mainly to tangible and intangible assets.
(6) Refers mainly to the derivatives and intangible assets.
(7) Includes mainly cash and cash equivalents.

4.5.3 INVESTMENTS BY SEGMENT ON A PROPORTIONATE BASIS

(€Mn)	2019 Investments in investment properties at fair value	2019 Investments in investment properties at cost[2]	2019 Total investments	2018 Investments in investment properties at fair value[3]	2018 Investments in investment properties at cost[2]	2018 Total investments
Shopping Centres						
France	315.8	116.0	431.8	300.3	190.1	490.5
United States	240.0	15.9	255.9	142.3	9.0	151.3
Central Europe	18.8	5.3	24.1	25.5	2.8	28.3
Spain	28.8	46.1	74.8	218.2	15.5	233.7
United Kingdom & Italy	77.1	3.7	80.8	75.1	2.9	78.1
Nordics	36.9	2.2	39.0	41.4	–	41.4
Austria	42.8	–	42.8	39.0	–	39.0
Germany	27.6	78.9	106.5	30.3	38.8	69.1
The Netherlands	92.6	36.0	128.5	34.8	72.1	106.9
Total Shopping Centres	**880.3**	**304.0**	**1,184.3**	**906.9**	**331.4**	**1,238.3**
Offices & Others						
France	192.4	27.3	219.6	136.4	33.5	169.9
Others	63.5	81.7	145.2	107.5	39.7	147.2
Total Offices & Others	**255.9**	**108.9**	**364.8**	**243.9**	**73.1**	**317.0**
C. & E.[1]						
France	161.6	–	161.6	103.1	4.0	107.1
Total C. & E	**161.6**	**–**	**161.6**	**103.1**	**4.0**	**107.1**
TOTAL	**1,297.8**	**412.9**	**1,710.8**	**1,254.0**	**408.5**	**1,662.4**

(1) Convention & Exhibition segment.
(2) Before transfer between category of investment property.
(3) 2018 figures have been restated as follows: hotel assets were transferred from the Convention & Exhibition segment to the Offices & Others segment and one asset was reclassified from the Shopping Centres segment to the Convention & Exhibition segment.

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NOTE 5. INVESTMENT PROPERTIES, TANGIBLE AND INTANGIBLE ASSETS, GOODWILL

5.1 INVESTMENT PROPERTIES

5.1.1 ACCOUNTING PRINCIPLES

INVESTMENT PROPERTIES (IAS 40 & IFRS 13)

Under the accounting treatment recommended by IAS 40, investment properties are shown at their market value. According to IFRS 13, the fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). Expectations about future improvements or modifications to be made to the property interest to reflect its highest and best use have to be considered in the appraisal, such as the renovation of or an extension to the property interest.

URW complies with the IFRS 13 fair value measurement rule and the position paper[1] on IFRS 13 established by EPRA, the representative body of the publicly listed real estate industry in Europe.

Transaction costs incurred for an asset deal are capitalised in the value of the investment property. Capitalised expenses include capital expenditures, evictions costs, capitalised financial interests, letting fees and other internal costs related to development projects.

In accordance with IFRS 16 and IAS 40, the right-of-use assets arising from leased property which meet the definition of an investment property are measured at fair value.

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

According to the Group, a development project is eligible for a fair value measurement once all three of the following criteria are fulfilled:

- all administrative authorisations needed to complete the project are obtained;
- the construction has started and costs are committed toward the contractor; and
- substantial uncertainty in future rental income has been eliminated.

If the time to delivery is less than one year, the project is accounted for at fair value.

For properties measured at fair value, the market value adopted by URW 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. The gross value is reduced by disposal costs and transfer taxes[2], depending on the country and on the tax situation of the property, in order to arrive at a net market value.

For the Shopping Centres and Offices & Others portfolios, the independent appraisers — determine the fair market value based on the results of two methods: the discounted cash flow methodology as well as the yield methodology. Furthermore, the resulting valuations are cross-checked against the initial yield, value per sqm and the fair market values established through actual market transactions.

Appraisers have been given access to all information relevant for valuations, such as the Group's confidential rent rolls, including information on vacancy, break options, expiry dates and lease incentives, performance indicators (e.g., footfall and sales where available), letting evidence and the Group's cash flow forecasts from annually updated detailed asset business plans. Appraisers make their independent assessments of current and forward looking cash flow profiles and usually reflect risk either in the cash flow forecasts (e.g. future rental levels, growth, investment requirements, void periods and incentives), in the applied required returns or discount rates and in the yield applied to capitalise the exit rent to determine an exit value.

The sites of the Convention & Exhibition portfolio are qualified as Investment property.

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

The income statement for a given year (Y) records the change in value for each property, which is determined as follows:
market value Y – [market value Y-1 + amount of works and other costs capitalised in year Y].

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

Properties under construction carried at cost are subject to impairment tests, determined on the basis of the estimated recoverable value of the project. The recoverable value of a project is assessed by the Development & Investment teams through the expected delivery date, expected development costs, and considering a market exit capitalisation rate and the expected net rents. When the estimated recoverable value is lower than net book value, an impairment provision is booked.

Properties held for sale are identified separately in the statement of financial position.

(1) EPRA position paper on IFRS 13 – Fair value measurement and illustrative disclosures, February 2013.
(2) 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.

5.1.2 INVESTMENT PROPERTIES AT FAIR VALUE: IFRS BASIS

(€Mn)	Dec. 31, 2019	Dec. 31, 2018[(1)]
Shopping Centres	**38,971.4**	**40,142.2**
France	12,991.9	14,692.3
United States	6,437.1	6,019.7
Central Europe	4,413.5	4,243.4
Spain	3,562.4	3,486.7
United Kingdom & Italy	2,407.8	2,562.8
Nordics	3,114.6	3,333.7
Austria	2,433.9	2,489.3
Germany	2,021.0	2,111.9
The Netherlands	1,589.3	1,202.4
Offices & Others	**2,977.3**	**3,295.1**
France	2,255.3	2,530.0
Other countries	722.1	765.1
Convention & Exhibition	**2,641.2**	**2,631.5**
TOTAL	**44,589.9**	**46,068.8**

(1) December 31, 2018, has been restated as follows:
- hotel assets were transferred from the Convention & Exhibition segment to the Offices & Others segment and one asset was reclassified from the Shopping Centres segment to the Convention & Exhibition segment;
- reclassification of Los Angeles Airport (LAX) and Chicago Airport from Intangible assets to Investment properties at fair value.

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(€Mn)	Shopping Centres	Offices & Others	Convention & Exhibition	Total investment properties	Properties held for sale	Total
Dec. 31, 2017[1]	**31,129.1**	**3,433.3**	**2,619.1**	**37,181.5**	**–**	**37,181.5**
Acquisitions	184.8	32.1	0.2	217.1	–	217.1
Entry into scope of consolidation	8,430.5	372.3	–	8,802.8	–	8,802.8
Capitalised expenses	573.5	189.7	102.6	865.8	–	865.8
Disposals/exits from the scope of consolidation	(422.3)	(1,146.7)	(0.0)	(1,569.0)	–	(1,569.0)
Reclassification and transfer of category	68.0	265.7	11.0	344.6	16.5	361.2
Discounting impact	4.2	1.0	–	5.2	–	5.2
Valuation movements	31.4	158.4	(101.4)	88.4	–	88.4
Currency translation	(21.6)	(10.7)	–	(32.3)	–	(32.3)
Reclassification of Los Angeles (LAX) and Chicago Airports	164.6	–	–	164.6	–	164.6
Dec. 31, 2018[1]	**40,142.2**	**3,295.1**	**2,631.5**	**46,068.8**	**16.5**	**46,085.3**
Right-of-use assets	462.6	–	10.8	473.4	–	473.4
Acquisitions	(5.4)	3.3	–	(2.1)	–	(2.1)
Capitalised expenses[2]	679.5	226.7	161.4	1,067.6	–	1,067.6
Disposals/exits from the scope of consolidation	(253.8)	(798.4)	–	(1,052.2)	–	(1,052.2)
Reclassification and transfer of category[3]	(1,382.2)	63.6	(0.1)	(1,318.7)	2,050.1	731.4
Discounting impact	4.2	–	–	4.2	–	4.2
Valuation movements	(870.7)	170.9	(162.3)	(862.1)	–	(862.1)
Currency translation	194.9	16.2	–	211.1	–	211.1
Dec. 31, 2019	**38,971.4**	**2,977.3**	**2,641.2**	**44,589.9**	**2,066.6**	**46,656.5**

(1) December 31, 2017, and December 31, 2018, have been restated as follows:
- hotel assets were transferred from the Convention & Exhibition segment to the Offices & Others segment and one asset was reclassified from the Shopping Centres segment to the Convention & Exhibition segment;
- reclassification of Los Angeles Airport (LAX) and Chicago Airport from Intangible assets to Investment properties at fair value.

(2) Capitalised expenses mainly include:
- Shopping Centres in France and the Netherlands;
- Offices in France;
- Convention & Exhibition sites such as Parc des Expositions de la Porte de Versailles.

(3) Includes the transfer from IPUC at cost to investment property under construction at fair value, mainly Westfield Mall of the Netherlands, La Part-Dieu extension project, Gaîté office project and Les Ateliers Gaîté retail project and the reclassification into Properties held for sale for -€2,050.1 Mn mainly related to the transaction regarding five French shopping centres described in notes 1.3 "Assets held for sale" and 14 "Subsequent events".

VALUATION ASSUMPTIONS AND SENSITIVITY

Considering the limited public data available, the complexity of real estate asset valuations, as well as the fact that appraisers use in their valuations the non-public rent rolls of the Group's assets, URW believes it is appropriate to classify its assets under Level 3 as per IFRS 13. In addition, unobservable inputs, including appraisers' assumption on growth rates and exit capitalisation rates, are used by appraisers to determine the fair value of URW's assets.

As at December 31, 2019, 98% of URW's portfolio was appraised by independent appraisers.

The outstanding balances of deferred lease incentives and key monies amortised over the firm term of the lease, which corrected the appraisal value, represented -€69.1 Mn (-€100.2 Mn as at December 31, 2018).

The following tables provide a number of quantitative elements used by the appraisers to assess the fair valuation of the Group's assets.

SHOPPING CENTRES

All shopping centres are valued using the discounted cash flow and/or yield methodologies.

Shopping Centres – Dec. 31, 2019		Net Initial Yield	Rent in € per sqm[a]	Discount Rate[b]	Exit Capitalisation Rate[c]	CAGR of NRI[d]
France	Max	7.7%	851	8.5%	7.5%	12.9%
	Min	2.0%	163	5.3%	3.6%	2.0%
	Weighted average	4.2%	527	5.8%	4.1%	3.7%
Central Europe	Max	6.8%	611	8.4%	7.8%	2.9%
	Min	4.4%	138	6.3%	4.7%	2.2%
	Weighted average	4.9%	393	6.8%	5.0%	2.5%
Spain	Max	8.0%	572	9.2%	6.8%	3.4%
	Min	4.1%	133	6.8%	4.3%	1.1%
	Weighted average	4.4%	355	7.0%	4.5%	3.1%
Nordics	Max	5.3%	449	8.3%	5.2%	3.8%
	Min	3.7%	187	6.1%	3.9%	2.5%
	Weighted average	4.1%	375	6.5%	4.1%	3.4%
Germany	Max	7.3%	473	8.0%	6.9%	3.8%
	Min	3.9%	161	5.9%	3.9%	2.3%
	Weighted average	4.6%	304	6.2%	4.5%	2.8%
Austria	Max	4.5%	407	6.1%	4.2%	2.8%
	Min	4.2%	362	6.1%	4.2%	2.3%
	Weighted average	4.4%	383	6.1%	4.2%	2.5%
The Netherlands	Max	7.2%	371	7.9%	7.1%	3.9%
	Min	4.2%	154	5.9%	4.3%	2.6%
	Weighted average	4.9%	252	6.6%	5.2%	3.2%
US	Max	11.0%	2,380	12.0%	10.5%	16.0%
	Min	3.1%	107	5.5%	4.3%	0.5%
	Weighted average	4.1%	584	6.3%	5.1%	4.1%
UK & Italy	Max	4.6%	703	6.1%	4.9%	3.6%
	Min	4.1%	661	6.1%	4.7%	2.3%
	Weighted average	4.3%	680	6.1%	4.9%	3.0%

Net Initial Yield, Discount Rate and Exit Capitalisation Rate weighted by Gross Market Value (GMV). Vacant assets, assets considered at bid value and assets under restructuring are not included in Min and Max calculation. Assets under development or not controlled, the trademark and the airport activities are not included in this table. Assets fully consolidated and in joint-control are included.

(a) Average annual rent (Minimum Guaranteed Rent + Sales Based Rent) per asset per sqm.
(b) Rate used to calculate the net present value of future cash flows.
(c) Rate used to capitalise the exit rent to determine the exit value of an asset.
(d) Compound Annual Growth Rate of Net Rental Income determined by the appraiser (between six and ten years depending on duration of DCF model used).

For the US, the split between Flagship and Regional shopping centres is as follows:

Shopping Centres – Dec. 31, 2019		Net Initial Yield	Rent in € per sqm[a]	Discount Rate[b]	Exit Capitalisation Rate[c]	CAGR of NRI[d]
US Flagships	Max	5.1%	2,380	7.0%	6.0%	5.5%
	Min	3.1%	415	5.5%	4.3%	2.8%
	Weighted average	3.8%	808	6.0%	4.8%	4.2%
US Regionals	Max	11.0%	494	12.0%	10.5%	16.0%
	Min	4.1%	107	6.5%	5.8%	0.5%
	Weighted average	6.0%	305	8.1%	6.9%	3.6%

Net Initial Yield, Discount Rate and Exit Capitalisation Rate weighted by GMV. Vacant assets, assets considered at bid value and assets under restructuring are not included in Min and Max calculation. Assets under development or not controlled, the trademark and the airport activities are not included in this table. Assets fully consolidated and in joint-control are included.

(a) Average annual rent (Minimum Guaranteed Rent + Sales Based Rent) per asset per sqm.
(b) Rate used to calculate the net present value of future cash flows.
(c) Rate used to capitalise the exit rent to determine the exit value of an asset.
(d) Compound Annual Growth Rate of Net Rental Income determined by the appraiser (ten years).

Based on an asset value excluding estimated transfer taxes and transaction costs, the Shopping Centres division's net initial yield (NIY) is stable at 4.3% as at December 31, 2019, compared to December 31, 2018.

A change of +25 basis points in NIY, the main output of the appraisal models, would result in a downward adjustment of -€2,871 Mn (or -5.5%) of URW's Shopping Centres portfolio value (excluding assets under development, the trademark and the airport activities).

OFFICES & OTHERS

Appraisers value the Group's offices using the discounted cash flow and yield methodologies.

Offices & Others – Dec. 31, 2019		Net Initial Yield on occupied space	Rent in € per sqm[a]	Discount Rate[b]	Exit Capitalisation Rate[c]	CAGR of NRI[d]
France	Max	9.6%	511	8.5%	8.0%	12.5%
	Min	4.6%	106	5.7%	3.8%	(0.2%)
	Weighted average	5.1%	400	5.9%	4.5%	2.8%
Nordics	Max	9.7%	227	9.4%	7.8%	3.1%
	Min	6.2%	175	7.0%	5.2%	2.3%
	Weighted average	7.6%	196	8.0%	6.4%	2.6%
Other countries	Max	12.2%	182	8.8%	8.9%	24.1%
	Min	4.6%	40	5.5%	3.8%	0.5%
	Weighted average	6.5%	129	7.4%	5.9%	3.4%
US	Max	8.9%	689	9.3%	8.5%	6.4%
	Min	4.5%	280	6.9%	5.9%	2.9%
	Weighted average	6.5%	446	7.5%	6.3%	5.2%

Net Initial Yield, Discount Rate and Exit Capitalisation Rate weighted by GMV. Vacant assets and assets under restructuring are not included in Min and Max calculation. Assets under development are not included in this table, as well as the United Kingdom asset. Assets fully consolidated and in joint-control are included.

(a) Average annual rent (Minimum Guaranteed Rent) per asset per sqm. The computation takes into account the areas allocated to company restaurants.
(b) Rate used to calculate the net present value of future cash flows.
(c) Rate used to capitalise the exit rent to determine the exit value of an asset.
(d) Compound Annual Growth Rate of Net Rental Income determined by the appraiser (between three and ten years, depending on duration of DCF model used).

For occupied offices and based on an asset value excluding estimated transfer taxes and transaction costs, the Offices & Others division's NIY decreased by -27 basis points to 5.5% as at December 31, 2019.

A change of +25 basis points in NIY, the main output of the appraisal models, would result in a downward adjustment of -€118 Mn (-4.9%) of URW's Offices & Others portfolio value (occupied and vacant spaces, excluding assets under development).

CONVENTION & EXHIBITION

Based on these valuations, the average EBITDA yield (recurring earnings before interest, tax, depreciation and amortisation divided by the value of assets, excluding estimated transfer taxes and transaction costs) of Viparis consolidated venues is stable at 5.3% as at December 31, 2019, compared to December 31, 2018.

A change of +25 basis points in the weighted average cost of capital (WACC) as determined at December 31, 2019, would result in a downward adjustment of -€111.7 Mn (-4.7%) of the Convention & Exhibition portfolio value.

5.1.3 INVESTMENT PROPERTIES UNDER CONSTRUCTION AT COST

(€Mn)	Dec. 31, 2019	Dec. 31, 2018
Shopping Centres	**755.6**	**1,199.1**
France	262.8	441.2
United States	18.7	16.6
Central Europe	39.9	34.9
Spain	179.7	134.1
United Kingdom & Italy	21.7	62.7
Nordics	10.2	–
Austria	–	–
Germany	222.7	161.8
The Netherlands	–	347.9
Offices & Others	**387.8**	**358.7**
France	122.7	166.7
Other countries	265.1	192.0
Convention & Exhibition	**–**	**–**
TOTAL	**1,143.3**	**1,557.8**

As at December 31, 2019, assets under construction valued at cost are notably:

- shopping centres extension and renovation projects such as Garbera extension;
- shopping centres development such as Altamar;
- office developments such as Sisters in La Défense;
- mixed-used projects such as Westfield Hamburg.

Assets still stated at cost were subject to impairment tests as at December 31, 2019. Allowances were booked for a total amount of €72.8 Mn.

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(€Mn)	Gross value	Impairment	Total investment properties at cost	Properties held for sale	Total
Dec. 31, 2017	**1,433.6**	**(90.9)**	**1,342.8**	**–**	**1,342.8**
Acquisitions	30.8	–	30.8	–	30.8
Entry into scope of consolidation	309.2	–	309.2	–	309.2
Capitalised expenses	368.4	–	368.4	–	368.4
Disposals/exits from the scope of consolidation	(61.1)	3.0	(58.1)	–	(58.1)
Reclassification and transfer of category	(417.5)	–	(417.5)	49.7	(367.8)
Impairment/reversal	–	(17.6)	(17.6)	–	(17.6)
Currency translation	(0.2)	–	(0.2)	–	(0.2)
Dec. 31, 2018	**1,663.3**	**(105.5)**	**1,557.8**	**49.7**	**1,607.5**
Acquisitions	1.9	–	1.9	–	1.9
Capitalised expenses(1)	395.9	–	395.9	–	395.9
Disposals/exits from the scope of consolidation	(1.6)	–	(1.6)	–	(1.6)
Reclassification and transfer of category(2)	(742.5)	–	(742.5)	11.8	(730.7)
Impairment/reversal	–	(72.8)	(72.8)	–	(72.8)
Currency translation	5.1	(0.4)	4.7	–	4.7
Dec. 31, 2019	**1,322.1**	**(178.7)**	**1,143.3**	**61.5**	**1,204.8**

(1) Capitalised expenses mainly refer to investments in Westfield Hamburg development project as well as Westfield Mall of The Netherlands and La Part-Dieu extension project.
(2) Includes the reclassification into the category of the properties held for sale (-€11.8 Mn) and the transfer to investment property under construction at fair value, mainly Westfield Mall of the Netherlands, La Part-Dieu extension project, Gaîté office project and Les Ateliers Gaîté retail project.

5.2 TANGIBLE ASSETS

5.2.1 ACCOUNTING PRINCIPLES

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

The property owned and occupied by the Group, located at 7, Place Adenauer, Paris 16th, is classified in "Tangible assets".

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

5.2.2 CHANGES IN TANGIBLE ASSETS

Net value (€Mn)	Operating assets[1]	Furniture and equipment	Right-of-use assets	Total
Dec. 31, 2017	**148.0**	**68.2**	**–**	**216.3**
Acquisitions and capitalised expenses	0.6	36.0	–	36.6
Entry into scope of consolidation	–	63.1	–	63.1
Reclassification	–	6.6	–	6.6
Disposals/exits from the scope of consolidation	–	(2.1)	–	(2.1)
Depreciation	(1.9)	(24.9)	–	(26.8)
Impairment/reversal	–	(1.3)	–	(1.3)
Currency translation	–	(0.1)	–	(0.1)
Dec. 31, 2018	**146.7**	**145.6**	**–**	**292.2**
Right-of-use assets	–	–	74.1	74.1
Acquisitions and capitalised expenses	–	53.5	–	53.5
Reclassification	–	(29.5)	–	(29.5)
Disposals/exits from the scope of consolidation	–	(0.4)	–	(0.4)
Depreciation	(2.0)	(47.0)	–	(49.0)
Impairment/reversal[2]	–	0.9	–	0.9
Currency translation	–	2.7	–	2.7
Dec. 31, 2019	**144.7**	**125.8**	**74.1**	**344.5**

(1) Related to the headquarters of the Group located at 7 Place Adenauer (Paris).
(2) Impairment/reversal on Viparis assets according to the external appraisals.

5.

5.3 INTANGIBLE ASSETS

5.3.1 ACCOUNTING PRINCIPLES

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 value in use. It is assessed on the basis of the present value of expected future cash flows from the continued use of the asset and its terminal value. Impairment tests are carried out by grouping assets together into cash-generating units. In the case of reduction in value, a corresponding impairment charge is recognised in the income statement.

The intangible assets arise from:

- The Property Management (PM) business in the United States and the UK;
- The Development, Design & Construction (DD&C) business in the United States and the UK;
- The Airport activities in the US;
- The WFD trademark;
- Rights and exhibitions: mainly Viparis entities;
- Other intangible assets.

Intangible assets for PM, DD&C and Airport relate to the value of the customer contracts identified for these activities at the date of acquisition of WFD. They correspond to contracts with shopping centres held through joint-ventures in accordance with IAS 28 and to contracts with airport operators and/or local authorities. Customer contracts have been separately analysed for Flagship and Regional centres as they present different features.

The incremental value of the WFD trademark corresponds to the portion of the trademark value that is not captured in the shopping centre values.

Intangible assets are valued by independent external appraisers using the Discounted Cash Flow methodology. If the appraisal value of an intangible asset is lower than net book value, an impairment is booked.

The useful life of the PM contracts with Flagship centres are considered indefinite since the PM contracts have no termination date and URW shall remain the sole property manager as long as it is the co-owner of the shopping centres. The useful life of the WFD trademark is also considered indefinite but tested for impairment. As a consequence, these assets are not amortised but tested for impairment.

Other assets are amortised over their remaining useful life:

- PM contracts with Regionals: three years;
- DD&C contracts: between one to three years;
- Airport activities: between 11 to 25 years.

5.3.2 CHANGES IN INTANGIBLE ASSETS

Net value (€Mn)	PM / DD&C / Airport	Trademark	Rights and exhibitions	Other intangible assets	Total
Dec. 31, 2017	**–**	**–**	**163.8**	**8.3**	**172.2**
Acquisitions	–		–	2.7	2.7
Changes in the scope of consolidation	700.8	421.5	–	–	1,122.2
Amortisation	(43.1)	–	(4.4)	(2.9)	(50.4)
Impairment/reversal	–	–	38.3	–	38.3
Currency translation	5.5	4.3	–	–	9.9
Other movement	–	–	–	(0.2)	(0.2)
Reclassification of Los Angeles (LAX) and Chicago Airports	(164.6)	–	–	–	(164.6)
Dec. 31, 2018[(1)]	**498.7**	**425.8**	**197.7**	**8.0**	**1,130.2**
Amortisation	(110.3)	–	(2.0)	(1.5)	(113.8)
Impairment/reversal[(2)]	(39.0)	–	(19.1)	1.7	(56.4)
Currency translation	16.6	–	–	–	16.6
Reclassification	11.3	–	(11.3)	7.8	7.8
Dec. 31, 2019	**377.3**	**425.8**	**165.3**	**16.0**	**984.4**

(1) December 31, 2018, has been restated as Los Angeles Airport (LAX) and Chicago Airport have been reclassified from Intangible assets to Investment properties at fair value.
(2) Impairments relate mainly to the United States DD&C contracts and to the Convention & Exhibition's intangible assets according to the external appraisals.

One of the main assumptions used to value the PM, DD&C, Airport business and Trademark is the discount rate which stands between 7.0% and 11.0%.

A change of +25 basis points in the discount rate of PM, DD&C and Airport business' intangible assets as determined at December 31, 2019, would result in an impairment of -€8.5 Mn.

A change of -10 basis points in the long-term growth rate of PM, DD&C and Airport business' intangible assets as determined at December 31, 2019, would not lead to any impairment of the intangible assets.

A change of +25 basis points in the discount rate of the Trademark as determined at December 31, 2019, would not lead to any impairment of the intangible assets.

A change of -10 basis points in the long-term growth rate of the Trademark as determined at December 31, 2019, would not lead to any impairment of the intangible assets.

A change of +25 basis points in the WACC of Viparis intangible assets as determined at December 31, 2019, would result in a negative adjustment of -€27.5 Mn (-5.6%) on the appraisal value of the intangible assets. It would lead to an impairment of intangible assets for an amount of -€8.0 Mn.

5.4 GOODWILL

5.4.1 ACCOUNTING PRINCIPLES

The accounting rules for business combinations comply with IFRS 3 (revised).

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

IFRS 3 (revised) stipulates a maximum period of 12 months from the acquisition date for the accounting of the acquisition to be finalised: adjustments to values applied must be related to facts and circumstances existing at the acquisition date. Therefore, beyond this 12-month period, any earn-out adjustment must be recognised in income for the fiscal year unless the additional consideration is an equity instrument.

Where a business is acquired in stages, the previous investment is remeasured at fair value at the date if and when the control is transferred. Any difference between fair value and net book value of this investment is recognised in income.

Any change in the Group's interest in an entity that results in a loss of control is recognised as a gain/loss on disposal and the remaining interest is remeasured at fair value with the change being recognised in income.

A transaction that does not affect control (additional acquisition or disposal) is accounted for as an equity transaction between the Group share and the non-controlling interest share without an impact on profit or loss and/or a goodwill adjustment.

GOODWILL SUBSEQUENT MEASUREMENT AND IMPAIRMENT

Goodwill is carried at cost less any accumulated impairment losses. In compliance with IAS 36, the Group performs impairment testing to determine if there is any indication of impairment, at least once a year. For the purposes of this test, assets are grouped into Cash Generating Units (CGUs).

CGUs are standardised groups of assets whose continued use generates cash inflows that are largely separate from those generated by other asset groups.

An impairment loss must be recognised whenever the recoverable value of the goodwill is less than its carrying amount. Impairment losses relating to the value of goodwill cannot be reversed.

GOODWILL RELATING TO OPTIMISED VALUE OF DEFERRED TAXES

Goodwill may arise on acquiring an asset via a share deal, where the Group inherits the fiscal basis of the assets. It is measured by the difference between the deferred taxes accounted for in the balance sheet according to IAS 12, and the effective taxes to be paid in case of a share deal. Therefore, in this case the impairment test consists in a comparison between the accounting value of the goodwill and the potential tax optimisation existing at the date of reporting.

GOODWILL RELATING TO FEE BUSINESS

This goodwill relates to the following activities: Property Management, Airport and Development, Design and Construction (DD&C).

Impairment tests are performed annually or when an impairment indicator is identified and are based on valuations performed by independent external appraisers, using the Discounted Cash Flow (DCF) method.

The values attributable to the PM and DD&C businesses were allocated to the United States (US) and the United Kingdom (UK) and the value of the Airport activities was allocated to the US, based on independent external valuation.

GOODWILL RELATING TO SYNERGIES AND WORKFORCE

Goodwill relating to the Westfield Corporation acquisition has been allocated per geographical segment as it is the lowest level within the Group at which goodwill is monitored.

The allocation per geographical segment was performed based on the cost and revenue synergies expected to be generated as a result of the business combination.

The expected cost and revenue synergies were allocated to the US, the UK, France Retail, Spain, Central Europe and the Nordics.

The amount related to the value of the workforce acquired was allocated to the United States and the UK.

IMPAIRMENT TESTS

Since the geographical segments are the lowest level within the URW company at which goodwill is monitored, for internal management purposes, the impairment test is performed at geographical segment level and, as a result, in accordance with IAS 36 for a group of CGUs.

The geographical segments to which goodwill has been allocated are tested for impairment by comparing the net asset value of the geographical segment (as presented in the note 4.5.2 "Statement of financial position by segment on a proportionate basis") with the recoverable value which is determined as the higher of the fair value less cost of disposal and its value in use.

The Recoverable value is determined on Value in use based on the Discounted Cash Flow derived from the five-year Business Plan ("5YBP") approved by the Management Board and the Supervisory Board.

The Group performs comprehensive impairment tests of the goodwill allocated to each geographical segment at the end of December, based on:
- The detailed five-year BP per geographical segment, including detailed profit & loss statements, proposed capital expenditure and disposals;
- The discount rates per geographical segment based on a calculation of the WACC per region;
- An allocation of the Group's corporate administrative expenses to the geographical segments, as a percentage of their respective NRI;
- A discounted cash-flow calculation for each geographical segment on a ten-year basis, consistent with the method applied by the Group's appraisers, and a discounted terminal value, to which a Long-Term Growth Rate (LTGR) is applied.

A comparison has been performed for each geographical segment, between:
- The Value in use of the geographical segment at the end of December, as determined above;
- The Net Asset value of the geographical segment at the end of December, based on the segment reporting disclosed in the note 4.5.2 "Statement of financial position by segment on a proportionate basis".

GOODWILL RELATING TO THE ABILITY TO GENERATE DEVELOPMENT PROJECTS

This goodwill relates to URW Germany business.

Impairment tests performed on this goodwill are based on an independent external appraisal, performed once a year as at December 31, or when there is an indication of impairment, and using the Discounted Cash Flow (DCF) method.

5.4.2 CHANGES IN GOODWILL

As at December 31, 2019, the goodwill breaks down as follows:

Net Value (€Mn)	Dec. 31, 2018	Change in scope[1]	Impairment	Currency translation	Dec. 31, 2019
Optimised value of deferred taxes	255.7	(14.7)	–	–	241.0
Fee business	824.2	–	(7.1)	22.0	839.1
Synergies, workforce and ability to generate development projects	1,783.2	–	–	15.1	1,798.3
Total URW	**2,863.1**	**(14.7)**	**(7.1)**	**37.1**	**2,878.4**

(1) Disposal of Jumbo shopping centre.

Goodwill relating to WFD has been allocated per geographical segment.

The allocation between different groups of CGUs of URW was made as follows:
- The expected cost and revenue synergies were allocated to the US, the UK, France Retail, Spain, Central Europe and the Nordics;
- The values attributable to the Property Management (PM) and Development, Design & Construction (DD&C) businesses were allocated to the United States (US) and the United Kingdom (UK) and the value of the Airport activities was allocated to the US, based on the external appraiser valuation;
- The amount related to the value of the workforce acquired was allocated to the United States and the UK.

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Goodwill related to WFD amounts to €2,382.7 Mn as at Dec. 31, 2019, and the allocation per geographical segment breaks down as follows:

(€Mn)	France Retail	Central Europe	Spain	Nordics	United States	United Kingdom	Total
Goodwill Dec. 31, 2018	728.8	145.2	103.8	99.6	836.5	431.8	2,345.7
Currency translation	–	–	–	(1.2)	16.1	22.2	37.1
Goodwill Dec. 31, 2019	**728.8**	**145.2**	**103.8**	**98.3**	**852.6**	**454.0**	**2,382.7**

The main assumptions for calculating the enterprise value are the weighted average costs of capital (WACC) and long-term growth rates (LTGR) displayed in the table below.

	France Retail	Central Europe	Spain	Nordics	United States	United Kingdom
Dec. 31, 2018						
WACC before tax in %	*5.50%*	*6.50%*	*6.60%*	*6.10%*	*6.10%*	*5.60%*
Long-Term Growth Rate in %	*1.70%*	*2.40%*	*2.30%*	*2.30%*	*2.20%*	*2.20%*
Dec. 31, 2019						
WACC before tax in %	*5.70%*	*6.50%*	*6.60%*	*6.20%*	*6.20%*	*5.75%*
Long-Term Growth Rate in %	*1.50%*	*2.40%*	*2.30%*	*2.10%*	*2.20%*	*1.90%*

The value in use calculated for each geographical segment was then compared to the net asset value of each geographical segment, including the intangible assets and goodwill allocated as at December 31, 2019. Impairment tests performed have not led to impairment losses being recognised on a geographical segment basis.

An increase in the WACC, a decrease in the LTGR or a decrease in the compound annual growth rate (CAGR) of Net Rental Income as determined at December 31, 2019, would not necessarily result in a value in use lower than the net asset value as the net asset value includes investment properties which are carried at fair value. These changes would reduce the fair value of those properties and ultimately the net asset value.

Therefore, the impact of such changes should be viewed on a combined basis on the value in use and the net asset value to appreciate the net effect on the financial statements. A change of +25 basis points in the WACC as determined at December 31, 2019, without any change in the LTGR and in the CAGR would not lead to any impairment of goodwill.

A change of −10 basis points in the LTGR as determined at December 31, 2019, without any change in the WACC and in the CAGR would not lead to any impairment of goodwill.

A change of −50 basis points in the CAGR of Net Rental Income as determined at December 31, 2019, without any change in the WACC and in the LTGR would not lead to any impairment of goodwill.

5.5 VALUATION MOVEMENTS ON ASSETS

This item reflects changes in market valuation of investment properties, impairment and reversal on tangible and intangible assets

(€Mn)	2019	2018[1]
Investment properties at fair value	**(862.1)**	**88.4**
Shopping Centres	*(870.7)*	*31.4*
Offices & Others	*170.9*	*158.4*
Convention & Exhibition	*(162.3)*	*(101.4)*
Investment properties at cost	**(72.8)**	**(17.6)**
Tangible and intangible assets	**(167.5)**	**(8.5)**
Total	**(1,102.4)**	**62.2**

(1) 2018 figures have been restated as follows: hotel assets were transferred from the Convention & Exhibition segment to the Offices & Others segment and one asset was reclassified from the Shopping Centres segment to the Convention & Exhibition segment.

5.6 AMOUNTS PAID FOR WORKS AND ACQUISITION/ DISPOSAL OF PROPERTY ASSETS (CONSOLIDATED STATEMENT OF CASH FLOWS)

In 2019, amounts paid for works and acquisition of property assets amount to €1,525.4 Mn. They comprise acquisitions, transaction capitalised costs, works and capitalised expenses and are adjusted for the changes on amounts due on investments of the period.

In 2019, the net proceeds from disposal of assets amounts to €957.2 Mn, mainly from offices €940.1 Mn and from shopping centres €17.1 Mn.

In 2019, the net proceeds from disposal of shares/consolidated subsidiaries amounts to €291.2 Mn and mainly includes the disposal of the Group's 34% stake in Jumbo shopping centre in Helsinki, Finland, as well as the disposal of its 66.67% stake in Ring-Center shopping centre in Berlin, Germany.

NOTE 6. SHARES AND INVESTMENTS IN COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

6.1 ACCOUNTING PRINCIPLES

The accounting principles are detailed in note 3.1.1 "Scope and methods of consolidation".

Following WFD's acquisition, the Group has significant co-ownership interest in a number of properties, mainly in the United States through property partnerships or trusts. These joint ventures are accounted for using the equity method. The Group and its joint ventures use consistent accounting policies.

6.2 CHANGES IN SHARES AND INVESTMENTS IN COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

(€Mn)	Dec. 31, 2019	Dec. 31, 2018
Shares in Shopping Centres and Convention & Exhibition companies	9,462.7	9,478.0
Loans granted to Shopping Centres and Convention & Exhibition companies	731.9	795.3
Total shares and investments in companies accounted for using the equity method	**10,194.6**	**10,273.3**

6.3 SHARE OF THE RESULT OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD AND INCOME ON FINANCIAL ASSETS

The contribution of affiliates breaks down as follows:

	2019			2018		
(€Mn)	Recurring activities	Non-recurring activities(1)	Result	Recurring activities	Non-recurring activities(1)	Result
Income from stake in Shopping Centres and Convention & Exhibition companies	455.6	(533.6)	(77.9)	299.1	(65.2)	233.9
Total share of income from companies accounted for using the equity method	**455.6**	**(533.6)**	**(77.9)**	**299.1**	**(65.2)**	**233.9**
Interests on the loans granted to Shopping Centres companies	32.2	-	32.2	32.1	-	32.1
Total interests on loans granted to companies accounted for using the equity method	**32.2**	**-**	**32.2**	**32.1**	**-**	**32.1**

(1) Correspond mainly to the fair value adjustment and related deferred tax on the underlying investment properties.

5.

6.4 JOINT VENTURES

According to IFRS 11, joint ventures are those entities in which the Group has joint control established by contractual agreement and rights to the net assets of the arrangement.

6.4.1 DESCRIPTION OF THE MAIN JOINT VENTURES ACCOUNTED FOR USING THE EQUITY METHOD

The main jointly controlled assets accounted for using the equity method are the following:

Name of investment	Geographical area	% Interest as at Dec. 31, 2019
Westfield Stratford City	United Kingdom	50.0%
Metropole Zlicin	Central Europe	50.0%
Westfield Rosny 2	France	26.0%
CentrO	Germany	50.0%
Paunsdorf Center	Germany	25.5%
Westfield Annapolis	United States	55.0%
Westfield Culver City	United States	55.0%
Westfield Garden State Plaza	United States	50.0%
Westfield Montgomery	United States	50.0%
Westfield Santa Anita	United States	49.3%
Westfield Southcenter	United States	55.0%
Westfield Topanga	United States	55.0%
Westfield UTC	United States	50.0%
Westfield Valley Fair	United States	50.0%

The significant joint-ventures accounted for using the equity method are presented below:

WESTFIELD STRATFORD CITY (LONDON, UNITED KINGDOM)

Westfield Stratford City is a joint venture with Canneth Limited Partnership Inc.

The partnership is governed through a Business Manager, which is a company jointly owned by both partners. This Business Manager has significant powers to conduct the Business. The budget, capital expenditures, and a number of major decisions relating to the debt financing, approval of any refurbishment and development, disposals, require the approval of both partners. Therefore under IFRS 10, Westfield Stratford City is jointly controlled by both partners.

PARTNERSHIPS IN THE UNITED STATES

Per the Co-ownership and Property Management Agreements with its joint venture partners, the Group is restricted from exercising control over these interests even though the Group has more than 50% ownership interest and voting rights. Major decisions require the approval of both the Group and the joint venture partners and operating and capital budgets must be approved by the Management Committee (both owners have equal representation on this Committee). The Group therefore has joint control over the investments and they are accounted for using the equity method.

CENTRO (GERMANY)

CentrO, a leading shopping centre located in Oberhausen, is jointly held by the Group and Canada Pension Plan Investment Board (CPPIB).

The joint venture is governed by a Board of Directors with six members, three of which are designated by URW and three designated by CPPIB.

The relevant activities are the leasing, equipment, building, renovation as well as the management, servicing and maintenance of these assets.

The decision-making process for all these relevant activities requires the approval of both partners.

Therefore these companies which are joint ventures are accounted for using the equity method.

6.4.2 CONSOLIDATED FINANCIAL POSITION OF THE JOINT VENTURES

The main items of the statements of financial position and income statement of joint ventures are presented in aggregate in the tables below. These items are stated in Group share including restatements for consolidation purposes.

SHOPPING CENTRES AND CONVENTION & EXHIBITION COMPANIES

(€Mn)	Dec. 31, 2019	Dec. 31, 2018
Investment properties	11,491.5	11,410.4
Other non current assets	9.4	9.9
Current assets	270.6	217.4
Total assets	**11,771.5**	**11,637.7**
Restated shareholders' equity	8,845.6	8,808.9
Deferred tax liabilities	116.6	108.7
Internal borrowings	310.5	316.9
External borrowings(1)	2,303.1	2,234.5
Other non current liabilities	18.5	17.5
Current liabilities	177.2	151.2
Total liabilities	**11,771.5**	**11,637.7**

(1) Includes current and non current borrowings.

(€Mn)	2019	2018
Net rental income	506.0	320.7
Change in fair value of investment properties	(513.1)	(69.6)
Net result	(85.5)	195.6

5.

6.5 ASSOCIATES

Associates are those entities, not controlled by the Group, but in which it has a significant influence according to IAS 28 R.

6.5.1 DESCRIPTION OF THE MAIN ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD

The main associates are the following assets:

- Zlote Tarasy complex (Warsaw);
- Ring-Center (Berlin, sold in 2019);
- Gropius Passagen (Berlin);
- Starwood I, Starwood II and Blum (US).

ZLOTE TARASY COMPLEX

The Group is the sole limited partner in a partnership which holds 100% of a holding company (Warsaw III) which owns 100% of Zlote Tarasy complex (Warsaw). In compliance with the restrictions imposed on URW by the Polish competition authorities in connection with the acquisition by the Group of the shopping centres Arkadia and Wilenska in July 2010, the management of Warsaw III and the shopping centre and parking is not performed by the Group. Consequently, the Group does not control this asset and its investment in the Zlote Tarasy complex is accounted for using the equity method.

6.5.2 CONSOLIDATED FINANCIAL POSITION OF ASSOCIATES

The main items of the statements of financial position and income statement of associates are presented in aggregate in the tables below. These items are stated in Group share including restatements for consolidation purposes.

SHOPPING CENTRES COMPANIES

(€Mn)	Dec. 31, 2019	Dec. 31, 2018
Investment properties	1,355.6	1,409.2
Other non current assets	6.1	9.6
Current assets	57.2	104.6
Total assets	**1,418.8**	**1,523.4**
Restated shareholders' equity	526.7	578.7
Deferred tax liabilities	125.0	126.9
Internal borrowings	421.3	478.4
External borrowings	298.5	295.8
Other non current liabilities	10.0	9.3
Current liabilities	37.3	34.3
Total liabilities	**1,418.8**	**1,523.4**

(€Mn)	2019	2018
Net rental income	72.7	54.7
Change in fair value of investment properties	(9.8)	18.0
Net result	7.6	38.2

6.6 TRANSACTIONS WITH RELATED-PARTIES (JOINT VENTURES AND ASSOCIATES)

The consolidated financial statements include all companies in the Group's scope of consolidation.

The Parent Company is Unibail-Rodamco-Westfield SE.

To the Group's knowledge, there are neither shareholders' pacts nor persons or groups of persons exercising or who could exercise control over the Group.

The main related party transactions relate to transactions with companies accounted for using the equity method.

(€Mn)	Dec. 31, 2019	Dec. 31, 2018
Shopping Centres and Convention & Exhibition companies		
Loans[1]	733.0	813.5
Recognised interest	32.2	27.6
Current account in debit	5.5	4.2
Current account in credit	(22.3)	(1.2)
Asset management fees invoiced and other fees	303.5	283.2

(1) Corresponds to 100% of the financing in the shopping centres investment.

All of these transactions are based on market prices.

No transactions with related parties had a material impact on the Group's consolidated financial statements.

NOTE 7. FINANCING AND FINANCIAL INSTRUMENTS

7.1 ACCOUNTING PRINCIPLES

7.1.1 FINANCIAL INSTRUMENTS (IAS 32/ IFRS 7/IFRS 9/IFRS 13)

CLASSIFICATION AND MEASUREMENT OF NON-DERIVATIVE FINANCIAL ASSETS AND LIABILITIES

Under IFRS 9, on initial recognition, a financial asset is classified and measured at amortised cost, at Fair Value through Other Comprehensive Income (FVOCI) or Fair Value Through Profit and Loss (FVTPL). The classification of financial assets under IFRS 9 is based on the business model in which a financial asset is managed and on its contractual cash flow characteristics.

The financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interests on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets for the Group:

FINANCIAL ASSETS AT FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

FINANCIAL ASSETS AT AMORTISED COST

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, which are determined by comparing the net value of the asset to an external evaluation. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

FINANCIAL ASSETS AT FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

EQUITY INVESTMENTS AT FVOCI

These assets are subsequently measured at fair value through profit or loss except in the case of an irrevocable election to classify them at fair value through other comprehensive income that cannot be reclassified.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

FINANCIAL LIABILITIES

Interest bearing financial liabilities are initially measured at fair value, less transaction costs directly attributable to the issue, and after initial booking at amortised cost using the effective interest rate.

Being a financial debt with an embedded derivative, and based on the option provided by IFRS 9, the ORNANE convertible bond, net of write off of the issuance costs, are accounted for fully, at inception, at fair value, on a separate line in the statement of financial position, with subsequent changes recorded on a separate line in the income statement, except for the impact of the variation of the credit spread which is accounted for in OCI. The interest expenses are booked based on the contractual interest rates and are classified in the statement of comprehensive income on the line "Net financing costs".

Other non-derivative financial liabilities are recognised at FVTPL.

CLASSIFICATION AND MEASUREMENT OF FINANCIAL DERIVATIVES AND HEDGE ACCOUNTING

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

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

URW has a macro-hedging strategy for its debt. Except for some currency derivatives, it has chosen not to use the hedge accounting proposed by IFRS 9. All such derivatives are therefore measured at their market value and any fair value variations are recorded in the income statement.

Regarding the currency derivatives, they aim at hedging the investments made in countries outside the Eurozone. The majority of currency swaps and forward contracts are therefore 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 income statement, on the line "Fair value adjustments of derivative and debt and currency effect."

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 income statement.

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 the "Financing result" as these instruments are designated as hedging instruments.

HEDGING INSTRUMENTS

The Group, which holds a group of financial assets or financial liabilities, is exposed to market risks and credit risks of every single counterparty as defined in IFRS 7. The Group applies the exception provided by IFRS 13 (§ 48) which permits to measure the fair value of a group of financial assets or a group of financial liabilities on the basis of the price that would be received to sell or transfer a net position towards a particular risk in an orderly transaction between market participants at the measurement date under current market conditions.

To determine the net position, the Group takes into account existing arrangements to mitigate the credit risk exposure in the event of default (e.g. a master netting agreement with the counterparty). The fair value measurement takes into consideration the likelihood that such an arrangement would be legally enforceable in the event of default.

Valuation of derivatives takes into account the Credit Valuation Adjustment (CVA) and the Debit Valuation Adjustment (DVA).

CVA, calculated for a given counterparty, is the product of:
- the total mark-to-market the Group has with this counterparty, in case it is positive;
- the probability of default of this counterparty over the average maturity, weighted by the nominal of the derivatives booked with them. This probability of default is taken from the Bloomberg model, based on market data and derived from the Credit Default Swaps of the banks;
- and the loss given default following market standard.

DVA based on URW's credit risk corresponds to the loss that the Group's counterparties may face in case of the Group's default. It is the product of:
- the total mark-to-market the Group has with a counterparty, in case it is negative;
- the probability of default of the Group over the average maturity, weighted by the nominal of the total portfolio of derivatives. The Group's probability of default is derived from the Credit Default Swaps of URW and taken from the Bloomberg model;
- and the loss given default following market standard.

7.1.2 BORROWING COSTS GENERATED BY CONSTRUCTION PROJECTS (IAS 23)

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

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

Capitalisation of borrowing costs starts when the asset is qualified as an Investment Property Under Construction and/or as inventory and ends when the project is transferred to standing investment property at the delivery date to the tenant or earlier when the project is technically completed or when an asset is available for sale.

7.1.3 DISCOUNTING OF DEFERRED PAYMENTS

Long-term liabilities and receivables are discounted when this has a significant impact.
- Deferred payments on assets deals, share deals and acquisitions of lands have been discounted up to the payment date;
- Provisions for material liabilities taken under IAS 37 are discounted over the estimated duration of the disputes they cover;
- Guarantee deposits received from tenants have not been discounted given the negligible impact of discounting.

7.2 FINANCING RESULT

7.2.1 NET FINANCING COSTS

(€Mn)	2019	2018
Security transactions	3.6	4.1
Other financial interest	16.5	13.8
Interest income on derivatives	258.2	153.1
Subtotal financial income	**278.3**	**171.0**
Security transactions	(0.1)	(0.5)
Interest on bonds and EMTNs	(478.7)	(367.3)
Interest and expenses on borrowings	(55.1)	(60.0)
Interest on Lease liability	(46.2)	(22.2)
Interest on preferred shares	(14.5)	(7.6)
Interest on partners' advances	(24.2)	(28.7)
Other financial interest	(3.9)	(5.3)
Interest expenses on derivatives	(85.1)	(40.3)
Financial expenses before capitalisation of financial expenses	**(707.8)**	**(531.9)**
Capitalised financial expenses	37.8	29.3
Subtotal net financial expenses	**(670.0)**	**(502.6)**
Total net financial costs	**(391.7)**	**(331.6)**

Financial income and expenses from the consolidated statement of cash flows correspond to cash amounts of financial interest paid and received during the period. They do not include any non-cash items such as accrued interest and amortisation of issuance costs.

5.

7.2.2 FAIR VALUE ADJUSTMENT OF DERIVATIVES AND DEBTS

(€Mn)	2019	2018
Mark-to-market of the ORNANEs	(7.6)	28.9
Currency impact	81.8	(42.5)
Restructuring of hedges and mark-to-market of derivatives	(396.2)	(281.6)
Debt discounting and other items	(29.8)	5.4
Total non-recurring financial result	**(351.8)**	**(289.8)**

7.3 FINANCIAL ASSETS AND LIABILITIES

7.3.1 INVESTMENT IN FINANCIAL ASSETS

Change in Investments in financial assets is mainly due to equity interests in unlisted investments in the US.

7.3.2 MAIN FINANCING TRANSACTIONS IN 2019

In 2019, the Group took advantage of favourable market windows to extend its maturity profile and secure attractive funding conditions through the following transactions:

- Public EMTN bonds:
  - €750 Mn with a 1.00% coupon and eight-year maturity;
  - €750 Mn with a 1.75% coupon and 15-year maturity;
  - €500 Mn with a 1.75% coupon and 30-year maturity;
  - €750 Mn with a 0.875% coupon and 12-year maturity.
- Rule 144A USD bonds:
  - $750 Mn with a 3.50% coupon and a ten-year maturity;
  - $750 Mn with a 2.875% coupon and a seven-year maturity.
- Private placements under URW's EMTN programme: €500 Mn Floating Rate Note ("FRN") with a two-year maturity and a margin of 33 bps over three-month Euribor[1].

On July 1, 2019, the Group issued a 30-year bond for €500 Mn with a coupon of 1.75%, the longest maturity ever achieved by the Group in the Euro bond market. URW was also the first real estate company to access this maturity on this market.

In total, €4,585 Mn[2] of bonds were issued with a weighted average maturity of 11.8 years at a weighted average coupon of 1.71%.

(1) With a coupon floored at 0%.
(2) Of which Rule 144A bonds $1,500 Mn at 1.1234 EUR/USD rate.

In addition, €550 Mn of medium to long-term bank financing transactions were completed in 2019:

- Two five-year revolving credit facilities for a total of €450 Mn;
- A €50 Mn five-year bank loan in Slovakia, to refinance debt on Aupark;
- A €50 Mn one-year revolving credit facility.

The Group also refinanced part of the debt consolidated on a proportionate basis:

- A $218 Mn ten-year mortgage loan to refinance maturing debt on Westfield Southcenter; ($120 Mn (€107 Mn) in URW's proportionate debt) with a 2.88% coupon (vs. 6.25%);
- A £750 Mn secured fixed rate bond to refinance secured debt on Westfield Stratford City (£375 Mn (€441 Mn) in URW's proportionate debt) with a seven-year maturity and a 1.64% coupon (vs. 2.69%). The coupon of the new bond is the lowest ever issued for a GBP benchmark transaction in the real estate sector.

URW also accessed the money market by issuing short-term paper (Neu CP and Neu MTN). The average amount of short-term paper outstanding in 2019 was €1,061 Mn (€1,256 Mn on average in 2018), including €844 Mn of Neu CP raised at 2 bps above Eonia.

As at December 31, 2019, the total amount of undrawn credit lines came to €9,195 Mn (€8,409 Mn) and cash on-hand came to €489 Mn (€370 Mn). The undrawn credit lines include a $3,000 Mn (ca. €2,670 Mn) multi-currency revolving credit facility.

7.3.3 FINANCIAL DEBT BREAKDOWN AND OUTSTANDING DURATION TO MATURITY

	Current	Non current			
Outstanding duration to maturity (€Mn)	Less than 1 year	1 year to 5 years	More than 5 years	**Total Dec. 31, 2019**	Total Dec. 31, 2018
Net share settled bonds convertible into new and/or existing shares (ORNANE)	**–**	**602.1**	**–**	**602.1**	**991.6**
Principal debt	–	602.9	–	602.9	1,000.0
Mark-to-market of debt	–	(0.8)	–	(0.8)	(8.4)
Accrued interest	–	–	–	–	–
Bonds and EMTNs	**2,175.4**	**5,449.1**	**14,651.6**	**22,276.1**	**19,625.6**
Principal debt[(1)]	2,106.9	5,459.6	14,649.3	22,215.8[(1)]	19,548.2[(1)]
Accrued interest	220.8	–	–	220.8	193.9
Issuance costs	(59.7)	–	–	(59.7)	(37.5)
Bonds redemption premium	(88.0)	–	–	(88.0)	(60.2)
Mark-to-market of debt	(4.6)	(10.5)	2.3	(12.7)	(18.8)
Bank borrowings	**30.4**	**1,206.6**	**316.3**	**1,553.3**	**2,283.2**
Principal debt	35.1	1,209.8	317.7	1,562.6	2,277.7
Accrued interest	9.4	–	–	9.4	27.8
Borrowings issue fees	(17.0)	–	–	(17.0)	(22.9)
Bank overdrafts & current accounts to balance out cash flow	2.8	–	–	2.8	1.2
Mark-to-market of debt	0.1	(3.2)	(1.4)	(4.5)	(0.6)
Other financial liabilities	**351.6**	**126.8**	**1,181.1**	**1,659.5**	**2,097.4**
Interbank market instruments and negotiable instruments	352.0	–	–	352.0	815.0
Accrued interest on interbank market instruments and negotiable instruments	(0.4)	–	–	(0.4)	(0.3)
Current accounts with non-controlling interests[(2)]	–	126.8	1,181.1	1,307.9	1,282.7
Financial leases	**41.4**	**9.7**	**797.1**	**848.1**	**386.6**
Total	**2,598.8**	**7,394.3**	**16,946.1**	**26,939.2**	**25,384.4**

(1) Include currency impacts on debt raised in foreign currency for an amount of +€8.5 Mn as at Dec. 31, 2019 (+€44.6 Mn as at Dec. 31, 2018). The amount shown in the Financial Resources note (€22,208 Mn) corresponds to the amount of bonds after impact of derivatives instruments on debt raised in foreign currencies.
(2) They are considered as non current as they are financing the related assets.

The variation of financial debt by flows breaks down as follows:

		Cash flows[1]			Non-cash flows				
	Dec. 31, 2018	Increase[2]	Decrease	Variation of accrued interest[3]	IFRS 5 restatements[4]	Currency translation	Fair value impact	Others[5]	Dec. 31, 2019
Net share settled bonds convertible into new and/or existing shares (ORNANE)	991.6	–	(397.1)	–	–	–	7.6	(0.1)	602.1
Bonds and EMTNs	19,625.6	4,525.1	(2,032.0)	30.9	–	99.1	6.5	21.0	22,276.1
Bank borrowings	2,283.2	84.9	(824.2)	(23.6)	–	16.4	(3.9)	20.4	1,553.3
Other financial liabilities	2,097.4	58.8	(495.6)	(0.1)	–	(1.1)	–	0.1	1,659.5
Lease liabilities	386.6	21.1	(62.0)	–	(52.8)	7.8	–	547.5	848.1
Total	**25,384.4**	**4,689.9**	**(3,810.9)**	**7.2**	**(52.8)**	**122.2**	**10.2**	**588.9**	**26,939.2**

(1) The cash flows differ from those in the Consolidated statement of cash flows mainly due to the variation of guarantee deposits received.
(2) Net of issuance costs and issue fees.
(3) The variation of accrued interest is included in lines Financial income / Financial expenses of the Consolidated statement of cash flows.
(4) See note 1.3 "Assets held for sale".
(5) The variation of Others includes €547.5 Mn recognition of lease liabilities following the application of IFRS 16 (cf. 2.1 IFRS basis adopted § IFRS16 impact in 2019).

MATURITY OF CURRENT PRINCIPAL DEBT AND ORNANE

	Current			
(€Mn)	Less than 1 month	1 month to 3 months	More than 3 months	Total Dec. 31, 2019
Bonds and EMTNs	–	–	2,106.9	2,106.9
Bank borrowings	–	0.1	35.0	35.1
Other financial liabilities	60.0	142.0	150.0	352.0
Financial leases	–	–	41.4	41.4
Total	**60.0**	**142.1**	**2,333.3**	**2,535.4**

7.3.4 NET SHARE SETTLED BONDS CONVERTIBLE INTO NEW AND/OR EXISTING SHARES (ORNANE)

As at December 31, 2019, the ORNANEs are presented in the table below.

(€Mn)	Debt at fair value	Fair value recognised in the profit and loss
ORNANE issued in 2014	102.8	(0.1)
ORNANE issued in 2015	499.3	(7.5)
Total	**602.1**	**(7.6)**

7.3.5 CHARACTERISTICS OF BONDS AND EMTNS (EXCLUDING ORNANE)

Issue date	Rate	Currency	Amount at Dec. 31, 2019 (€Mn)	Maturity
May 2010	Structured coupon linked to CMS ten years	EUR	50.0	May 2020
June 2010	Structured coupon linked to CMsS ten years	EUR	50.0	June 2020
November 2010	Fixed rate 4.17%	EUR	41.0	November 2030
November 2010	Fixed rate 3.875%	EUR	616.7	November 2020
October 2011	Fixed rate 4.10%	EUR	27.0	October 2031
November 2011	Fixed rate 4.05%	EUR	20.0	November 2031
May 2012	Fixed rate 3.196%	EUR	425.0	May 2022
February 2013	Fixed rate 2.375%	EUR	418.4	February 2021
February 2013	Fixed rate HKD swapped back into EUR	EUR	80.0	February 2025
March 2013	Fixed rate HKD swapped back into EUR	EUR	66.9	March 2025
June 2013	Fixed rate 2.500%	EUR	498.8	June 2023
October 2013	Fixed rate HKD swapped back into EUR	EUR	45.7	October 2025
November 2013	Fixed rate CHF swapped back into EUR	EUR	124.4	November 2023
February 2014	Fixed rate 2.50%	EUR	750.0	February 2024
March 2014	Fixed rate 3.08%	EUR	20.0	March 2034
April 2014	Fixed rate 3.08%	EUR	30.0	April 2034
June 2014	Fixed rate 2.50%	EUR	600.0	June 2026
September 2014	Fixed rate 3.75%	USD	890.2	September 2024
September 2014	Fixed rate 4.75%	USD	445.1	September 2044
October 2014	Fixed rate 1.375%	EUR	318.5	October 2022
April 2015	Fixed rate 1.375%	EUR	655.0	April 2030
April 2015	Fixed rate 1.00%	EUR	500.0	March 2025
October 2015	Float rate (Erb3M + 81bps)	EUR	50.0	October 2024
October 2015	Fixed rate 3.25%	USD	267.0	October 2020
October 2015	Fixed rate USD swapped back into GBP	GBP	623.1	October 2020
November 2015	Fixed rate 2.066%	EUR	30.0	November 2030
November 2015	Fixed rate HKD swapped back into EUR	EUR	85.7	November 2025
December 2015	Fixed rate 2.1% during three years then Constant Maturity Swap ten years (floored at 0% capped at 4%)	EUR	70.0	December 2030
March 2016	Fixed rate 1.375%	EUR	500.0	March 2026
March 2016	Float rate (Erb6M +0%, floored at 0.95%, capped at 3%)	EUR	20.0	March 2027
April 2016	Fixed rate 1.125%	EUR	500.0	April 2027
April 2016	Fixed rate 2%	EUR	500.0	April 2036
October 2016	Fixed rate 0.850% SEK	SEK	143.6	October 2021
November 2016	Fixed rate 0.875%	EUR	500.0	February 2025
December 2016	Fixed rate HKD swapped into EUR	EUR	57.2	November 2026
February 2017	Fixed rate 1.5%	EUR	600.0	February 2028
March 2017	Fixed rate 2.125%	GBP	352.6	March 2025
March 2017	Fixed rate 2.625%	GBP	587.7	March 2029
April 2017	Fixed rate 3.15%	USD	445.1	April 2022
May 2017	Fixed rate 1.5%	EUR	500.0	May 2029
May 2017	Fixed rate 2.0%	EUR	500.0	May 2037
June 2017	Fixed rate 0.875% SEK	SEK	57.4	June 2022
June 2017	Float rate SEK (Stib3M +80bps)	SEK	38.3	June 2022
May 2018	Fixed rate 0.125%	EUR	800.0	May 2021
May 2018	Fixed rate 1.125%	EUR	800.0	September 2025
May 2018	Fixed rate 1.875%	EUR	900.0	January 2031
May 2018	Fixed rate 2.25%	EUR	500.0	May 2038
May 2018	Float rate (Erb3M +10bp, floored at 0%)	EUR	500.0	May 2020
June 2018	Structured coupon linked to CMS 15 year	EUR	40.0	June 2033
September 2018	Fixed rate 4.125%	USD	445.1	September 2028
September 2018	Fixed rate 4.625%	USD	445.1	September 2048
December 2018	Fixed rate 2.0%	EUR	100.0	December 2033

Issue date	Rate	Currency	Amount at Dec. 31, 2019 (€Mn)	Maturity
February 2019	Fixed rate 1.75%	EUR	750.0	February 2034
February 2019	Fixed rate 1%	EUR	750.0	February 2027
June 2019	Float rate (Erb3M +33bp, floored at 0%)	EUR	500.0	June 2021
June 2019	Fixed rate 3.5%	USD	667.6	June 2029
July 2019	Fixed rate 1.75%	EUR	500.0	July 2049
October 2019	Fixed rate 2.875%	USD	667.6	January 2027
October 2019	Fixed rate 0.875%	EUR	750.0	March 2032
Total			**22,215.8**	

7.3.6 COVENANTS

As at December 31, 2019, the LTV[1] ratio amounted to 38.6% (37.0%).

The ICR for the period stood at 5.7x[2] (6.1x).

These ratios show ample headroom vis-à-vis unsecured credit facility covenants usually set at:

- In Europe:
  - a maximum loan-to-value of 60%;
  - a minimum ICR of 2x and;
- In the US:
  - a maximum loan-to-value of 65%;
  - a minimum ICR of 1.5x;
  - a maximum of 50% for the Secured debt ratio[3];
  - a minimum of 1.5x for the Unencumbered leveraged ratio[4].

These covenants are tested twice a year based on the Group's IFRS financial statements. As at December 31, 2019, 94% of the Group's credit facilities allowed an LTV of up to 60% for the Group or the borrowing entity, as the case may be. There are no financial covenants (such as loan-to-value or interest coverage ratios) in the Neu MTN, the Neu CP and the USCP programs of URW.

There are no financial covenants (such as loan-to-value or ICR) in the Neu MTN, the Neu CP and the USCP programs of URW.

The United States dollar bond indentures (144A and Reg S bonds) contain financial covenants based on the Group's financial statements:

- a maximum loan-to-value of 65%;
- a minimum ICR of 1.5x;
- a maximum of 45% for the Secured debt ratio;
- a minimum of 1.25x for the Unencumbered leveraged ratio.

7.3.7 OTHER FINANCING ACTIVITIES

In the consolidated statement of cash flows, "Other financing activities" comprise mainly costs paid on hedging instruments purchase and disposal.

7.3.8 DEBT MARKET VALUE

The market value of URW's fixed-rate and index-linked debt is presented in the table below.

	Dec. 31, 2019		Dec. 31, 2018	
(€Mn)	Carrying value	Market value	Carrying value	Market value
Fixed-rate and index-linked debt				
Fixed-rate & index-linked borrowings, interbank instruments and negotiable market instruments	23,855.7[1]	24,811.1	21,516.1[1]	21,558.6

(1) ORNANE included, at market value (see note 7.3.4 "Net share settled bonds convertible into new and/or existing shares (ORNANE)").

Financial debt is valued at market value based on market rates and on spread issuers at each closing date.

(1) Loan-to-Value (LTV) = Net financial debt / Total assets excluding €2,039 Mn of goodwill as per the Group's European leverage covenants, including transfer taxes.
(2) Proportionate ICR of 4.9x.
(3) Secured debt ratio = Secured debt / Total assets. 2.0% as at December 31, 2019.
(4) Unencumbered leverage ratio = unencumbered assets / unsecured debt. 2.1x as at December 31, 2019.

7.3.9 NET FINANCIAL DEBT

Net financial debt is determined as below:

NET FINANCIAL DEBT

(€Mn)	Dec. 31, 2019	Dec. 31, 2018
Amounts accounted for in balance sheet		
Net share settled bonds convertible into new and/or existing shares (ORNANE)	602.1	491.8
Non current bonds and borrowings	22,931.6	20,655.3
Current borrowings and amounts due to credit institutions	2,557.4	3,850.7
Total financial liabilities	**26,091.0**	**24,997.8**
Adjustments		
Mark-to-market of debt	18.1	27.8
Current accounts with non-controlling interests	(1,307.9)	(1,282.7)
Impact of derivative instruments on debt raised in foreign currency	(8.4)	(44.6)
Accrued interests/issuance fees	(65.1)	(100.8)
Total financial liabilities (nominal value)	**24,727.8**[1]	**23,597.5**[1]
Cash and cash equivalents	**(488.8)**[1]	**(369.9)**[1]
Net financial debt	**24,239.0**	**23,227.6**

(1) Bank overdrafts and current accounts to balance out cash flow are included in the total financial liabilities, in 2019 for €2.8 Mn and in 2018 for €1.2 Mn.

NET CASH AT PERIOD-END

(€Mn)	Dec. 31, 2019	Dec. 31, 2018
Marketable securities[1]	9.3	7.0
Cash	479.5	362.9
Total asset	**488.8**	**369.9**
Bank overdrafts and current accounts to balance out cash flow	(2.8)	(1.2)
Total Liabilities	**(2.8)**	**(1.2)**
Net cash at period-end	**486.0**	**368.7**

(1) This item includes investments in money-market SICAV (marketable securities) at fair value through Profit and Loss.

7.4 HEDGING INSTRUMENTS

CHANGE IN DERIVATIVES

(€Mn)	Dec. 31, 2018	Amounts recognised in the Statement of Comprehensive Income		Changes in scope of consolidation	Acquisitions	Disposals	Reallocation	Dec. 31, 2019
		Fair value adjustments of derivatives	Other comprehensive income					
Assets								
Derivatives at fair value Non Current	**303.2**	**235.8**	**0.1**	**–**	**60.6**	**–**	**–**	**599.6**
• *Without a hedging relationship*	*273.9*	*265.0*	*0.1*	*–*	*60.6*	*–*	*–*	*599.6*
• *Other derivatives*	*29.3*	*(29.3)*	*–*	*–*	*–*	*–*	*–*	*–*
Derivatives at fair value Current	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
• *Without a hedging relationship*	*–*	*–*	*–*	*–*	*–*	*–*	*–*	*–*
Liabilities								
Derivatives at fair value Non Current	**450.7**	**658.8**	**1.0**	**–**	**43.9**	**(99.4)**	**(30.1)**	**1,025.0**
• *Without a hedging relationship*	*450.7*	*658.8*	*1.0*	*–*	*43.9*	*(99.4)*	*(30.1)*	*1,025.0*
Derivatives at fair value Current	**77.0**	**(17.4)**	**–**	**–**	**–**	**–**	**30.1**	**30.1**
• *Other derivatives*	*77.0*	*(17.4)*	*–*	*–*	*(59.6)*	*–*	*30.1*	*30.1*
Net	**(224.5)**	**(405.7)**	**(0.9)**	**–**	**76.3**	**99.4**	**–**	**(455.4)**

7.5 RISK MANAGEMENT POLICY

7.5.1 MARKET RISK

Market risks can generate losses resulting from fluctuations in interest rates, exchange rates, raw material prices and share prices. URW's risk mainly relates to interest rate fluctuations on the debt it has taken out to finance its investments and maintain the cash position it requires and exchange rate fluctuations due to the Group's activities in countries outside the Eurozone, in particular in the United States and the United Kingdom following the Westfield acquisition.

The Group, through its activities, may be exposed to market risks which can generate losses as a result of fluctuations in stock markets. The Group is either: (i) directly exposed to fluctuations in stock prices due to the ownership of shares or financial instruments, or, (ii) indirectly exposed to fluctuations in stock prices, due to the ownership of funds, investment instruments or share based derivatives which are directly correlated with the price of the asset underlying such derivatives.

LIQUIDITY RISK

The following table shows the Group's contractually agreed interest payments and repayments of the non-derivative financial liabilities (excluding financial leases) and the derivatives with positive and negative fair values. Amounts in foreign currency were translated at the closing rate at the reporting date. The payments of the floating-rate interests have been calculated on the basis of the last interest rates published on December 31, 2019. Credit lines drawn as at December 31, 2019 are considered as drawn until maturity.

Commercial paper 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.

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(€Mn)	Carrying amount[1] Dec. 31, 2019	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 EMTNs	(22,818.7)	(456.9)	(2,106.9)	(1,517.7)	(6,062.5)	(2,470.4)	(14,649.3)
Bank borrowings and other financial liabilities[2]	(1,914.6)	(24.2)	(387.1)	(60.3)	(1,209.8)	(9.1)	(317.7)
Financial derivatives							
Derivative financial liabilities							
Derivatives without a hedging relationship	(1,055.1)	(5.2)	(27.6)	(463.8)	-	(1,080.5)	(7.7)
Derivative financial assets							
Derivatives without a hedging relationship	599.6	129.9	0.9	411.5	15.1	435.7	27.7

(1) Corresponds to the amount of principal debt (see note 7.3.3 "Financial debt breakdown and outstanding duration to maturity").
(2) Excludes current accounts with non-controlling interests.

The average maturity of the Group's debt as at December 31, 2019, taking into account the undrawn credit lines, stood at 8.2 years.

URW's debt repayment needs[1] for the next 12 months are covered by the available undrawn credit lines (€9,195 Mn) and cash on-hand (€489 Mn). The amount of bonds and bank loans outstanding as at December 31, 2019, and maturing or amortising within one year is €2,169 Mn (including €2,134 Mn of bonds)[2].

URW's long-term refinancing policy consists of diversifying the Group's expiry schedules and financial resources. Accordingly, bonds & EMTN issues represented 90% of financial nominal debt at December 31, 2019, bank loans, mortgages and overdrafts 6%, convertible bonds 3% and short-term paper 1%.

The commercial paper programs are backed by confirmed credit lines. These credit lines protect URW against the risk of a temporary or more sustained absence of lenders in the short- or medium-term debt markets and were provided by leading international banks.

COUNTERPARTY RISK

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

In case of derivative termination, netting can apply as a result of existing agreements between the Group and the banks. The related amounts of derivative instruments, including accrued interests, would be €43.1 Mn for assets and €521.2 Mn for liabilities.

INTEREST RATE RISK

URW is exposed to interest rate fluctuations on its existing or future variable rate borrowings. URW's strategy regarding interest rate risk is to minimise the impact that changes in rates could have on earnings and cash flow and optimise the overall cost of financing in the medium-term. In order to implement this strategy, URW uses notably derivatives (mainly caps and swaps) to hedge its interest rate exposure. The Group's market transactions are confined exclusively to those interest hedging activities. All transactions are managed centrally and independently by the Group.

AVERAGE COST OF DEBT

It corresponds to the ratio between "recurring financial expenses (excluding the ones on financial leases and partners' current accounts) + capitalised financial expenses (excluding non-recurring financial expenses such as mark-to-market and termination costs of financial instruments including bonds repurchased, currency impact)" and "average net debt over the period".

The average cost of debt for 2019 was 1.6% (1.6%), representing the blended average cost of debt, of which an average of 0.9% for EUR and SEK denominated debt and an average of 3.4% for USD and GBP denominated debt.

This average cost of debt results from:

- The low coupon levels the Group achieved during the last years on its fixed rate debt;
- The level of margins on existing borrowings;
- The hedging instruments in place;
- The cost of carry of the undrawn credit lines;
- The cost of debt to finance the Westfield acquisition;
- Higher base rates in the United States and the United Kingdom and debt issued by Westfield prior to completion of the acquisition.

(1) Excluding Neu CP and Neu MTN maturing in 2020 (€352 Mn) and overdrafts (€3 Mn).
(2) Amounts include hedging derivatives on debt issued in foreign currencies.

MEASURING INTEREST RATE RISK

As at December 31, 2019, the measuring interest risk is as follow:

	Financial assets		Financial liabilities		Net exposure before hedging	
(€Mn)	Fixed rate	Variable rate	Fixed rate	Variable rate(1)	Fixed rate	Variable rate
Less than 1 year	479.5	9.3	1,664.8	832.0	1,185.3	822.7
1 year to 2 years	–	–	1,489.8	710.0	1,489.9	710.0
2 years to 3 years	–	–	1,990.8	48.3	1,990.8	48.3
3 years to 4 years	–	–	823.2	320.0	823.2	320.0
4 years to 5 years	–	–	1,790.2	100.0	1,790.2	100.0
More than 5 years	–	–	14,627.0	340.0	14,627.0	340.0
Total	**479.5**	**9.3**	**22,385.8**	**2,350.3**	**21,906.3**	**2,341.0**

(1) Including index-linked debt.

The Group does not have a micro-hedging strategy, except when both currency exchange risk and interest rate risk are hedged, which enables it not to correlate its liquidity risk and interest rate risk management. Consequently, the maturities of the debts and hedging instruments can be dissociated and the outstanding derivatives instruments can hedge a part of the fixed rate debt maturing in the following years.

The interest cost of outstanding debt was fully hedged as at December 31, 2019, through both:

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

The hedging balance as at December 31, 2019 breaks down as follows:

	Outstanding total at Dec. 31, 2019	
(€Mn)	Fixed rate	Variable rate(1)
Financial liabilities	(22,385.8)	(2,350.3)
Financial assets	479.5	9.3
Net financial liabilities before hedging program	**(21,906.3)**	**(2,341.0)**
Micro-hedging	11,734.3	(11,725.8)
Net financial liabilities after micro-hedging(2)	**(10,172.1)**	**(14,066.8)**
Swap rate hedging(3)		–
Net debt not covered by swaps		**(14,066.8)**
Cap and floor hedging		14,367.8
Hedging balance		**301.0**

(1) Including index-linked debt.
(2) Partners' current accounts are not included in variable-rate debt.
(3) Forward hedging instruments are not accounted for in this table.

Based on the estimated average proportionate debt position of URW in 2020, if interest rates (Euribor, Libor, Stibor or Pribor) were to rise by an average of +50 bps[11] during 2020, the estimated positive impact on financial expenses would be +€1.2 Mn, increasing the 2020 recurring net result by a broadly similar amount:

- Euro financial expenses would decrease by +€0.5 Mn;
- Dollar financial expenses would decrease by +$0.9 Mn (+€0.8 Mn);
- Sterling financial expenses would increase by -£0.1 Mn (-€0.1 Mn).

An additional +50 bps would decrease financial expenses by a further +€1.2 Mn.

In total, a +100 bps increase in interest rates during 2020 would have a net positive impact on financial expenses of +€2.4 Mn.

A -50 bps drop in interest rates would have a positive impact on the financial expenses of +€63 Mn, increasing the recurring net profit in 2020 by a broadly equivalent amount:

- Euro financial expenses would decrease by +€57.0 Mn;
- Dollar financial expenses would decrease by +$3.3 Mn (€3.0 Mn);
- Sterling financial expenses would decrease by +£2.6 Mn (€3.1 Mn).

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(11) The impact on exchange rates due to this theoretical increase of +50 bps in interest rates is not taken into account.
The theoretical impact of an increase or decrease in interest rates is calculated relative to the applicable rates as at December 31, 2019: 3m Euribor (-0.383%), 3m USD Libor (1.908%) and 3m GBP Libor (0.792%).

MANAGEMENT OF FOREIGN EXCHANGE RISKS

Regarding exchange rate risk, the Group aims to limit its net exposure to an acceptable level by taking up debt in the same currency, by using derivatives and by buying or selling foreign currencies at spot or forward rates.

MEASURING CURRENCY EXCHANGE RATE EXPOSURE

The Group is active in countries outside the Eurozone. When converted into euros, the income and value of the Group's investments may be influenced by fluctuations in exchange rates against the Euro. The Group's policy objective is to apply a broadly consistent LTV by currency allowing it to match part of the foreign currency asset value and income with debt and financial expenses in the same currency, thus reducing the exchange rate effects on the Group's balance sheet and earnings. Foreign exchange risk can be hedged by either matching investments in a specific currency with debt in the same currency, or using derivatives to achieve the same risk management goal.

Currency risk during the building period of pipeline investments is covered as early as possible after signing the actual building contract.

MEASURE OF THE EXPOSURE TO OTHER RISKS AS AT DECEMBER. 31, 2019 (€MN)

Currency	Assets	Liabilities	Net Exposure	Hedging instruments	Exposure net of hedges
USD	12,656.8	(5,898.1)	6,758.5	623.1	7,381.6
GBP	4,586.1	(1,435.6)	3,150.5	(650.7)	2,499.8
SEK	2,796.3	(623.4)	2,172.9	(77.5)	2,095.4
Other	668.5	(713.9)	(45.5)	459.9	414.5
Total	**20,707.5**	**(8,671.0)**	**12,036.5**	**354.8**	**12,391.3**

EXPOSURE SENSITIVITY TO CURRENCY EXCHANGE RATE

The main exposures kept are in USD, GBP and SEK. A change of 10% of EUR/USD, EUR/GBP or EUR/SEK (i.e. a 10% increase of EUR against the USD, GBP or SEK) would have an impact on shareholders' equity and the recurring result as follows:

	Dec. 31, 2019		Dec. 31, 2018	
(€Mn)	Recurring result Gain/(Loss)	Equity Gain/(Loss)	Recurring result Gain/(Loss)	Equity Gain/(Loss)
Impact of an increase of +10% in the EUR/USD exchange	(33.7)	(671.1)	(32.1)	(586.9)
Impact of an increase of +10% in the EUR/GBP exchange	(12.6)	(227.3)	(12.0)	(250.7)
Impact of an increase of +10% in the EUR/SEK exchange	(9.1)	(190.5)	(9.6)	(176.7)

7.5.2 CREDIT RISK

Credit risk arises from cash and equivalents as well as credit exposures with respect to rental customers. Credit risk is managed on a Group level. The Group structures the level of credit risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparties, and to geographical and industry segments. Such risks are subject to at least an annual review, and often more frequently. The Group has policies in place to ensure that rental contracts are made with customers with an appropriate credit story.

The main tenants of URW's Office properties in France are blue-chip companies. The tenants' profile minimises insolvency risks.

In the Shopping Centres segment, the risk of insolvency is spread widely across a large number of tenants.

When tenants sign their lease agreements, they are required to provide financial guarantees, such as a deposit, first-demand guarantee or a surety bond amounting to between three and six months' rent.

Payments for ancillary services provided by the Convention & Exhibition segment 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 segment which decides on the pre-litigation or litigation action to be taken.

According to IFRS 9, the estimated depreciation corresponds to the amount which the Company does not expect to recover. Though, when collecting a tenant deposit or obtaining a bank guarantee, URW covers the possible future losses.

URW depreciation policy meets the simplified model of IFRS 9:

- The estimated losses are calculated on a homogenous segment of receivables;
- The rate of estimated loss reflect the best estimation of the expected future losses, on the considered client segment: URW respects the notion of backtesting (comparison are performed with historical rates of losses) and if needed, the rates are adjusted to take into account any new trigger event;
- Historical data are reviewed to better reflect the actual situation and integrate the best estimates for the near future.

The Group applies the following rules to calculate the provision for doubtful accounts:

- 50% for receivables due for more than three months (calculation after preliminary deduction of deposits and bank guarantee);
- 100% for receivables due for more than six months.

7.6 CARRYING VALUE OF FINANCIAL INSTRUMENTS PER CATEGORY

FAAC: Financial Asset at Amortised Cost
FAFVOCI: Financial Asset at Fair Value through Other Comprehensive Income
FAFVTPL: Financial Asset at Fair Value Through Profit or Loss
FLAC: Financial Liabilities at Amortised Cost
FLFVTPL: Financial Liabilities at Fair Value Through Profit or Loss

Dec. 31, 2019 (€Mn)	Categories in accordance with IFRS 9	Carrying Amount Dec. 31, 2019	Amounts recognised in statement of financial position according to IFRS 9 Amortised Cost	Fair value recognised in equity	Fair value recognised in profit & loss	Fair value
Assets						
Investments in financial assets	FAAC/FAFVOCI/ FAFVTPL	343.5	288.7	43.7	11.1	343.5
Derivatives at fair value	FAFVTPL	599.6	–	–	599.6	599.6
Trade receivables from activity[(1)]	FAAC	388.3	388.3	–	–	388.3
Other receivables[(2)]	FAAC	227.9	227.9	–	–	227.9
Cash and cash equivalents	FAFVTPL	488.8	–	–	488.8	488.8
		2,048.1	**904.9**	**43.7**	**1,099.5**	**2,048.1**
Liabilities						
Commitment to non-controlling interests	FLFVTPL	173.2	–	–	173.2	173.2
Financial debts (excluding *ORNANE*)	FLAC	25,488.9	25,488.9	–	–	26,444.3
Net share settled bonds convertible into new and/ or existing shares (*ORNANE*)	FLFVTPL	602.1	–	–	602.1	602.1
Derivatives at fair value	FLFVTPL	1,055.1	–	–	1,055.1	1,055.1
Non current amounts due on investments	FLAC	149.1	149.1	–	–	149.1
Amounts due to suppliers and other current debt[(3)]	FLAC	1,318.9	1,318.9	–	–	1,318.9
		28,787.3	**26,956.9**	**–**	**1,830.4**	**29,742.7**

(1) Excluding rent-free periods and step rents.
(2) Excluding prepaid expenses, service charges due and tax receivables.
(3) Excluding deferred income, service charges billed and tax liabilities.

Dec. 31, 2018 (€Mn)	Categories in accordance with IFRS 9	Carrying Amount Dec. 31, 2018	Amounts recognised in statement of financial position according to IFRS 9: Amortised Cost	Fair value recognised in equity	Fair value recognised in profit & loss	Fair value
Assets						
Investments in financial assets	FAAC/FAFVOCI/ FAFVTPL	302.9	275.7	16.1	11.1	302.9
Derivatives at fair value	FAFVTPL	303.2	–	–	303.2	303.2
Trade receivables from activity[1]	FAAC	379.4	379.4	–	–	379.4
Other receivables[2]	FAAC	185.8	185.8	–	–	185.8
Cash and cash equivalents	FAFVTPL	369.9	–	–	369.9	369.9
		1,541.2	**840.9**	**16.1**	**684.2**	**1,541.2**
Liabilities						
Commitment to non-controlling interests	FLFVTPL	179.9	–	–	179.9	179.9
Financial debts (excluding *ORNANE*)	FLAC	24,006.2	24,006.2	–	–	24,048.7
Net share settled bonds convertible into new and/or existing shares (*ORNANE*)	FLFVTPL	991.6	–	–	991.6	991.6
Derivatives at fair value	FLFVTPL	527.7	–	–	527.7	527.7
Non current amounts due on investments	FLAC	181.8	181.8	–	–	181.8
Amounts due to suppliers and other current debt[3]	FLAC	1,344.7	1,344.7	–	–	1,344.7
		27,231.9	**25,532.7**	**–**	**1,699.2**	**27,274.4**

(1) Excluding rent-free periods and step rents.
(2) Excluding prepaid expenses, service charges due and tax receivables.
(3) Excluding deferred income, service charges billed and tax liabilities.

"Trade receivables from activity", "Other receivables", "Cash and cash equivalents" and "Amounts due to suppliers and other current debt" mainly have short-term maturity. Consequently, their carrying amounts at the reporting date approximate the fair value.

7.6.1 FAIR VALUE HIERARCHY OF FINANCIAL ASSETS AND LIABILITIES

IFRS 13 establishes a hierarchy of valuation techniques for financial instruments. The following categories are identified:

- Level 1: financial instruments quoted in an active market;
- Level 2: financial instruments whose fair value is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets;
- Level 3: financial instruments whose fair value is determined in whole or in part using a valuation technique based on assumptions that are not supported by prices from observable current market transactions in the same instrument (i.e. without modification or repackaging) and not based on available observable market data.

	Fair value measurement at Dec. 31, 2019			
(€Mn)	**Total**	Level 1	Level 2	Level 3
Assets				
Fair value through profit or loss				
Investments in financial assets	11.1	–	–	11.1
Derivatives	599.6	–	599.6	–
Marketable securities	9.3	9.3	–	–
Fair value through equity				
Financial assets	43.7	–	–	43.7
Derivatives	–	–	–	–
Total	**663.6**	**9.3**	**599.6**	**54.8**
Liabilities				
Fair value through profit or loss				
Commitment to non-controlling interests	173.2	–	–	173.2
ORNANE	602.1	602.1	–	–
Derivatives	1,055.1	–	1,055.1	–
Total	**1,830.4**	**602.1**	**1,055.1**	**173.2**

7.6.2 NET GAIN/LOSS BY CATEGORY

URW 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, and currency exchange rates) in order to implement the adopted strategy.

2019 (€Mn)	**From interest**	**Net gain/(loss) in profit & loss**	**Net gain/(loss) in equity**
Investments in financial assets	11.0	11.0	3.4
Derivatives at fair value through profit and loss	173.1	173.1	–
Financial liabilities at amortised cost	(613.6)	(613.6)	–
	(429.5)	**(429.5)**	**3.4**
Capitalised expenses		37.8	
Net financial expenses		**(391.7)**	

2018 (€Mn)	From interest	Net gain/(loss) in profit & loss	Net gain/(loss) in equity
Investments in financial assets	7.4	7.4	(16.2)
Derivatives at fair value through profit and loss	112.8	112.8	–
Financial liabilities at amortised cost	(481.1)	(481.1)	–
	(360.9)	**(360.9)**	**(16.2)**
Capitalised expenses		29.3	
Net financial expenses		**(331.6)**	

NOTE 8. TAXES

8.1 ACCOUNTING PRINCIPLES

8.1.1 INCOME TAX EXPENSES

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

Calculation of income tax expenses is based on local rules and rates.

8.1.2 DEFERRED TAX

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

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

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 at the acquisition date identified on Viparis entities, particularly Viparis-Porte de Versailles and Paris Nord Villepinte, as well as on WFD entities.

8.1.3 TAX REGIMES

Different tax regimes exist in the following countries.

FRANCE – SIIC REGIME (*SOCIÉTÉ D'INVESTISSEMENT IMMOBILIER COTÉE*)

URW elected to participate in the SIIC regime from the creation of the regime on January 1, 2003. Its French subsidiaries eligible for SIIC status have also opted for this regime. The SIIC regime is based on the concept of tax transparency, meaning that rental income and capital gains made from divestments are not subject to income tax at the level of the Group's French property companies, but upon distribution to URW's shareholders. The SIIC regime requires that URW and its SIIC subsidiaries distribute 95% of their recurring income and 100% of their dividend income received from SIIC or equivalent subsidiaries before the end of the following tax year, and 70% of their capital gains before the end of the second tax year following the year in which the gain was generated. The SIIC regime only applies to real estate rental activities, therefore income generated by URW and its SIIC subsidiaries' ancillary activities remains subject to income tax.

SPAIN – SOCIMI REGIME (*SOCIEDADES ÁNONIMAS COTIZADAS DE INVERSIÓN EN EL MERCADO INMOBILIARO*)

URW entered the SOCIMI regime in 2013 with most of its Spanish subsidiaries which own standing assets. The SOCIMI regime provides for a tax rate of 0% on recurring income provided that certain requirements – some of them related to the shareholders of URW – are fulfilled. Capital gains realised within the SOCIMI regime are taxed at 0%, and capital gains related to the period before entering into the regime are taxed at the moment of realisation. Based on the SOCIMI regime, the company has to fulfill distribution obligations of at least 80% of its profits annually, as well as 50% of its capital gains, provided that the remaining 50% is reinvested in the real estate sector within a three-year period.

THE NETHERLANDS – FBI/FII REGIME (*FISCALE BELEGGINGSINSTELLING/FISCAL INVESTMENT INSTITUTION*)

The requirements for companies to qualify for the FBI regime are partly related to their activities and their shareholding base. For the main part of the Group's Dutch real estate, following an agreement with the Dutch tax authorities, the FBI regime is not applied. WFD Unibail-Rodamco N.V., which owns the majority of the United States portfolio, does apply the FBI/FII regime. An FBI/FII has to distribute its income, calculated according to the rules for Corporate Income Tax, on a yearly base.

UNITED KINGDOM – UNITED KINGDOM REIT

URW applies the United Kingdom REIT regime for part of its United Kingdom real estate portfolio. Based on the regime, various restrictions apply, among them the requirement that at least 75% of the REIT's net profit must be derived from the property rental business, and 75% of the REIT's assets must be used in the property rental business or be held as cash. At least 90% of the income from the property rental business must be distributed within 12 months after the end of the accounting period. There's no distribution obligation for gains arising from the disposal of real estate used in the property rental business.

UNITED STATES – UNITED STATES REIT

URW has elected to apply the REIT regime for the main part of its United States portfolio. Like in other REIT regimes, there's an asset test (75%) along with various securities ownership limits, and in addition there is a combined income test: at least 75% of the gross income must be derived from real estate property rental or from interest on mortgages on real estate property, whereas at least 95% of the gross income must come from a combination of real estate related sources and passive sources, such as dividends and interest. United States law requires the REIT to annually distribute at least 90% of its ordinary taxable income.

8.2 INCOME TAX EXPENSES

(€Mn)	2019	2018
Recurring deferred and current tax on:		
• Allocation/reversal of provision concerning tax issues	(8.3)	13.2
• Other recurring results	(41.1)	(39.8)
Total recurring tax	**(49.4)**	**(26.6)**
Non-recurring deferred and current tax on:		
• Change in fair value of investment properties and impairment of intangible assets(1)	1,393.0	(66.0)
• Other non-recurring results(1)	(278.2)	(21.1)
• Impairment of goodwill justified by taxes	–	–
Total non-recurring tax	**1,114.8**	**(87.0)**
Total tax	**1,065.4**	**(113.6)**
Total tax paid(1)	(211.7)	(65.9)

(€Mn)	2019	2018
Current tax	(322.5)	(52.7)
Deferred tax	1.387,9	(60.9)
Total tax	**1,065.4**	**(113.6)**

(1) In 2019, mainly related to the impact of the changes in the structure of United States operations described in note 1.1.1 "Changes in the structure of United States operations".

Reconciliation of effective tax rate	%	2019	2018
Profit before tax, impairment of goodwill and result of associates		**125.1**	**1,127.5**
Income tax using the average tax rate	45.2%	(56.5)	(361.3)
Tax exempt profits (including SIIC, SOCIMI and REIT regimes)	(142.7%)	178.5	303.1
Non-deductible costs	76.5%	(95.7)	1.3
Effect of tax provisions	4.9%	(6.2)	37.0
Effect of non-recognised tax losses	16.7%	(20.8)	(101.0)
Effect of change in tax rates	(1.8%)	0.0	20.9
Effect of currency translation in tax	0.2%	(0.3)	(7.9)
Effect of changes in structure of United States operations(1)	N/A	1,046.2	–
Other	(16.3%)	20.3	(5.7)
	N/A	**1,065.4**	**(113.6)**

(1) Mainly related to the impact of the changes in the structure of United States operations described in note 1.1.1 "Changes in the structure of United States operations".

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8.3 DEFERRED TAXES

2019 CHANGE

(€Mn)	Dec. 31, 2018[3]	Net Variation	Reclassification	Currency translation	Change in scope of consolidation	Dec. 31, 2019
Deferred tax liabilities	**(3,694.7)**	**1,393.5**	**(8.5)**	**(34.6)**	**40.8**	**(2,303.6)**
Deferred tax on investment properties	(3,384.9)	1,350.6[2]	(56.1)	(34.8)	40.8	(2,084.4)
Deferred tax on intangible assets	(309.8)	42.9	47.6	0.2	–	(219.1)
Other deferred tax	**25.2**	**(7.4)**	**9.4**	**0.4**	**–**	**27.6**
Tax loss carry-forward[1]	81.2	(27.8)	0.4	–	–	53.8
Other[1]	(56.0)	20.4	9.0	0.4	–	(26.2)
Total deferred tax liabilities	**(3,669.5)**	**1,386.1**	**0.8**	**(34.2)**	**40.8**	**(2,276.0)**
Deferred tax assets						
Tax loss carry-forward	20.1	15.4	(0.5)	–	–	35.0
Other deferred tax assets[1]	9.8	(1.4)	–	0.2	–	8.6
Provision on tax loss carry-forward	(3.0)	(12.2)	–	–	–	(15.2)
Total deferred tax assets	**26.9**	**1.8**	**(0.5)**	**0.2**	**–**	**28.4**

(1) Deferred tax assets and liabilities within a same tax group are offset.
(2) Mainly related to the impact of the changes in the structure of United States operations described in note 1.1.1 "Changes in the structure of United States operations".
(3) A reclassification from Deferred tax liabilities to Provision for taxes has been recognised and December 31, 2018, has been restated accordingly (see note 2.1 "IFRS basis adopted").

2018 CHANGE

(€Mn)	Dec. 31, 2017	Net Variation	Reclassification	Currency translation	Change in scope of consolidation[2]	Dec. 31, 2018 published	Dec. 31, 2018 restated[3]
Deferred tax liabilities	**(1,849.0)**	**66.6**	**–**	**(25.6)**	**(2,013.9)**	**(3,821.9)**	**(3,694.7)**
Deferred tax on investment properties	(1,813.0)	72.7	–	(25.6)	(1,746.2)	(3,512.1)	(3,384.9)
Deferred tax on intangible assets	(36.0)	(6.1)	–	–	(267.7)	(309.8)	(309.8)
Other deferred tax	**96.5**	**(70.8)**	**(2.5)**	**2.3**	**(0.4)**	**25.2**	**25.2**
Tax loss carry-forward[1]	91.7	(17.6)	7.2	(0.2)	–	81.2	81.2
Other[1]	4.8	(53.1)	(9.7)	2.5	(0.4)	(56.0)	(56.0)
Total deferred tax liabilities	**(1,752.5)**	**(4.2)**	**(2.5)**	**(23.3)**	**(2,014.3)**	**(3,796.7)**	**(3,669.5)**
Deferred tax assets							
Tax loss carry-forward	27.9	(0.7)	(7.1)	(0.0)	–	20.1	20.1
Other deferred tax assets[1]	(6.0)	(53.0)	11.2	(1.0)	58.5	9.8	9.8
Provision on tax loss carry-forward	–	(3.0)	–	–	–	(3.0)	(3.0)
Total deferred tax assets	**21.9**	**(56.7)**	**4.1**	**(1.0)**	**58.5**	**26.9**	**26.9**

(1) Deferred tax assets and liabilities within a same tax group are offset.
(2) Mainly acquisition of WFD (see note 1 "Significant events").
(3) A reclassification from Deferred tax liabilities to Provision for taxes has been recognised and December 31, 2018, has been restated accordingly (see note 2.1 "IFRS basis adopted").

Deferred tax liabilities on properties refer to:

1) those countries where there is no REIT regime (like the SIIC-regime in France), providing a tax exemption on recurring income and capital gains on property sales with an obligation to distribute part of their net result, or
2) to countries where such tax efficient status does exist, but where the structure of URW in its current form and under current legislation would lead to tax amounts to be paid in case of capital gains on property sales.

Starting from December 2018, and therefore also as at December 31, 2019, further to an agreement with the Dutch tax authorities, calculation of deferred taxes for the main part of the Dutch real estate portfolio has been made in line with the regular system described above.

UNRECOGNISED DEFERRED TAX ASSETS

The table below presents the tax basis on which no deferred tax assets were recognised:

(€Mn)	Dec. 31, 2019	Dec. 31, 2018
Temporary differences investment properties	–	–
Tax loss carry-forwards not recognised(1)	829.4	832.4
Total unrecognised tax-basis	**829.4**	**832.4**

(1) This amount does not include Dutch tax losses.

DETAIL OF UNRECOGNISED TAX LOSSES AT THE END OF 2019 INTO FINAL YEAR OF USE:

(€Mn)	
2020	–
2021	0.1
2022	–
2023	28.2
2024	15.1
Unlimited	786.0
Total	**829.4**

The temporary differences and tax losses are mainly related to negative financial result on French SIIC entities (€547.1 Mn). Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available to be offset against these assets.

NOTE 9. PROVISIONS

The determination of the amount of provisions for liabilities and charges requires the use of estimates, assumptions and judgement of the management based on information available or situations prevalent at the date of preparation of the accounts, information and situation which may vary from subsequent actual events.

5.

2019 CHANGE

(€Mn)	Dec. 31, 2018(1)	Allocations	Reversals used	Reversals not used	Foreign currency translation impact	Other movements	Dec. 31, 2019
Non current provisions	**128.7**	**6.6**	**(3.5)**	**(24.0)**	**2.0**	**0.5**	**110.3**
Non current provisions excluding employee benefits(1)	117.0	3.8	(3.3)	(24.0)(2)	2.0	–	95.4
Employee benefits	11.7	2.8	(0.2)	–	–	0.5	14.9
Current provisions	**30.2**	**19.5(2)**	**(4.8)**	**(8.9)**	**0.5**	**3.4**	**39.9**
Total	**158.9**	**26.1**	**(8.3)**	**(32.9)**	**2.5**	**3.9**	**150.2**

(1) A reclassification from Deferred tax liabilities to Provision for taxes has been recognised and December 31, 2018, has been restated accordingly (see note 2.1 "IFRS basis adopted").
(2) Relates mainly to the allocation / reversal of tax provisions.

NOTE 10. OTHER CURRENT LIABILITIES

Other current liabilities break down as follows:

(€Mn)	Dec. 31, 2019	Dec. 31, 2018[1]
Tax and social liabilities	523.0	403.4
Other liabilities	214.6	247.5
Total other current liabilities	**737.6**	**650.9**

(1) December 31, 2018 has been restated as follows:
- reclassification from Deferred tax liabilities to Non current provisions and Other current liabilities, as a consequence of the application of IFRIC 23 (see note 2.1 "IFRS basis adopted").

NOTE 11. EMPLOYEE REMUNERATION AND BENEFITS

11.1 HEADCOUNT

The average number of employees of the Group's companies breaks down as follows:

Regions	2019	2018
France[1]	1,083	1,062
United States[2]	1,061	1,071
Central Europe	143	137
Spain	137	143
United Kingdom and Italy[2]	467	492
Nordics	118	109
Austria	63	62
Germany	461	441
The Netherlands	89	73
Australia[2]	4	16
Total	**3,625**	**3,606**

(1) Of which Viparis: 375/362.
(2) In 2018, the Sum of the headcount on the last day of each month from June to December was divided by seven months. In 2019 the Sum of the headcount relates to the whole year.

11.2 PERSONNEL COSTS

(€Mn)	2019	2018
Personnel costs[1]	489.8	359.3
Employee benefits[2]	15.3	24.2
Total	**505.1**	**383.5**

(1) In 2018, the amount regarding Westfield related to seven months, from June to December. In 2019, it relates to the whole year.
(2) Expenses relating to the Company Savings Plan, stock options and performance shares, recognised with an equivalent increase in equity.

EMPLOYEE PROFIT SHARING

Employees belonging to the UES ("*Unité Économique et Sociale*"— Social and Economic Group) comprising notably Unibail Management and Espace Expansion, and employees of Unibail-Rodamco-Westfield SE benefit from a common employee profit-sharing plan and a common profit-sharing agreement introduced in 1999. The common profit-sharing agreement was renewed in 2017. The profit-sharing agreement is based on the annual growth of the net recurring result and of the EPRA NNNAV, weighted for the activity in France and adjusted for indexation.

Employees belonging to the UES Viparis benefit from a common employee profit-sharing plan and a common profit-sharing agreement introduced in 2008. The profit-sharing agreement was renewed in 2017.

11.3 EMPLOYEE BENEFITS

11.3.1 PENSION PLAN

ACCOUNTING PRINCIPLES

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

POST-EMPLOYMENT BENEFITS

Pension schemes may be defined contribution or defined benefit schemes.

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

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

In the majority of the Group 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.

Provisions are booked for retirement allowances relating to defined benefit schemes based on the net present value of these future allowances. According to IAS 19 Revised, the actuarial gains and losses are accounted for in Other comprehensive income.

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.

With the exception of provision for retirement allowances and long-service awards, no commitments relating to long-term or post-employment benefits need to be accrued.

Provisions for pension liabilities (€Mn)	Dec. 31, 2019	Dec. 31, 2018
Retirement allowances	12.0	8.5
Pension plans with defined benefit(1)	2.9	3.2
Total	**14.9**	**11.7**

(1) The provision corresponds to the remaining obligation to the defined benefit contract in The Netherlands.

11.3.2 SHARE-BASED PAYMENTS

ACCOUNTING PRINCIPLES

Under IFRS 2, all transactions relating to share-based payments must be recognised in the income statement. This is the case for URW's Company Savings Plan, Stock Option Plan, Performance Shares Plan.

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.

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

The stock options and performance shares, all subject to performance conditions have been valued using a Monte Carlo model.

The additional expenses incurred by the Company Savings Plan, Stock Option Plans and Performance Shares Plans are classified under personnel expenses.

COMPANY SAVINGS PLAN

Subscription to the Company Savings Plan is offered to employees in France who have been with the Group for more than three months. The subscription period is opened once per year, after the share capital increase reserved to employees has been authorised by the Management Board, which also sets the subscription price. The subscription price is equal to the average of the opening share prices on the Eurolist of Euronext Paris over the 20 trading days preceding the decision of the Management Board, less a 20% discount. The Group also makes a top-up contribution applied exclusively to voluntary contributions (including profit-sharing), made by employees to the Group E Fund (fund fully vested in Stapled Shares as from June 2018). These voluntary contributions are limited to a maximum of one quarter of the annual salary with a cap of €25,000 (for shares acquired at the discount).

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 €2.7 Mn in 2019 compared to €2.9 Mn in 2018.

STOCK OPTION PLANS

There are currently four plans for stock options granted to Directors and employees of the Group which have a duration of seven years (except the plan granted in March 2019 which has a duration of six years) and may be exercised at any time, in one or more installments, as from the 4th anniversary of the date of their allocation (except the plan granted in March 2019, as from the 3rd anniversary).

All the plans have an external performance condition (TSR) based on the Group's share price performance. An internal performance metric, the Recurring Earnings per Share (REPS), was introduced in addition to the TSR for the plans granted in March 2017 and March 2018 for the first year, and the Adjusted Recurring Earnings per Share (AREPS) for the last two years for the plan granted in March 2018 and March 2019.

The performance condition of the outstanding stock option plans has been calculated as at December 11, 2017, prior to the impact of the WFD Transaction announcement, and the TSR performance condition was shown as met for the 2012-2017 outstanding stock option grants.

Pursuant to the foregoing the Supervisory Board has decided the TSR performance condition was met for all 2012 to 2016 stock option plans. As far as the 2017 and 2018 plans are concerned, the performance condition is considered as met for the year 2017 and partially met for the year 2018.

The performance-related stock-options allocated in March 2019 were valued at €3.87 for those with a TSR condition and at €4.60 for those with REPS condition, using a Monte Carlo model. This valuation is based on an initial exercise price of €144.55, a share price at the date of allocation of €149.52, a vesting period of three years, an estimated duration of 3.7 years, a market volatility of 14.6%, a dividend representing 6.5% of the share value, a risk-free interest rate of -0.30% and a volatility of European composite index of 10.5% with a correlation European composite index/URW of 78.3%.

Stock options are accounted for in accordance with IFRS 2. The expense recorded in the income statement in relation to stock options came to €4.2 Mn in 2019 and €3.5 Mn in 2018.

The table below shows allocated stock options not exercised at the period-end:

Plan		Exercise period[(1)]	Adjusted subscription price (€)[(2)]	Number of options granted	Adjustments in number of options[(2)]	Number of options cancelled	Number of options exercised	Potential additional number of shares[(3)]
2011 plan (n°7)	2012	from 15/03/2016 to 14/03/2019	146.11	672,202	–	174,514	497,688	–
	2013	from 05/03/2017 to 04/03/2020	173.16	617,066	–	153,313	355,337	108,416
	2014	from 04/03/2018 to 03/03/2021	186.10	606,087	–	208,907	23,466	373,714
2015 plan (n°8)	2015	from 04/03/2019 to 03/03/2022	256.81	615,860	–	193,603	–	422,257
	2015	from 05/09/2019 to 04/09/2022	238.33	7,225	–	7,225	–	–
	2016	from 09/03/2020 to 08/03/2023	227.24	611,608	–	141,743	1,913	467,952
	2017	from 08/03/2021 to 07/03/2024	218.47	611,611	–	94,569	–	517,042
2018 plan (n°9)	2018	from 06/03/2022 to 05/03/2025	190.09	630,135	–	53,465	–	576,670
2019 plan (n°10)	2019	from 20/03/2022 to 19/03/2026	144.55	748,372	–	28,239	–	720,133
Total				**5,120,166**	**–**	**1,055,578**	**878,404**	**3,186,184**

(1) Under assumption that the performance and presence conditions are satisfied. If the first day of the exercise period is a non-business day, the retained date will be the next business day. If the end of the exercise period is a non-business day, the retained date will be the first preceding business day.
(2) Adjustments reflect distribution paid from retained earnings.
(3) All the options are subject to performance condition.

The table below shows the number and weighted average exercise prices of stock options:

	2019		2018	
	Number	**Weighted average price (€)**	Number	Weighted average price (€)
Outstanding at the beginning of the period	2,610,638	212.44	2,130,859	218.42
Allocated over the period	748,372	144.55	630,135	190.09
Cancelled over the period	(164,113)	193.33	(105,146)	221.51
Exercised over the period	(8,713)	146.11	(45,210)	161.79
Average share price on date of exercise	–	148.85	–	190.07
Outstanding at the end of the period	3,186,184	197.66	2,610,638	212.44
Of which exercisable at the end of the period[(1)]	–	–	–	–

(1) The right to exercise is subject to meeting the following performance condition: the overall market performance of URW must be higher in percentage terms than the performance of the EPRA reference index over the reference period.

PERFORMANCE SHARE PLAN

All the shares are subject to external performance conditions, except those allocated in May 2018 which are only subject to internal performance conditions.

The shares allocated in March 2019 and in March 2018 are subject to external and internal performance conditions.

The TSR performance condition was shown as met for the 2012-2017 performance share plans as at December 11, 2017, prior to the impact of the WFD Transaction announcement. The Supervisory Board has decided the TSR performance condition was met for all 2012 to 2016 Performance share plans. As far as the 2017 and 2018 plans are concerned, the performance condition is considered as met for the year 2017 and partially met for the year 2018.

The awards allocated in March 2019 were valued at €58.61 for those with a TSR condition and at €122.21 for those with non-market condition, using a Monte Carlo model.

This valuation is based on a share price at the date of allocation of €149.52, a vesting period of three years, a market volatility of 14.6%, a volatility of European composite index of 10.5% with a correlation European composite index/URW of 78.3%, a dividend representing 6.5% of the share value and risk-free interest rates of -0.37%.

Performance shares are accounted for in accordance with IFRS 2. The expense recorded on the income statement in relation to performance shares came to €9.4 Mn in 2019 and €5.2 Mn in 2018.

The table below shows allocated performance shares not exercised at the period-end:

Starting date of the vesting period[1]	Number of performance shares allocated	Number of performance shares cancelled	Number of performance shares acquired	Potential additional number of shares[2]
2015	37,554	10,515	27,039	–
2016	36,745	7,688	18,432	10,625
2017	39,770	6,154	–	33,616
March 2018	82,539	6,992	–	75,547
May 2018	38,130	463	–	37,667
March 2019	172,174	6,474	–	165,700
Total	**406,912**	**38,286**	**45,471**	**323,155**

(1) Regarding the plans prior to 2019:
– For French tax residents: a minimum vesting period of three years, and a minimum holding period of two years once vested;
– For non-French tax residents: a minimum vesting period of four years without any requirement to hold the shares.
As far as the 2019 plan is concerned, the vesting period is three years for both French and non-French tax residents.
(2) The acquisition of the shares is subject to performance condition.

11.3.3 REMUNERATION OF THE SENIOR MANAGEMENT TEAM AND THE SUPERVISORY BOARD

REMUNERATION OF THE SENIOR MANAGEMENT TEAM:

(K€) Paid in:	2019	2018
Fixed income	5,270	5,226
Short-term incentive	6,207	4,030
Other benefits[1]	1,871	1,470
Total	**13,348**	**10,726**

(1) Supplementary Contribution Scheme, company car and other additional benefits when applicable.

In 2019, the total amount relates to the total remuneration of the Senior Management Team which comprises the members of the Management Board[1].

In 2019, members of the Senior Management Team were allocated a total of 176,400 performance stock options, all subject to performance conditions and 40,556 performance shares.

Regarding the 2019 performance achievements, the Senior Management Team will receive in 2020 a total Short-Term Incentive ("STI") amounting to a maximum of €6,405 K, after the approval of the annual General Meeting ("GM") regarding the part related to the members of the Management Board. The actual STI to be submitted to the approval of the GM was appraised by the Supervisory Board on March 9, 2020.

(1) The Management Board consists of two members since June 7, 2018.

REMUNERATION OF THE SUPERVISORY BOARD:

The remuneration of the Supervisory Board amounts to €1,321,036 for the 2019 fiscal year.

LOANS OR GUARANTEES GRANTED TO DIRECTORS:

None.

TRANSACTIONS INVOLVING DIRECTORS:

None.

NOTE 12. SHARE CAPITAL AND DIVIDENDS

12.1 CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may issue new debt or buy back existing outstanding debt, adjust the amount of dividends paid to shareholders (subject to the Group's fiscal status under the SIIC regime in France), return capital to shareholders, issue new shares or buy back outstanding shares or sell assets to reduce debt.

The Group has disclosed the debt ratio "Loan-to-Value" (LTV) which is calculated as the net financial nominal debt expressed as a percentage of the portfolio valuation (including transfer taxes). As at December 31, 2019, net financial debt stood at €24,239 Mn[(1)], excluding partners' current accounts and after taking cash surpluses into account (€488.8 Mn).

As at December 31, 2019, the total Portfolio valuation amounts to €62,762 Mn, including transfer taxes.

As at December 31, 2019, the calculated ratio amounted to 38.6%, compared to 37.0% as at December 31, 2018.

12.2 NUMBER OF SHARES

ACCOUNTING PRINCIPLES

The Earnings Per Share indicator is calculated by dividing net result (Holders of the Stapled Shares) 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 performance shares during the vesting period, as well as the bonds redeemable for shares (*ORA*) and the net share settled bonds convertible into new and/or existing shares (*ORNANE*).

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

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

5.

CHANGE IN SHARE CAPITAL

	Total number of shares
As at Jan. 1, 2018	**99,856,676**
Capital increase following the acquisition of WFD	38,319,974
Exercise of stock options	45,210
Capital increase reserved for employees under Company Savings Plan	40,388
Shares granted	26,240
Bonds redeemable for shares	113
As at Dec. 31, 2018	**138,288,601**
Capital increase reserved for employees under Company Savings Plan	47,337
Shares granted	26,772
Exercise of stock options	8,713
Bonds redeemable for shares	7,182
As at Dec. 31, 2019	**138,378,605**

(1) After impact of derivative instruments on debt raised in foreign currencies.

AVERAGE NUMBER OF SHARES DILUTED AND UNDILUTED

	2019	2018
Average number of shares (undiluted)	**138,350,731**	**122,405,156**
Dilutive impact		
Potential shares via stock options[1]	–	–
Attributed performance shares (unvested)[1]	198,736	149,298
Potential shares via ORNANE	1,913,286	3,469,345
Potential shares via ORA	3,652	7,628
Average number of shares (diluted)	**140,466,405**	**126,031,428**

(1) Corresponds only to shares and attributed performance shares which are in the money and for which the performance condition is fulfilled.

12.3 DIVIDENDS

In accordance with the combined Ordinary and Extraordinary General Meeting held on May 17, 2019, a dividend of €1,493.9 Mn (€10.80 per Stapled Share) was paid in cash to the shareholders, of which €746.9 Mn as an interim dividend on March 29, 2019, and the remaining balance of €747.0 Mn on July 5, 2019.

In accordance with the combined Ordinary and Extraordinary General Meeting held on May 17, 2018, a dividend of €1,079.2 Mn (€10.80 per share) was paid in cash to the shareholders, of which €539.5 Mn as an interim dividend on March 29, 2018, and the remaining balance of €539.7 Mn on May 30, 2018.

In accordance with the combined Ordinary and Extraordinary General Meeting held on April 25, 2017, a dividend of €1,018.3 Mn (€10.20 per share) was paid in cash to the shareholders, of which €508.5 Mn as an interim dividend on March 29, 2017, and the remaining balance of €509.8 Mn on July 6, 2017.

NOTE 13. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENT LIABILITIES

All significant commitments are shown below. The Group does not have any complex commitments.

The amounts are disclosed under IFRS.

13.1 COMMITMENTS GIVEN

Commitments given (€Mn)	Description	Maturities	Dec. 31, 2019	Dec. 31, 2018
1) Commitments related to the scope of the consolidated Group			**26.6**	**86.2**
Commitments for acquisitions	• Purchase undertakings and earn-out	2020	2.2	31.1
Commitments given as part of specific transactions	• Warranties and bank letters of credit given in the course of the ordinary business	2020+	24.4	55.1
2) Commitments related to Group financing			**1,671.2**	**1,820.4**
Financial guarantees given	• Mortgages and first lien lenders(1)	2020 to 2027	1,262.6	1,419.5
	• Guarantees relating to entities under the equity method	2020 to 2022	408.6	400.9
3) Commitments related to Group operational activities			**1,501.5**	**2,828.0**
Commitments related to development activities	• Properties under construction: residual commitments for works contracts and forward purchase agreements	2020+	865.2	1,177.1
	• Residual commitments for other works contracts	2020+	12.4	17.1
	• Commitments subject to conditions precedent	2020 to 2027	250.8	252.5
Commitments related to operating contracts	• Commitments for construction works(2)	2020 to 2064	233.2	373.6
	• Rental of premises and equipment(3)	2020+	11.6	745.6
	• Other(3)	2020+	128.2	262.1
Total commitments given			**3,199.3**	**4,734.5**

(1) The outstanding balances at the reporting date of the debts and drawn credit lines which are secured by mortgages. The gross amount of mortgages was €1,262.6 Mn as at December 31, 2019 (€1,419.5 Mn as at December 31, 2018).
(2) Under the 50-year lease contract to operate Porte de Versailles (Paris), an amount of €497.0 Mn for renovation works and €227.2 Mn for the maintenance works (i.e. €724.2 Mn, of which €504.0 Mn have already been invested) have to be spent, representing an initial commitment of €362.1 Mn (Group share).
(3) The decrease relates mainly to the adoption of IFRS 16 Leases.

COMMITMENTS RELATING TO GROUP FINANCING

The €2,000 Mn Hybrid securities issued on April 16, 2018 are deeply subordinated perpetual instruments with a coupon deferral option. The coupon is to be paid when a mandatory payment event occurs, such as the approval of a dividend payment, though the Group can suspend payments while making the minimum required REIT distributions.

Westfield America Limited Partnership, Urban Shopping Centers and Westfield Growth have guaranteed loans entered into by joint-ventures for a portion of the principal amount of the loans greater than their stake in the joint-ventures.

OTHER UNQUANTIFIABLE COMMITMENTS GIVEN RELATED TO THE SCOPE OF THE CONSOLIDATED GROUP

- For a number of recent acquisitions of properties in France, Unibail-Rodamco-Westfield SE has committed to the French tax authorities to retain these interests for at least five years, in accordance with the SIIC tax regime.
- For a number of disposals, the Group granted usual representations and warranties to the purchasers.
- The agreements in connection with joint investments with partners may include usual clauses like (i) a lock-up period during which the shareholders have to retain their interest in shared subsidiaries or (ii) arrangements pursuant to which the parties can organise the exit of the shareholders (for example: right of first offer, tag-along right in case the partner sells its shares to a third party).

OTHER COMMITMENTS GIVEN RELATED TO GROUP OPERATIONAL ACTIVITIES

- The Group's 50% subsidiary SCI Propexpo has committed that the Espace Champerret venue in Paris, France, will continue to be used as an exhibition hall until 2066.
- In a number of countries in which the Group operates, specific tax regimes for real estate companies exist. For many companies of the Group, eligible for such regimes, the Group has opted to use such regimes. Although the details of those regimes are not exactly the same for all countries, one of the standard elements is a requirement to distribute all/nearly all of the recurring income, a large part of the capital gains and all dividends received from other companies that have opted for the application of such specific regimes.
- In 2014, the City of Brussels selected Unibail-Rodamco-Westfield as the co-developer, with its partners BESIX and CFE, of the NEO project. BESIX has the opportunity to increase its interest in the Mall of Europe from 12.5% to 20%.

CFE has an option to sell its shares in the Mall of Europe to Unibail-Rodamco-Westfield from December 31 following the opening of the shopping centre and during a period of one year. If the put is not exercised, the Group has an option to buy CFE's shares in the Mall of Europe.

BESIX has an option to sell its shares in the Mall of Europe to Unibail-Rodamco-Westfield from the end of the second full year after the opening of the shopping centre and during 38 months from such date.

Unibail-Rodamco-Westfield SE together with the parent companies of BESIX and CFE provided guarantees to the City of Brussels with respect of all payment obligations of the joint ventures which will develop the project.

Several counter guarantees were provided between Unibail-Rodamco-Westfield SE, BESIX and CFE, to ensure that each joint venture shall not bear any financial consequence beyond its program and that the ultimate shareholder shall not bear more than its share in each joint venture.

13.2 COMMITMENTS RECEIVED

Commitments received (€Mn)	Description	Maturities	Dec. 31, 2019	Dec. 31, 2018
1) Commitments related to the scope of the consolidated Group			**0.8**	**36.8**
Commitments for acquisitions	• Sales undertakings	2020	0.8	1.1
Commitments received as part of specific transactions	• Representations and warranties	–	–	35.7
2) Commitments related to Group financing			**9,195.5**	**8,409.4**
Financial guarantees received	• Undrawn credit lines[1]	2020 to 2024	9,195.5	8,409.4
3) Commitments related to Group operational activities			**703.1**	**678.9**
Other contractual commitments received related to operations	• Bank guarantees on works and others	2020+	13.5	12.1
	• Other	2020 to 2024	228.9	229.0
Assets received as security, mortgage or pledge, as well as guarantees received	• Guarantees received relating to Hoguet regulation (France)	2020	124.5	124.5
	• Guarantees received from tenants	2020+	251.8	260.9
	• Guarantees received from contractors on works	2020 to 2024	84.4	52.4
Total commitments received			**9,899.5**	**9,125.1**

(1) These agreements contain financial covenants based on the Group's financial statements. Certain credit lines are also subject to an early prepayment clause (in full or in part) in the event of a change in ownership or a series of disposals reducing portfolio assets below a given threshold. Based on current forecasts, excluding exceptional circumstances, these covenant limits are not expected to be breached during the current year. A total amount of €418 Mn is secured by mortgages as at December 31, 2019.

COMMITMENTS RELATING TO ENTITIES' INTERESTS IN JOINT VENTURES AND ASSOCIATES

Following the acquisition of a stake in the German shopping centre CentrO in May 2014, the vendor has provided an unlimited tax guarantee in proportion to the stake acquired for any tax claim related to previous years that may arise after the acquisition date. The vendor has also guaranteed a certain amount of tax losses carried forward available at the date of acquisition.

13.3 CONTINGENT LIABILITIES

The Group is involved in an arbitration procedure with PEAB involving claims regarding the development of Mall of Scandinavia. The process involves claims by both sides and is expected to take time to resolve.

Based on the risk analysis as of December 31, 2019, no provision was recorded in the consolidated accounts.

NOTE 14. SUBSEQUENT EVENTS

The Group on February 12, 2020, announced it had received binding offers from a consortium of leading French investors, comprised of Crédit Agricole Assurances and La Française (collectively, the "Consortium"), to acquire a 54.2% stake in a joint-venture ("JV") on five French shopping centres (Aéroville, So Ouest, Confluence, Toison d'Or and Rennes Alma).

Unibail-Rodamco-Westfield has currently agreed to hold a 45.8% stake in the holding that will hold the assets and will manage the shopping centres on behalf of the holding through long-term management contracts. The Group's stake in the holding will decrease as more investors join.

According to the governance, the group will have a significant influence on the holding and as a result it will be accounted for using the equity method.

The offer price for the assets at 100%, €2,037 Mn, is in line with the last unaffected appraisal value as at December 31, 2018, and represents a Net Initial Yield of 4.80%. As part of the proposed transaction ("Transaction"), a syndicate of banks has underwritten €1.0 Bn in secured financing. Net disposal proceeds to URW are expected to amount to €1,511 Mn.

Further to this agreement, Unibail-Rodamco-Westfield has granted the Consortium an exclusivity period ending on May 15, 2020. During this period, the works council of Unibail-Rodamco-Westfield will be consulted. The Transaction is also subject to certain standard antitrust and regulatory approvals and is expected to close late in Q2-2020.

NOTE 15. LIST OF THE MAIN CONSOLIDATED COMPANIES

List of the main consolidated companies	Country	Method[1]	% interest Dec. 31, 2019	% control Dec. 31, 2019	% interest Dec. 31, 2018
Unibail-Rodamco-Westfield SE	France	FC	100.00	100.00	100.00
WCL Finance Pty Limited	Australia	FC	100.00	100.00	100.00
WCL Management Pty Limited	Australia	FC	100.00	100.00	100.00
Westfield America Trust	Australia	FC	100.00	100.00	100.00
Westfield Corporation Limited	Australia	FC	100.00	100.00	100.00
Westfield Investments Pty Limited	Australia	FC	100.00	100.00	100.00
WFD Trust	Australia	FC	100.00	100.00	100.00
Donauzentrum Besitz- u. Vermietungs GmbH	Austria	FC	100.00	100.00	100.00
Shopping Center Planungs- und Entwicklungsgesellschaft mbH & Co. Werbeberatung KG	Austria	FC	100.00	100.00	100.00
Centrum Cerny Most as	Czech Republic	FC	100.00	100.00	100.00
Centrum Chodov	Czech Republic	FC	100.00	100.00	100.00
Rodareal Oy	Finland	-	Sold	Sold	100.00
Doria	France	FC	100.00	100.00	100.00
Financière 5 Malesherbes	France	FC	100.00	100.00	100.00
Lyon Garibaldi	France	FC	100.00	100.00	100.00
Rodamco France	France	FC	100.00	100.00	100.00
SA Uni-Expos	France	FC	100.00	100.00	100.00
SA Union Internationale Immobilière	France	FC	100.00	100.00	100.00
SCI Chesnay Pierre 2	France	FC	50.00	50.00	50.00
SCI du Forum des Halles de Paris	France	FC	65.00	65.00	65.00
SCI Propexpo	France	FC	50.00	50.00	50.00
SCI SCC de La Défense	France	FC	53.30	53.30	53.30
SNC CC Francilia	France	FC	100.00	100.00	100.00
SNC Viparis – Porte de Versailles	France	FC	50.00	100.00	50.00
Uni-commerces	France	FC	100.00	100.00	100.00
CentrO	Germany	EM-JV	50.01	50.01	45.41

(1) FC: full consolidation method, EM-JV: joint ventures under the equity method, EM-A: associates under the equity method.

List of the main consolidated companies	Country	Method[(1)]	% interest Dec. 31, 2019	% control Dec. 31, 2019	% interest Dec. 31, 2018
Unibail-Rodamco-Westfield Germany GmbH	Germany	FC	51.00	51.00	51.00
SARL Red Grafton 1	Luxembourg	FC	65.00	65.00	65.00
Crystal Warsaw Sp zoo	Poland	FC	100.00	100.00	100.00
GSSM Warsaw Sp zoo	Poland	FC	100.00	100.00	100.00
Zlote Tarasy partnership	Poland	EM-A	100.00	-	100.00
Aupark as	Slovakia	FC	100.00	100.00	100.00
Unibail-Rodamco Retail Spain	Spain	FC	100.00	100.00	100.00
Unibail-Rodamco Steam SLU	Spain	FC	51.11	100.00	51.11
Rodamco AB	Sweden	FC	100.00	100.00	100.00
Rodamco Centerpool AB	Sweden	FC	100.00	100.00	100.00
Rodamco Handel AB	Sweden	FC	100.00	100.00	100.00
Rodamco Northern Europe AB	Sweden	FC	100.00	100.00	100.00
Rodamco Sverige AB	Sweden	FC	100.00	100.00	100.00
Rodamco Täby Centrum KB	Sweden	FC	100.00	100.00	100.00
Rodamco Austria BV	The Netherlands	FC	100.00	100.00	100.00
Rodamco Central Europe BV	The Netherlands	FC	100.00	100.00	100.00
Rodamco Czech BV	The Netherlands	FC	100.00	100.00	100.00
Rodamco Deutschland BV	The Netherlands	FC	100.00	100.00	100.00
Rodamco Europe Properties BV	The Netherlands	FC	100.00	100.00	100.00
Rodamco Retail Deutschland BV	The Netherlands	FC	100.00	100.00	100.00
Unibail-Rodamco Nederland Winkels BV	The Netherlands	FC	100.00	100.00	100.00
Unibail-Rodamco TH BV	The Netherlands	FC	100.00	100.00	100.00
URW UK Olympic 1 & 2	The Netherlands	FC	100.00	100.00	100.00
URW UK Shepherds 1 to 6	The Netherlands	FC	100.00	100.00	100.00
WFD Unibail-Rodamco NV	The Netherlands	FC	100.00	100.00	100.00
Stratford City Shopping Centre n°1 Limited	United Kingdom	EM-JV	50.00	50.00	50.00
Westfield Europe Limited	United Kingdom	FC	100.00	100.00	100.00
Westfield UK & Europe Finance PLC	United Kingdom	FC	100.00	100.00	100.00
White City Acquisitions Limited	United Kingdom	FC	51.00	100.00	51.00
New WTC Retail Member LLC	United States	FC	100.00	100.00	100.00
URW America	United States	FC	100.00	100.00	100.00
URW US Services, Inc.	United States	FC	100.00	100.00	-
URW WEA LLC	United States	FC	99.76	99.76	-
WEA Finance, LLC	United States	FC	100.00	100.00	100.00
WEA Holdings, LLC	United States	FC	100.00	100.00	-
Westfield America, Inc.	United States	-	Liquidated	Liquidated	100.00
Westfield America, LP	United States	FC	100.00	100.00	100.00
Westfield DDC, LLC	United States	FC	100.00	100.00	100.00
Westfield Head, LP	United States	FC	100.00	100.00	100.00
Westfield, LLC	United States	FC	100.00	100.00	100.00
WHL USA Acquisitions, Inc.	United States	FC	100.00	100.00	100.00

(1) FC: full consolidation method, EM-JV: joint ventures under the equity method, EM-A: associates under the equity method.

NOTE 16. RELATIONSHIP WITH STATUTORY AUDITORS

Statutory Auditors are:

- Ernst & Young Audit
  Commencement date of first term of office: AGM of May 13, 1975;
  Person responsible: Jean-Yves Jégourel designated in April 2017.

- Deloitte & Associés
  Deloitte & Associés succeeded Deloitte Marque & Gendrot which was appointed on April 28, 2005;
  Persons responsible: Emmanuel Gadret and Emmanuel Proudhon, since May 2019.

The six-year term of office for Ernst & Young Audit and Deloitte & Associés comes to an end as at the Annual General Meeting approving the 2022 accounts.

FEES OF STATUTORY AUDITORS EXCLUDING THEIR NETWORKS FOR THE 2019 AND 2018 FISCAL YEARS:

	Ernst & Young Audit		Deloitte & Associés	
STATUTORY AUDITORS' FEES (€Mn)	2019	2018	2019	2018
Audit and limited review of the consolidated and non-consolidated financial statements	1.6	1.3	1.5	1.3
(Parent company + controlled companies[1])				
Non-audit services[2]	0.5	1.0	0.3	0.7
(Parent company + controlled companies[1])				
Total	**2.1**	**2.3**	**1.8**	**2.0**

(1) The controlled companies correspond to the fully consolidated companies as well as the jointly controlled companies.
(2) Relate to the non-audit services in accordance with legal and regulatory requirements and to the non-audit services provided at the request of the company. The amounts correspond to (i) comfort letters issued in connection with bond issuances of the Group, (ii) the certificate CSR (Corporate social responsibility), (iii) statements on turnover and (iv) other services such as reports on interim dividends.

5.3 STATUTORY FINANCIAL STATEMENTS AS AT DECEMBER 31, 2019

5.3.1 INCOME STATEMENT AS AT DECEMBER 31, 2019

(€ thousands)	Notes	2019	2018
Revenue		**185,524**	**164,797**
Reversals of depreciation, amortisation, impairment and expense transfers		27,750	22,179
Other income		2,008	6,750
Total operating income	21	**215,282**	**193,726**
Other purchases and external charges		145,934	127,151
Taxes and related		4,222	5,199
Wages and salaries		2,061	(2,834)
Payroll taxes		2,584	478
Depreciation and amortisation of non current assets - operating items		42,618	51,045
Impairment of non current assets - operating items		5,094	0
Impairment of current assets - operating items		570	328
Provisions - operating items		2,443	5,977
Other operating expenses		4,859	3,297
Total operating expenses	22	**210,385**	**190,641**
1 - OPERATING RESULT		**4,897**	**3,085**
Investment income	23.1	1,293,005	2,224,320
Income from other marketable securities and receivable on non current assets	23.2	349,698	292,616
Other interest income	23.3	287,992	192,105
Reversals of impairment and expense transfers		317,132	15,028
Exchange gains		28,560	27,877
Net income from sales of marketable securities		70	0
Total financial income	23	**2,276,457**	**2,751,946**
Depreciation, amortisation and impairment - financial items	24.1	1,684,292	1,235,126
Interest expenses	24.2	646,799	511,668
Exchange losses	24.3	27,128	9,174
Net expenses on sales of marketable securities		102	390
Total financial expenses	24	**2,358,321**	**1,756,358**
2 - FINANCIAL RESULT		**(81,864)**	**995,588**
3 - RECURRING RESULT BEFORE TAX		**(76,967)**	**998,673**
Non-recurring income on management transactions		58	49
Non-recurring income on capital transactions		936,924	855,867
Reversals of impairment and expense transfers		2,470	0
Total non-recurring income		**939,452**	**855,916**
Non-recurring expenses on management transactions		1,597	78
Non-recurring expenses on capital transactions		904,446	389,080
Depreciation, amortisation and provisions - non-recurring items		2,980	7,936
Total non-recurring expenses		**909,023**	**397,094**
4 - NON-RECURRING RESULT	25	**30,429**	**458,822**
Employee profit-sharing		3	2
Income tax	26	(115)	0
Total income		**3,431,191**	**3,801,588**
Total expenses		**3,477,617**	**2,344,095**
5 - NET RESULT		**(46,426)**	**1,457,493**
Average number of shares (undiluted)		138,350,731	122,405,156
RESULT FOR THE PERIOD PER SHARE IN EUROS		**(0.34)**	**11.91**
Average number of shares (diluted)		140,466,405	126,031,428
DILUTED RESULT FOR THE PERIOD PER SHARE IN EUROS		**(0.33)**	**11.56**

5.3.2 BALANCE SHEET AS AT DECEMBER 31, 2019

ASSETS

(€ thousands)	Notes	Gross 31/12/2019	Depr., amort., impair.	Net 31/12/2019	Net 31/12/2018
Intangible assets	3	**285**	**285**	**0**	**0**
Tangible assets	3	**1,407,255**	**290,736**	**1,116,519**	**1,220,111**
Financial assets		**32,961,707**(1)	**2,515,354**	**30,446,353**	**29,864,682**
Investments in subsidiaries	4	19,849,098	2,515,354	17,333,744	17,692,989
Other long-term investments	5	32,838	0	32,838	32,838
Loans	5	13,079,765	0	13,079,765	12,138,849
Other financial assets	5	6	0	6	6
TOTAL NON CURRENT ASSETS		**34,369,247**	**2,806,375**	**31,562,872**	**31,084,793**
Advances and downpayments		**3,420**	**0**	**3,420**	**1,575**
Receivables	6	**6,738,216**(2)	**782**	**6,737,434**	**5,745,742**
Trade receivables from activity		45,089	632	44,457	17,131
Other receivables		6,285,227	150	6,285,077	5,300,529
Difference of assesment of derivatives		407,900	0	407,900	428,082
Cash and forward financial instruments	7	**293,680**	**0**	**293,680**	**190,341**
Prepaid expenses	8	**330**	**0**	**330**	**89**
TOTAL CURRENT ASSETS		**7,035,646**	**782**	**7,034,864**	**5,937,747**
Deferred charges	9	143,968	0	143,968	113,409
Unrealised foreign exchange losses	10	154,457	0	154,457	156,131
TOTAL ASSETS		**41,703,318**	**2,807,157**	**38,896,161**	**37,292,080**

(1) Current and liquid financial assets (€ thousands): 1,278,913
(2) Current and liquid receivables (€ thousands): 6,456,409

LIABILITIES AND EQUITY

(€ thousands)	Notes	31/12/2019	31/12/2018
Shareholders'equity	12	**15,192,371**	**16,722,236**
Share capital		691,893	691,443
Additional paid-in capital		13,478,187	13,471,022
Legal reserve		69,144	49,928
Other reserves		27,314	27,314
Retained earnings		963,143	1,018,900
Result for the period		(46,426)	1,457,493
Regulated provisions		9,116	6,136
Other equity	13	**2,000,000**	**2,001,132**
Bonds redeemable for shares		0	1,132
Hybrid securities		2,000,000	2,000,000
Provisions for contingencies and expenses	14	**166,254**	**167,991**
Borrowings and financial liabilities		**21,501,753**(1)	**18,384,814**
Convertible bonds	15	602,911	1,000,000
Other bonds	15	16,265,675	13,775,841
Bank borrowings and debt	15	58,995	103,682
Other borrowings and financial liabilities	15	4,144,686	3,167,533
Advances and prepayments received		5,389	1,325
Other liabilities	16	401,969	310,101
Deferred income	17	22,128	26,332
Unrealised foreign exchange gains	18	**35,783**	**15,907**
TOTAL LIABILITIES AND EQUITY		**38,896,161**	**37,292,080**

(1) Current and liquid liabilities (€ thousands): 4,761,120

5.3.3 BREAKDOWN OF BALANCE SHEET AND INCOME STATEMENT BY ENTITY

INCOME STATEMENT

(€ thousands)	France	Dutch permanent establishment	Total
Revenue	**141,985**	**43,539**	**185,524**
Other income and expense transfers	17,335	12,423	29,758
Total operating income	159,320	55,962	215,282
Total operating expenses	174,199	36,186	210,385
1 - OPERATING RESULT	**(14,879)**	**19,776**	**4,897**
Total financial income	1,734,330	542,127	2,276,457
Total financial expenses	996,953	1,361,368	2,358,321
2 - FINANCIAL RESULT	**737,377**	**(819,241)**	**(81,864)**
3 - RECURRING RESULT BEFORE TAX	**722,498**	**(799,465)**	**(76,967)**
Total non-recurring income	708,970	230,482	939,452
Total non-recurring expenses	736,936	172,087	909,023
4 - NON-RECURRING RESULT	**(27,966)**	**58,395**	**30,429**
Employee profit-sharing	3	0	3
Income tax	0	(115)	(115)
Total income	2,602,620	828,571	3,431,191
Total expenses	1,908,091	1,569,526	3,477,617
5 - NET RESULT	**694,529**	**(740,955)**	**(46,426)**

ASSETS

(€ thousands)	France	Dutch permanent establishment	Total
Intangible assets	0	0	0
Tangible assets	588,054	528,465	1,116,519
Financial assets	21,012,622	9,433,731	30,446,353
TOTAL NON CURRENT ASSETS	**21,600,676**	**9,962,196**	**31,562,872**
Advances and downpayments	3,420	0	3,420
Receivables	5,073,388	1,664,046	6,737,434
Cash and cash equivalents	293,096	584	293,680
Prepaid expenses	330	0	330
TOTAL CURRENT ASSETS	**5,370,234**	**1,664,630**	**7,034,864**
Deferred charges	143,968	0	143,968
Unrealised foreign exchange losses	153,884	573	154,457
TOTAL ASSETS	**27,268,762**	**11,627,399**	**38,896,161**

LIABILITIES AND EQUITY

(€ thousands)	France	Dutch permanent establishment	Total
Shareholders' equity	15,933,326	(740,955)	15,192,371
Other equity	2,000,000	0	2,000,000
Provisions	165,681	573	166,254
Borrowings and financial liabilities	20,879,343	622,410	21,501,753
Unrealised foreign exchange gains	35,783	0	35,783
TOTAL LIABILITIES AND EQUITY	**39,014,133**	**(117,972)**	**38,896,161**

5.4 NOTES TO THE STATUTORY FINANCIAL STATEMENTS

Unibail-Rodamco-Westfield SE has been listed on the Paris stock exchange since 1972, and has been included in the CAC 40 index since June 18, 2007, and the Euronext 100, AEX and Euro Stoxx-50 indices since February 2010. On January 1, 2003, the Company opted for SIIC tax status as a real estate investment company. Unibail-Rodamco-Westfield SE has had a permanent establishment based in the Netherlands since 2007.

NOTE 1. ACCOUNTING POLICIES

1.1 APPLICATION OF ACCOUNTING POLICIES

The statutory financial statements are presented in accordance with the French General Chart of Accounts and the French Commercial Code.

The general accounting policies were applied in accordance with the principles of:

- consistent accounting method;
- independence of financial years;
- rules for preparing statutory financial statements, based on a going concern assumption.

1.2 BASIS OF MEASUREMENT

Non current assets are recognised as assets when all of the following conditions are simultaneously met:

- it is probable that the Company will benefit from the corresponding future economic benefits;
- the cost or value of the assets can be measured with sufficient reliability.

1.2.1 INTANGIBLE ASSETS

GROSS VALUE

Intangible items are measured at acquisition or production cost. They mainly comprise business goodwill.

IMPAIRMENT

When the net book value is higher than the present value being assessed in particular using profitability criteria, the difference is booked as an impairment.

1.2.2 TANGIBLE ASSETS

GROSS VALUE

Since January 1, 2005, tangible assets are recognised at acquisition or construction cost (purchase price plus ancillary expenses) divided into four components. For assets acquired or constructed between 1997 and 2004, cost also includes financial expenses arising during the construction period.

DEPRECIATION OF BUILDINGS AND FIXTURES

Depreciation is calculated on a straight-line basis over the estimated useful life:

OFFICES & OTHERS

- Main structure: 60 years
- Façade: 30 years
- Technical equipment: 20 years
- Miscellaneous fixtures and fittings: 15 years

SHOPPING CENTRES

- Main structure: 35 years
- Façade: 25 years
- Technical equipment: 20 years
- Miscellaneous fixtures and fittings: 15 years

CONVENTION & EXHIBITION

- Main structure: 40 years
- Façade: 40 years
- Technical equipment: 30 years
- Miscellaneous fixtures and fittings: 10 years

The depreciation periods applicable to the "Offices & Others" portfolio were used for the CNIT complex, which covers the three segments ("Offices & Others", "Shopping Centres" and "Convention & Exhibition").

IMPAIRMENT OF TANGIBLE ASSETS

Tangible assets are measured consistently by both external and internal appraisers, as follows:

Investment property

At the end of each reporting period, investment property is measured at market value. This valuation, including acquisition costs and taxes, is carried out by independent appraisers.

Any loss in value of investment property is calculated by comparing the net book value and the appraisal value net of transfer taxes ("value excluding taxes").

Impairment charged can only be reversed when the net book value falls below the appraisal value.

Buildings under construction

If the project has been valued by an independent appraiser, impairment is calculated in the same way as for investment property.

If the project has not been valued by an independent appraiser, its value is determined internally by the Development & Investment teams through a market Exit Capitalisation Rate and the estimated net rentals at completion. Impairment is booked when this value is lower than the estimated total investment.

1.2.3 FINANCIAL ASSETS

Financial assets are recognised at acquisition cost on the balance sheet.

Since January 1, 2016, under regulation ANC 2015-06, technical losses from mergers or merger transactions via dissolution without liquidation allocated to investments in subsidiaries are recognised in this item.

Investments in subsidiaries are determined on the basis of their value in use corresponding to the price the Company would accept to pay to purchase these shares.

The value in use includes unrealised capital gain on assets or properties held by the subsidiaries such properties being measured at each year end by independent appraisers. These valuations take into account rentals, the last real estate transactions and their Net Initial Yield. The value in use also includes the valuation of the intangible assets made by independent appraisers, which are owned by the subsidiaries, and based on the Discounted Cash Flows on these activities. It includes finally the share of the goodwill which is allocated in consolidated financial statements.

When the value in use is lower than the acquisition cost plus any technical loss related to said investments in subsidiaries, an impairment is booked first on the merger loss and subsequently on the investment in subsidiaries.

1.2.4 ACQUISITION FEES AND TRANSFER TAXES

Since January 1, 2018, the Company has decided to capitalise the costs of transfer taxes, fees or commissions and legal expenses related to the acquisition cost of tangible, intangible and financial assets. For tangible and intangible assets, these costs and taxes are spread across the corresponding components of the related asset and depreciated over the components useful life.

1.2.5 TRADE RECEIVABLES

Uncollected receivables are recognised in “Doubtful receivables” whenever there is a risk of non-collection.

Depreciation is calculated on a case-by-case basis, taking into account the age of the receivable, the type of collection procedure adopted and the progress of said procedure, as well as any guarantee received.

DISCOUNTED RENT PERIODS AND STEP RENTS

When a lease includes rent adjustment clauses such as discounted rent periods and step rents, the overall impact of these adjustments granted over the firm term of the lease is recognised over the lease term. This is calculated as from the date the asset is made available if this predates the effective date of the lease. The impact is recognised in a receivable sub-account.

1.2.6 BOND ISSUANCE COSTS

Bond and EMTN issuance costs along with bond premiums are recognised on an actuarial basis over the term of the debt.

1.2.7 PROVISIONS

In accordance with CRC regulation no. 2000-06 on liabilities, provisions are defined as liabilities of uncertain timing or amount. A liability represents an obligation with regard to a third party which is likely or certain to result in an outflow of resources to the third party, with no equivalent consideration expected in return.

1.2.8 MARKETABLE SECURITIES

Marketable securities are measured at historical cost. At the end of the reporting period, the amount shown on the balance sheet is compared with the last known redemption price and a provision for impairment booked if the redemption price is lower than the book value in the balance sheet.

1.2.9 RENTAL INCOME

CALCULATION OF SALES-BASED RENT

When the Sales Based Rents billed are higher than the estimated Sales Based Rents, a provision is booked.

REBILLING OF MAJOR WORKS

The percentage of capitalised works rebilled to tenants is recognised in prepaid income over a three-year period, corresponding to the average firm term of the leases.

KEY MONEY

Key money is recognised over the fixed term of the lease whenever it is material.

1.2.10 FOREIGN CURRENCY TRANSACTIONS

Foreign currency income and expenses are booked at their equivalent value in euros at the recognition date. Foreign currency receivables and payables are translated into euros and recognised on the balance sheet based on the closing exchange rate. Any resulting differences are included in unrealised foreign exchange gains or losses.

A contingency and expense provision is booked for any unrealised losses.

In the event the Company has entered into a perfect and symmetric hedging as soon as foreign currency transactions are issued (the setting up of a currency swap for the same amount and the same issue and maturity dates as the hedged currency transaction), the transactions are recognised at the exchange rate set by the hedging transaction and any exchange gains or losses are recognised immediately in the income statement.

1.3 OTHER ACCOUNTING PRINCIPLES

1.3.1 FINANCIAL COSTS RELATING TO CONSTRUCTION OPERATIONS

Financial costs relating to major restructuring or construction operations are expensed as incurred.

1.3.2 FORWARD FINANCIAL INSTRUMENTS

Unibail-Rodamco-Westfield SE uses a variety of derivative instruments including swaps and caps to manage overall interest rate and/or currency risk.

Premiums paid upon signing an agreement are booked as a financial instrument asset on the balance sheet and recognised on an actuarial basis over the term of the agreement.

Interest income or expenses are booked in the income statement as incurred.

Financial instruments are recognised based according to the intention with which the corresponding transactions were carried out.

Regarding hedging transactions:

- when the forward financial instruments are restructured with the initial counterparty or cancelled and new hedge instruments are set up with a new counterparty, the balancing cash adjustments are booked in the transitional cash instrument accounts as required under French accounting rules, while the set-up balancing cash is considered a cash instrument. The unrealised and realised results related to these hedging instruments are recognised in the income statement over the residual life of the hedged item on a symmetrical basis with the income and charges of the hedged item.

Regarding isolated positions:

- changes in value are recognised in the balance sheet;
- a provision is booked for unrealised losses;
- any balancing cash adjustments arising on renegotiating these instruments are recognised directly in the income statement.

1.3.3 INCOME TAX

Unibail-Rodamco-Westfield SE as well as most of its eligible French subsidiaries opted for the SIIC regime. Rental income and gains from the disposal of real estate investments are exempt from income tax if minimum distribution obligations are met. Unibail-Rodamco-Westfield SE and its SIIC subsidiaries are required to distribute at least:

- 95% of their recurring income and 100% of their dividend income received from SIIC or equivalent subsidiaries (e.g. SOCIMI), before the end of the financial year following the year in which the income was recognised or received; and
- 70% of capital gains, before the end of the second tax year following the year in which the gain was generated.

Unibail-Rodamco-Westfield SE also reports a taxable sector for its non-SIIC ancillary activities as well as an exempt sector for its residual finance property lease business.

1.3.4 TREASURY SHARES

Treasury shares are classified when repurchased, either in financial assets, or in a “treasury shares” sub-account of marketable securities, when the shares have been purchased for allocation to employees. As at December 31, 2019, the Company has no treasury shares.

NOTE 2. HIGHLIGHTS OF THE REPORTING PERIOD

2.1 SIGNIFICANT EVENTS OF THE YEAR

PROPERTY BUSINESS

- On June 28, 2019 the Dutch permanent establishment of Unibail-Rodamco-Westfield SE sold part of the offices of the Zoetermeer property complex to Pro6 Ontwikkeling III BV for a total amount of €2.2 Mn and on December 31, 2019 the remaining part of the same asset to another Group company for €227.6 Mn.
- The refurbishment of the “Boccador” property complex continued during 2019. The finding of tenants for shopping centre is still ongoing and the office spaces are already leased.

HOLDING COMPANY BUSINESS

- On January 15, 2019, the Company dissolved Société de Lancement de Magasins d’Usines à l’Usine without liquidation in a merger transaction (“TUP”), resulting in a loss of €26.2 Mn shown in non-recurring items and fully offset by a reversal of provisions on securities and technical losses recorded in the financial result.
- On April 3, 2019, the Company contributed the shares just acquired in URW US Services Inc and WCL Holdings Inc as an offset of receivables with Westfield America Limited Partnership to its subsidiary Rodamco Europe Properties BV for a total amount of €489 Mn.
- On April 15, 2019, the Company acquired shares of WHL USA Acquisition Inc for an amount of €1,213 Mn and on April 16 sold part of these shares for an amount of €686 Mn. As at December 31, 2019, the Company hold 25.20% in the subsidiary WHL USA Acquisition Inc for an amount of €527 Mn.
- On December 22, 2019, the dissolution without liquidation and merger (“TUP”) of SCI Ariane-Défense resulted in a profit of €0.8 Mn booked in non-recurring result.

FINANCIAL RESOURCES

In 2019, Unibail-Rodamco-Westfield SE extended its debt maturity and secured attractive funding conditions. Unibail-Rodamco-Westfield SE raised additional funds under the EMTN programme for a total amount of €3,250 Mn.

- On February 27, 2019, issue of a €750 Mn EMTN with a 15-year maturity and a coupon of 0.75%;
- On February 27, 2019, issue of a €750 Mn EMTN with an 8-year maturity and a coupon of 1.00%;
- On June 21, 2019, issue of a €500 Mn EMTN with a 2-year maturity and a floating rate coupon of 3-month Euribor plus a margin of 33 bps and a floor of 0.00%;
- On July 1, 2019, issue of a €500 Mn EMTN with a 30-year maturity and a coupon of 1.75%;
- On October 28, 2019, issue of a €750 Mn EMTN with a 12-year maturity and a coupon of 0.875%.

On July 1, 2019, following the exercise of the early redemption right for holders of the ORNANE 2014, 1,378,495 ORNANE(s) 2014 were redeemed at par value for an amount of €397 Mn.

As at December 31, 2019, the total amount of undrawn credit lines came to €6,158 Mn.

To limit the impact of interest rate fluctuations and to optimise the overall cost of financing in the medium and long-term, Unibail-Rodamco-Westfield SE restructured its portfolio of derivatives in H2-2019.

The restructuring mainly consisted in:
- the cancellation of 3.7 Bn of swaps in Euros of 3, 5 and 6-year maturity and €2.2 Bn swaps in US dollars beginning in January 2020 with a balancing payment for a total amount of €134 Mn. This amount is recognised in the balance sheet assets under the item "Difference on assessment of derivatives";
- the purchase of euro caps for 11.6 Bn, sterling caps for 1.1 Bn and US dollar caps for 1.3 Bn against the payment of a total premium of €10.7 Mn. The total amount of the premium paid is recognised in assets under "Cash instruments" included in the line "Cash";
- the sale of €2.5 Bn of swaptions from 2027 to 2030 against the payment of a total premium of €43.9 Mn. This amount is recorded as a liability in "Other liabilities on derivatives".

2.2 SIGNIFICANT EVENTS OF 2018

2018 was principally marked by the acquisition of the Westfield Group.
- On June 7, 2018, Unibail-Rodamco SE completed the acquisition of the Westfield Group for a total consideration of €13,342 Mn comprising 38,319,974 new Unibail-Rodamco SE shares for a total value of €8,197 Mn (par value and premium included) and WFD Unibail-Rodamco NV shares for €390.3 Mn as well as a cash payment of €4,755 Mn. The transaction was implemented through the acquisition of the three former Westfield Group holding entities based in Australia: namely, Westfield Corporation Limited ("WCL"), WFD Trust ("WFDT") and Westfield America Trust (WAT).
- The breakdown of the equity and cash compensation was the following:
  - The shares in WCL were contributed in exchange for 13,297,545 shares issued at par through a capital increase of €66.5 Mn and the creation of a contribution premium of €2,778 Mn;
  - The shares in WFDT were contributed in exchange for a cash payment of €741.9 Mn and 25,022,429 new shares issued at par, an issue that resulted in a capital increase of €125.1 Mn and contribution premium of €5,227.5 Mn;
  - The shares in WAT were contributed in exchange for a cash payment of €4,012.9 Mn and 38,319,974 class A shares in WFD Unibail-Rodamco NV created by Unibail-Rodamco SE for the acquisition of WAT.
- On June 7, 2018, Unibail-Rodamco SE also distributed 99,962,993 class A shares in WFD Unibail-Rodamco NV to its historical shareholders, contributing its own shares in this company for stapling and allocation against contribution premiums for €1,018.2 Mn. This distribution was made under the provisions of article 115, 2 bis of the French tax code.

Unibail-Rodamco-Westfield SE thus holds 100% of the class B shares issued by WFD Unibail-Rodamco NV and representing an equity interest of 40.27%; the balance being held by the owners of the Stapled Shares.

NOTE 3. INTANGIBLE AND TANGIBLE ASSETS

CHANGES IN THE GROSS VALUE OF INTANGIBLE AND TANGIBLE ASSETS IN 2019

(€ thousands)	Gross value Opening balance	Acquisitions Additions	Interaccount transfers	Decreases resulting from contributions or sales to third parties or retirements	Gross value Closing balance
INTANGIBLE ASSETS	**285**				**285**
Tangible assets					
Land	454,319	1,128		(113,426)	342,021
Buildings	930,947		19,348	(137,604)	812,691
General installations	593				593
Other tangible assets	327				327
Non current assets under construction	168,197	115,073	(17,559)	(16,275)	249,436
Advances and downpayments	2,550	1,941	(1,789)	(515)	2,187
TOTAL TANGIBLE ASSETS	**1,556,933**	**118,142**		**(267,820)**	**1,407,255**
TOTAL	**1,557,218**	**118,142**		**(267,820)**	**1,407,540**

The main movements in tangible assets during the year relate to:
- the sale of the Zoetermeer property complex by the Dutch permanent establishment for a net book value of €171.9 Mn;
- the restructuring works of Galerie Gaîté and the Pullman hotel ("Boccador" project) recognised in "non current assets under construction" in 2019 for €98.7 Mn;
- the partial scrapping of Galerie Gaîté for €5.4 Mn;
- delivery in December of works in the Stadshart Amstelveen complex owned by the Dutch permanent establishment, for €13.1 Mn that was shown in non current assets under construction as at December 31, 2018;
- delivery in August of works of "Boccador" project for €3.9 Mn;
- delivery in September, December of works in CNIT property complex for €2 Mn that was shown in non current assets under construction in 2018.

CHANGES IN DEPRECIATION, AMORTISATION AND IMPAIRMENT IN 2019

TANGIBLE ASSETS

(€ thousands)	Depreciation and amortisation Opening balance	Expense in the period	Decreases due to contributions, sales or reversals	Interaccount transfers	Depreciation and amortisation Closing balance
Buildings	329,411	42,604	(87,223)		284,792
General installations	583	7			590
Other tangible assets	253	7			260
TOTAL DEPRECIATION AND AMORTISATION	**330,247**	**42,618**	**(87,223)**		**285,642**

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

(€ thousands)	Opening balance	Expense in the period	Reversals in the period		Interaccount transfers	Closing balance
			Unused	Used		
Impairment of other intangible assets	285					285
Impairment of properties	6,575	5,094	(1,440)	(5,135)		5,094
TOTAL IMPAIRMENT	**6,860**	**5,094**	**(1,440)**	**(5,135)**		**5,379**
TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT	**337,107**	**47,712**	**(88,663)**	**(5,135)**		**291,021**

Following the disposal of the Zoetermeer property complex by the Dutch permanent establishment in 2019, the existing impairment provision for this asset in the 2019 opening balance was fully reversed for an amount of €6.6 Mn. The impairment on properties on the assets side of the balance sheet at December 31, 2019 relates to the "Boccador" project for €5 Mn. The allowances and reversals have been booked in operating result.

NOTE 4. FINANCIAL INVESTMENTS

EQUITY INVESTMENTS

(€ thousands)	Gross value Opening balance	Increases due to acquisitions or capital increases	Decreases due to capital redemption or sale	Decreases due to merger transactions via dissolution without liquidation	Gross value Closing balance
Group subsidiary investments	18,242 863	1,716,049	(686,223)	(20,514)	19,252,175
Technical loss on group subsidiary investments	607,944	0	0	(22,570)	585,374
Long-term investments	11,430	0	0	0	11,430
Other investments	119	0	0	0	119
TOTAL	**18,862,356**	**1,716,049**	**(686,223)**	**(43,084)**	**19,849,098**

Changes in "Group subsidiary investments" result mainly from:

- the increase in the value of Rodamco Europe Properties BV securities in the amount of €489 Mn following contribution transactions on April 3, 2019;
- the subscription to the capital increase of Eiffel Levallois Commerces for €10 Mn;
- the subscription to the capital increase of Unibail-Rodamco Participations for €2 Mn;
- the investment in WHL USA Acquisition Inc for €1,213 Mn;
- the sale of shares in WHL USA Acquisition Inc for €686 Mn;
- the dissolution without liquidation of SCI Ariane-Défense (-€15 Mn) and Société de Lancement de Magasins d'Usines à l'Usine (-€5 Mn).

IMPAIRMENT

(€ thousands)	Gross value Opening balance	Expense in the period	Reversals in the period Unused	Used	Gross value Closing balance
Impairment of Group subsidiary investments	1,115,741	1,616,754	(255,181)	(3,605)	2,473,709
Impairment of merger losses	53,620	10,589	0	(22,570)	41,639
Impairment of long-term investments	0	0	0	0	0
Impairment of other equity investments	6	0	0	0	6
TOTAL	**1,169,367**	**1,627,343**	**(255,181)**	**(26,175)**	**2,515,354**

As at December 31, 2019, the Company booked provisions related to the following shares and merger loss items:

- Unibail-Rodamco TH BV: €1,350.5 Mn;
- Westfield Corporation Limited: €259.4 Mn;
- Unibail-Rodamco SIF France: €14.5 Mn;
- Sistemas Edgerton II SL: €1.7 Mn;
- SA Crossroads Property Investors: €0.7 Mn;
- GPI: €0.3 Mn;
- Proyectos Inmobiliarios Time Blue SL: €0.2 Mn.

The Company also booked the following reversals of provision:

- €241.5 Mn on its shares in Rodamco Europe Properties BV;
- €8.8 Mn on its shares in Unibail-Rodamco Spain SL;
- €3.6 Mn on its shares in Société de Lancement de Magasins d'Usines à l'Usine after the dissolution without liquidation of this company as well as €22.6 Mn regarding the merger loss booked against the shares of this same company;
- €3.2 Mn on its shares in Unibail-Rodamco Real Estate SL;
- €1.6 Mn on its shares in Global Etsy Investments SL.

Details of equity investments are presented below in the table of subsidiaries and investments.

SUBSIDIARIES AND INVESTMENTS

Company (*€Mn*)	Capital	Shareholders' equity other than capital before income allocation	Capital held (%)	Gross carrying amount of shares	Merger loss	Net carrying amount of shares	Loans and advances not yet repaid	Deposits and guarantees given	Revenue excl. VAT	2019 statutory result	Dividends received in 2019 and included in income
1. Subsidiaries (more than 50% onwards)											
3BORDERS			99.90%				6				
ACARMINA			99.90%								
AEROVILLE			99.90%				300	1	31	1	1
AMSOMBRA			100.00%								
AQUABON	1		100.00%	1		1			1	1	1
BEG INVESTISSEMENTS		1	99.98%	4	21	25	14		3	2	2
BELWARDE1			100.00%								
BUREAUX DE LA TOUR CREDIT LYONNAIS			99.99%	17		17	14		3	2	2
CNIT DEVELOPPEMENT			99.90%				84	2			
COBRAQ			100.00%								
DORIA	6	43	90.34%	246		246	49	400		3	
EDIFICACIONES DENHAN IV SL			100.00%								
EIFFEL LEVALLOIS COMMERCES		1	99.90%	10		10	300		20	1	
ESPACE EXPANSION IMMOBILIERE			99.93%								
FETUNO			100.00%								
FINANCIERE 5 MALESHERBES			99.98%	118		118	66			23	23
FLOCOGNE			100.00%								
GAITE BUREAUX			99.99%	20		0	33			(1)	
GAITE PARKINGS		8	99.99%	16		8	4		2	1	1
GALILEE-DEFENSE	11		99.99%	11		11	56		7	12	12
GLOBAL ETSY INVESTMENTS SL	14	7	100.00%	23		21			3	5	
GPI		1	100.00%	11		9					
HIPOKAMP			99.90%								
IMMOBILIERE LIDICE			100.00%								
ISEULT	1	(2)	100.00%	21		21	170				
JVCO-ROAD			100.00%								
LEFOULLON			99.90%						18	459	458
MADISON PROPERTIES GROUP SL			100.00%								
MALTESE			99.98%				43		6	4	4
MARCEAU BUSSY-SUD			99.99%				4		2	2	2
MAVILLEROY			100.00%								
MIBROKY			100.00%								
MONTHERON			99.90%				1				
NOTILIUS			99.90%								
PROYECTOS INMOBILIARIOS KANSAR III SL	22	21	100.00%	37		37	39		5	1	
PROYECTOS INMOBILIARIOS TIME BLUE SL		1	51.11%	1		1					
RANDOLI			99.90%				209		23	3	3
R.E. FRANCE FINANCING			100.00%	7		7	896				10
RODAMCO EUROPE PROPERTIES BV	670	92	100.00%	7,137		6,895	1,646			(15)	300
RODAMCO FRANCE	146	307	100.00%	655	522	1,177	233		5	80	166

Company (€Mn)	Capital	Shareholders' equity other than capital before income allocation	Capital held (%)	Gross carrying amount of shares	Merger loss	Net carrying amount of shares	Loans and advances not yet repaid	Deposits and guarantees given	Revenue excl. VAT	2019 statutory result	Dividends received in 2019 and included in income
RODAMCO PROJECT I BV			100.00%	3		3					
SA CROSSROADS PROPERTY INVESTORS			100.00%	1		1					
SCI LE SEXTANT			99.99%	30		30	15		4	2	2
SCI SEPT ADENAUER			99.97%	1		1	31		11	9	8
SCI TOUR TRIANGLE			99.91%	2		2	21	33			
SISTEMAS EDGERTON II SL	3		100.00%	5		3	4			(2)	
SISTEMAS INMOBILIARIOS EL ACEITUNAL SL			100.00%								
SOCIETE DE TAYNINH	15	2	97.68%	21		17					
SOCIETE FONCIERE IMMOBILIERE			100.00%	4		2					
SOUTH PACIFIC REAL ESTATE SL			100.00%								
TRINITY DEFENSE			99.90%				266				
U&R MANAGEMENT BV			100.00%								
UNIBAIL-RODAMCO PARTICIPATIONS		(4)	100.00%				20				
UNIBAIL-RODAMCO REAL ESTATE SL	14	6	100.00%	23		20	62		6	4	
UNIBAIL-RODAMCO RETAIL SPAIN SLU	50	1,349	100.00%	773		773	810	1	31	104	80
UNIBAIL-RODAMCO SIF France	22	10	100.00%	22	42	14	7			(16)	
UNIBAIL-RODAMCO SPAIN SL	48	93	100.00%	150		141	310		28	10	
UNIBAIL-RODAMCO STEAM SL	4	485	51.11%	210		210	204		47	51	3
UNIBAIL-RODAMCO TH BV	2,972	1,078	100.00%	4,127		2,293				27	
UNI-COMMERCES	856	66	100.00%	1,155		1,155	1,230	7		113	204
UNIWATER		14	100.00%	22		22	43		4		1
UR VERSAILLES CHANTIERS			99.90%				45		1		
UR-PHOBOS		(1)	100.00%								
VALOREXPO			100.00%								
VILLAGE 3 DEFENSE	2	8	100.00%	2		2	26		3	1	1
VILLAGE 4 DEFENSE	3	5	100.00%	3		3	32		3	1	
VILLAGE 5 DEFENSE	5	13	100.00%	5		5	32		6	4	3
VILLAGE 6 DEFENSE	2	17	100.00%	2		2	18		3	2	
VILLAGE 7 DEFENSE	2	8	100.00%	3		3	12		3	2	2
VILLAGE 8 DEFENSE			100.00%				3		1		
WESTFIELD CORPORATION LIMITED	579	580	100.00%	2,866		2,530				(27)	
TOTAL I	**5,448**	**4,209**		**17,765**	**585**	**15,835**	**7,358**	**444**	**280**	**869**	**1,289**
2. Investments (between 10% to 50% owned)											
GENIEKIOSK			50.00%	1		1					
LA ROUBINE	3		50.00%	1		1	1				
SIAGNE NORD	5	4	22.48%	2		2					
SP POISSY RETAIL ENTERPRISES			50.00%			0					
WFD UNIBAIL-RODAMCO NV	116	2,214	40.26%	957		957	2,122			(47)	
WHL USA ACQUISITIONS INC.	456	(8)	25.20%	527		527				(77)	3
TOTAL II	**580**	**2,210**		**1,488**	**0**	**1,488**	**2,123**	**0**	**0**	**(124)**	**3**
Other Investments				**11**		**11**					**1**
TOTAL	**6,028**	**6,419**		**19,264**	**585**	**17,334**	**9,481**	**444**	**280**	**745**	**1,293**

5.

NOTE 5. LOANS AND OTHER FINANCIAL ASSETS

(thousands of currency units)	Currency	31/12/2018	Increases	Decreases	Impact of exchange rate fluctuations	31/12/19
Other long-term investments (bonds issued by subsidiaries)	**EUR**	**32,632**	**0**	**0**	**0**	**32,632**
Receivables from other long-term investments	**EUR**	**206**	**0**	**0**	**0**	**206**
Loans to subsidiaries						
Loans to subsidiaries in EUR	EUR	8,518,280	663,557	(568,511)		8,613,326
Loans to subsidiaries in AUD	AUD	3,203,807		(1,579,883)		1,623,924
Loans to subsidiaries in CZK	CZK	9,255,400		(236,000)		9,019,400
Loans to subsidiaries in DKK	DKK	300,000	300,000	(300,000)		300,000
Loans to subsidiaries in GBP	GBP	0	169,614	(148,078)		21,536
Loans to subsidiaries in PLN	PLN	1,288,983				1,288,983
Loans to subsidiaries in SEK	SEK	8,487,500	1,500,000			9,987,500
Loans to subsidiaries in USD	USD	52,379	2,957,161	(1,106,183)		1,903,357
TOTAL EURO EQUVALENT VALUE OF LOANS TO SUBSIDIARIES	**EUR**	**12,066,544**	**3,687,885**	**(2,750,614)**	**7 252**	**13,011,067**
Amounts receivable on loans	**EUR**	**72,304**	**68,698**	**(72,304)**		**68,698**
Other loans	**EUR**	**6**	**0**	**0**	**0**	**6**
TOTAL		**12,171,692**	**3,756,583**	**(2,822,918)**	**7 252**	**13,112,609**

The maturity of loans to subsidiaries as at December 31, 2019 is as follows:

1 year or less:	€1,192 Mn
between 1 and 5 years:	€7,688 Mn
more than 5 years:	€4,131 Mn
TOTAL	**€13,011 Mn**

NOTE 6. RECEIVABLES

(€ thousands)	31/12/19	31/12/2018
Receivables from Group and associated companies	6,077,422	5,093,367
Difference on assesment of derivatives	407,900	428,082
Accrued income on derivatives	98,686	103,502
Sundry debtors	64,633	53,401
Other trade receivables	44,040	16,913
VAT receivables	42,099	48,659
Other tax receivables	1,572	1,410
Employee receivables	815	333
Doubtful or disputed receivables	1,049	491
Social security and similar receivables	0	7
TOTAL	**6,738,216**	**5,746,165**

"Receivables from Group and associated companies" mainly relate to current account financing granted to Group companies and profit and losses from subsidiaries.

"Difference on assessment of derivatives" corresponds to the balancing cash adjustments relating to the cancellation of swaps or swaptions. This item includes the amount of balancing cash adjustment not yet amortised relating to the derivatives restructured in previous financial years for €273.3 Mn. An additional amount related to 2019 transactions is included in this item for €134.5 Mn.

"Sundry debtors" primarily corresponds to funds received from tenants in relation to service charges.

"Other trade receivables" mainly relate to accrued receivables and the outstanding balance of rent-free periods and step rents.

IMPAIRMENT OF RECEIVABLES

(€ thousands)	Opening balance	Expense in the period	Reversals in the period		Other movements	Closing balance
			Unused	Used		
Impairment of doubtful receivables	273	570	(52)	(530)	371	632
Impairment of subsidiary current accounts	150					150
TOTAL	**423**	**570**	**(52)**	**(530)**	**371**	**782**

NOTE 7. CASH AND FORWARD FINANCIAL INSTRUMENTS

(€ thousands)	31/12/19	31/12/2018
Marketale securities	3	3
Bank accounts with a debit balance	177,989	76,161
Cash instruments	115,691	114,177
TOTAL	**293,680**	**190,341**

There is no difference between the book value of marketable securities on the balance sheet and their market value.
"Cash instruments" mainly relate to premiums on caps not yet amortised.

5.

NOTE 8. PREPAID EXPENSES

(€ thousands)	31/12/19	31/12/2018
General expenses	330	89
TOTAL	**330**	**89**

NOTE 9. DEFERRED CHARGES

(€ thousands)	31/12/19	31/12/2018
Charges on bank loans and borrowings	5,711	7,919
Charges on bonds	40,479	31,610
Charges on convertible bonds	1,791	3,930
Charges on hybrid securities	8,034	9,710
Charges on bonds redeemable in shares	0	5
Bond issue premium	87,953	60,235
TOTAL	**143,968**	**113,409**

NOTE 10. UNREALISED FOREIGN EXCHANGE LOSSES

(€ thousands)	31/12/19	31/12/2018
Subsidiary loans in AUD	7,417	42,417
Subsidiary loans in DKK	0	23
Subsidiary loans in PLN	281	1,034
Subsidiary loans in SEK	127,279	112,657
Subsidiary loans in USD	10,171	0
Group debt in DKK	9	0
Group debt in GBP	8,993	0
Group debt in SEK	52	0
Group debt in USD	255	0
TOTAL	**154,457**	**156,131**

NOTE 11. ACCRUED INCOME

(€ thousands)	31/12/19	31/12/2018
Financial assets	68,904	72,511
Other trade receivables	25,024	12,994
Trade payables	3,293	1,536
Taxes	12,955	7,536
Group and associates	7,997	6,820
Other receivables	98,421	103,237
TOTAL	**216,594**	**204,634**

NOTE 12. CHANGES IN SHAREHOLDERS' EQUITY AS AT DECEMBER 31, 2019

Number of shares: 138,378,605

Par value: €5

(€ thousands)	Before allocation of net result 31/12/2018	Allocation of 2018 net result	2019 changes[1]	Before allocation of net result 31/12/19	Proposed allocation of 2019 net result[2]	After allocation of 2019 net result
Share capital	**691,443**		**450**	**691,893**		**691,893**
Reserves	**13,548,264**	**19,216**	**7,165**	**13,574,645**	**(577,772)**	**12,996,873**
Additional paid-in capital: issue premium	2,635,199		7,165	2,642,364		2,642,364
Additional paid-in capital: contribution premium	10,835,822			10,835,822	(554,263)	10,281,559
Legal reserve	49,929	19,216		69,145		69,145
Other reserves	23,509			23,509	(23,509)	0
Reserve for euro translation	3,805			3,805		3,805
Retained earnings	**1,018,900**	**(55,624)**	**(133)**	**963,143**	**(963,143)**	**0**
Net result	**1,457,493**	**(1,457,493)**	**(46,426)**	**(46,426)**	**46,426**	**0**
Regulated provisions	**6,136**		**2,980**	**9,116**		**9,116**
TOTAL SHAREHOLDERS' EQUITY	**16,722,236**	**(1,493,901)**	**(35,964)**	**15,192,371**	**(1,494,489)**	**13,697,882**
Dividend		**1,493,901**			**1,494,489**	

(1) Changes relate mainly to options exercised, the capital increase reserved for employees carried out under the Company Savings Plan and the issue of Performance Shares.
(2) Proposal for the allocation and distribution of the result to be submitted to the next Annual General Meeting (AGM) on May 15th 2020 based on 138,378,605 shares as at 31/12/19 (€ thousands):

– net result for the period	(46,426)
– previous retained earnings balance	963,143
– net result available for distribution	**916,717**
– distribution from "Other reserves"	23,509
– distribution from "Additional paid-in capital"	554,263
– dividend of €10.80 per share i.e.	**1,494,489**

The split between the dividend and additional paid-in capital will be adjusted based on the number of shares outstanding as at the date of distribution.
This will satisfy the minimum distribution obligation that Unibail-Rodamco-Westfield SE is required to respect for the 2019 financial year under the SIIC regime, i.e. €858 Mn.

CHANGE IN THE NUMBER OF SHARES COMPRISING THE SHARE CAPITAL

	Number of shares
As at 01/01/2018	**99,856,676**
Capital increase reserved for employees under the Company Savings Plan	40,388
Exercise of stock options	45,210
Bonds redeemable in shares	113
Performance shares grants	26,240
Capital increase under the Westfield Corporation acquisition	38,319,974
As at 31/12/2018	**138,288,601**
Capital increase reserved for employees under the Company Savings Plan	47,337
Exercise of stock options	8,713
Bonds redeemable in shares	7,182
Performance shares grants	26,772
As at 31/12/2019	**138,378,605**

NOTE 13. OTHER EQUITY

(€ thousands)	31/12/2019	31/12/2018
Bonds redeemable in shares	0	1,132
Hybrid securities	2,000,000	2,000,000
TOTAL	**2,000,000**	**2,001,132**

Following the public exchange offer involving Unibail-Rodamco-Westfield SE and Rodamco Europe BV, Unibail-Rodamco-Westfield SE issued 9,363,708 bonds redeemable in shares (ORA) at €196.60 (Board Meeting of June 21, 2007) in consideration for Rodamco Europe BV shares.

Each Unibail-Rodamco-Westfield SE ORA bond was issued at par, i.e., a unit value equal to the value of the Unibail-Rodamco-Westfield SE shares tendered in exchange for the Rodamco shares.

In 2019, 5,757 ORA bonds were redeemed, representing a total of 9,363,708 bonds redeemed since issuance. There are no ORAs outstanding as at December 31, 2019.

To finance the cash component of the acquisition of the Westfield Corporation Group on June 7, 2018, in April 2018, Unibail-Rodamco-Westfield SE issued €2,000 Mn of hybrid securities classed as "Other equity" in accordance with the OEC opinion 28 (July 1994). This issuance was made in two tranches:
- €1,250 Mn with a 2.125% coupon and callable after 5.5 years;
- €750 Mn with a 2.875% coupon and callable after 8 years.

NOTE 14. PROVISIONS FOR CONTINGENCIES AND EXPENSES

			Reversals in the period		
(€ thousands)	Opening balance	Expense in the period	Unused	Used	Closing balance
Provisions for operating contingencies	4,033		(2,459)		1,574
Provisions for foreign exchange losses	156,131	34,103	(35,491)	(285)	154,458
Other operating provisions	7,827	2,442	(47)		10,222
TOTAL	**167,991**	**36,545**	**(37,997)**	**(285)**	**166,254**

Changes in "Provisions for operating contingencies" result mainly from a provision reversal for €1.8 Mn related to a prior disposal.

Changes in "Provisions for foreign exchange losses" reflect provisions for unrealised foreign exchange losses following the decrease in value of the US dollar and Swedish krona and the reversal of provision regarding unrealised foreign exchange losses following the increase in the Australian dollar.

Changes in "Other operating provisions" mainly relate to the risk provision on the subsidiary UR-Phobos for €2.4 Mn, due to the decrease in the fair value of its assets it holds.

NOTE 15. BORROWINGS AND FINANCIAL LIABILITIES

(€ thousands)	31/12/2018	Increases	Decreases	31/12/2019
Convertible bonds (ORNANE)	**1,000,000**	**0**	**(397,089)**	**602,911**
Principal outstanding	1,000,000	0	(397,089)	602,911
Accrued interest	0	0	0	0
Other bonds	**13,775,841**	**3,410,551**	**(920,717)**	**16,265,675**
Principal outstanding	13,628,932	3,250,000	(773,808)	16,105,124
Accrued interest	146,909	160,551	(146,909)	160,551
Bank loans and borrowings	**103,682**	**6,951**	**(51,638)**	**58,995**
Principal outstanding	100,000	0	(50,000)	50,000
Accrued interest	1,638	1,662	(1,638)	1,662
Bank accounts with a credit balance	2,044	5,289	0	7,333
Accrued interest	0	0	0	0
Miscellaneous borrowings and financial liabilities	**3,167,533**	**7,654,144**	**(6,676,991)**	**4,144,686**
Deposits and guarantees	5,217	641	(1,072)	4,786
Other borrowings	738,266	1,000,114	(182,069)	1,556,311
Payables on other borrowings	1,502	7,159	(1,502)	7,159
Medium-term notes	222,000	0	0	222,000
Payables on medium-term notes	(300)	(394)	300	(394)
Commercial paper	593,000	5,608,000	(6,071,000)	130,000
Payables on commercial paper	0	0	0	0
Payables on hybrid securities	19,776	19,723	(19,776)	19,723
Subsidiary current accounts	1,579,941	1,018,805	(395,183)	2,203,563
Transfer of subsidiaries' earnings	8,131	96	(6,689)	1,538
TOTAL	**18,047,056**	**11,071,646**	**(8,046,435)**	**21,072,267**

Changes in "Convertible bonds (ORNANE)" are due to the 1,378,495 2014 ORNANES redeemed for an amount of €397 Mn.

Changes in the "Other bonds" item result from the final maturity of six bond tranches for a total amount of €773.8 Mn and bond issues under the Euro Medium-Term Notes (EMTN) programme for an overall amount of €3,250 Mn in 2019.

Changes in the "Other borrowings" item mainly relate to the set-up of loans with the Group companies Westfield UK & Europe Finance Plc for £819.8 Mn (or €963.6 Mn) and Westfield Corporation Limited for US$41 Mn (or €36.5 Mn) and the repayment of loans with Unibail-Rodamco Nederland Winkels BV for €182 Mn.

As at December 31, 2019, the "Subsidiary current accounts" item comprises financing granted mainly by the following subsidiaries:

- Rodamco Europe Properties BV: €526 Mn;
- Lefoullon: €458 Mn;
- Rodamco Sverige AB: €283 Mn;
- Unibail-Rodamco Polska Sp zoo: €156 Mn;
- Société du Centre Commercial de la Défense: €107 Mn;
- SCS Liegenschaftverwertung: €106 Mn;
- SCI Propexpo: €99 Mn.

It also includes €6 Mn in VAT credits relating to companies within the VAT consolidation scope. This amount was repaid in January 2020.

CHARACTERISTICS OF BONDS AND EMTNS

Issue date *(based on value date)*	Interest rate	Amount outstanding as at 31/12/2019 (€Mn)	Maturity
May 2010	Structured coupons linked to CMS 10 years	50	May 2020
June 2010	Structured coupons linked to CMS 10 years	50	June 2020
November 2010	Fixed rate 4.17%	41	November 2030
November 2010	Fixed rate 3.875%	617	November 2020
October 2011	Fixed rate 4.10%	27	October 2031
November 2011	Fixed rate 4.05%	20	November 2031
May-September 2012	Fixed rate 3.196%	425	May 2022
February 2013	Fixed rate 2.375%	418	February 2021
February 2013	Fixed rate 3.10% for a par value of HKD 700 million	69	February 2025
March 2013	Fixed rate 3.28% for a par value of HKD 585 million	58	March 2025
June 2013	Fixed rate 2.5%	499	June 2023
October 2013	Fixed rate 3.9% for a par value of HKD 400 million	38	October 2025
November 2013	Fixed rate 2.00% for a par value of CHF 135 million	109	November 2023
February 2014	Green Bond fixed rate 2.5%	750	February 2024
March 2014	Fixed rate 3.08%	20	March 2034
April 2014	Fixed rate 3.08%	30	April 2034
June 2014	Fixed rate 2.5%	600	June 2026
October 2014	Fixed rate 1.375%	319	October 2022
April 2015	Green Bond fixed rate 1.00%	500	March 2025
April 2015	Fixed rate 1.375%	500	April 2030
September 2015	Floating rate (Euribor 3M + 0.81%)	50	October 2024
November 2015	Fixed rate 2.066%	30	November 2030
November 2015	Fixed rate 3.095% for a par value of HKD 750 million	90	November 2025
December 2015	Structured coupon linked to CMS 10 years	70	December 2030
March 2016	Fixed rate 1.375%	500	March 2026
March 2016	Floating rate (Euribor 6M floored at 0.95%, capped at 3.00%)	20	March 2027
April 2016	Fixed rate 1.125%	500	April 2027
April 2016	Fixed rate 2.00%	500	April 2036
November 2016	Fixed rate 0.875%	500	February 2025
November 2016	Fixed rate 2.74% for a par value of HKD 500 million	61	November 2026
February 2017	Fixed rate 1.5%	600	February 2028
March 2017	Fixed rate 1,375	155	April 2030
May 2017	Fixed rate 1.5%	500	May 2029
May 2017	Fixed rate 2,0%	500	May 2037
May 2018	Fixed rate 0.125%	800	May 2021
May 2018	Fixed rate 2.25%	500	May 2038
May 2018	Fixed rate 1.875%	900	January 2031
May 2018	Structured coupons linked to CMS 10 years	40	June 2033
May 2018	Floating rate (Euribor 3M + 0.10% floored at 0.00%)	500	May 2020
May 2018	Fixed rate 1.125%	800	September 2025
November 2018	Fixed rate 2.00%	100	December 2033
February 2019	Fixed rate 1.75%	750	February 2034
February 2019	Fixed rate 1.00%	750	February 2027
June 2019	Floating rate (Euribor 3M + 0.33% floored at 0.00%)	500	June 2021
June 2019	Fixed rate 1.75%	500	July 2049
October 2019	Fixed rate 0.875%	750	March 2032
TOTAL		**16,106**	

ORNANE 2015 ISSUE

In 2015, Unibail-Rodamco-Westfield SE issued 1,441,462 bonds redeemable in cash and/or new and/or existing shares (ORNANEs) at a par value of €346.87 per bond, corresponding to an issue premium of 37% over the benchmark Unibail-Rodamco-Westfield SE share price on Euronext, for a total amount of €500 Mn.

These ORNANE bonds are admitted to trading on the Euronext Paris market and were described in the prospectus approved by the French financial markets authority (Autorité des marchés financiers – AMF) under no. 15-144.

MAIN CHARACTERISTICS OF THE ORNANE 2015 ISSUE

The bonds do not bear any interest and will be redeemed at par on January 1, 2022. They may be redeemed early as from January 1, 2018 at Unibail-Rodamco-Westfield SE's discretion, and may also be redeemed early at the bondholders' discretion, in accordance with the provisions of the issue note (note d'opération) submitted to the AMF for approval. In the event their share rights are exercised, bondholders will receive an amount in cash and, where applicable, new and/or existing Unibail-Rodamco-Westfield SE shares. The Company will also have the option to deliver new and/or existing shares only.

The ORNANE 2015 issue was taken into account when calculating diluted earnings per share, based on 1,470,291 shares.

ORNANE 2014 ISSUE

In 2014, Unibail-Rodamco-Westfield SE issued 1,735,749 bonds redeemable in cash and in new and/or existing shares (ORNANEs) at a par value of €288.06 per bond (corresponding to an issue premium of 37.5% over the benchmark Unibail-Rodamco-Westfield SE share price on Euronext), for a total amount of €500 Mn.

These ORNANE bonds are admitted for trading on the Euronext Paris market and were described in the prospectus approved by the French financial market authority (AMF) under no. 14-296.

MAIN CHARACTERISTICS OF THE ORNANE 2014 ISSUE

The bonds do not bear any interest and will be redeemed at par on July 1, 2021. They may be redeemed early at Unibail-Rodamco-Westfield SE's discretion and may also be redeemed early at the bondholders' discretion, with investors able to exercise an early redemption right from July 1, 2019, pursuant to the provisions of the issue note submitted to the AMF for approval. In the event their share rights are exercised, bondholders will receive an amount in cash and, where applicable, new and/or existing Unibail-Rodamco-Westfield SE shares. The Company will also have the option to deliver new and/or existing shares only.

During 2019, 1,378,495 ORNANEs were redeemed for an amount of €397 Mn. As at December 31, 2019, 357,254 ORNANE 2014 are outstanding.

The ORNANE 2014 issue was taken into account when calculating diluted earnings per share, based on 442,995 shares.

MATURITY OF BORROWINGS AND FINANCIAL LIABILITIES

(€ thousands)	1 year or less	Between 1 and 5 years	More than 5 years	Total
Other bonds	**1,377,275**	**4,472,874**	**11,018,437**	**16,868,586**
Convertible bonds (ORNANE)	0	602,911	0	602,911
Accrued interest	0	0	0	0
Bonds	1,216,724	3,869,963	11,018,437	16,105,124
Accrued interest	160,551	0	0	160,551
Bank loans and borrowings	**8,995**	**50,000**	**0**	**58,995**
Bank loans	0	50,000	0	50,000
Accrued interest on bank loans	1,662	0	0	1,662
Bank accounts with a credit balance	7,333	0	0	7,333
Miscellaneous borrowings and financial liabilities	**3,144,571**	**36,499**	**963,616**	**4,144,686**
Deposits and guarantees	4,786	0	0	4,786
Other borrowings	556,196	36,499	963,616	1,556,311
Payable on other borrowings	7,159	0	0	7,159
Medium-term notes	222,000	0	0	222,000
Payable on medium-term notes	(394)	0	0	(394)
Commercial paper	130,000	0	0	130,000
Payable on commercial paper	0	0	0	0
Payable on hybrid securities	19,723	0	0	19,723
Subsidiary current accounts	2,203,563	0	0	2,203,563
Transfer of subsidiaries' earnings	1,538	0	0	1,538
TOTAL	**4,530,841**	**4,559,373**	**11,982,053**	**21,072,267**

CONTRACTUAL OBLIGATIONS RELATING TO BORROWINGS AND EMTNs

No borrowings are subject to early repayment clauses linked to the Company's debt ratings, barring exceptional circumstances such as a change of control.

The bonds are not subject to any contractual covenants based on financial ratios that could trigger early redemption.

The funds raised with the Green Bond issue must be used to fund projects or assets meeting certain criteria such as for obtaining BREEAM certification.

A significant share of bank loans and credit facilities contains financial covenants such as LTV and ICR ratios, as well as a prepayment clause in the event of a material adverse change.

As at December 31, 2019, the LTV ratio for the Unibail-Rodamco-Westfield Group amounted to 38.6%, (versus 37.0% as at December 31, 2018).

The ICR ratio[1] for the Unibail-Rodamco-Westfield Group stood at 5.7x for 2019 (versus 6.1% in 2018).

These ratios show significant headroom with regard to bank covenants for the Unibail-Rodamco-Westfield Group in Europe, usually set at a maximum LTV of 60% and a minimum ICR of 2x and reported twice a year to the banks.

As at December 31, 2019, 94% of the Group's credit facilities and bank loans allowed a loan-to-value ratio of up to 60% of total assets or the value of the borrowing entity's assets.

INTEREST RATE RISK

Unibail-Rodamco-Westfield SE is exposed to interest rate fluctuations on its floating-rate borrowings which finance its investment policy and maintain sufficient financial liquidity. The Company's management policy regarding interest rate risk is to minimise the impact that changes in interest rates could have on earnings and cash flow and optimise the overall cost of debt. In order to implement this strategy, Unibail-Rodamco-Westfield SE uses derivative instruments (mainly caps and swaps) to hedge its interest rate exposure. All transactions are managed centrally and independently.

As at December 31, 2019, net financial liabilities amounted to €19,006 Mn (excluding current accounts and hybrid securities). The nominal amount of net financial liabilities (excluding current accounts) was €18,837 Mn. In all, 55% of net financial debt liabilities relates to debt issued at floating rates or fixed-rate debt immediately swapped for floating-rate debt. The amount outstanding is partially hedged by caps and interest rate swaps.

COUNTERPARTY RISK

The derivative instruments put in place to limit interest rate risks expose the Company to the risk that its counterparties may default on their obligations. To limit counterparty risk, Unibail-Rodamco-Westfield SE only contracts hedges with leading international financial institutions.

NOTE 16. OTHER LIABILITIES

(€ thousands)	**31/12/2019**	31/12/2018
Trade payables	47,954	39,912
Employee payables	1,701	2,069
Social security and similar payables	1,514	1,533
Income tax payables	0	0
VAT payables	10,892	8,974
Other tax payables	175	130
Amounts due on investments	49,813	24,854
Other liabilities	**289,920**	**232,629**
On property activities	68,935	52,616
On derivatives	220,372	179,576
Other sundry liabilities	613	437
TOTAL	**401,969**	**310,101**

The "Amounts due on investments" item mainly consists of accrued payables relating to works on the "Boccador" project for €46 Mn.

Changes in the "Other liabilities on derivatives" item result mainly from the premiums received for an amount of €43.9 Mn following the sale of €2,500 Mn of swaptions at the end of December 2019.

(1) Interest Coverage Ratio =Recurring EBITDA/Recurring net financial expenses (including capitalised interest). Recurring EBITDA is calculated as total recurring operating income and other income, less general expenses and excluding depreciation, amortisation and impairment.

NOTE 17. DEFERRED INCOME

(€ thousands)	31/12/2019	31/12/2018
Property business	1,630	1,626
Interest on discounted commercial papers	60	216
Deferred recognition of issue premium on EMTN	3,218	5,444
Deferred recognition of issue premium on ORNANE bonds	742	1,114
Balancing cash adjustment on Group debt	106	0
Arrangement fee on subsidiary loans	16,372	17,932
TOTAL	**22,128**	**26,332**

NOTE 18. UNREALISED FOREIGN EXCHANGE GAINS

(€ thousands)	31/12/19	31/12/2018
Subsidiary loans in CZK	17,494	13,706
Subsidiary loans in DKK	1	0
Subsidiary loans in GBP	1,230	0
Subsidiary loans in PLN	2,387	0
Subsidiary loans in SEK	2,315	0
Subsidiary loans in USD	12,356	0
Group debt in SEK	0	591
Group debt in USD	0	1,610
TOTAL	**35,783**	**15,907**

NOTE 19. ACCRUED CHARGES

ACCRUED CHARGES INCLUDED IN THE BALANCE SHEET

(€ thousands)	31/12/2019	31/12/2018
Miscellaneous borrowings and financial liabilities	189,095	169,825
Trade receivables	407	90
Trade payables	70,190	48,154
Employee payables	1,405	1,771
Social security and similar payables	1,482	1,313
Tax payables	1,808	1,348
Subsidiary current accounts	45	26
Other liabilities	13,723	9,658
TOTAL	**278,155**	**232,185**

The increase in the “Miscellaneous borrowings and financial liabilities” item mainly results from the increase in the accrued interest on the bonds (plus €13.5 Mn) and intercompany loans put in place in 2019 (plus €5.7 Mn).

NOTE 20. MATURITY OF RECEIVABLES AND PAYABLES AT THE END OF THE REPORTING PERIOD

MATURITY OF RECEIVABLES

(€ thousands)	Gross	Maturity 1 year or less	Maturity More than 1 year
Receivable on non current assets			
Other long-term investments	32,838	18,005	14,833
Loans[1]	13,079,765	1,260,902	11,818,863
Other	6	6	0
Current asset receivables			
Trade receivables from activity			
Doubtful or disputed receivables	1,049	1,049	0
Other trade receivables from activity	44,040	30,687	13,353
Other receivables			
Employee receivables	815	815	0
State and public entities	43,671	43,671	0
Receivables from Group and associated companies	6,077,422	6,077,422	0
Accrued income on derivatives	98,686	98,686	0
Difference of assesment of derivatives	407,900	407,900	0
Sundry debtors	64,633	64,633	0
Prepaid expenses			
Overheads	330	330	0
TOTAL	**19,851,155**	**8,004,106**	**11,847,049**

(1) Loans granted during the financial year	3,695,137
Loans repaid during the financial year	2,750,614

MATURITY OF LIABILITIES

(€ thousands)	Gross	Maturity 1 year or less	Maturity Between 1 and 5 years	Maturity More than 5 years
Convertible bonds[2]	602,911	0	602,911	0
Other bonds[2]	16,265,675	1,377,275	3,869,963	11,018,437
Bank loans and borrowings[2]	58,995	8,995	50,000	0
Miscellaneous borrowings and financial liabilities[2]	4,144,686	3,144,572	36,499	963,615
Advances and downpayments received	5,389	5,389	0	0
Amounts due to suppliers	47,954	47,954	0	0
Tax and social security liabilities				
Employee payables	1,701	1,701	0	0
Social security and similar payables	1,514	1,514	0	0
State and public entities	11,067	11,067	0	0
Amounts due on investments	49,812	49,812	0	0
Other liabilities	289,920	104,738	73,988	111,194
Deferred income				
Property business	1,630	1,630	0	0
Interest on discounted commercial papers	60	60	0	0
Deferred recognition of issue premium on EMTN	3,218	1,592	1,626	0
Deferred recognition of issue premium on ORNANEs	742	371	371	0
Balancing cash adjustment on Group debt	106	21	80	5
Arrangement fee on subsidiary loans	16,372	4,429	10,860	1,083
TOTAL	**21,501,752**	**4,761,120**	**4,646,298**	**12,094,334**

(2) Liabilities contracted during the financial year	9,858,114
Liabilities repaid during the financial year	7,473,966

NOTE 21. OPERATING INCOME

21.1 REVENUE

(€ thousands)	2019	2018
Property business	**80,930**	**83,034**
Offices & Others segment	13,824	16,241
Shopping Centres segment	57,813	57,662
Convention & Exhibition segment	9,293	9,131
Other rebilled items	**104,594**	**81,763**
TOTAL	185,524	164,797

"Other rebilled items" consist of rebilled items relating to the Group Service Charges agreement.

21.2 REVERSALS OF DEPRECIATION, AMORTISATION, IMPAIRMENT, PROVISIONS, AND EXPENSE TRANSFERS

(€ thousands)	2019	2018
Reversals of impairment	**7,192**	**1,277**
Reversals of provisions for disputes	36	446
Reversals of impairment of doubtful receivables	582	487
Reversals of impairment of buildings	6,574	344
Rebilled expenses and expense transfers	**20,558**	**20,902**
TOTAL	27,750	22,179

Reversals for impairment of buildings relate to the building sold by the permanent establishment in the Netherlands.

Rebilled expenses and expense transfers in 2019 relate to:
- rebilled rental expenses for €14.8 Mn;
- rebilled taxes for €2.4 Mn;
- rebilled construction work for €1.7 Mn;
- rebilled marketing fees for €1.4 Mn;
- rebilled management fees for €0.2 Mn.

21.3 OTHER INCOME

(€ thousands)	2019	2018
Key money	347	345
Specialty leasing fee	903	970
Other	758	5,435
TOTAL	2,008	6,750

NOTE 22. OPERATING EXPENSES

22.1 OTHER PURCHASES AND EXTERNAL CHARGES

(€ thousands)	2019	2018
1 - PURCHASES OF CONSUMABLES	**654**	**491**
2 - EXTERNAL SERVICES	**15,666**	**19,009**
Property business	**13,868**	**14,677**
Leases and rental expenses	10,990	12,168
Maintenance and repair	2,700	2,327
Insurance	178	182
General expenses	**1,798**	**4,332**
Leases and rental expenses	237	414
Maintenance and repair	39	638
Insurance	837	1,458
Miscellaneous	685	1,822
3 - OTHER EXTERNAL SERVICES	**129,614**	**107,651**
Property business	3,169	2,905
General expenses	126,445	104,746
TOTAL	**145,934**	**127,151**

"Other external services – general expenses" mainly consists of rebilled items relating to the Group Service Charges agreement.

22.2 TAXES

(€ thousands)	2019	2018
Taxes on remuneration	236	396
Property taxes and other recoverable taxes	3,461	4,019
Other taxes	525	784
TOTAL	**4,222**	**5,199**

22.3 PERSONNEL EXPENSES

(€ thousands)	2019	2018
Remuneration	2,061	(2,834)
Related payroll charges	2,584	478
TOTAL	**4,645**	**(2,356)**

Members of the Unibail-Rodamco-Westfield Management Board are remunerated partly by Unibail-Rodamco-Westfield SE.

Under the Group Service Charges agreement, Management Board charges are partly rebilled to the Group's various entities.

The negative amount in 2018 is due to a reversal of provision for bonuses that was recorded in 2017 and related to the Westfield Corporation acquisition. These bonuses were mainly paid via the grant of Performance Shares.

22.4 DEPRECIATION AND AMORTISATION EXPENSES

(€ thousands)	2019	2018
Tangible assets	42,618	51,045
TOTAL	**42,618**	**51,045**

22.5 IMPAIRMENT AND PROVISION EXPENSES

(€ thousands)	2019	2018
Non current assets	5,094	0
Current assets	570	328
Contingencies and expenses	2,443	5,977
TOTAL	**8,107**	**6,305**

22.6 OTHER OPERATING EXPENSES

(€ thousands)	2019	2018
Attendance fees	1,321	1,071
Eviction and termination indemnities paid	650	150
Irrecoverable receivables and miscellaneous operating lease expenses	2,888	2,076
TOTAL	**4,859**	**3,297**

NOTE 23. FINANCIAL INCOME

23.1 INVESTMENT INCOME

(€ thousands)	2019	2018
Subsidiary income transferred	514,401	347,337
Dividends	776,340	1,874,735
Other	2,264	2,248
TOTAL	**1,293,005**	**2,224,320**

Income transfers from tax-transparent companies relate mainly to Lefoullon, Financière 5 Malesherbes, SCI Galilée-Défense and SCI Sept Adenauer.

Only the profits of tax-transparent subsidiaries with a clause in their articles of association providing for the automatic transfer of result are booked at year-end. If a subsidiary makes a loss, this loss is recognised at year-end as a financial expense under “Interest expenses” (see note 24.2), irrespective of the nature of any clause in their articles of association regarding providing for the transfer of result.

The main dividends collected in 2019 in respect of 2018 or 2019 earnings were:

- Rodamco Europe Properties BV: €300 Mn (against €1,300 Mn in 2018);
- Uni-Commerces: €204 Mn (against €97 Mn in 2018);
- Rodamco France: €166 Mn (against €62 Mn in 2018);
- Unibail-Rodamco Retail Spain SL: €80 Mn (against €242 Mn in 2018).

23.2 INCOME FROM OTHER MARKETABLE SECURITIES AND RECEIVABLE ON NON CURRENT ASSETS

(€ thousands)	2019	2018
Income from loans to subsidiaries	349,698	292,616
TOTAL	**349,698**	**292,616**

In 2019, contributing subsidiaries were primarily, WFD Unibail-Rodamco NV (€50 Mn), Westfield America Trust (€26 Mn), Westfield America LP (€26 Mn), Unibail-Rodamco Polska Sp zoo (€22 Mn), Rodamco Europe France Financing (€22 Mn), Wood Sp zoo (€22 Mn), URW America Inc. (€19 Mn), Rodamco Retail Deutschland BV (€15 Mn), Calera Investments Sp zoo (€13 Mn), Unibail-Rodamco Spain SL (€12 Mn) and Unibail-Rodamco Spain SLU (€11 Mn).

23.3 OTHER INTEREST INCOME

(€ thousands)	2019	2018
Bank fees	254	281
Interest on subsidiary current accounts	29,271	26,125
Income on caps, floors and swaps	253,095	150,098
Deferred recognition of fees on subsidiary loans	4,962	10,171
Deferred recognition of premium on convertible bonds	371	371
Interest on marketable securities	0	(127)
Other financial income	39	5,186
TOTAL	**287,992**	**192,105**

23.4 REVERSALS OF IMPAIRMENT AND EXPENSE TRANSFERS

	2019	2018
Reversals of provisions for foreign exchange gains and losses	35,776	0
Reversal of provisions for subsidiaries	281,356	15,028
TOTAL	**317,132**	**15,028**

In 2019, reversals of the provision for unrealised foreign exchange losses were recorded following the final or early maturity of loans denominated in Australian dollars.

As at December 31, 2019, the Company booked a reversal of provision of €241.5 Mn on the shares in Rodamco Europe Properties BV, €8.8 Mn on Unibail-Rodamco Spain SL, €3.2 Mn on Unibail-Rodamco Real Estate SL and €1.6 Mn on Global Etsy Investments SL.

During 2019, a €26.2 Mn provision on its stake in Société de Lancement de Magasins d’Usines à l’Usine has been reversed following the dissolution without liquidation of this subsidiary.

23.5 FOREIGN EXCHANGE GAINS

(€ thousands)	2019	2018
USD foreign exchange gains	14,474	2,880
AUD foreign exchange gains	7,739	12,703
GBP foreign exchange gains	3,491	1
SEK foreign exchange gains	2,001	10,514
CZK foreign exchange gains	742	294
PLN foreign exchange gains	113	1,485
TOTAL	**28,560**	**27,877**

NOTE 24. FINANCIAL EXPENSES

24.1 FINANCIAL ITEMS

(€ thousands)	2019	2018
Depreciation and amortisation		
Bond issue premium	10,049	7,825
Provisions for contingencies		
Currency risk on loans	34,103	85,081
Impairment and provisions		
On shares (including merger losses)	1,627,342	1,131,941
Deferred charges		
Charges on borrowings	8,743	7,577
Charges on convertible bonds (ORNANE)	2,139	1,412
Charges on hybrid securities	1,916	1,290
TOTAL	**1,684,292**	**1,235,126**

As at December 31, 2019, provisions were booked for shares held in subsidiaries (see note 4).

24.2 INTEREST EXPENSES

(€ thousands)	2019	2018
Bank fees	6	97
Fees on deposits and confirmed credit facilities	8,223	9,234
Interest on borrowings	26,536	14,831
Interest on negotiable debt securities	(3,591)	(4,125)
Interest on bonds	261,265	250,856
Interest on current accounts	205	1,276
Interest on bonds redeemable in shares	77	79
Interest on hybrid securities	48,071	33,094
Charges on caps, floors and swaps with third parties	304,467	197,521
Other financial charges	0	610
Transfer of subsidiary income	1,540	8,195
TOTAL	**646,799**	**511,668**

As at December 31, 2019, the "Charges on caps, floors and swaps with third parties" item includes the 2019 amortisation of the balancing cash adjustment relating to hedging swaps arranged in previous years. This amortisation amounts to €197 Mn for 2019.

24.3 FOREIGN EXCHANGE LOSSES

(€ thousands)	2019	2018
USD foreign exchange losses	18,496	1,978
GBP foreign exchange losses	7,359	0
SEK foreign exchange losses	926	7
AUD foreign exchange losses	156	17
PLN foreign exchange losses	117	7,154
DKK foreign exchange losses	54	4
CZK foreign exchange losses	20	14
TOTAL	**27,128**	**9,174**

NOTE 25. NON-RECURRING ITEMS

(€ thousands)	2019	2018
Capital gains and losses on sales of tangible assets	58,070	1,466
Capital gains and losses on sales of financial assets	2,285	463,575
Capital gains and losses on dissolution of subsidiaries without liquidation in a merger transaction (“TUP”)	(25,369)	0
Regulated provisions	(2,980)	(6,136)
Other non-recurring income and expenses	(1,577)	(83)
TOTAL	**30,429**	**458,822**

As at December 31, 2019, “Capital gains and losses on sales of tangible assets” includes mainly the net proceeds on the disposal of the Zoetermeer property complex by the Dutch permanent establishment for a total amount of €57.9 Mn.

As at December 31, 2019, “Capital gains and losses on dissolution of subsidiaries without liquidation in a merger transaction (“TUP”)” relates to :

- the net loss from the total transfer of assets (“TUP”) from Société de Lancement de Magasins d’Usines à l’Usine for an amount of €26.2 Mn;
- the net profit from the total transfer of assets (“TUP”) from SCI Ariane-Défense for an amount of €0.8 Mn.

As a reminder, as at December 31, 2018 “Capital gains and losses on sales of financial assets” included the proceeds of the disposal of Capital 8 shares for €463.6 Mn.

“Regulated provisions” includes the amortisation of the acquisition costs of Unibail-Rodamco TH BV and Westfield Corporation Limited shares.

NOTE 26. INCOME TAX

(€ thousands)	2019	2018
Income tax	(115)	0
TOTAL	**(115)**	**0**

In 2019, the negative amount of income tax corresponds to a refund received by the Dutch permanent establishment.

NOTE 27. RELATED PARTY INFORMATION

All agreements between Unibail-Rodamco-Westfield SE and Group companies were entered into at arm's length conditions, with the exception of those detailed below.

Balance sheet item concerned	Related party	Type of relationship	Balance sheet amount with the related party (€ thousands)	Type of transaction
ASSETS				
Other receivables				
	3BORDERS	Ultimate parent company	5,616	Non-interest-bearing current account
	BURES-PALAISEAU	Ultimate parent company	1,181	Non-interest-bearing current account
	CENTRE COMMERCIAL FRANCILIA	Ultimate parent company	138,262	Non-interest-bearing current account
	CNIT DEVELOPPEMENT	Ultimate parent company	83,775	Non-interest-bearing current account
	FINANCIERE 5 MALESHERBES	Ultimate parent company	62,203	Non-interest-bearing current account
	GAITE BUREAUX	Ultimate parent company	33,319	Non-interest-bearing current account
	GAITE PARKINGS	Ultimate parent company	4,146	Non-interest-bearing current account
	GALILEE-DEFENSE	Ultimate parent company	56,345	Non-interest-bearing current account
	MALTESE	Ultimate parent company	43,439	Non-interest-bearing current account
	MARCEAU BUSSY SUD	Ultimate parent company	4,022	Non-interest-bearing current account
	MONTHERON	Ultimate parent company	1,277	Non-interest-bearing current account
	NOTILIUS	Ultimate parent company	403	Non-interest-bearing current account
	SCI BUREAUX DE LA TOUR CREDIT LYONNAIS	Ultimate parent company	13,807	Non-interest-bearing current account
	SCI LE SEXTANT	Ultimate parent company	14,537	Non-interest-bearing current account
	SCI SEPT ADENAUER	Ultimate parent company	30,867	Non-interest-bearing current account
	SNC RANDOLI	Ultimate parent company	59,347	Non-interest-bearing current account
	TRINITY DEFENSE	Ultimate parent company	265,888	Non-interest-bearing current account
	UR VERSAILLES CHANTIERS	Ultimate parent company	44,572	Non-interest-bearing current account
	VILLAGE 8 DEFENSE	Ultimate parent company	2,571	Non-interest-bearing current account
	YETA	Ultimate parent company	11,893	Non-interest-bearing current account
LIABILITIES				
Miscellaneous borrowings and financial liabilities				
	ACARMINA	Ultimate parent company	0	Non-interest-bearing current account
	AEROVILLE	Ultimate parent company	30,776	Non-interest-bearing current account
	AMSOMBRA	Ultimate parent company	19	Non-interest-bearing current account
	COBRAQ	Ultimate parent company	19	Non-interest-bearing current account
	FETUNO	Ultimate parent company	19	Non-interest-bearing current account
	FLOCOGNE	Ultimate parent company	19	Non-interest-bearing current account
	HIPOKAMP	Ultimate parent company	1	Non-interest-bearing current account
	LEFOULLON	Ultimate parent company	458,178	Non-interest-bearing current account
	MAVILLEROY	Ultimate parent company	17	Non-interest-bearing current account
	MIBROKY	Ultimate parent company	17	Non-interest-bearing current account

5.

NOTE 28. OFF-BALANCE SHEET COMMITMENTS

28.1 FINANCIAL INSTRUMENTS

		2019		2018	
(€ thousands)		Currency	EUR	Currency	EUR
Financial instruments					
Interest rate EUR			17,115,000		17,192,138
Interest rate GBP		500,000	587,682	0	0
Interest rate USD		6,200,000	5,518,960	6,000,000	5,240,174
Currency swaps					
	CHF	135,000	109,276	135,000	109,276
	CZK	3,564,683	140,000	0	0
	HKD	2,935,000	315,437	2,935,000	315,437
	PLN	852,000	200,000	0	0
	SEK	800,000	77,482	800,000	77,482
	USD	0	0	200,000	144,928
Caps and floors					
• purchases EUR			23,800,000		37,900,000
• sales EUR			0		3,000,000
• purchases GBP		3,090,000	3,631,876	0	0
• sales GBP		560,000	658,204	0	0
• purchases USD		3,250,000	2,893,003	2,000,000	1,746,725
• sales USD		2,000,000	1,780,310	2,000,000	1,746,725
Swaption calls					
• sales			12,750,000		10,000,000

Commitments relating to forward interest rate financial instruments are presented as follows:

- commitments relating to firm transactions are shown at the face value of the contracts;
- commitments relating to conditional transactions are shown at the face value of the underlying instrument.

(€ thousands)			Currency	Notional <= 1 year EUR	Notional +1 year EUR
FIRM TRANSACTIONS					
Interest rate swaps				**300,000**	**22,921,642**
Microhedges	Fixed-rate lender/Floating-rate borrower	EUR		200,000	8,685,000
Microhedges	Fixed-rate lender/Floating-rate borrower	GBP	500,000	0	587,682
Microhedges	Fixed-rate lender/Floating-rate borrower	USD	1,000,000	0	890,155
Microhedges	Floating-rate lender/Fixed-rate borrower	EUR		0	0
Microhedges	Floating-rate lender/Floating-rate borrower	EUR		100,000	130,000
Microhedges	Floating-rate lender/Fixed-rate borrower	USD	1,000,000	0	890,155
Macrohedges	Fixed-rate lender/Floating-rate borrower	USD	2,200,000	0	1,958,340
Macrohedges	Floating-rate lender/Fixed-rate borrower	EUR		0	8,000,000
Macrohedges	Floating-rate lender/Fixed-rate borrower	USD	2,000,000	0	1,780,310
Isolated positions	Fixed-rate lender/Floating-rate borrower	EUR		0	0
Currency and interest rate swaps				**77,482**	**764,713**
Microhedges	Fixed-rate lender/Floating-rate borrower	CHF	135,000	0	109,276
Microhedges	Fixed-rate lender/Fixed-rate borrower	CZK	3,564,683	0	140,000
Microhedges	Fixed-rate lender/Floating-rate borrower	HKD	2,935,000	0	315,437
Microhedges	Fixed-rate lender/Fixed-rate borrower	PLN	852,000	0	200,000
Microhedges	Floating-rate lender/Floating-rate borrower	SEK	800,000	77,482	0
Microhedges	Floating-rate lender/Fixed-rate borrower	USD			
CONDITIONAL TRANSACTIONS					
Caps and floors					
	purchases			**9,800,000**	**20,524,879**
Macrohedges					
		EUR		9,800,000	14,000,000
		GBP	3,090,000	0	3,631,876
		USD	3,250,000	0	2,893,003
Isolated positions				0	0
	sales			**0**	**2,438,514**
Macrohedges					
		EUR		0	0
		GBP	560,000	0	658,204
		USD	2,000,000	0	1,780,310
Isolated positions				0	0
OPTIONS					
Swaption calls	**sales**	EUR		**0**	**12,750,000**

Borrowings with floating rate or swapped fixed-rate contracted by Unibail-Rodamco-Westfield SE are hedged by interest rate swaps and caps. Income and expenses arising on these transactions are recognised on an accrual basis in the income statement.

The net fair value of these hedges amounts to -€147 Mn.

No provision is booked for this fair value since it concerns hedging instruments.

28.2 OTHER COMMITMENTS GIVEN AND RECEIVED

All material commitments are disclosed below.

	2019		2018	
(€ thousands)	Currency	EUR	Currency	EUR
Other commitments received				
EUR refinancing agreements obtained and not used		6,157,500		5,977,500
Guarantees received in EUR		24,519,671		22,153,829
Guarantees received in CHF	135,000	124,378	135,000	119,798
Guarantees received in HKD	2,935,000	335,532	2,935,000	327,293
Guarantees received in USD	0	0	200,000	174,672
TOTAL		**31,137,081**		**28,753,092**
Other commitments given				
EUR refinancing agreements given and not used		676,723		833,477
GBP refinancing agreements given and not used	98,464	115,731		0
USD refinancing agreements given and not used	910,346	810,349		0
Committed works without added tax not realised		124,330		89,184
Guarantees given in EUR		1,568,629		1,536,508
Guarantees given in GBP	800,000	940,291	800,000	894,324
Guarantees given in SEK	4,250,000	406,823	5,750,000	560,713
Guarantees given in USD	8,500,000	7,566,317	8,250,000	7,205,240
TOTAL		**12,209,193**		**11,119,446**

Guarantees given relate to deposits and first demand commitments, including as part of the financing granted by banks to subsidiaries.

Since 2018, further to the acquisition of the Westfield Corporation, cross-guarantees have been set up between the companies of the Westfield Group and Unibail-Rodamco-Westfield SE.

NOTE 29. OPTIONS GRANTING ACCESS TO THE SHARE CAPITAL AND PERFORMANCE SHARES

The table below shows allocated stock options not exercised at the period-end.

Plan		Exercise period[1]	Adjusted subscription price (€)[2]	Number of options granted	Adjustments in number of options[2]	Number of options cancelled	Number of options exercised	Potential additional number of shares[3]
2011 plan (n° 7)	2012	from 15/03/2016 to 14/03/2019	146.11	672,202	-	174,514	497,688	-
	2013	from 05/03/2017 to 04/03/2020	173.16	617,066	-	153,313	355,337	108,416
	2014	from 04/03/2018 to 03/03/2021	186.10	606,087	-	208,907	23,466	373,714
2015 plan (n°8)	2015	from 04/03/2019 to 03/03/2022	256.81	615,860	-	193,603	-	422,257
	2015	from 05/09/2019 to 04/09/2022	238.33	7,225	-	7,225	-	-
	2016	from 09/03/2020 to 08/03/2023	227.24	611,608	-	141,743	1,913	467,952
	2017	from 08/03/2021 to 07/03/2024	218.47	611,611	-	94,569	-	517,042
2018 plan (n°9)	2018	from 06/03/2022 to 05/03/2025	190.09	630,135	-	53,465	-	576,670
2019 plan (n°10)	2019	from 20/03/2022 to 19/03/2026	144.55	748,372	-	28,239	-	720,133
Total				**5,120,166**	**-**	**1,055,578**	**878,404**	**3,186,184**

(1) Assuming that the performance and presence conditions are satisfied. If the first date of the exercise period is not a business day, the exercise period will begin on the next business day. If the end of the exercise period is not a business day, the exercise period will end on the next business day.
(2) Adjustments reflect dividends paid out of reserves and retained earnings.
(3) All options are subject to performance conditions.

The table below details the Performance Shares granted and not exercised at the period-end:

Starting date of the vesting period[1]	Number of performance shares allocated	Number of performance shares cancelled	Number of performance shares acquired	Potential additional number of shares [2]
2015	37,554	10,515	27,039	-
2016	36,745	7,688	18,432	10,625
2017	39,770	6,154	-	33,616
March 2018	82,539	6,992	-	75,547
May 2018	38,130	463	-	37,667
March 2019	172,174	6,474	-	165,700
Total	**406,912**	**38,286**	**45,471**	**323,155**

(1) For French tax residents: a minimum vesting period of three years, and a minimum holding period of two years once vested;
For non-French tax residents: a minimum vesting period of four years without any requirement to hold the shares.
(2) The acquisition of the shares is subject to performance condition.

NOTE 30. OTHER INFORMATION

30.1 SUBSEQUENT EVENTS

None.

30.2 PLEDGED SHARES OF UNIBAIL-RODAMCO-WESTFIELD SE HELD BY THIRD PARTIES

As at December 31, 2019, 469,400 administered registered shares are pledged. There are no fully registered shares.

30.3 REMUNERATION OF MANAGEMENT BOARD MEMBERS

(€ thousands)	**2019**	2018
Fixed income	2,050	2,690
Short-term incentive	2,881	4,030
Other benefits[1]	703	1,104
TOTAL	**5,634**	**7,824**

(1) Supplementary Contribution Scheme, company car and other additional benefits when applicable.

In 2019, Management Board members were awarded a total of 69,700 stock options, all of which were subject to performance condition, along with 16,029 Performance Shares.

30.4 REMUNERATION OF SUPERVISORY BOARD MEMBERS

Remuneration accruing to Supervisory Board members represented €1,321,036 for 2019.

30.5 HEADCOUNT

The average headcount during 2019 was one person. As at December 31, 2019, the Company had one employee.

30.6 LOANS AND GUARANTEES GRANTED TO MANAGEMENT BOARD AND SUPERVISORY BOARD MEMBERS

None.

5.5 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of Unibail-Rodamco-Westfield SE for the year ended December 31, 2019. These financial statements were prepared by the Management Board on February 10, 2020 based on available information up to this date, in the changing context of the Covid-19 related health crisis.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

UNIBAIL-RODAMCO-WESTFIELD SE

Year ended December 31, 2019

Statutory auditors' report on the consolidated financial statements

To the Annual General Meeting of Unibail-Rodamco-Westfield SE,

OPINION

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of Unibail-Rodamco-Westfield SE for the year ended December 31, 2019.

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, 2019 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

BASIS FOR OPINION

AUDIT FRAMEWORK

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

INDEPENDENCE

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2019 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of Ethics (Code de déontologie) for statutory auditors.

JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements, prepared in the context mentioned above, as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

VALUATION OF THE INVESTMENT PROPERTY PORTFOLIO, INCLUDING INVESTMENT PROPERTIES UNDER CONSTRUCTION, EITHER HELD DIRECTLY OR WITHIN JOINT VENTURES

Risk identified	Our response
The Group directly owns, or owns via joint ventures a portfolio of property, which includes shopping centres, offices and Convention & Exhibition sites. The fair value of this portfolio as at 31 December 2019 was €57,225 Mn in the segment reporting information on a proportionate basis of which €45,733 Mn is directly held by consolidated companies and indirectly €11,492 Mn for the Group share by joint ventures. This portfolio includes Investment Properties Under Construction (IPUC) amounting to €1,143 Mn. The valuation of investment properties represents 70% of the Group's consolidated assets. In accordance with the notes 4.5 and 5.5 of the consolidated financial statements, the net balance of the valuation movement amounts to -€1,102 Mn in IFRS net income for the 2019 financial year (including -€935 Mn relating to investment properties) and to -€1,616 Mn in the consolidated result on a proportionate basis presented in the segment reporting (including -€1,448 Mn relating to investment properties held by consolidated companies and indirectly by joint ventures). In accordance with note 5.1 of the consolidated financial statements, the investment property portfolio is valued by independent appraisers as at June 30 and December 31. The valuation of investment properties involves the use of different valuation methods using unobservable parameters in accordance with the requirements of IFRS 13 and IAS 40. Consequently, the valuation is highly dependent on estimates and assumptions and requires significant judgment from the management and external appraisers mandated by the group. The valuations take into account the property-specific information (including current tenancy agreements and rental income, condition and location of the property, future income prospects). They also require judgmental assumptions such as yield and estimated rental value, which are influenced by prevailing market yields and comparable market transactions. For IPUC, other factors such as projected costs to complete for developments, ability to let and the expected delivery date. These elements are also taken into account for the recoverable value of IPUC valued at cost. The valuation of the investment property portfolio, including investment properties under construction, either held directly or within joint ventures is considered as a key audit matter due to the significance of the balance to the financial statements as a whole, combined with the level of judgment associated with determining the fair value.	We considered management's controls over the process implemented to determine the valuation of investment properties. We assessed the competence and independence of the external appraisers mandated by the group. We also evaluated the suitability of their valuation scope and methodology for the financial report. The audit team, including our real estate valuation specialists, attended meetings with each of the appraisers at which the valuations and the key assumptions therein were discussed and challenged. We analyzed assumptions such as yield and estimated rental value and the value of each property in the portfolio on a year-on-year basis, by reference to our understanding of their local market, external market data, published benchmarks and asset specific considerations, used in our audit approach, to evaluate the appropriateness of the valuations adopted by the Group. We performed further audit work, involving our valuation specialists, focusing on the largest properties in the portfolio and those where the assumptions used and/or year-on-year movement in values suggested a possible outlier versus market data for the relevant sector in order to obtain appropriate supporting documentation and explanations. We checked with lease agreements and asset budgets, established by the management, the consistency of the underlying lease data and capital expenditure used by the external appraisers in their valuation of the investment properties on a sample basis. For the most significant IPUC, we met with development directors and project managers to assess the reasonableness of data and assumptions used by the company to carry out to determine the fair value of the IPUCs measured at fair value and the recoverable value of those valued at cost. We particularly focused on incurred project costs, forecast costs to complete, as well as estimated costs and we analysed the risks and remaining exposures. Additionally, we considered the appropriateness of the disclosures in the consolidated financial statements in respect of investment properties.

RECOVERABLE AMOUNT OF INTANGIBLE ASSETS WITH AN INDEFINITE USEFUL LIFE AND GOODWILL RELATED TO THE WESTFIELD ACQUISITION

Risk identified	Our response
As at December 31, 2019, intangible assets and goodwill in relation to the June 2018 acquisition of Westfield amounts, respectively, to €794 Mn and €2,383 Mn equivalent to 5% of group consolidated assets. Intangible assets with an indefinite useful life relate to the property business of Flagship centres in the United States and the Westfield trademark. Intangible assets with an indefinite useful life and goodwill are subject to either annual impairment tests or when an impairment indicator is identified. As mentioned in note 5.4 of the notes to the consolidated accounts, goodwill has been allocated to geographical segment, which qualify as a Cash Generating Unit ("CGU"). Each CGU is the lowest level at which goodwill is monitored for internal management purposes. An impairment loss is recognized whenever the recoverable value of the goodwill is less than its carrying amount. The recoverable value is the maximum of fair value less disposal costs and its value in use. Value in use is based on the Discounted Cash Flow derived from the Business Plan approved by the Management Board and the Supervisory Board. The main assumptions related to the value in use of each Cash Generating Unit are cash flow projections, discount rates based on the weighted average cost of capital and long term growth rates. Intangible assets with an indefinite useful life are evaluated by independent appraisers using the discounted cash flow (DCF) methodology. An impairment is booked when the appraisal value is lower than the net book value. The recoverable amount of intangible assets with an indefinite useful life and goodwill in relation to Westfield relates to the property business of Flagship centres in the United States and the Westfield trademark. The recoverable amount of intangible assets with an indefinite useful life and goodwill related to the Westfield acquisition is therefore a key audit matter due to the level of judgment required by the management, combined with the significance of the balance to the financial statements.	The audit team, including our valuation specialists, analyzed the methodology used for the impairment tests of the intangible assets with an indefinite useful life and the goodwill, and for management's key assumptions. Our audit procedures led us to: • Attend meetings with our valuation specialists and management's independent appraisers and challenge the key parameters used to assess the intangible assets with an indefinite useful life and the goodwill; • Appreciate the determination of CGU by management as regard to accounting standards; • Review the procedures implemented by management to determine the recoverable amount for Group of CGU and intangible assets with an indefinite useful life; • Corroborate the underlying figures used in the Business Plan approved by the Management Board and the Supervisory Board, which are used as a basis for the cash-flow projections and corroborate the achievement of the previous year's approved Business Plan; • Assess the consistency of key assumptions used for the determination of recoverable values, and especially the discount rates and Long Term Growth Rate ("LTGR"), by comparing them to market information; • Examine the mathematical accuracy of the templates used for the calculation of the recoverable amounts; • Consider the appropriateness of the disclosures in the consolidated financial statements.

ACCOUNTING FOR FINANCIAL DEBT AND DERIVATIVES FINANCIAL INSTRUMENTS

Risk identified	Our response
As at December 31, 2019, financial debt of Unibail-Rodamco-Westfield stood at €26,939 Mn. The debt includes net share settled bonds convertible into new and/or exchangeable for existing shares (ORNANEs) accounted for at fair value through profit and loss for a total amount of €602 Mn and bond issues and EMTN (Euro Medium Term Notes) for a principal amount of €22,216 Mn In addition, financial debt held by the joint ventures amounted to €2,300 Mn. The financial debt represents 41% of the Group's consolidated assets. As mentioned in note 7.3.2 of the notes to the consolidated accounts, the Group raised €4,585 Mn of new senior debt (bonds and medium/long-term bank financing) through 2019. As mentioned in note 7.5.1 of the notes to the consolidated accounts, the Group used derivatives financial instruments, mainly interest rate swaps and caps and cross-currency swaps, to hedge its exposure to movements in interest and currency exchange rates related to its financial indebtedness. These derivatives for which no hedge accounting has been applied are carried at fair value through profit and loss, for amounts on the balance sheet of €600 Mn (asset) and €1,055 Mn (liability). During the year, the Group incurred €392 Mn in net financial costs and a net negative fair value adjustment of €289 Mn mainly relating to the mark-to-market of ORNANEs and derivatives at €404 Mn. The Group's gearing, liquidity needs, financial covenants (please refer to note 7.5.1 to the consolidated financial statements) are determined on the basis of this portfolio of financial debt; the cost of debt includes also the impact of the derivatives financial instruments. The accounting for financial debt and derivatives financial instruments are considered as a key audit matter due to the significance of the balance to the financial statements as a whole and due to the impact of the valuation movements of ORNANEs and derivatives on the consolidated statement of comprehensive income.	We assessed the procedures for the valuation and the accounting of the financial debt and related derivatives. We obtained and analyzed loan contracts on a sample basis to understand the terms and conditions and considered that those characteristics were correctly reflected in the consolidated financial statements in accordance with accounting policies applied by the Group. We also performed analytical procedures on the financial expenses. The nominal amount of debts was confirmed with third parties on a sample basis. The carrying value of ORNANEs was reconciled to market price. We confirmed a selection of derivatives directly with counterparties and performed procedures to ensure completeness of them. For a sample of financial instruments, we analyzed the valuation of derivatives and we involved our internal specialists who performed our own valuations. Additionally, we considered the appropriateness of the disclosures required by IFRS 7 "Financial Instruments: Disclosures" and disclosed in the consolidated financial statements.

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information in the management report of the management board prepared on February 10, 2020. Regarding events that occurred and information known after the date of preparation of the financial statements in relation with the Covid-19 crisis, the management has confirmed to us that they will be communicated at the shareholders' meeting held to approve the financial statements for the year ended 31 December 2019.

We have no matters to report as to their fair presentation and their consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by article L. 225-102-1 of the French Commercial Code (Code de commerce) is included in the Group's information given in the management report, it being specified that, in accordance with article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the financial statements of the information contained in this statement which has to be subject to a report by an independent third party.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed as statutory auditors of Unibail-Rodamco-Westfield SE by your Annual General meeting held on April 27, 2011 for Deloitte & Associés and on May 13, 1975 for Ernst & Young Audit.

As at December 31, 2019, Deloitte & Associés was in 15th consecutive year of mandate given the acquisitions or mergers with firms that have previously taken place, and Ernst & Young Audit in its 45th consecutive year of mandate.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were prepared by the management board.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OBJECTIVES AND AUDIT APPROACH

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:
- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.

- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

REPORT TO THE AUDIT COMMITTEE

We submit to the Audit Committee a report, which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

We provide to the Audit Committee in our report the risks of material misstatement that, in our professional judgment, were of most significance to the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (Code de commerce) and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense, March 24, 2020
The Statutory Auditors *French original signed by*

Deloitte & Associés
Emmanuel Gadret Emmanuel Proudhon

Ernst & Young Audit
Jean-Yves Jégourel

5.6 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF THE PARENT COMPANY ONLY

This is a translation into English of the statutory auditors' report on the financial statements of the company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

UNIBAIL-RODAMCO-WESTFIELD SE

Year ended December 31, 2019

Statutory auditors' report on the financial statements of the parent company only

To the Annual General Meeting of Unibail-Rodamco-Westfield SE,

OPINION

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of Unibail-Rodamco-Westfield SE for the year ended December 31, 2019. These financial statements were prepared by the Management Board on February 10, 2020 based on available information up to this date, in the changing context of the Covid-19 related health crisis.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the company as at December 31, 2019 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the audit committee.

BASIS FOR OPINION

AUDIT FRAMEWORK

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

INDEPENDENCE

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2019 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of ethics *(code de déontologie)* for statutory auditors.

JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements, prepared in the context mentioned above, as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

EVALUATION OF INVESTMENTS IN SUBSIDIARIES AND RELATED RECEIVABLES

KEY AUDIT MATTER

As at December 31, 2019, Unibail-Rodamco-Westfield SE held investments in subsidiaries and related receivables, which have a gross value respectively of 19,849 M€ and 13,112 M€, impaired for an amount of 2,515 M€. The net book value of the investments in subsidiaries and related receivables represents 78% of assets.

Investments in subsidiaries are generally companies, which own one or several investment properties or holding companies, which indirectly own such companies.

As described in note 1.2.3. to the financial statements, an impairment is booked when the value in use of an investment in the subsidiary is lower than its acquisition cost plus any related technical loss related to said investments in subsidiaries.

The value in use of the investments in subsidiaries includes the unrealised capital gain on properties or assets held by the subsidiaries, such properties being valued at year-end by independent appraisers. These valuations take into account rentals, the last real estate transactions and their Net Initial Yield. The value in use also includes the valuation of the intangible assets made by independent appraisers, which are owned by the subsidiaries, and based on the Discounted Cash Flows of these activities. The value in use also includes the share of the goodwill, which is allocated in the consolidated accounts of the Group.

Consequently, the evaluation of the investments in subsidiaries and related receivables is considered to be a key audit matter due to the judgment required by management to evaluate the assets held by the subsidiaries and the importance of these balances to the financial statements.

OUR RESPONSE

We examined the company's controls over the process implemented to determine the value in use of investments in subsidiaries and related receivables.

Concerning the unrealised gains on the assets, we examined the coherence of the fair value of the assets held and ensured that these amounts were those determined by the appraisers. Our procedures on the fair value of the underlying assets principally consisted of:

- Examining the fair value of the investment property process applied by management;
- Examining procedures put in place by management to determine the recoverable value of the groups of cash generating units and intangible assets;
- Attending meetings with the external experts in the presence of our valuation experts, during which the appraisals of the assets and the key hypothesis retained were challenged;
- Examining on a sample basis the coherence of the rent and capital expenditure used by the independent appraisers to evaluate the investment property with the underlying lease agreements and budget;
- Assessing the key hypothesis used to determine the recoverable value of the goodwill and the intangible assets, notably the discount rates and long term growth rates challenging their coherence with available market information;

We also verified the mathematical accuracy of the calculations of the value in use of the investments in subsidiaries and related receivables and the correct application of percentages of ownership of the net equity values of the subsidiaries. We also examined the provisions on the investments in subsidiaries and related receivables accounted for on this basis.

ACCOUNTING FOR FINANCIAL DEBT AND DERIVATIVE FINANCIAL INSTRUMENTS

KEY AUDIT MATTER

As at December 31, 2019, Unibail-Rodamco-Westfield SE has financial liabilities of €21,072 M€ described in note 15 “Borrowings and financial liabilities” to the financial statements.

Unibail-Rodamco-Westfield SE uses derivative financial instruments, mainly interest rate swaps and caps and cross-currency swaps, to hedge its exposure to fluctuations in interest and currency exchange rates. This portfolio of derivatives is described in note 28.1 “Financial instruments” to the financial statements.

Note 1.3.2 to the financial statements describes the main accounting policies retained by the company to account for the derivative financial instruments and specifically details that they are accounted for according to the intention with which the corresponding transactions were carried out.

During the year, Unibail-Rodamco-Westfield SE restructured part of its derivative financial instrument portfolio as described in note 2.1 “Significant events of the year”. Notes 6 and 24 describe the impact on the accounts of this restructuring.

Accounting for financial debt and derivative financial instruments is considered as a key audit matter due to the significance of the balances to the financial statements as a whole and the complexity of the accounting for derivative financial instruments.

OUR RESPONSE

We examined the internal control procedures in place relating to accounting for financial debt and derivative financial instruments.
We analysed a representative sample of contracts in order to understand they terms and conditions. We also examined the characteristics of these loans in the financial statements and performed analytical procedures on the financial expenses.

On a sample basis, the carrying value of debt was agreed to third party confirmations.
We performed confirmation procedures directly with third parties of the derivative financial instruments and examined the completeness

of the position of the derivatives presented in the off balance sheet disclosure. We also performed analytical procedures on the expenses and revenues related to the derivative financial instruments.

We examined the portfolio of the derivative financial instruments of the company to ensure that they had been correctly presented (hedging or isolated open position).

Additionally, we assess the appropriateness of the disclosures had been made in the notes to the financial statements regarding the financial debt and derivative financial instruments.

SPECIFIC VERIFICATIONS

We also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

INFORMATION GIVEN IN THE MANAGEMENT REPORT AND IN THE OTHER DOCUMENTS PROVIDED TO THE SHAREHOLDERS WITH RESPECT TO THE FINANCIAL POSITION AND THE FINANCIAL STATEMENTS

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the management board, prepared on February 10, 2020 and in the other documents provided to the shareholders with respect to the financial position and the financial statements. Regarding events that occurred and information known after the date of preparation of the financial statements in relation with the Covid-19 crisis, the management has confirmed to us that they will be communicated at the shareholders' meeting held to approve the financial statements for the year ended 31 December 2019.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-4 of the French Commercial Code.

REPORT ON CORPORATE GOVERNANCE

We attest that the Supervisory Board's report on corporate governance sets out the information required by articles L.225-37-3 and L.225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code relating to remunerations and benefits allocated or received by the members of the management board and of the supervisory board and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlled companies included in the scope on consolidation. Based on this work, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a public purchase or exchange offer, provided pursuant to Article L. 225-37-5 of the French Commercial Code, we have verified their compliance with the source documents communicated to us. Based on our work, we have no observations to make on this information.

OTHER INFORMATION

In accordance with French law, we have verified that the required information relating to the acquisition of participating and controlling interests and identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed as statutory auditors of Unibail-Rodamco-Westfield SE by your Annual General Meeting held on April 27, 2011 for Deloitte & Associés and on May 13, 1975 for Ernst & Young Audit.

As at December 31, 2019, Deloitte & Associés was in its 15th consecutive year of mandate given the acquisitions or mergers with firms that have previously taken place, and Ernst & Young Audit in its 45th consecutive year of mandate.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the company or to cease operations.

The audit committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were prepared by the management board.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

OBJECTIVES AND AUDIT APPROACH

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the company or the quality of management of the affairs of the company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

REPORT TO THE AUDIT COMMITTEE

We submit a report to the audit committee, which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the audit committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the audit committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the audit committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, March 24, 2020
The Statutory Auditors *French original signed by*

Deloitte & Associés	Ernst & Young Audit
Emmanuel GADRET Emmanuel PROUDHON	Jean-Yves JEGOUREL

5.7 STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS

UNIBAIL-RODAMCO-WESTFIELD SE

This is a free translation into English of the Statutory Auditors' special report on regulated agreements with third parties that is issued in the French language and is provided solely for the convenience of English speaking readers. This report on regulated agreements should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

Statutory auditors' special report on regulated agreements

Shareholders' Meeting held to approve the financial statements for the year ended 31 December 2019

To the Shareholders' meeting of Unibail-Rodamco-Westfield SE,

In our capacity as Statutory Auditors of your company, we hereby report to you on regulated agreements.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention or which we may have discovered during the course of our audit, as well as the reasons justifying that such agreements are in the Company's interest, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements, if any. It is your responsibility, pursuant to article R.225-58 of the French Commercial Code (Code de Commerce), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Our role is also to provide you with the information stipulated in article R.225-58 of the French Commercial Code relating to the implementation during the past year of agreements previously approved by the Shareholders' Meeting, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement.

AGREEMENTS SUBMITTED TO THE APPROVAL OF THE SHAREHOLDERS' MEETING

We hereby inform you that we have not been advised of any agreement authorized and concluded during the year to be submitted to the approval of the Shareholders' Meeting pursuant to article R.225-86 of the French Commercial Code.

AGREEMENTS PREVIOUSLY APPROVED BY THE SHAREHOLDERS' MEETING

We hereby inform you that we have not been advised of any agreement previously approved by the Shareholders' Meeting which remained in force during the year.

Paris-La Défense, March 24, 2020

The Statutory Auditors *French Original signed by*

Deloitte & Associés	Ernst & Young Audit
Emmanuel GADRET Emmanuel PROUDHON	Jean-Yves JEGOUREL

5.8 OTHER INFORMATION

5.8.1 SUPPLIER AND CUSTOMER PAYMENT DATES

5.8.1.1 SUPPLIER PAYMENT TERMS FOR UNIBAIL-RODAMCO-WESTFIELD SE

	Article D. 441 I.-1°: Supplier invoices due and not paid as at 31/12/19					
	0 day	Between 1 day and 30 days	Between 31 days and 60 days	Between 61 days and 90 days	more than 91 days	Total (1 day and more)
(A) Period of late payment						
Number of invoices concerned	57	7	21	0	73	101
Total of all invoices concerned including VAT in € thousands	1,077	24	5	0	452	482
Percentage of the total amount of purchases including VAT in the year	0.39%	0.01%	0.00%	0.00%	0.16%	0.17%
(B) Invoices excluded from (A) and related to litigious and unrecognised debts						
Number of invoices excluded	0					
Total amount of all invoices excluded in € thousands	0					
(C) Payment periods used (contractual or legal payment period - article L. 441-6 or article L. 443-1 of the French Commercial Code)						
Payment terms used for the calculation of the late payment						- Contractual payment terms x - Legal payment terms

5.8.1.2 CUSTOMER PAYMENT TERMS FOR UNIBAIL-RODAMCO-WESTFIELD SE

	Article D. 441 I.-1°: Customer invoices due and not paid as at 31/12/19					
	0 day	Between 1 day and 30 days	Between 31 days and 60 days	Between 61 days and 90 days	more than 91 days	Total (1 day and more)
(A) Period of late payment						
Number of invoices concerned	13	9	19	9	330	367
Total of all invoices concerned including VAT in € thousands	797	9,646	234	152	375	10,407
Percentage of the revenue including VAT of the year	0.51%	6.17%	0.15%	0.1%	0.24%	6.65%
(B) Invoices excluded from (A) and related to disputed and unrecognised receivables						
Number of invoices excluded	0					
Total amount of all invoices excluded in € thousands	0					
(C) Payment periods used (contractual or legal payment period - article L. 441-6 or article L. 443-1 of the French Commercial Code)						
Payment terms used for the calculation of the late payment						- Contractual payment terms x - Legal payment terms

5.8.2 RESULTS FOR UNIBAIL-RODAMCO-WESTFIELD SE OVER THE PAST FIVE FINANCIAL YEARS

	2019	2018	2017	2016	2015
Capital at year-end					
Share capital (in € thousands)	691,893	691,443	499,283	496,969	493,470
Number of shares outstanding	138,378,605	138,288,601	99,856,676	99,393,785	98,693,942
Number of convertible bonds outstanding	1,798,716	3,182,968	3,184,318	3,218,937	3,225,522
Results of operations (in € thousands)					
Net sales	185,524	164,797	52,684	97,723	82,659
Income before tax, depreciation, amortisation and provisions	1,364,662	2,741,600	1,220,448	657,816	1,209,728
Corporate income tax	(115)	0	(30,593)	2,951	14,055
Net income	(46,426)	1,457,493	1,191,830	543,367	1,159,629
Distributed profits	1,494,489 (1)	1,493,901	1,079,164	1,018,336	963,079
Per share data (€)					
Income after tax, before depreciation, amortisation and provisions	9.86	19.83	12.53	6.59	12.11
Income after tax, depreciation, amortisation and provisions	(0.34)	10.54	11.94	5.47	11.75
Per share dividend	10.80 (1)	10.80	10.80	10.20	9.70
Employee data					
Number of employees at December 31	1	1	1	1	1
Total payroll (in € thousands)	2,061	(2,834)	11,930	5,661	3,939
Total benefits (in € thousands)	2,584	478	5,676	2,884	2,450

(1) To be submitted to the next Annual General Meeting to be held in May 15, 2020 on the basis of 138,378,605 shares as at 31/12/19.

5.

CHAPTER 6

RISK FACTORS AND INTERNAL CONTROL

6.1 RISK MANAGEMENT FRAMEWORK

6.1.1 RISK MANAGEMENT POLICY AND ORGANISATION

The Risk Management Policy at Unibail-Rodamco-Westfield ("URW" or "the Group") is designed to:

- **identify and analyse the main potential threats in order to anticipate risks proactively;**
- **secure decision-making and Group processes to achieve business objectives;**
- **create and preserve the Group's value, assets, brand and reputation;**
- **ensure consistency of decisions with the Group's values and strategy;**
- **bring the Group's staff together behind a shared vision of risk management.**

The organisation of URW is based on a matrix organisation within two continental platforms: Europe and the United States. The European platform is composed of seven regions (Austria/Central Europe, Benelux, France, Germany, the Nordics, Spain and the United Kingdom/Italy), and a Corporate Centre organised around five main functions, i.e. Developer, Owner, Operator, Resourcer and Financer. The decision-making process is accomplished through committees and collegial decision-making. The segregation of duties within URW is based on the separation between execution and control. URW does not outsource core activities, except for some parts of its IT system. In these two platforms and seven regions, the Group's main activities are investment and divestment, asset management, operating management (including leasing and property management), construction, refurbishment and exhibition management, which are briefly described below. The organisational structure is also based on a set of delegations that define the roles and responsibilities of managers. Moreover, URW utilises internal committees where decisions are based on a risk analysis approach.

MAIN ACTIVITIES OF THE GROUP INCLUDING CORE PROCESSES AND SUPPORTING FUNCTIONS

INVESTMENT AND DEVELOPMENT

Investment is one of the major processes at URW, as it is one of the first steps in the value creation process. It starts with deal sourcing (the search for market opportunities), which is based on brokers, off-market relationships, and connections with local communities. Once an investment opportunity is identified it undergoes a strict review and approval procedure with multiple steps through compliance and demanding internal decision-making processes, in alignment with URW's investment strategy.

For the development of new property, each region has its own Development Department, which manages development projects in relation with the Corporate Centre. The decision-making process is applicable as mentioned above. Construction is ordered and executed (preparation of bid tender, call for offer, selection of building contractors, etc.) under the responsibility of the Group Chief Development Officer, the Managing Director of Development and the Regional Managing Directors. Construction is undertaken by experienced construction companies, which are managed and controlled by a professional third-party design and project management team.

ASSET MANAGEMENT

Under the responsibility of the two Chief Operating Officers (Europe and US) local operational teams, this activity focuses on value creation in URW's asset portfolio and consists of defining the strategy for each asset (5-year plan). In line with the contract terms and conditions, the Accounting Department invoices and collects the rents and pays expenses related to the management of the building.

OPERATING MANAGEMENT

Operating Management is organised and managed at the continental platform level (Europe and the US) by their respective Chief Operating Officer. It mainly focuses on property leasing, implementation/monitoring of the 5-year business plan and property management including security and technical maintenance (facility management). Facility management is mainly carried out by reputable specialised third parties with a designated team on each site and is monitored by the Property, Maintenance, Purchasing and Sustainability Department (PMPS) in Europe and by the Facility Management team in the US.

6.

CONGRESS & EXHIBITION MANAGEMENT (C&E)

C&E management includes activities such as letting areas in URW's exhibition site portfolio to exhibition organisers as well as mandatory services (technical installations, electricity) and ancillary services (parking facilities, WIFI connection).

CONSTRUCTION AND REFURBISHMENT

Construction and refurbishment consist of the following activities:
- control of construction costs and management of construction contracts;
- definition of the Group CSR development policy;
- selection and monitoring construction and refurbishment companies;
- supervision of construction until grand opening.

At this stage and after the Westfield transaction, two business models are operated within URW. These two business models are slightly different as the Group has:
- more involvement in Design and Construction operations in the UK and US than in Continental Europe;
- more general contractor roles and responsibilities in the UK and US than in Continental Europe.

INVESTMENT AND DIVESTMENT

Under the supervision of the Group Chief Financial Officer (CFO), the Investment Department is responsible for the value creation process and is in charge of evaluating and advising periodically on the basis of the aforementioned information whether the property needs to be disposed of or not.

In case of a divestment, a highly structured process is in place to provide the most complete and accurate information (data room) to maximise the selling price and minimise the guarantees and representations.

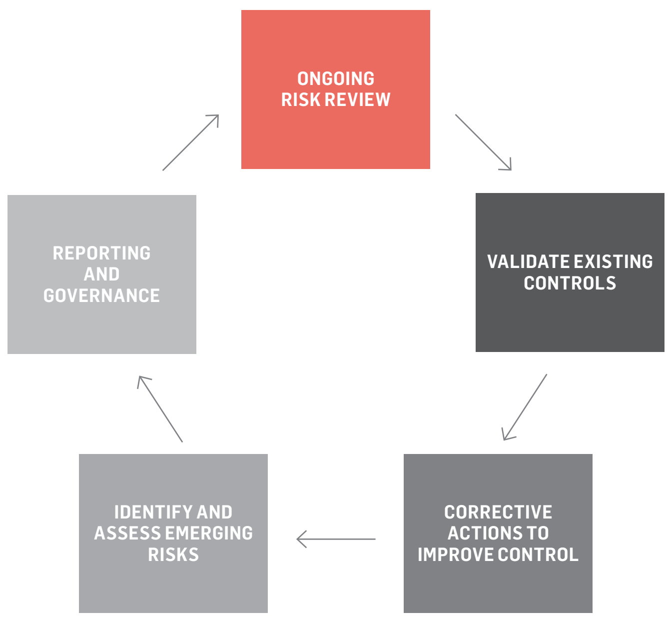
6.1.2 GROUP RISK MANAGEMENT (ERM) FRAMEWORK

Since the completion of the Westfield transaction in June 2018, the Entrerprise Risk Management (ERM) framework has continued to evolve. All key risks have been reviewed and assessed internally, and action plans for improvement have been established. Half of the identified key risks were presented to and reviewed by the Audit Committee and Supervisory Board in 2019, with the remaining half scheduled for review in 2020.

Our ERM framework focuses on:
- Risks inventory;
- Risk control methodology;
- Risk mapping;
- Governance;
- Functional organisation.

URW now has a Group-wide robust Risk Management programme providing reasonable assurance on levels of control and that remains oriented towards ongoing and continuous risk assessment and improvement in controls.

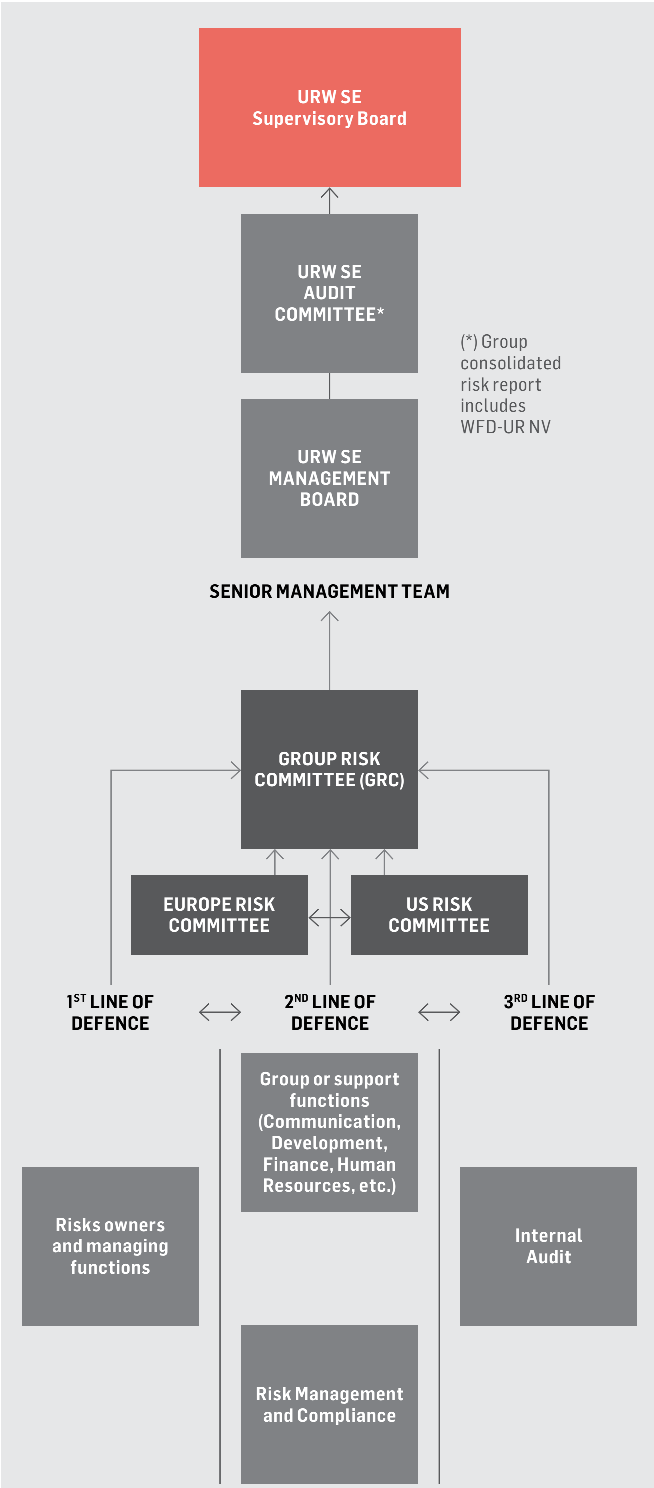
OVERVIEW OF GROUP ERM KEY RESPONSIBILITIES



Governance continues to enhance and support the importance of ERM by establishing oversight responsibilities. URW has worked on the alignment and coherence of the Risk Management governance bodies, considering market best practices, regional and sector benchmarks and market investors' expectations.

On December 6, 2018, upon the recommendation of the Audit Committee (AC), the Supervisory Board (SB) approved the Risk Management framework. In 2019, five AC and SB meetings related to risk management took place. To prepare this meetings, five preparatory calls were organised with the AC Chairman and risk owners.

The URW ERM framework and three lines of defence are organised as follows:



Overview of the three lines of defence in line with COSO ERM standards.

To detect main specific Group risks and design appropriate risk management measures in relation with any unique local consideration, the Group's ERM framework includes both a local Europe Risk Management Committee and a US Risk Management Committee.

The responsibilities of these local committees include:

- support the development of a risk culture within the platforms, promoting open discussion regarding risk and integrating Risk Management into the organisation;
- providing input to management regarding the URW platforms' risk appetite and tolerance;
- embedding ERM in all activities within the business;
- discussing the identification and evaluation of risks with local risk owners;
- supporting improvement in risk control, management measures and monitor action plans;
- reviewing risk initiatives against the Compliance Book to align assessment and establish training priorities;
- remaining aware of any material evolution of an existing risk or any new or emerging risk;
- providing validation in preparation for review by the Group Risk Committee.

The Group Risk Committee (GRC) handles risk monitoring at Group level. It is composed of the following senior executives:

Group CRO (Chairman)	Group General Counsel
Group CFO	
COO Europe	Group Director of Internal Audit and Group Compliance Officer
President URW US	Head of Risk Management Europe
Group Director of Risk Management	Group, Europe and US Risk Owners as required

The primary responsibility of the GRC is to oversee and approve the Group-wide risk mapping and key management measures and to assist the Management Board (MB) in:

- establishing that all executive teams have identified and assessed the risks that the Group faces in all regions where it operates and established a risk management system to address those risks;
- validating the level of control over a given risk and, in conjunction with the MB and/or other internal committees, validating that such risks are in line with the Group's Risk strategy;
- ensuring that the division of risk-related responsibilities for each risk owner is clearly defined, and that risk owners are routinely performing risk assessments and gap analysis to maintain awareness of all risks;
- elevating to the MB and SB any emerging and developing risks.

To fulfil its responsibilities and duties, the GRC:

- supports the development of a risk culture within the Group, promotes open discussion regarding key risks, integrates Risk Management into the organisation's objectives and compensation structure, and creates a corporate culture such that people at all levels manage risks rather than ignoring them or accepting them without proper risk analysis;
- provides input to management and Senior Management Team regarding the Group risk appetite and tolerance;
- monitors the organisation's risk profile (risk mapping);
- approves the Risk Management policy and plan, which include:
  - the Company's Risk Management structure;
  - standards and methodology applied to assess risks;
  - risk management measures (Risk Management guidelines);
  - training and awareness programmers or information.

The GRC duties and action plan are presented at least on a yearly basis to the MB, AC and SB. The GRC meets at least every two months, or more frequently if needed.

Following the Westfield transaction, the new Risk Management Organisation reviewed the Group's key risk and associated action plans in collaboration with risk owners. Review and challenge of key risks by the Audit Committee and Supervisory Board continues into 2020.

A description of the key risks monitored by this internal control system is outlined below. The GRC met six times in 2019. Its main achievements are:

- the review of the Group's risk mapping;
- the review of 13 risk sheets where sub-risks are identified and assessed;
- the review and follow-up of action plans;
- the approval of a new Group approach in terms of business continuity plans.

6.1.3 INTERNAL CONTROL SYSTEM

The Group's internal control system covers all of the Group's activities across all regions where the Group operates. It is based on a set of principles that aim to provide reasonable assurance that the following internal control objectives are met:

- transactions are executed effectively and optimised;
- property assets are protected;
- financial information is reliable; and
- all operations, comply with prevailing legislation, external regulations and URW's internal rules.

The Group's internal control system is in line with the general principles of the Internal Control System reference framework drafted in July 2010 by the AMF (Autorité des Marchés Financiers: the French financial market authority) working group and is based on:

- standardised procedures;
- accountability of managers in charge of the business, finance and control;
- a committee-based decision-making process for acquisitions, disposals and refurbishment/construction projects; and
- segregation of duties between the execution and control.

The Group's control environment was updated following the Westfield transaction as well as the Compliance Book for Governance, Organisation & Corporate Rules. The Compliance Book details:

- the Group organisation structure: a matrix organisation with a double reporting line at corporate and regional levels, including the US platform;
- governance for Unibail-Rodamco-Westfield SE and its subsidiaries as well as for WFD Unibail-Rodamco N.V. and its subsidiaries;
- a framework of core processes and internal rules covering investment and divestment, development, leasing activities and support functions, notably Treasury and Human Resources (note that this framework was aligned between the Europe platform and the US platform);
- a Code of Ethics covering the Group's core values and rules of conduct, with particular emphasis on ethical behaviour, prohibition of corruption, conflicts of interests, confidentiality and transactions involving the Stapled Shares; and
- an Anti-corruption programme which including among others a due diligence process before entering into business relationships with third parties.

In addition to the Compliance Book, the Group's control environment comprises:

- job descriptions and an appraisal system based on performance targets which has been aligned in 2019 for the entire Group;
- set delegation of authority and responsibility rules and limits that span all the Group's activities and which should be finalised in Italy, the UK and the US in 2020;
- specific procedures applicable at the corporate level and in the different regions where the Group is present; and
- fewer formal instructions and recommendations that nevertheless form an integral part of the internal control system.

The internal control system assessment is carried out by the Group Internal Audit Department (composed of nine FTE located in France and in the US, which conducts regular assignments looking at all of the Group's business units in line with the annual audit plan approved by the MB and the SB.

The Group CEO or (the Chairperson of) the AC can also ask the Group Internal Audit Department to carry out "flash" assignments in order to provide a rapid response to urgent issues and/or the treatment of new risks or problems. Final audit reports are addressed to the MB and to each department that has been involved in the audit. A summary of audit findings is provided to the AC on a quarterly basis.

URW's Internal Audit Charter sets out the different missions of the audit function. To ensure it remains genuinely independent, the Internal Audit Department reports to the Group CEO and to the Chairman of the AC.

A description of the main risks monitored by this internal control system are set out hereafter.

6.2 MAIN RISK FACTORS

In accordance with Shareholder Rights Directive (EU) 2017/828 dated May 17, 2017, risk factors presented, hereafter, are limited to specific risks of the Group and remain significant after application of the risk management measures.

Nevertheless, the risk factors discussed in this section are not exhaustive and there may be other risks, either potential unidentified or emerging/developing identified risks, or not specific enough to the Group and/or of which the occurrence is not considered likely to have a material adverse effect on URW, its operations, financial position and/or results, share price or guidance/outlook as at the date of filing of the Universal Registration Document. In addition, given the geographical scope of URW activities, the potential impact of a same type of risk may differ from one country to another.

The Group risk mapping is reviewed and updated, if necessary, on a recurring basis under the supervision of the Group Risk Committee. The Group risk mapping is discussed by the Audit Committee and the Supervisory Board.

6.2.1 RANKING OF THE MAIN SPECIFIC RISK FACTORS

The Group risk inventory, used for Group risk mapping, is composed of 16 Group specific risks organised into six categories. The risks presented below are ranked within each category in descending order of impact to the Group (first ones being the most impactful) and probability.

This ranking is based on:
(i) the potential net impact corresponding to the potential (financial/legal/reputational) impact after risk management measures have been put in place (net impact), and
(ii) the potential net likelihood of the risk event, after risk management measures have been put in place (net likelihood).

This ranking, and specifically the likelihood, is the result of the Group management assessment performed through the ERM Framework described in Section 6.1.2 Group Risk Management framework of the 2019 Universal Registration Document (URD) and depends on the subjective assessments of management.

Legend used below:

Rating			
Net impact	●●● High net impact	●●○ Medium net impact	●○○ Low net impact
Net likelihood	■■■ Likely	■■□ Possible	■□□ Unlikely

Risk Factors categories	Risk Factors	Rating after risk management measures: Net impact	Net likelihood	Section
Category #1: Business sector and operational risks	Retail market evolution/disruption	●●●	■■□	6.2.2.1.A
	Development, design and construction management	●●●	■■□	6.2.2.1.B
	M&A, investment and divestment	●●●	■■□	6.2.2.1.C
	IT System and data: continuity and integrity	●●○	■■□	6.2.2.1.D
	Brand and reputation	●●○	■□□	6.2.2.1.E
	Leasing and commercial partnerships	●●○	■□□	6.2.2.1.F
Category #2: Financial and tax risks	Access to capital and financial market disruption	●●●	■□□	6.2.2.2.A
	REIT status and tax compliance	●●○	■□□	6.2.2.2.B
Category #3: Environmental and social responsibility risks	Climate change and Societal risks	●●○	■□□	6.2.2.3.A
	Recruitment, retention and succession	●○○	■□□	6.2.2.3.B
Category #4: Security, health and safety risks	Terrorism and major security	●●●	■■□	6.2.2.4.A
	Health and safety	●●●	■■□	6.2.2.4.B
	Pandemic only(1)	●●●	■■■	
	Natural disasters only(2)	●●●	■■□	
Category #5: Post-Westfield transaction related risks	Material misstatement and unreliable forecast	●●○	■□□	6.2.2.5.A
	Change management and integration	●●○	■□□	6.2.2.5.B
Category #6: Legal and regulatory risks	Corruption, money laundering & fraud	●○○	■□□	6.2.2.6.A
	Legal and regulatory	●○○	■□□	6.2.2.6.B

(1) Pandemic rated ●●● (High impact) due to current COVID-19 outbreak in countries where URW operates.
(2) Natural disasters rated ●●● (High impact) due to significant exposure to natural disasters in some geographies of operation combined with levels of uninsured risks in some of those countries (impacts of local limitations/exclusions/caps in insurance coverage) refer to Section 6.2.2.4.B.

6.

6.2.2 DETAILED MAIN RISK FACTORS

6.2.2.1 CATEGORY # 1: BUSINESS SECTOR AND OPERATIONAL RISKS

A. RETAIL MARKET EVOLUTION/DISRUPTION

As global developer and operator of commercial assets, any mid- to long-term deterioration in economic conditions with implications for the leasing market and/or investments may have a significant impact on the level of the Group's activities, the value of its assets, its results and its investment and development strategy. Considering its real estate profile and exposure, the Group's results of operations and/or its core business strategy could be adversely affected by its inability to continue to lease space in its assets on economically favourable terms, to adapt its offer and customer experience to new trends and expectations, or to develop and implement new business models, or by tenant default.

The value of the Group's real estate assets (calculated using the fair value method) is sensitive to variations in the appraisers' principal assumptions (yield, rental value, occupancy rates) and is, therefore, subject to material variations that may impact the Group. The rental income of some Group assets may depend on flagship stores/department stores and could suffer a material adverse impact if one or more of these tenants were to terminate their leases, fall into bankruptcy or equivalent scheme triggering financial impacts or to fail to renew their leases, and/or their location were considered to lack attractiveness, and/or in the event of consolidation between these retail sector companies.

Risk factors	Risk management measures
• Continued changes in the retail sector due to competition from online retail as well as demographic and cultural changes. Anchor department stores and many fashion retailers may change their brick and mortar strategies including store closures; • Inability to adapt to quickly changing shopper and retailer preferences, office and convention exhibition patterns and preferences, could negatively impact achieving leasing and revenue targets which could have an adverse impact on overall Group financial results; • URW's current strategy may fail to meet changing retail and real estate market conditions; • Competition with other participants in the real estate industry could have an adverse impact on Group income and its ability to acquire properties, develop land and secure tenants effectively.	The Group has put in place numerous measures to adapt to new consumer trends and attract them: • Annual research performed in each geography (Europe and US) to understand and anticipate shifts in retail, demographic and cultural changes; • Merchandising and positioning assessments for each flagship asset to future proof the strategy of the asset and adapt the retail mix to new needs; • Close collaboration with retailers to understand their strategy; • Expansion of leasing into new types of tenants, including more Food & Beverage, Entertainment, Health & Wellness, Luxury as well as Digital native vertical brands (DNVB); • Dedicated redevelopment plan including development of event spaces, digital infrastructure, and modular tenant spaces (white boxing for pop-ups); • Continued development of shopper services to adapt to new customer expectations and shopper preferences; • Loyalty programmes and events in malls to enhance the customer shopping experience, secure URW's share of wallet and improve customer profiles and journey in the mall; • Disposal of non-core or non-competitive assets according to the divestment programme[1].

(1) Refer to 6.2.2.1.C – M&A investment / divestment risks.

B. DEVELOPMENT, DESIGN AND CONSTRUCTION MANAGEMENT

As premier global developer, with a focus on our continued differentiation and innovation strategy, URW maintains an important (€8.3 Bn) development pipeline as well as refurbishment pipeline in the office, shopping centre, hotel, residential, and Convention & Exhibition property segments. Moreover, the Group develops a mix-use development and densification of standing assets strategy. This ambitious development/ extension/renovation pipeline involves significant investment of financial capital, human resources and senior leadership time and attention. It represents a huge opportunity in terms of capturing or protecting market share in the relevant competitive markets and of creating a flagship model to distinguish URW from the competition. Such a pipeline may however imply significant cost and potential inability to design appropriate assets and/or deliver in due time in compliance with the project business plan which would negatively impact the Group.

Risk factors	Risk management measures
• Ineffective development strategy, investment decision and approval process; • Failure to obtain required external authorisations; • Not reaching post-development leasing and revenue targets; • Failure to comply with the construction quality, costs and delivery date; • Failure to monitor URW responsibility acting as General Contractor (US, UK and Italy) including Health & Safety risks during construction; • Inability to secure adequate funding for a project (through JV partner or other).	• Group's decision-making process for any investment decision for a development project; • The status of the project, its budget and returns are reviewed on a regular basis (quarterly by the Controlling Department/pipeline reviews and annual 5 year business plans by the Senior Management Team); • Third-party specialist advisors and consultants are employed throughout the pre-development phase to assist in identifying potential hurdles with external stakeholders and developing action plans to successfully navigate the issue; • Employment of construction experts within its own organisation and they ensure design specifications, control of construction and renovation costs and comply with the Group's Environmental Quality Charter and any regulations applicable to owners; • Strong third parties claim management process. In addition, insurance policies cover Group responsibilities; • For projects developed with a Joint-venture partner, pre-development design and construction plans, pro-forma leasing estimates and returns, and construction time schedules are developed and shared with JV partners to increase the quality of the relationships, mitigate misalignment with JV partners and ensure successful funding of the project.

For further information related to the Development Pipeline, please refer to Section 4.1.3 Development Projects as at 31/12/2019 of the 2019 URD.

C. MERGERS & ACQUISITIONS, INVESTMENT AND DIVESTMENT

Following the Westfield Transaction and the public announcement of business targets/asset disposal plan, URW could face several risks in connection with this disposal programme. Additionally, part of URW's core business model is value creation because of the investment and divestment of assets. The profitability of these transactions depends on the accuracy of initial financial assumptions, market conditions (including available funding and investors' appetite), tax environment, quality and attractiveness of assets, and legal and regulatory considerations.

Risk factors	Risk management measures
• Misalignment with Group strategy and incorrect underwriting (asset valuation and forecast); • Information leakage and market rumours; • Failure to execute the announced €6bn disposal plan.	• Group decision-making process closely involves The Management Board and Supervisory Board for major projects based on internal rules and corporate charters; • Project teams closely involved in the transactions in order to determine whether the transaction is worth investigating and pursuing. Legal, financial, technical and commercial reviews of these transactions are always presented to an Investment Committee for approval before any binding commitment; • Due diligence carried out with the assistance of external advisors; • Recurring strategic review between MB and SB to ensure full alignment on Group strategy.

For further information related to Investments/Divestments, please refer to Section 4.1.2 Investments/Divestments of the 2019 URD.

D. INFORMATION TECHNOLOGY SYSTEM AND DATA: CONTINUITY AND INTEGRITY

The digital strategy of URW Group requires increasingly sophisticated and efficient Information Technology (IT) support and IT security systems in order to provide the required support for core business processes and day-to-day operations. This IT support demand has increased in the last two years, due to the Westfield Transaction, and integrating different IT systems, tools and processes related to URW core businesses. In such a context, numerous usual IT risks are increased due to the in-progress integration of Unibail-Rodamco and Westfield legacy IT systems.

All business units depend on IT systems providing support continuously, to respond swiftly and effectively to any disruption, and contribute to the accuracy of the data.

Therefore, IT systems must be reliable in various aspects, notably data confidentiality (protection of sensitive data), continuity of critical IT activities (availability of the systems and data needed by the businesses to carry out their operations) and data integrity (comprehensive and accurate data).

Risk factors	Risk management measures
• Inadequacy between IT and Cyberthreats; • Data leakage through IT systems; • Unavailability of critical IT systems; • Incapacity to guarantee the integrity of data and reports generated by IT systems; • Inadequacy between IT and business needs/operations.	URW's IT risk management approach is largely based on: • Information Systems Security strategy and technology designed and rolled out to prevent cyber-risks, detect security incidents, and react quickly to remediate cyber security incident; • Contractual commitments requiring vendor partners and contractors to implement the necessary technical and organisational security measures, as well as notifying URW of any cyber-security event that could have an impact on URW; • IT Security Incident and Crisis Management process is in place, with specific response procedures in case of a major IT security event/crisis; • IT Disaster Recovery Plan implemented, and a strong backup policy is in place on workstations and servers. The IT Disaster Recovery Plan is tested on a yearly basis; • Committees/meetings to review IT activities and investments and one IT security committee; • Security review of IT projects to identify main risks and associated action plan to mitigate them. The Security Incident and Crisis Management process is linked to the GDPR or CCPA Data Breach Notification process when a security incident involves personal data[1]; • Integration of former Westfield IT systems into a group-wide, consistent IT platform plan to enable operational migration of IT systems; • Harmonisation of IT Governance and IT Security at Group level (decision-making process, project process, purchasing process.

E. BRAND AND REPUTATION

The Westfield brand and URW's reputation are valuable assets which provide competitive advantages with respect to consumers, retailers, investors, and prospective employees among others. Due to the new Group marketing strategy which included the implementation of a global "Westfield" brand for the Group's Flagship and other eligible assets, the Group has heightened awareness that any risk that potentially creates a negative or damages its reputation could negate these competitive advantages. Incidents such as terrorism and major security incidents, corrupt or illegal behaviour, breaches of trust or integrity, involvement in a controversial project, or a social media crisis are examples.

Risk factors	Risk management measures
• Inability to develop and maintain the Westfield brand success story in support of the global flagship strategy. • Failure to establish the Westfield brand in Europe. • Failure to implement a clear, legal and responsible consumer data policy. • Failure to properly respond and manage crisis event on media, social network, etc.	• Globalisation of the marketing strategy with the Westfield brand leverage and marketing management at Shopping Centre level to facilitate the adaptation; • Focused and measured approach in place for the re-branding in Europe, definition of "50 attributes" to comply with the Westfield brand standard; • External agency for new creative development in Europe to develop a new creative campaign to establish the Westfield brand; • Data privacy GDPR and CCPA regulation or anti-corruption regulations covered by specific frameworks in place (see Section 6.2.2.6.B Legal and Regulatory risks); • Social media monitoring; • Corporate Communications team to manage communications with media and/or social media and support the Crisis Management team via a formal framework, policies and procedures; • Incident response plans, coupled with ongoing crisis management training exercises.

(1) Refer to Section 6.2.2.6.B Legal and regulatory risks of the 2019 URD.

F. LEASING AND COMMERCIAL PARTNERSHIPS

As a real estate company holding with one of the largest asset portfolios in the world, letting and rent collection is the core business of the URW Group. In a ever more complex economic environment the Group's ability to achieve leasing targets at the expected level of rent, and then collect rents depends on the solvency of its tenants (retailers).

Because of the COVID-19 outbreak (designated as a pandemic by the World Health Organization on March 11, 2020), direct consequences are likely to have significant potential effects on the Group's financial results depending on the number and size of the assets concerned, the scope and the duration of the measures taken directly impacting the group's assets segment (such as opening restrictions, total temporary closure of shopping centres and rental and costs postponement, as is the case in some countries where the Group operates. As at the date of filing of this Universal Reference Document the situation was moving fastly). Please refer to section 6.2.2.4.B.

Risk factors	Risk management measures
• Unproper management of rent relief, store closings, and tenant allowances; • Tenant financial insolvency/default and store closings; • Failure to achieve Group synergies in terms of leasing and commercial partnerships targets.	• Leasing targets (e.g. prices, deadlines and prospective tenants) are defined within each region of the URW Group in collaboration with a Group level team and approved by the SMT. Major leases in terms of value and/or special terms and conditions must be internally approved in advance by Leasing Directors and Regional Managing Directors; • Regular meeting with leasing team and finance team members to review deal to ensure adequacy with Group strategy and strong internal control processes to approve allowances for tenants as well as levels of rent; • Local frameworks to monitor solvency of new tenants and regular checks of existing tenant solvency; • Most tenants provide financial guarantees (deposit, first-demand guarantee or surety bond equal to a multiple of the monthly rent); • Robust debt collection process; • Constant review of the tenancy report (vacancies, tenants in distress, new deals, and lease expiration schedule over next three years). Development, Construction, Leasing, and Tenant Coordination; • Monthly meetings with Directors of Development, Construction, Leasing and Operating Management to monitor the progress of project completion and to adjust tenant space delivery schedules accordingly; • Implementation of a global International Leasing platform to develop the transcontinental sourcing/roadmap between Europe & US platforms.

For further information related to leasing and commercial partnerhips, please refer to Sections 4.1.1.2 Business review by segment and 4.1.1.5 Results of the 2019 URD.

6.2.2.2 CATEGORY # 2: FINANCIAL AND TAX RISKS

A. ACCESS TO CAPITAL AND FINANCIAL MARKET DISRUPTION

Given URW's business model as a REIT and its current level of financial indebtedness following the 2018 Westfield Transaction (€24,728 Mn), URW faces recurring needs for (re)financing for its corporate purpose including funding for the development pipeline and construction activities, large-scale capital improvement and maintenance projects for standing assets, and other potential operational financing needs. As such, URW is exposed to risks related to the availability of funds due to volatility in credit markets, exposure to fluctuations in interest rates and foreign exchange (FX), and exposure to counterparty risk that could limit access to necessary funding, and which could negatively impact operations and financial results of the Group.

Restrictions imposed to prevent the spread of the COVID-19 virus (designated as a pandemic by the World Health Organization on March 11, 2020) limit the operations of URW in several of its markets (see the press release of March 16, 2020: "Unibail-Rodamco-Westfield provides market update on the impact of COVID-19").

In light of this evolving situation, URW has taken all precautionary measures needed to ensure its access to liquidity. The Group has €10.2 Bn in cash on hand and undrawn credit lines, which provides it with the liquidity needed to cover all expected funding needs even under an extreme "stress test" scenario.

As of March 16, 2020, the Group has also implemented a programme to actively reduce non-staff expenses, defer non-essential capital expenditure and make use of any relevant facilities or arrangements provided by the various national authorities to assist companies through the crisis.

Risk factors	Risk management measures
• **Rising cost of access to funds due to dramatic increase in interest rates adverse currency exchange rate movements, or disruption and volatility of capital markets.** Notably, the Group is exposed to: • **Interest-rate risks** ◦ May have a significant impact on financial expenses; ◦ Although the Group's exposure to variable rates is hedged through derivatives, these hedges could be insufficient or affect the valuation of derivative instruments. • **The foreign exchange rate between the Euro and other currencies impact:** ◦ the value of operational and financial expenses, and thus overall asset value, when translated into euros; ◦ the results and/or the statement of financial position of Group.	• The Group Asset & Liability Management Committee (ALM Committee) meets on a quarterly and ad hoc basis. It receives regular information on significant changes in the financial environment; • The ALM Committee defined the Group Treasury Policy implemented by the Group Treasury Department, which manages and monitors interest rate risk and foreign exchange risk. • Group Treasury Department regularly provides a comprehensive report on the Group's interest rates; position; exposure to foreign currency, liquidity projections, compliance with bank loan covenant, availability under the Group's committed lines of credit with proposed (re)financing or hedging operations (if applicable), and details of any (re)financing operations or transactions (hedging operations, share buy-backs, etc.); • Internal policies and procedures maintain a conservative approach to investments and risk mitigation is not allowing for speculative positions to be put in place; • The Group exposure to FX rates fluctuation is partly hedged by either matching investments in a specific currency with debt in the same currency or using derivatives to achieve the same risk management goal; • Robust internal procedure ensuring the segregation of duties between execution of market trading and control functions of such transactions.
To hedge part of this risk, the Group uses derivatives and debt in foreign currency. Such instruments may not hedge the underlying assets or activities perfectly, and as a result changes in the currency exchange and/or interest rates may have an impact on the cash flows, the results and/or the of financial position. • **Market risks**, which can generate losses as a result of fluctuations in stock markets. The Group is either: ◦ directly exposed to fluctuations in stock prices due to the ownership of shares or financial instruments, or ◦ indirectly exposed to fluctuations in stock prices, due to the ownership of funds, investment instruments or share-based derivatives that are directly correlated with the price of the asset underlying such derivatives. • The use of financing instruments on international markets exposes the Group to extraterritorial regulations may have a significant adverse effect on the Group's overall financial results	

Risk factors	Risk management measures
• **Limited access to funds, in case of unfavourable capital market or URW credit deterioration** The Group's strategy depends on its ability to raise financial resources, either in the form of debt (mainly bank loans, bonds, credit lines and commercial paper) or equity capital, so that it can finance its general operating requirements and its investments. Certain events such as disruption in the debt or equity capital markets; a reduction in the lending capacities of banks; changes affecting the real estate property market or investor appetite for property companies; a downgrade in URW's credit rating; deterioration of URW's financial result; or a change in URW's ownership structure could affect/limit the ability of the Group to raise required funding, or increase the cost of such funding and lead to an increase in the Group's financial expenses. In addition, some financing contracts are subject to financial covenants which may be affected by the occurrence of URW Group's performance deterioration, adverse market movements, or other material adverse changes.	• Sensitivity to liquidity risk is monitored in line with the Group Treasury policy defined by the ALM Committee; • The Group Treasury Department regularly provides a comprehensive report on the Group's liquidity projections, key financial indicators and availability under the Group's committed lines of credit; • Undrawn back-up facilities €9.2 Bn as at December 2019; • Regular dialogue with rating agencies with a proactive monitoring of credit metrics; • Diversification of sources/counterparties.
• **Reliability of counterparties or failure to monitor and manage counterparty risk** Many major international financial institutions are counterparties to the interest rate and/or foreign exchange rate and deposits contracted by the Group. In case of the default by a counterparty, the Group could: ◦ lose all or part of its deposits; ◦ lose the benefit from hedges signed with such counterparties. This could then: ◦ result in an increase in interest rate and/or currency exposures; ◦ have a significant adverse effect on the Group, its results and its financial position.	• Credit monitoring of counterparty and minimum financial ratings thresholds as condition of continued transactions.
• **Risks related to liquidity crisis, Euro break-up, country default, or political instability** Considering its level of debt and of need for (re)financing, the following risks and their potential impacts could be detrimental to the Group and could negatively affect the markets and businesses in which the Group operates: ◦ credit liquidity crisis; ◦ a sovereign debt crisis; ◦ the exit of the Eurozone or the EU by a country where the Group operates (e.g. UK/Brexit). Those risks could also negatively affect: ◦ the Group's operations and profitability; ◦ the solvency of the Group and of its counterparties; ◦ the value and liquidity of the securities issued by URW; ◦ the Group's ability to meet its commitments in respect of those securities and, more generally, its commitments with respect to debt.	• Regular market monitoring and sensitivity analysis to assess liquidity, rates and FX risks; • Undrawn back-up facilities of €9.2 Bn as at December 2019; • Diversification of sources of funding/counterparties.

For further information related to financial markets please refer to Section 4.1.5 Financial Resources of the 2019 URD.

B. REIT STATUS AND TAX COMPLIANCE

As an international Group, URW is subject to various taxes in the countries in which it operates. URW's aim is to be in full compliance with all tax obligations world wide in respect of all processes and transactions it undertakes. Considering its core business and activities, as a real estate company, URW benefits from a special status as "*real estate investment trust*" (REIT regime) for real estate investors in some of the countries in which it operates. While a REIT regime leads to a lower tax burden at Group level, at the same time a REIT is obliged to distribute most of its income, which is subsequently taxable for shareholders. To the extent that URW opts to make use of such regimes, it is obliged to meet local requirements, which differ per country. Moreover, further to the Westfield transaction, the expanded tax structuring complexity combined with the new stapling principle in place between URW SE and WFD Unibail-Rodamco NV raise potential risks of failure to comply with tax requirements and/or to face challenge from/litigation with one or several local tax authorities.

Any failure to comply with the material tax requirements imposed by the local REIT regimes or any material change or loss of a local REIT regime could have a significant adverse effect on the Group, its results or financial position.

Risk factors	Risk management measures
• Loss of REIT status or other tax benefits due to external factors; • Improper interpretation and/or application of tax law and REIT requirements; breakdown of URW processes to follow tax law and REIT requirements; • Failure on tax determination, reporting, tax remittance (other than theoretical disagreement).	• Tax employees are experienced and in a process of continuous training in order to increase awareness of potential errors; • Risk assessment of the potential loss caused by changes in tax regulation; • The Group is member of EPRA (in the EU) and NAREIT (in the US) industry groups, which promote modern and predicable REIT regimes; • Active legal teams (both internally and through external counsel review) to monitor and anticipate potential changes in REIT regimes and/or regulations as well as any changes to tax laws generally; • Review of tax calculation accuracy through consistency tests and checks reviewed internally at the Group level and through external advisory firms; • Review tax prerequisites for deals to go to the Investment Committee and explore potential to add formal sign-off processes (potentially including the Investment process) to the Compliance Book; • Tax employees are in continuous dialogue with and provide training to local colleagues to monitor and review the characteristics of ongoing operations and transactions to ensure that the REIT income thresholds are adhered to.

For further information related to tax status, please refer to Section 5.2, Note 8 "Taxes" of the 2019 URD.

6.2.2.3 CATEGORY # 3: ENVIRONMENTAL AND SOCIAL RESPONSIBILITY RISKS

A. CLIMATE CHANGE & SOCIETAL RISKS

Considering the size of its tangible assets portfolio, URW places climate change and Societal Risks at the heart of its strategy with an integrated commitment to reduce its carbon footprint. The Group has developed a global Corporate Social Responsibility (CSR) strategy based on environmental best practices, social fairness, and transparent governance. URW's programme "Better Places 2030" aims to address the main challenges faced by the Group with its operational activities in all geographies.

As developer and operator of retail assets, URW is potentially impacted by climate change and societal risks. Indeed, each of URW's real estate assets is potentially exposed to damages caused by any potential impact of climate change including natural disasters as well as by any global local acceptability-related concerns for standing assets or development projects. For more details on natural disasters, please refer to 6.2.2.4.B Health and safety risks and to 6.3 Transferring risk to the insurance market.

Risk factors	Risk management measures
URW may face new risks related to climate change and its corporate social responsibility (CSR) in several areas: • non-resilience of assets facing climate change; • limited availability and increase in price of fossil fuels; • increased coercive regulation on building energy efficiency; • not identifying/controlling pollution/hazardous materials in development and construction project; • loss of access to green financing instruments and low ESG rating; • contracting with services providers, suppliers or subcontractors not complying with regulations and standards of their profession; • Link to controversial activities of one or several tenants negatively affecting URW's brand and reputation; • Slowing local economic development and destroying local jobs (local acceptability); • Lack of budget for managing CSR risks or lack of steering/poor organisation for managing CSR topics.	• In 2019, the Group performed a global assessment of the assets in the Group portfolio (standing assets and development projects) exposed to natural disasters. Action and crisis management plans are in place to enable rapid response in the event of an incident. Moreover, in Continental Europe, an annual review is done on Health & Safety risks and environmental issues (see Section 6.2.2.4-B H&S risks); • Extensive public consultations held for all development and extension projects, building long-term partnerships with the territory's stakeholders (local residents, public authorities, and associations), frequent measurement of the social-economic impact of the Group assets (direct and direct employment) and "URW involved" programme; • Part of that process involves an assessment of the economic impact of the project and then a local acceptability assessment; • Environmental management system in place to improve environmental performance of assets, invest in energy efficient equipment when replacing existing facilities. URW uses energy performance contracts with suppliers and ensures engagement of tenants in energy/carbon reduction actions; • Promotion of recycling and programmes aimed at reducing waste; • Compliance with local hazardous waste disposal regulations; • Very ambitious CSR Strategy recognised as "best in class" by investors and industry groups and supported by CSR metrics and indices.

For further information on the Global Corporate Social Responsibility policy, please refer to Section 2.1.2.2 CSR risks and opportunities of the 2019 URD.

B. RECRUITMENT, RETENTION AND SUCCESSION

Considering the very competitive talent market (including the very low unemployment rates in some local markets) as well as the need to retain talent and knowledge required for a successful integration, URW may face important risks related to recruitment, retention and succession of talents. In addition, to successfully implement its challenging strategy and achieve its announced targets in line with the Westfield transaction, the Group relies on its people. Insufficient and inadequate human resources or inability to attract or retain talented people could prevent the Group from reaching its objectives.

Risk factors	Risk management measures
• Failure to recruit appropriate talent to maintain strategic capabilities; • Failure to retain key employees; • Failure to set up and update a formal succession plan.	The Group Human Resources Department maintains its strategy to focus recruitment efforts on highly talented people with: • Developing and supporting URW's "employer brand" in particular with an increased presence on social media; • Maintaining (and expanding to the US and UK) its highly successful graduate programme; • Monitoring continued attractiveness of compensation and benefits packages; • Partnering with the best head-hunting firms to regularly map best external talent; • Developing a strong cooptation programme (Coopt@URW); • Rolling out regular engagement surveys to design and implement relevant action plans to make URW a great place to work; • Designing and implementing ambitious peopleoriented policies on work life balance, Wellbeing, Diversity & Inclusion, Sustainable work environment ("Work GreenerGreener!"); • Providing permanent learning and development opportunities (e.g. international mobility, cross-functional mobility, rolling out of the URW Academy in the UK and US); • New global Talent Review in place, including systematic 360° feedback for all employees, using the same framework and same tools across the Group; • New extensive Global Succession Planning process rolled out, to identify potential successors for all positions reporting to a Senior Management Team member, all positions reporting to a Regional Managing Director, all heads of key functions, and other selected key positions.

For further information related to Human Resources, please refer to Section 2.4.1 Empowering our people of the 2019 URD.

6.2.2.4 CATEGORY # 4: SECURITY, HEALTH AND SAFETY RISKS

A. TERRORISM AND MAJOR SECURITY INCIDENT

The core business of URW is based on assets open to the public with a significant footfall (around 1.2 billion visitors per year). As such, it is important that the Group maintain an appropriate safety and security programme to welcome customers in full security and safety. Additionally, the "Westfield" brand has been rolled out in Europe, which heightens the awareness of remaining vigilant in monitoring and mitigating as best as possible security and safety concerns on a global basis. The global brand, the iconic status of some assets as well as the Group's footprint in more exposed countries increase the level of threats on the Group assets.

Should a serious security, safety, or terrorism event occur that results in casualties or property damage, URW could experience a negative impact on operations, financial results, and brand and reputation.

By their nature, and despite the measures put in place by the Group independently, and in close cooperation with law enforcement in all countries, the Group property assets are potentially exposed to acts of terrorism and potential active shooter situations, which may have serious consequences. The activity and the footfall to an asset subject of an act of terrorism or some assets located in the country concerned would suffer variable consequences depending on the gravity of the event and the period of time and could have a significant adverse effect on the Group.

While the threats of a terrorist attack are highest in the UK and Continental Europe, the risk of an active shooter is most likely in the US.

Risk factors	Risk management measures
• Failure to develop and implement a security programme that: (i) remains aware of terrorist threats or other major security concerns – including active shooter; (ii) mitigates the impact of a major security incident including terrorist attack/active shooter event; • Failure to develop and implement an effective corporate crisis response programme.	• Dedicated Group organisation for security and crisis management (Group security and crisis management committee); • Global security governance and guidelines (including development projects), security policies and procedures implemented at all locations with appropriate physical security measures and access control; • Local security referents network to manage and standardise the Group's practices in line with local regulations; • Routine interaction with counter-terrorism, national intelligence services, and local law enforcement to remain aware of emerging terrorist threats or other security concerns; • Shopping centres conduct terrorist attack/active shooter crisis response exercises in collaboration with law enforcement; • Incident notification/escalation process and global alignment of crisis response plans; • Crisis management handbook and emergency response plans in place and shopping centre management and security teams trained in crisis response; • Implementation of guidelines and security policies that allow URW to be as responsive as possible with knowledgeable professionals.

B. HEALTH AND SAFETY (H&S) (INCLUDING PANDEMIC AND NATURAL DISASTERS)

As real estate owner, URW has responsibility for ensuring the safety and wellbeing of shoppers, retailers, vendors, and employees. URW has an important footfall per year (around 1.2 billion visitors). This means maintaining proper building and equipment maintenance protocols to minimise the risk of injury or illness, protect the environment, and mitigate the impact of unexpected events on the building and on business continuity.

Each country where URW operates has a specific set of Health and Safety laws and regulations. Developing and implementing an effective compliance framework, monitoring and complying with new or evolving HSE laws and regulations, and ensuring compliance with Group HSE policies is of critical importance in managing this risk. In Europe we accomplish this primarily through a third-party audit with expertise in Health and Safety and with internal teams in the US.

In certain regions in which URW operates the Group has significant exposure to natural catastrophes – e.g. earthquakes in California, hurricanes in Florida, and flooding in the Netherlands. For assets potentially exposed to natural disasters, emergency response plans are defined by the asset technical manager or risk manager with support by regional and corporate teams(1).

COVID-19 related specific risk :
"This information is not part of the management report approved by the Management Board on February 10, 2020."

As the assets owned and managed by URW are places open to the public in significant numbers, in the event of a pandemic, they are significantly exposed to significant risks.

The emergence of a pandemic risk, particularly if prolonged, would expose the Group to a greater degree of risk to public perception, generating potentially significant reductions in attendance, administrative decisions, and/or operational restrictions, including temporary closure of sites and the inability of tenants to maintain their operations and pay rent.

In this context, the Group has business continuity plans managed by a dedicated team in order to anticipate, and if necessary, lead the Group's response in terms of human resources management, operational management, business continuity, compliance and communication. Precautionary measures are taken based on government recommendations, to which specific measures may be added, including prioritizing the protection of customers, tenants, providers and employees of the Group. Communication on the measures adopted is provided to customers, tenants, service providers, Group employees and other relevant stakeholders, as necessary.

Due to local government mandate and further restrictions, as of March 19, 2020 all shopping centers in all countries where URW operates have been either closed or substantially closed (supermarkets, food stores and pharmacies are typically allowed to open, but access to our shopping centers for the general public is prohibited.

The Group's Convention & Exhibition division is also seeing an impact, with the French government currently having banned all event. The Group's offices division is not affected at this point.

The consequences of the COVID-19 outbreak (designated as a pandemic by the World Health Organization on March 11, 2020) remain difficult to determine as to their magnitude, taking into account the different variables in each of the countries in which the Group operates.

However, these consequences may have significant potential effects on the Group's financial results considering the number and size of the assets concerned, the scope of the measures taken directly impacting the Group's assets (such as opening restrictions, temporary total or substantial closure of shopping centers and rents and service charge collection, as is the case in most countries where the Group operates, in effect at the date of filing of this Universal Registration Document and potential further measures), unilateral decisions by tenants to reduce or cease their operations, local or national containments measures and duration of such measures and the cumulative effect of the impact of these measures on the operation of its assets, the number of visitors and the collection of rents and services charges by the Group.

(1) Natural disasters are marked/ranked ●●● due to significant exposure to natural disasters in some geographies of operation combined with level of uninsured risks in those countries (impacts of local limitations/exclusions/caps in insurance coverage) refer to Section 6.3.

Risk factors	Risk management measures
• Failure to implement effective strategies that seek to minimise, prevent, and mitigate life safety incidents; • Failure to implement processes that may mitigate and manage the impact of any natural disaster (earthquake, flooding and uninsured risk); • Injury or loss of life due to failure to comply with health and safety regulations.	**For Europe Portfolio** • Annual third-party audit conducted on assets to verify regulatory compliance with health and safety laws and regulations • Qualified external advisors/contractors with up-to-date knowledge of the assets and of local regulation validate compliance with regulations **For US Portfolio** • Verification that contractors' health and safety procedures are appropriate and that their staff have the proper licenses, equipment and training • Centre management conducts routine property tours and identifies hazardous conditions and implements corrective actions • Maintenance and inspection conducted by third-party contractors of all relevant equipment subject to regulation • Fire safety systems are routinely inspected as required by local fire regulations; Corporate and Construction Health and Safety policies incorporate regulations and are based on industry-accepted best practices in the absence of a specific governing regulation
	Natural disaster(1): • Periodic assessment of European and US assets most exposed to natural disasters (flooding, storms and earthquakes) to validate response plans; • Insurance brokers routinely conduct a "catastrophe loss expectancy analysis" for the catastrophic perils of flood, hurricane, and earthquake that provides guidance as to the potential cost associated with damages from any one event, and which is used in the selection of limits of insurance purchased; • French and Spanish assets are covered for 100% of their insured values according to the local regulation; assets in other EU regions are covered with a limit of €200m per country and in the aggregate annually for natural disasters; specific sublimit of €25m for flood damages in The Netherlands, due to insurance market limitation; US assets are covered against hurricane damage with a limit of $1.5bn in the annual aggregate, against flood with a limit of $500m in the aggregate against earthquake with a limit of $500m in the annual aggregate, sub-limited to $400m for California and $250m for Pacific Northwest, due to insurance market limitations; • Periodic review on prevention/protection plans and risk mitigations for the most exposed assets; • Each centre in a natural catastrophe zone conducts emergency preparedness drills each year.

(1) For futher details please refer to Section 6.3 Transferring risk to the Insurance market.

6.2.2.5 CATEGORY # 5: POST-WESTFIELD TRANSACTION RELATED RISKS

A. MATERIAL MISSTATEMENT AND UNRELIABLE FORECAST

Further to the Westfield Transaction, URW faces specific risks related to financial/accounting results production processes during the post-acquisition integration phase, considering the different accounting norms to be applied between former Unibail-Rodamco and Westfield businesses, the difficulties of aligning and coordinating numerous consolidation/sub-consolidation processes and IT systems. This will likely remain a key risk for at least the near future. Unreliable forecasts and/or accounting mistakes might have a material impact on financial accounts, which may lead to material misstatement, financial miscommunication or to profit warnings. Such errors might affect shareholders' confidence and market trust and result in material financial impacts, brand damage and loss of reputation.

Risk factors	Risk management measures
• Material errors in budget/forecast process; • Material errors in the financial consolidation and reporting process; • Failure to identify and prevent financial statement fraud.	• Closing account check list and internal control processes; • Analytical accounting reporting on each property, event and exhibition to monitor budget execution; • The consolidation process is centralised and carried out by a dedicated team in the Group Consolidation Department; • Multiple checks are carried out : verification of consolidation methods and resulting adjustments, reports of external auditors analysed and Group financial statements are reviewed by the Statutory auditors before being presented and explained to the MB, the AC and ultimately to the SB; • Global IT tool in place across the Group with US GAAP and IFRS capabilities; • Standardisation of KPI definitions for items such as net/gross rental income, net service charges, etc.; • Group Glossary developed to provide common definitions; • Quarterly Flash Report (QFR) and 5 Years Business Plans (5YBP) are reviewed by the Group Controlling Department; • Forecasts are systematically compared to the budget and reviewed with Operating Managers and Shopping Centre Managers. Regular and harmonised reporting systems are documented to ensure the detection of deviations; • Dedicated Finance teams systematically review forecast vs. budget; • External third-party auditors review the financial results for compliance with IFRS and US GAAP accounting standards; • Successful transfer of consolidation previously completed in Australia to Europe and US consolidation team; • Segregation of duties in place to ensure primary controls against rigging accounting; • Global Group IT forecasting and accounting system.

B. CHANGE MANAGEMENT AND INTEGRATION

Integration of the former Westfield and former Unibail-Rodamco has essentially been completed in terms of organisational structure and processes. However, integration from a business culture perspective between the two former companies continues. As such, despite the tremendous progress URW has made in completing the integration thus far, change management and integration risk will likely remain a key risk for the remainder of 2020. The potential failure to integrate the two former companies may challenge overall operational efficiencies and financial performance.

Risk factors	Risk management measures
• Failure to create a common culture and common ways of working leading to lower commitment and high turnover of talent; • Failure to create an ineffective organisation structure and lack of clear and efficient processes; • Failure to capture expected synergies.	• Roll-out of new corporate values; • Retain key leaders by specific actions including retention scheme for identified management; succession plan process for top managers; appointment process of best qualified people (from ex Unibail-Rodamco and ex Westfield) to top manager positions; • Publication of a clear organisation manual and regular updates on the Compliance Book. • Integration and adoption of best practices between the two former legacy companies and design and implementation of global platforms (Digital, International Leasing, Commercial Partnerships) to capture future revenue synergies; • In-person internal cultural awareness training provided to top managers.

For further information related to the integration, please refer to Section 4.1.1.3 Integration and Synergies of the 2019 URD.

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6.2.2.6 CATEGORY # 6: LEGAL AND REGULATORY RISKS

A. CORRUPTION, MONEY LAUNDERING AND FRAUD RISKS

URW conducts its core business in 13 countries and drives its real estate activity with a wide variety of stakeholders, business partners, and other intermediaries and government authorities. Due to the nature of URW's business activities and relationship with business partners, as well as its wide geographical scope of operations, URW faces numerous stringent international and national anti-bribery, corruption, money laundering and fraud laws and regulations.

Risk factors	Risk management measures
• Non-compliance with international/national anti-corruption and no influence peddling regulations: As a global company, URW must comply with the highest standards in this particular field and also with anti-corruption regulations such as the French Sapin II law, the Foreign Corrupt Practices Act "FCPA" (US) or the UK Bribery Act "UKBA" (UK). Failure to comply with anti-corruption regulations and lack of transparency can lead to: material reputational damages; financial, administrative or disciplinary sanctions; and may have a negative impact on investors' trust; • Non-compliance with international/national anti-money laundering laws; • Failure to prevent and detect fraud against URW: the Group could be exposed to attempted fraud (identity theft for example); or embezzlement in the course of its business.	• A rigorous "zero tolerance" principle based on an effective Anti-Corruption Programme (ACP) applicable in all entities controlled by the Group based on the 8 pillars of the French Sapin II law. In addition, the ACP incorporates provisions of international conventions and national laws and regulations applicable to the Group's business activities; • An alert system (whistleblowing procedure) supported by an external hotline is in place within the Group; • Interactions with public officials and business partners are monitored by a "Know Your Partner" procedure to ensure compliance of third parties with the Group's ACP; • Local Compliance Correspondents support the coordination of the ACP and manage processes and procedures in each region; • Dedicated classroom training for most exposed departments and an e-learning module available to all URW staff describing the general principles related to the prevention of corruption, bribery and influence peddling; • Dedicated ACP training module required to be completed by all URW staff; • The Group has implemented a secure payments procedure and has formalised the rules for opening, changing and closing bank accounts; • Awareness of fraud scenarios is raised in departments throughout the year and illustrated by real cases; • In the case of attempted fraud, the Group Compliance Officer systematically shares the information via email with all regions, including a reminder of preventive procedures.

B. LEGAL AND REGULATORY

URW operates in 13 highly regulated countries. Moreover, operations also require us to comply with a myriad of laws and regulations related to our activities in areas such as leasing, asset and property management, various licensing and permits, construction and maintenance, health & safety, personal data privacy, financial and securities markets, and anti-trust regulations, as well as with some extraterritorial regulations. As such, the risk of failing to comply with applicable laws and regulation may result in regulatory investigation, negative reputational impact or could result in fines and penalties, damages, the loss of licenses, and/or any potential legal action. URW also operates in highly litigious countries, where the Group is potentially exposed to the risk of major litigations, including class actions. Finally, the Group may face regulatory investigations.

Risk factors	Risk management measures
• Non-compliance with laws and regulations at governmental, federal, state, province, local country or sector level;	• Deployment of the Group's legal policy, a set of internal procedures and standard forms to secure contractual frame, reduce litigation exposure to protect Group interests and ensure compliance with applicable regulations; • Legal Department organisation around (i) three geographical platforms (Continental Europe, UK, US), and (ii) a Group Legal Support (corporate and security law, data & brand protection); • Comprehensive legal training on complex or new regulations to raise awareness and develop learning curve from pending litigation; • External advisors and law firms provide constant updates on both emerging legislation and recent case law on specific matters; • Group in-house lawyers are specialists in jurisdictions in which the Group operates and set the network of external counsel and experts as required; • Through its action within the various national professional organisations, the Group endeavous to anticipate any legislative initiatives likely to have an impact on its business;
• As a publicly traded global company URW is required to comply with various stock market/exchange regulations and requirements with respect to full and proper disclosure and transparency to provide clear, real and objective information;	• The Market Abuse Regulation (MAR) related to insider trading is detailed in the Insider Trading Rules procedure, setting out common principles applying to the qualification of inside information, the disclosure of such information, trading bans during pre-defined periods of time and disclosure requirements for designated persons. A Group Disclosure Committee (GDC) is responsible for qualifying inside information if any;
• In the course of its activities, URW collects and processes diverse personal data from customers, employees, business partners and service providers. Failure to protect this personal data could result in fines and penalties as well as negatively impacting URW's reputation;	• The Group has developed and updated a robust and effective Data Privacy Protection programme to comply with GDPR (EU) and the California Consumer Protection Act (CCPA) (US); • Appointment of one Head of Group Data & Brand Protection, Data Privacy Officers and Local Data Protection Correspondents network set up; • Organisational and technical processes: retention period policy, data breach notification process, update of the employee privacy policy. IT Security department included in the framework; • Group wide e-learning training on GDPR and CCPA for each employee and specific trainings for business population (marketing, IT, HR); • Signature of data processing agreement with major IT contracts service providers; • Processes and registers were implemented;
• Failure to prevent or mitigate material negative impact of any regulatory investigations and/or litigation: in the normal course of URW's business activities, the Group could be subject to legal, administrative, arbitral, and/or regulatory proceedings.	• Set out an escalation process: • Internal alert process to inform the Group General Counsel, recurring reporting on (potential) material litigations and escalation process for litigation strategy; • Claim management process for development projects; • Set of preventive internal programmes to comply with the main applicable regulations and effectiveness review on a recurring basis; • "*Dawn raid*" policy for any unexpected on-site investigation.

For more information related to ongoing arbitration procedure, please refer to Section 5 Note 13 – 13.3 Contingent liabilities of the Universal Registration Document.

6.

6.3 TRANSFERRING RISK TO INSURERS

The Group operates a loss prevention policy, developing measures to reduce the probability and impact of claims notably with respect to fire protection and health and safety. This policy improves the Group's position when negotiating cover and premiums with its insurers.

The Group is covered by insurance programmes, which are underwritten by leading insurance companies located in various markets (Europe, the US and the UK).

These programmes are actively monitored by the Group Insurance Department in liaison with local teams and insurance brokers in each country.

Under the property damage and terrorism programmes, all the Group's property assets are insured, for their reconstruction value as well as for business interruptions and loss of rent subject to limitations of coverage with respect to natural catastrophe risks due to limited insurance market capacities (for more details, refer to the table below). All assets are regularly assessed by internal or external property insurance valuers.

In accordance with insurance market practices, property damage insurance program requires physical damages to trigger a coverage of financial loss or business interruption. For pandemic, in the current legal and contractual, such cover would not be granted.

Under the insurance programme, French and Spanish assets are insured against terrorism for their reconstruction cost, and for business interruptions and loss of rent according to compulsory national insurance mechanisms (*Gareat* in France and *Consorcio de Compensación de Seguros* in Spain). Assets located in other countries are insured against terrorism under a dedicated programme that includes a limit per claim based on the asset that has the highest insured value with respect to rebuilding cost and loss of rent.

The Group has also taken out general liability insurance policies that cover financial damages resulting from third-party claims.

Type of insurance	Coverage and main limits based on 2019 Group insurance programmes
Property damage and loss of rent/business interruption	Coverage: "all risks" basis (subject to named exclusions) and terrorism. Basis of compensation: • reconstruction costs for building, replacement cost for equipment; • loss of rent or business interruption with a compensation period of between 12 and 60 months depending on the asset. Limits of compensation: • Continental Europe: ◦ earthquake: limit of €200 Mn per country in the annual aggregate, ◦ flood: limit of €200 Mn per country in the annual aggregate sub-limited to €25m in the annual aggregate for The Netherlands (dike failure is excluded which is market practice), ◦ these above sub-limits do not apply for assets located in countries where compulsory national insurance mechanisms exist: *Régime catastrophes naturelle*s in France and *Consorcio de Compensación de Seguros*, in Spain, ◦ Terrorism: limit of €900 Mn per occurrence covering damages and loss of rent/business interruption following a terrorist attack, except French and Spanish assets which are insured for their full values according to *Gareat* in France and *Consorcio de Compensación de Seguros* in Spain; • the UK: limits are based on the declared values per occurrence covering all damages and loss of rent/business interruption, including terrorism events. The programme includes sub-limits. • the US: limit of $1,5 Bn per occurrence covering all damages and loss of rent/business interruption including terrorism events. The programme includes sub-limits notably for natural catastrophe risks. The Group insurance brokers complete a detailed loss estimate analysis on natural catastrophe exposures. This information is used in determining the amount of insurance purchased for the perils of earthquake and windstorm/hurricane.

Type of insurance	Coverage and main limits based on 2019 Group insurance programmes
	◦ earthquake: the overall programme sublimit for earthquakes is $500 Mn per occurrence and annual aggregate subject to additional inner sub-limits of: ◦ sub-limit of $400 Mn for California earthquakes: this limit applies to all locations in California. A retention per location of 5% of total insured values would be applicable; ◦ sub-limit of $250 Mn for Pacific Northwest earthquakes: this limit applies to SouthCenter in Tukwila, WA. A retention per location of 3% of total insured values would be applicable; ◦ windstorm/hurricane: limit of $1.5 Bn in the annual aggregate. A deductible of $50,000 per location would be applicable, except for assets located in Florida where a retention per location of 5% of the total insured values would be applicable; ◦ flood: sub-limit of $500 Mn in the aggregate with $500,000 deductible per location for properties in designated flood zones. In the US in particular, the combination of the concentration of a large number of assets in the same area with a high exposure to natural catastrophe risks and the limited capacity available from insurers to cover these risks exposes Unibail-Rodamco-Westfield SE and its controlled subsidiaries to retain a significant share of these risks as uninsured.
General civil liability	Coverage: "all risks" basis (subject to named exclusions) for damage caused to third parties up to: • limit of $500 Mn per claim in Continental Europe; • limit of $500 Mn per claim in the US and in the UK/Italy. The programmes include sub-limits, for example to cover liability claims following a terrorist attack.
General environmental liability	Coverage for damage caused to third parties up to: • Continental Europe: ◦ for accidental pollution: limit of $30 Mn per claim and annual aggregate, ◦ for gradual pollution: limit of $3 Mn per claim within an annual aggregate; • US and UK: ◦ limit of $5 Mn per claim and in the annual aggregate limit.
Cyber risks	• Limit of $35 Mn per claim and in the annual aggregate limit.

Main construction projects and renovation works on properties are covered by contractors' All Risks policies for their total construction cost. Defects affecting the works are covered by decennial insurance in France, Inherent Defect Insurance for large construction or extension projects in Continental Europe or by contractors' warranties in the US and in the UK.

The 2019 premium amounted to €37 Mn[(1)], excluding construction insurance premiums for projects in Continental Europe and in the UK. Most of these premiums were invoiced to third parties (e.g. co-owners, tenants…).

The Group did not incur any major uninsured losses in 2019.

At the end of 2019, the Group's insurance programme was successfully renegotiated and globalised covering the Group portfolio with placement both in the European and US insurance markets with effect from January 1, 2020.

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(1) Only for Insurances directly managed by URW, excluding premiums reinvoiced from third parties.

CHAPTER 7

INFORMATION ON THE COMPANY, SHAREHOLDING AND SHARE CAPITAL

7.1 INFORMATION ON THE COMPANY

7.1.1 GENERAL INFORMATION

The corporate name of the Company is "Unibail-Rodamco-Westfield SE" and its acronym is "URW SE". The Company was incorporated on July 23, 1968 for a period of 99 years, i.e. up to July 22, 2067.

Its registered office is at 7, place du Chancelier Adenauer, 75016 Paris (France) and it is registered in the Paris Trade and Companies Register under number 682 024 096. Its LEI is 969500SHQITWXSIS7N89.

Its financial year runs from January 1 to December 31.

Information about the Company is available on its website: www.urw.com. The content of the website is not an integral part of this Universal Registration Document, any prospectuses or any documents which refer to it unless certain information has been expressly included for reference purposes.

7.1.2 LEGAL FORM AND APPLICABLE LAW

Originally constituted as a public limited company with a Board of Directors, the Company was converted on May 21, 2007 into a public limited company with a Management Board and Supervisory Board, then, on May 14, 2009, into a European company with a Management Board and Supervisory Board pursuant to the provisions of European Council Regulation no. 2157/2001/EC of October 8, 2001, applicable to European companies and by the laws and regulations in force in France.

7.2 SHARE CAPITAL AND OTHER SECURITIES GRANTING ACCESS TO THE SHARE CAPITAL

7.2.1 SHARE CAPITAL – FORM OF SHARES

As at December 31, 2019, the Company's share capital is €691,893,025 divided into 138,378,605 fully paid up ordinary shares on a par value of €5 each. Company shares may be registered or bearer shares at the shareholder's discretion subject to the requirements set out in Article 9 of the Articles of Association.

In June 2018, the shares of the Company were individually stapled with the class A shares of WFD Unibail-Rodamco N.V. (hereinafter together, the "**Stapled Shares**"), a public limited liability company ("naamloze vennootschap") incorporated under the laws of The Netherlands, with its registered office located in Amsterdam and registered with the Dutch Commercial Register under number 70898618.

For more information about the Stapled Shares, please refer to Article 6 of the Articles of Association of the Company or Section 7.6.2 of this Universal Registration Document.

7.2.2 SECURITIES GRANTING ACCESS TO THE SHARE CAPITAL

Securities granting access to the capital of the Company are described below.

7.2.2.1 CDIs (CHESS DEPOSITARY INTERESTS)

The term "CDI" designates Australian CHESS *(clearing house electronic subregister system)* depositary interests that represent beneficial ownership in Stapled Shares registered in the name of or on behalf of CDN (CHESS Depositary Nominees Pty Limited, a subsidiary of the Australian Securities Exchange (ASX)). CDIs are admitted for trading on the Australian regulated market (ASX).

Twenty CDIs collectively represent a beneficial interest in 1 Stapled Share. CDN enables holders of CDIs to exercise[1] the voting rights attached to the Stapled Shares. The CDIs can be converted into Stapled Shares at any time, and inversely.

7.2.2.2 PERFORMANCE SHARES AND PERFORMANCE STOCK OPTIONS

The long-term remuneration plan of the Company combines two remuneration elements in Stapled Shares: the majority are granted as Performance Shares (PS), while a small portion are Performance Stock Options (SO). This is intended to strengthen the engagement of beneficiaries in their contribution to the Group's performance (see section 3.3.4 of the Universal Registration Document).

As at December 31, 2019, the number of potential Stapled Shares to be theoretically issued after taking into account cancellations (assuming the required performance and presence conditions are attained and excluding any cancellations that may occur during the course of the plan) represents 0.23% of the fully-diluted share capital with regard to the PS and 2.25% of the fully-diluted share capital with regard to the SO.

(1) Holders of CDIs can either (i) ask CDN to vote in a given way, or (ii) request that CDN grant the holder with power to vote at the General Meeting.

7.2.2.3 ORA (BONDS REDEEMABLE IN SHARES)

Pursuant to the Public Exchange Offer initiated in April 2007 by Unibail Holding SA (currently Unibail-Rodamco-Westfield SE) for Rodamco Europe N.V. (the company ceased to exist), 9,363,708 ORA were issued in part consideration for the shares contributed by Rodamco Europe N.V. shareholders to the Public Exchange Offer.

By decision of the Management Board of May 17, 2019, the Company exercised its call option in accordance with paragraph 5.9.2 "Unibail Call Option" of the *Note d'opération* and redeemed the outstanding ORA (5,757) in Stapled Shares, on July 5, 2019. As at December 31, 2019, there are no outstanding ORA.

For full details on the ORA, please refer to the *Note d'opération* approved by the French financial markets authority under visa no. 07-152 dated May 18, 2007.

7.2.2.4 ORNANE (BONDS REDEEMABLE IN CASH AND/OR IN NEW AND/OR EXISTING SHARES)

Since the General Meeting of ORNANE holders on April 20, 2018, the redemption of ORNANE is carried out in new and/or existing Stapled Shares.

– 2014 ORNANE ISSUANCE OF JUNE 25, 2014

On June 25, 2014, the Company issued 1,735,749 2014 ORNANE at a nominal value per unit of €288.06, representing a nominal amount of €500m, maturing on July 1, 2021.

The 2014 ORNANE are convertible since January 1, 2018, but market conditions have not, to date, allowed the 2014 ORNANE holders to exercise their share rights. The conversion rate to Stapled Shares is 1.24 as at December 31, 2019.

The 2014 ORNANE holders, in accordance with section 4, paragraph 4.9.5, "*Information sur les valeurs mobilières devant être offertes et admises aux négociations sur le marché réglementé d'Euronext à Paris*" of the *Note d'opération* relating to the 2014 ORNANE, were able to request, at their discretion, the early redemption in cash on July 1, 2019, of the 2014 ORNANE they held.

As at December 31, 2019, 1,378,495 2014 ORNANE were redeemed in cash. The number of outstanding 2014 ORNANE is 357,254, as at December 31, 2019.

For more details on the 2014 ORNANE, please refer to the *Note d'opération* approved by the French financial markets authority under visa no. 14-296 dated June 17, 2014.

– 2015 ORNANE ISSUANCE OF APRIL 15, 2015

On April 15, 2015, the Company issued 1,441,462 2015 ORNANE at a nominal value per unit of €346.87, representing a nominal amount of €500m, maturing on January 1, 2022.

The 2015 ORNANE are convertible since January 1, 2018, but market conditions have not, to date, allowed the 2015 ORNANE holders to exercise their share rights. The conversion rate to Stapled Shares is 1.02 as at December 31, 2019. As at December 31, 2019, no 2015 ORNANE have been converted.

For more details on the 2015 ORNANE, please refer to the *Note d'opération* approved by the French financial markets authority under visa no. 15-144 dated April 8, 2015.

7.2.3 PLEDGED COMPANY SHARES

As at December 31, 2019, 469,400 Stapled Shares were pledged in a registered custodian account. No standard registered shares were pledged.

7.2.4 ESCHEAT SHARES

Within the framework of the escheat shares sale procedure implemented by the Company, Company shares unclaimed by shareholders for a period of two years following publication of a notice in the newspaper La Tribune on July 8, 2005, were sold. The shareholders whose shares were sold may claim the counter value from CACEIS Corporate Trust within a ten-year period as from the sale of the shares.

Since July 8, 2017, the attributable sums may be claimed by the beneficiaries from the "Caisse des Dépôts et Consignations" within a period of 20 years.

7.2.5 OTHER SECURITIES GRANTING ACCESS TO THE SHARE CAPITAL

None.

7.2.6 CHANGES IN UNIBAIL-RODAMCO-WESTFIELD SES' SHARE CAPITAL DURING THE PAST FIVE YEARS

Since January 1, 2015, the Company's share capital has changed as follows:

	Date	Movements in the share capital	Number of shares issued	Number of shares	Total share capital	Premium resulting from transaction
2015	03/03/2015	Reimbursement of ORA	1,045	98,059,392	€490,296,960	€159,132.60
	03/03/2015	Exercise of SO (2007-2010 tranches)	15,774	98,075,166	€490,375,830	€1,698,066.93
	03/04/2015	Reimbursement of ORA	180	98,075,346	€490,376,730	€27,410.40
	03/04/2015	Exercise of SO (2008-2011 tranches)	370,345	98,445,691	€492,228,455	€49,774,191.67
	30/06/2015	Reimbursement of ORA	126	98,445,817	€492,229,085	€19,163.97
	30/06/2015	Allocation of Performance Shares (2012 tranche)	27,527	98,473,344	€492,366,720	€0.00
	30/06/2015	Exercise of SO (2008-2011 tranches)	115,751	98,589,095	€492,945,475	€14,760,250.08
	01/07/2015	Company Savings Plan	28,202	98,617,297	€493,086,485	€5,223,355.02
	30/09/2015	Exercise of SO (2008-2011 tranches)	22,486	98,639,783	€493,198,915	€2,877,669.34
	30/09/2015	Reimbursement of ORNANE	1,831	98,641,614	€493,208,070	n/a
	31/12/2015	Reimbursement of ORA	100	98,641,714	€493,208,570	€15,228.00
	31/12/2015	Exercise of SO (2009-2011 tranches)	52,228	98,693,942	€493,469,710	€5,717,440.57
2016	08/03/2016	Allocation of Performance Shares (2013 tranche)	21,482	98,715,424	€493,577,120	€0.00
	08/03/2016	Exercise of SO (2009-2011 tranches)	45,222	98,760,646	€493,803,230	€4,677,562.44
	31/03/2016	Exercise of SO (2009-2012 tranches)	314,957	99,075,603	€495,378,015	€43,318,897.34
	30/06/2016	Exercise of SO (2010-2016 tranches)	202,193	99,277,796	€496,388,980	€27,904,687.09
	30/06/2016	Allocation of Performance Shares (2012 tranche and 2013-2015 tranches - following a death)	7,941	99,285,737	€496,428,685	€0.00
	30/06/2016	Reimbursement of ORNANE	1,549	99,287,286	€496,436,430	n/a
	05/07/3016	Company Savings Plan	29,783	99,317,069	€496,585,345	€5,525,871.66
	30/09/2016	Exercise of SO (2010-2012 tranches)	29,154	99,346,223	€496,731,115	€4,026,209.25
	31/12/2016	Reimbursement of ORA	353	99,346,576	€496,732,880	€58,787.80
	31/12/2016	Exercise of SO (2010-2012 tranches)	47,209	99,393,785	€496,968,925	€6,554,720.32
2017	31/03/2017	Reimbursement of ORA	74	99,393,859	€496,969,295	€14,178.40
	31/03/2017	Allocation of Performance Shares (2013 tranche)	25,323	99,419,182	€497,095,910	€0.00
	31/03/2017	Exercise of SO (2010-2013 tranches)	292,980	99,712,162	€498,560,810	€47,288,266.00
	30/06/2017	Exercise of SO (2011-2013 tranches)	124,677	99,836,839	€499,184,195	€20,416,087.88
	05/07/2017	Company Savings Plan	30,562	99,867,401	€499,337,005	€5,555,237.35
	30/09/2017	Exercise of SO (2011-2012 tranches)	10,556	99,877,957	€499,389,785	€1,463,841.77
	23/10/2017	Share cancellations	(34,870)	99,843,087	€499,215,435	(€7,088,135.08)
	31/12/2017	Exercise of SO (2011-2012 tranches)	5,778	99,848,865	€499,244,325	€807,583.00
	31/12/2017	Reimbursement of ORNANE	7,811	99,856,676	€499,283,380	n/a
2018	31/03/2018	Allocation of Performance Shares (2014 tranche)	26,240	99,882,916	€499,414,580	€0.00
	31/03/2018	Exercise of SO (2011-2014 tranches)	22,416	99,905,332	€499,526,660	€3,116,778.25
	26/04/2018	Exercise of SO (2012 and 2014 tranches)	3,263	99,908,595	€499,542,975	€570,934.30
	26/04/2018	Company Savings Plan	40,388	99,948,983	€499,744,915	€5,912,244.23
	22/05/2018	Exercise of SO (2013-2014 tranches)	14,010	99,962,993	€499,814,965	€2,529,576.40
	07/06/2018	Issue of ordinary shares in remuneration for a non-cash contribution	38,319,974	138,282,967	€691,414,835	€8,005,573,107.00
	30/09/2018	Reimbursement of ORA	63	138,283,030	€691,415,150	€9,067.06
	30/09/2018	Exercise of SO (2012-2014 tranches)	3,596	138,286,626	€691,433,130	€565,538.12
	31/12/2018	Reimbursement of ORA	50	138,286,676	€691,433,380	€7,185.02
	31/12/2018	Exercise of SO (2012 tranche)	1,925	138,288,601	€691,443,005	€256,293.92
2019	31/03/2019	Allocation of Performance Shares (2015 tranche)	8,340	138,296,941	€691,484,705	€0.00
	31/03/2019	Exercise of SO (2012 tranche)	8,713	138,305,654	€691,528,270	€1,152,586.09
	30/04/2019	Allocation of Performance Shares (2016 tranche)	18,432	138,324,086	€691,620,430	€0.00
	30/04/2019	Company Savings Plan	47,337	138,371,423	€681,857,115	€4,988,961.42
	08/07/2019	Reimbursement of ORA	131	138,371,554	€691,857,770	€0.00
	08/07/2019	Reimbursement of ORA	7,051	138,378,605	€691,893,025	€0.00

Note: increases in the share capital associated with the exercise of Performance Stock Options (SO) and creation of Performance Shares (PS), cancellation of shares and reimbursements of ORA and ORNANE, are stated by a statement of the Management Board.

7.

7.3 SHARE BUY-BACK PROGRAMME

7.3.1 AUTHORISATION TO BUY BACK SHARES

The Combined General Meeting of May 17, 2019 (twelfth resolution), pursuant to Articles L. 225-209 et seq. of the French Commercial Code and in compliance with Regulation no. 596/2014 of the European Parliament and of the European Council of April 16, 2014 on market abuse, authorised the Management Board, for a period of 18 months, to buy back Company shares up to the legal limit of 10% of the total number of outstanding shares adjusted for any change in the share capital during the authorisation period, with the aim of:

(i) cancelling all or part of the Company shares thus purchased, under the conditions provided by Article L. 225-209 of the French Commercial Code and subject to the general meeting's authorisation to reduce the share capital;
(ii) holding Company shares that can be allotted to its executive officers and employees and to its affiliated companies under the terms and conditions provided by law, in particular in the context of stock option plans, free allotments of existing shares, share ownership plans or Company or inter-company employee stock purchase plans;
(iii) holding shares of the Company to allot them upon the exercise of rights attached to negotiable securities giving access to the share capital by way of redemption, conversion, exchange, presentation of a warrant, or in any other manner;
(iv) stimulating the market or the liquidity of the shares of the Company through an investment intermediary in the context of a liquidity contract;
(v) implementing any new market practice which might be approved by the French Financial Market Authority ("AMF") and, more generally, carrying out any transaction permitted under the regulations in force.

The maximum share buy-back purchase price is fixed at €225 per share of the Company, excluding costs, based on a par value of €5 per share. The total cost of the share buy-back programme can not exceed €3.11 Bn.

General Meeting of May 15, 2020

At the General Meeting to be held on May 15, 2020, the Management Board will propose to shareholders that they renew this authorisation for a period of 18 months on the following terms and conditions, i.e. a maximum share buy-back purchase price at €200 per share, excluding costs, based on a par value of €5 per share. The total cost of the share buy-back programme must not exceed €3.11 Bn pursuant to the share capital as at December 31, 2019 (i.e. 138,378,605 shares).

This new authorisation, subject to approval at the General Meeting to be held on May 15, 2020, would replace the authorisation granted on May 17, 2019. This authorisation cannot be used by the Management Board during the period of a public offer.

7.3.2 REVIEW OF THE USE OF THE AUTHORISATION TO REDEEM SHARES AND INFORMATION ON THE TRANSACTIONS CARRIED OUT DURING THE FINANCIAL YEAR ENDING DECEMBER 31, 2019

Pursuant to the authorisation granted by the General Meeting of May 17, 2019, Unibail-Rodamco-Westfield SE has appointed, on May 7, 2019, Rothschild Martin Maurel Bank to implement a liquidity facility in accordance with the provisions of the legal framework in force.

The purpose of this facility, valid for a six-month period renewable automatically for six-month periods, is for Rothschild Martin Maurel Bank to optimise the liquidity of the Stapled Shares on Euronext Amsterdam and Euronext Paris. For the implementation of this facility, €15 Mn in cash was allocated to the liquidity account.

During the 2019 financial year, 383,321 Stapled Shares were purchased for a total price of €50,753,233.68 (or an average purchase price of €132.404) and 383,321 Stapled Shares were sold for a total price of €50,721,801.36 (or an average purchase price of €132.322 euros). The lump sum amount for the management of the contract borne by Unibail-Rodamco-Westfield SE in 2019 amounted to €81,626.

The following resources were held on the liquidity account, on December 31, 2019:
- 0 Stapled Share
- €14,968,696

During the 2019 financial year, the Company did not proceed with the acquisition of any other shares, other than those acquired under the liquidity facility, under the share buy-back programme. The Company has not used any derivative products as part of its share buy-back programme.

7.3.3 SITUATION AS AT DECEMBER 31, 2019

As at December 31, 2019, the share capital held by the Company is as follows:

% of the treasury shares held directly or indirectly as at 31/12/2019	0%
Number of cancelled shares during the last 24 months	0
Number of shares held in the portfolio as at 31/12/2019	0
Accountant value of the portfolio	€0
Market value of the portfolio	€0

7.4 INFORMATION ON THE SHAREHOLDING

7.4.1 OWNERSHIP OF CAPITAL AND VOTING RIGHTS

As at December 31, 2019, the Company's share capital comprises 138,378,605 fully paid-up ordinary shares with a par value of €5 each. One single voting right is attached to each share in accordance with the "one share, one vote" principle.

99.69% of the share capital is free floating.

The Company's shareholding structure has changed as follows during the last three financial years:

	Year-end 2017			Year-end 2018			**Year-end 2019**		
Shareholder	Number of shares	% of share capital	% of voting rights	Number of shares	% of share capital	% of voting rights	**Number of shares**	**% of share capital**	**% of voting rights**
Free float	99,103,931	99.25	99.25	137,894,274	99.71	99.71	137,946,394	99.69	99.69
Treasury shares(1)	0	0	0	0	0	0	0	0	0
Executive officers(2)	490,409	0.50	0.50	116,757	0.08	0.08	120,854	0.09	0.09
Company Savings Plan(3)	255,773	0.26	0.26	275,275	0.20	0.20	311,357	0.23	0.23
Total	**99,856,676**			**138,288,601**			**138,378,605**		

Figures may not add up due to rounding.
(1) Treasury shares held under share buy-back programmes and/or the liquidity contract. Shares held by Unibail-Rodamco-Westfield SE are stripped of voting rights.
(2) Executive officers endorse the members of the Management Board. Before June 7, 2018, the Management Board consisted of six members and, as of June 7, 2018, it was reduced to two members. The amount does not take into account the units in the Company Savings Plan held by executive officers.
(3) Including units in the Company Savings Plan held by the Management Board members.

There has not been any significant variation of the share capital since December 31, 2019.

7.4.2 INFORMATION REGARDING OWNERSHIP THRESHOLD DISCLOSURES SINCE JANUARY 1, 2019

Legal threshold disclosures notified prior to January 1, 2019 can be viewed on the French Financial Markets Authority ("AMF") website and threshold disclosures notified to the Company are available at the registered office of the Company.

In addition to the thresholds provided by Article 9 *bis* of the Articles of Association of the Company, i.e. a number of shares or voting rights representing 2% or more (or any further multiple thereof) of the total number of shares or voting rights of the Company, respectively (see section 7.6.8 of the Universal Registration Document) and in accordance with Article L. 233-7 of the French Commercial Code, any individual or entity acting on his, or its, own or in concert who comes to acquire a percentage of the share capital or voting rights of the share capital of the Company which is equal to or greater than 5%, 10%, 15%, 20%, 25%, 30%, 33.3%, 50%, 66.6%, 90% or 95% is required to notify the Company and the AMF at the latest within four business days following the crossing of such threshold, the total number of shares or voting rights he, or it, holds. Notification must also be given when the number of shares or voting rights falls below one of these thresholds.

Failing this, the voting rights attached to all shares exceeding the threshold that have not been disclosed are suspended in the shareholders' meetings until such time as the situation has been regularised and for a period of two years after the date of due notification. Under the same conditions, the voting rights attached to such shares exceeding the threshold that ought to have been declared may not be exercised or transferred by the defaulting shareholder (Article L. 233-14 Paragraphs 1 & 2 of the French Commercial Code).

A standard notification form notifying the crossing of legal thresholds is available on the AMF website.

Based on the legal and statutory threshold crossings disclosed to the Company and/or the AMF by the shareholders, the latest positions notified are identified hereafter for the financial year ended December 31, 2019:

Shareholder	Number of shares	% of share capital(1)	Number of voting rights	% of voting rights
State Street Corporation (disclosed on 06/06/2019 – increase)	7,058,470	5.10%	7,058,470	5.10%
APG Asset Management N.V. (disclosed on 06/09/2019 – increase)	6,926,550	5.01%	6,926,550	5.01%
Norges Bank Investment Management (disclosed on 06/09/2019 – increase)	2,828,345	2.04%	2,828,345	2.04%
BlackRock Inc. (disclosed on 23/09/2019 – decrease)	10,659,623	7.70%	10,659,623	7.70%
State Street Corporation (disclosed on 26/09/2019 – decrease)	6,832,372	4.94%	6,832,372	4.94%
Norges Bank Investment Management (disclosed on 13/11/2019 – increase)	4,645,866	3.357%	4,645,866	3.357%
Norges Bank Investment Management (disclosed on 09/12/2019 – increase)	5,538,357	4.002%	5,538,357	4.002%

(1) Calculated on the date the threshold crossing was reported.

7.4.3 SHAREHOLDERS' AGREEMENT

To the best of the Company's knowledge, there is no shareholders' agreement, nor any person or group of persons exercising or capable of exercising control over the Company.

7.5 FINANCIAL AUTHORISATIONS

Pursuant to Article L. 225-37-4 of the French Commercial Code as referenced in Article L. 225-68, the following table summarises the use, between the General Meeting of May 17, 2018 and December 31, 2019, of the authorisations currently in force granted by general meetings to increase the share capital. All or parts of financial authorisations approved by the General Meeting of May 17, 2018 were in effect on January 1, 2019 and were superseded and replaced by new authorisations granted by the General Meeting of May 17, 2019. These authorisations supersede, with effect as from the same date, if applicable, the unused part of any authority previously granted to the Management Board for the same purpose.

Type of authorisation[1]	Date of General Meeting[4] and resolution	Authorisation expiry date	Amount[2]	Beneficiaries	Issue terms and conditions	Amounts[2] used[5]	Outstanding authorisation[2] as at 31/12/2019[6]
Increase in the share capital by the issue of ordinary shares to be subscribed in cash, or of any negotiable securities with PSR[3]	17/05/2018 resolution no.16	17/11/2019	€75,000,000 (nominal value) in ordinary shares and/or securities giving access to the share capital +€1,500,000,000 (nominal value) in debt instruments	Shareholders	Authorisation to the Management Board to fix the amount and conditions	0	0[7]
	17/05/2019 resolution no.15	17/11/2020	€100,000,000 (nominal value) in ordinary shares and/or securities giving access to the share capital +€2,000,000,000 (nominal value) in debt instruments			0	entire authorisation
Increase in the share capital by the issue of ordinary shares to be subscribed in cash, or of any negotiable securities without PSR[3] via a public offer	17/05/2018 resolution no.17	17/11/2019	€45,000,000 (nominal value) in ordinary shares and/or securities giving access to the share capital +€1,500,000,000 (nominal value) in debt instruments	Shareholders and/or third parties	Authorisation to the Management Board to fix the amount and conditions; cancellation of the PSR[3] with a priority term	0	0[7]
	17/05/2019 resolution no.16	17/11/2020	€60,000,000 (nominal value) in ordinary shares and/or securities giving access to the share capital +€2,000,000,000 (nominal value) in debt instruments			0	entire authorisation
Increase of the number of shares or securities to be issued in the case of an increase in the share capital with or without PSR[3]	17/05/2018 resolution no.18	17/11/2019	Maximum threshold of 15% for the first issue and within the global limit fixed in respect of the initial issue of debt instruments	Subscribers to the issue	Authorisation to the Management Board to increase the number of shares and/or negotiable securities giving access to the share capital to be issued on the same terms and conditions as the initial issue	0	0[7]
	17/05/2019 resolution no.17	17/11/2020				0	entire authorisation

(1) For more details, please refer to the exact text of the resolutions.
(2) Up to: in 2019, as a result of the increase in share capital following the acquisition of Westfield, the maximum aggregate nominal amount of the capital increases was amended to €150 Mn from €122 Mn in the delegations granted in 2018; also, the maximum aggregate nominal amount of debt securities was increased by 500 Mn at the Combined General Meeting on May 17, 2019 to €2 Bn from €1.5 Bn in 2018.
(3) Pre-emptive Subscription Rights.
(4) The authorisations/delegations granted by the Combined General Meeting of May 17, 2019 supersede, with effect as from the same date, the unused part of any authority previously granted to the Management Board for the same purpose.
(5) Number of shares, bonds or Performance Stock Options issued/ subscribed for or allocated.
(6) Nominal value, number of shares/bonds, Performance Stock Options or Performance Shares.
(7) This authorisation/delegation was superseded and replaced by a new authorization/delegation granted by the Combined General Meeting of May 17, 2019.

Type of authorisation[1]	Date of General Meeting[4] and resolution	Authorisation expiry date	Amount[2]	Beneficiaries	Issue terms and conditions	Amounts[2] used[5]	Outstanding authorisation[2] as at 31/12/2019[6]
Increase in the share capital without PSR[3] by the issue of ordinary shares to be subscribed in cash, or of any negotiable securities as consideration for capital contributions in kind	17/05/2018 resolution no.19	17/11/2019	Capital contribution in the form of securities: 10% of the authorised share capital as at the issuance	Subscribers to the issue	Authorisation to the Management Board to fix the amount and conditions, including the power to cancel PSR[3]	0	0[7]
	17/05/2019 resolution no.18	17/11/2020				0	entire authorisation
Increase in the share capital reserved for participants of Companies Savings Plans without PSR[3]	17/05/2018 resolution no.20	17/11/2019	Maximum nominal value of €2,000,000	Participants in the Company Savings Plan	Authorisation to the Management Board to fix the terms 20% discount applies based on the average share price over previous 20 trading days	47,337	0[7]
	17/05/2019 resolution no.19	17/11/2020				0	entire authorisation (i.e. 400,000)
Increase in the share capital reserved for managers and employees - Performance Stock Option plan	17/05/2018 Performance Plan no.9 resolution no.21	17/07/2021	Maximum: • 1% of the fully diluted share capital per year • 3% of the total diluted capital over the authorisation validity period	Employees and corporate officers of the Group	Authorisation to the Management Board to fix the terms Performance and presence conditions are mandatory No discount applied	748,372	0[7]
	17/05/2019 Performance Plan no.10 resolution no.20	17/07/2022				0	entire authorisation (i.e. 4,256,638)
Increase in the share capital reserved for managers and employees - Performance Share plan	17/05/2018 Performance Plan no.3 resolution no.22	17/07/2021	0.8% of the total diluted capital over the authorisation validity period	Employees and corporate officers of the Group	Authorisation to the Management Board to fix the terms	172,174	0[7]
	17/05/2019 Performance Plan no.4 resolution no.21	17/07/2022			Performance and presence conditions are mandatory	0	entire authorisation (i.e. 1,135,104)
Increase in the share capital reserved for managers and employees - LTI SI allocation of Performance Shares as part of the acquisition and integration of the Westfield Group	17/05/2018 resolution no.23	17/05/2019	0.07% of the total diluted capital over the authorisation validity period	Employees and corporate officers of the Group	Authorisation to the Management Board to fix the terms Performance and presence conditions are mandatory	38,130	0[8]

(1) For more details, please refer to the exact text of the resolutions.
(2) Up to: in 2019, as a result of the increase in share capital following the acquisition of Westfield, the maximum aggregate nominal amount of the capital increases was amended to €150 Mn from €122 Mn in the delegations granted in 2018; also, the maximum aggregate nominal amount of debt securities was increased by 500 Mn at the Combined General Meeting on May 17, 2019 to €2 Bn from €1.5 Bn euros in 2018.
(3) Pre-emptive Subscription Rights.
(4) The authorisations/delegations granted by the Combined General Meeting of May 17, 2019 supersede, with effect as from the same date, the unused part of any authority previously granted to the Management Board for the same purpose.
(5) Number of shares, bonds or Performance Stock Options issued/ subscribed for or allocated.
(6) Nominal value, number of shares/bonds, Performance Stock Options or Performance Shares.
(7) This authorisation/delegation was superseded and replaced by a new authorisation/delegation granted by the Combined General Meeting of May 17, 2019.
(8) This authorisation/delegation expired on May 17, 2019 and was not renewed due to its one-off nature in connection with the acquisition of Westfield.

7.6 ARTICLES OF ASSOCIATION OF THE COMPANY AND CHARTERS

The main statutory provisions are given hereafter. Furthermore, the Management Board, Supervisory Board, Audit Committee, the Remuneration Committee and the Governance and Nomination Committee each have their own charters. The Articles of Association and charters of these committees are available on the Company's website (www.urw.com) or at its registered office.

As of the date of the filing of this Universal Registration Document, the Articles of Association were last updated on July 8, 2019.

7.6.1 CORPORATE OBJECT (ARTICLE 2 OF THE ARTICLES OF ASSOCIATION)

The Company's corporate object 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.

7.6.2 STAPLED SHARE PRINCIPLE (ARTICLE 6 OF THE ARTICLES OF ASSOCIATION)

A Stapled Share comprises a share of the Company and a WFD Unibail-Rodamco N.V. class A share ("WFD Unibail-Rodamco class A share").

The Company, WFD Unibail-Rodamco N.V. company, and all of the controlled entities appearing in the consolidated financial statements of the Company and/or of WFD Unibail-Rodamco N.V. constitute the "Stapled Group".

In order to achieve a situation where holders of the Company's shares - other than any entity of the Stapled Group - hold an interest in both the Company and in WFD Unibail-Rodamco N.V., as if they held an interest in a single (combined) company:

- none of the shares of the Company can be (i) issued to, or subscribed for by, others than any entity of the Stapled Group, (ii) transferred to or, subject to applicable law, pledged or otherwise encumbered by others than any entity of the Stapled Group, or (iii) released from any encumbrance by others than any entity of the Stapled Group, in each case except together with a WFD Unibail-Rodamco class A share, in the form of a Stapled Share;
- no right to subscribe for one or more Company Shares can be (i) granted to or exercised by others than any entity of the Stapled Group, (ii) terminated by others than any entity of the Stapled Group, (iii) transferred to or, subject to applicable law, pledged or otherwise encumbered by others than any entity of the Stapled Group, or (iv) released from any encumbrance by others than any entity of the Stapled Group, in each case except together with a corresponding right to subscribe for an equal number of WFD Unibail-Rodamco class A shares in the form of an equal number of Stapled Shares;
- all shareholders, other than any entity of the Stapled Group, must refrain from (i) acquiring any Company shares, (ii) acquiring, exercising or terminating any right to subscribe for one or more Company shares, or (iii) creating or acquiring a usufruct, pledge or other encumbrance over any Company share or any right to subscribe for one or more Company shares, in each case except (if it concerns a Company share) together with a WFD Unibail-Rodamco class A share, respectively, in the form of a Stapled Share or (if it concerns a right to subscribe for one or more Company shares) together with a corresponding right to subscribe for an equal number of WFD Unibail-Rodamco class A shares in the form of an equal number of Stapled Shares; and
- subject to applicable law, the Management Board and the Supervisory Board shall take all necessary actions to ensure that, at all times, the number of Company shares issued and held by others than any entity of the Stapled Group is equal to the number of WFD Unibail-Rodamco class A shares issued and held by others than any entity of the Stapled Group.

The Stapled Share principle can only be terminated by virtue of a resolution passed by the Extraordinary General Meeting of the Company to amend the Articles of Association. A resolution by the Extraordinary General Meeting of the Company deciding such an amendment shall only become effective after the Management Board has confirmed that the WFD Unibail-Rodamco N.V. general meeting has passed a resolution to terminate the Stapled Share Principle as included in the WFD Unibail-Rodamco N.V. Articles of Association.

7.6.3 SIIC REGULATION

Since 2003, the Company and its eligible subsidiaries opted for and became subject to the tax regime applicable to Listed Property Investment Companies (SIIC) introduced by the 2003 French Finance Act (Article 208 C of the French General Tax Code, *Code général des impôts*). This regime is based on the principle of fiscal transparency: in relation to rental activities and gains from divestments, income tax is borne at shareholder level and not at the level of the Company[1].

(1) For more details, please refer to note 8 of Section 5.2.

7.6.4 STATUTORY OBLIGATIONS PERTAINING TO CHANGES IN THE COMPANY'S SHARE CAPITAL AND CATEGORIES OF SHARE RIGHTS

None.

7.6.5 CORPORATE GOVERNANCE STRUCTURE (ARTICLES 10 TO 16 OF THE ARTICLES OF ASSOCIATION)

The Company is managed by a Management Board ("MB") and a Supervisory Board ("SB").

Details of the composition and the functioning of the MB and the SB are set out in Section 3.2 of the Universal Registration Document.

7.6.5.1 THE MANAGEMENT BOARD (ARTICLES 10 TO 12 OF THE ARTICLES OF ASSOCIATION AND CHARTER OF THE MANAGEMENT BOARD)

The MB is the collegial decision-making body of Unibail-Rodamco-Westfield SE. It is composed of a maximum of seven members appointed for a four-year term by the SB which elects one of them as Chairman. The Management Board consisted of two members as at December 31, 2019.

Should the Management Board comprise two members only, the meetings of the MB will be validly held where both members are present and approval of its decisions will require unanimous vote, except for certain decisions set out in the MB's charter which may be approved by a majority vote, with the Chairman having a casting vote.

With respect to third parties, the MB is granted the widest possible powers to act in all circumstances in the name of the Company, subject to those expressly attributed by law to the SB and to general meetings of shareholders and within the limits of the corporate purpose and those which require prior authorisation from the SB (see Section 7.6.5.2.1 of the Universal Registration Document).

– EXCERPTS OF THE CHARTER OF THE MB

Upon a proposal by the Chairman of the MB and with the authorisation of the SB, the Management Board members may share the management tasks.

The Chairman of the MB has overall competence except for those duties expressly assigned to the Group Chief Financial Officer (hereinafter the "Group CFO").

The Group CFO is responsible for generating profits through the optimisation of the cost of capital, tax matters and investor relations. In this position, he is responsible for the overall Finance function within the Group (financial control, consolidation, refinancing, taxes, budget and five-year Business Plan, coordination of asset valuations and investor relations). They are also responsible for the investment/divestment process and for defining strategies for co-ownership and co-investments and for coordinating corporate development operations (mergers and acquisitions, strategic alliances and partnerships).

7.6.5.2 THE SUPERVISORY BOARD (ARTICLES 13 TO 16 OF THE ARTICLES OF ASSOCIATION AND CHARTER OF THE SUPERVISORY BOARD)

The SB exercises permanent oversight and control over the MB and the general affairs of the Company as provided by law, the Articles of Association and its Charter. The SB has 8 to 14 members appointed for a term of three years.

Retention of an SB Member is subject to the condition that he/she is not over the age of 75. If an SB Member reaches this age limit while in office, they will be considered as having resigned at the next Ordinary Annual General Meeting which will be held after the end of the year during which they reached the age of 75. During this general meeting, the shareholders may appoint his/her successor.

The number of SB Members having exceeded the age of 70 cannot be greater than one third of the SB Members.

The SB elects a Chairman and a Vice-Chairman from among its members who are tasked with convening the Board and directing the discussions. The SB Chairman's and Vice-Chairman's terms may not exceed their terms as SB Members.

The SB meets as often as the interest of the Company so requires.

7.6.5.2.1 LIMITATIONS ON THE POWERS OF THE MANAGEMENT BOARD BY THE SUPERVISORY BOARD (ARTICLE 11 OF THE ARTICLES OF ASSOCIATION AND CHARTER OF THE SUPERVISORY BOARD)

Pursuant to Article 11.5 of the Company's Articles of Association and the SB Charter (Appendix F), the SB's prior approval must be obtained for certain MB decisions and operations, in particular:

– EXCERPTS AND SUMMARIES OF CERTAIN PROVISIONS OF THE CHARTER OF THE SB

- all acquisitions (including the acquisition of real estate and of all or part of shareholdings) and any investments (including capital expenditures for internal development), directly or via the intermediary of legal entities exceeding €25m (consolidated figure). The threshold is raised to €500m (consolidated figure) for assets and/or activities located within countries or sectors in which the Group operates. This threshold is raised to €700m (consolidated figure) for urgent operations and decisions, subject to prior agreement between the Chairman of the MB, the Chairman and the Vice-Chairman of the SB;
- asset disposals (including disposals of real estate and of all or part of shareholdings) directly or via the intermediary of legal entities exceeding €500m (consolidated figure). This threshold is raised to €700m (consolidated figure) for urgent operations and decisions, subject to prior agreement between the Chairman of the MB, the Chairman and the Vice-Chairman of the SB;
- indebtedness or the creation of guarantees in excess of €500Mn (consolidated figure), threshold raised to €1Bn for corporate financial debt refinancing purposes;

- outsourcing accountability to third parties for asset management and real estate management or other asset management or real estate management representing more than 25% of the total value of the Company's participations and investments;
- 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, the allocation of responsibilities within the MB, the approval of changes to the charter of the MB, the relocation of the Group's corporate functions and any action affecting the Company's entitlement to the tax regime applicable to Listed Property Investment Company (SIIC) tax treatment or any other real estate tax-exempt status in a foreign country;
- any general Remuneration Policy within the Group and any remuneration of the Management Board members;
- any shareholdings or interests in other companies or activities and any disposals of or changes to such a shareholding or interest (including any changes to the shareholding of the Company in WFD Unibail-Rodamco N.V. exceeding €25 Mn (consolidated figure). The threshold is raised to €500 Mn (consolidated figure) for assets and/or activities located within countries or a sector in which the Group operates. This threshold is raised to €700 Mn (consolidated figure) for urgent operations and decisions, subject to prior agreement between the Chairman of the MB, the Chairman and the Vice-Chairman of the SB;
- any off-balance sheet commitments by the Company exceeding €25 Mn (consolidated figure). The threshold is raised to €500 Mn for off-balance sheet commitments for assets and/or activities located within countries or a sector in which the Group operates. This threshold is raised to €700 Mn for urgent operations and decisions, subject to prior agreement between the Chairman of the MB, the Chairman and the Vice-Chairman of the SB;
- all proposals to the general meeting to amend the Articles of Association of the Company;
- any proposal to (re)appoint or dismiss the Statutory Auditors of the Company or of one of its main subsidiaries and any review of the fees of the Statutory Auditors;
- any proposal to the general meeting to delegate power for the issue or redemption of Company shares, in line with the Stapled Share Principle;
- any alterations to the Company's dividend allocation policy and proposals by the MB in the distribution of interim or full dividends;
- any shareholdings or interests in, or contracts with, other companies or activities under which the Company or activity would obtain the right to appoint members of the SB;
- any decisions to submit applications for a moratorium of file petitions for the bankruptcy of the Company or any of the Groups;
- any proposal to dissolve or wind up the Company or one of its main subsidiaries;
- any signing of an agreement involving or likely to involve a conflict of interest between a member of the MB or the SB on the one hand and the Company on the other hand in the meaning of Articles L. 225-86 et seq. of the French Commercial Code;
- any alteration to the insider trading rules in force within the Company;
- approval of the Group's strategy and its annual budget, as submitted to the SB for approval when submitting the financial statements for the financial year completed;
- in accordance with Article L. 229-7 of the French Commercial Code, the rules stated in Articles L. 225-86 to L. 225-90 of the Code, regarding regulated agreements subject to the prior authorisation of the SB, with the exception of agreements on current transactions and signed under normal conditions, are applicable to the Company.

The SB must also, pursuant to its Charter, be informed of current transactions involving amounts in excess of €300 Mn but below €500 Mn.

7.6.5.2.2 THE SPECIALISED COMMITTEES OF THE SUPERVISORY BOARD

Three specialised committees are responsible for assisting the Board to carry out its duties: the Audit Committee, the Remuneration Committee and the Governance and Nomination Committee. All SB Members participate in one of these committees. The committees function under separate charters.

Details of the composition, missions and diligences of the committees are set out in Section 3.2.2.3 of the Universal Registration Document.

7.6.6 GENERAL MEETINGS (ARTICLES 18 AND 19 OF THE ARTICLES OF ASSOCIATION)

The general meetings of shareholders are convened and conducted pursuant to French law and European regulations. All shareholders, evidencing the ownership of their shares, have the right to participate, either in person or through a representative, provided that they have been shareholders for at least two business days prior to the date of the general meeting.

The terms and conditions of participation in general meetings are set out in Article 18 of the Company's Articles of Association.

There is one voting right per share. There are currently neither preference shares nor shares with double voting rights.

7.6.7 REQUIREMENTS PERTAINING TO THE DISTRIBUTION OF PROFITS (ARTICLE 21 OF THE ARTICLES OF ASSOCIATION)

The distributable profit in any given year is equal to the sum of the net profit and any retained earnings, less any prior year losses and amounts transferred to reserves. In addition to the Distributable Profits, the General Meeting of shareholders may expressly resolve to distribute sums from other distributable reserves and/or contribution premiums.

Pursuant to the SIIC regime, the payment of a dividend may give rise to the imposition of a withholding tax (currently at a rate of 20%) on the Company pursuant to Article 208-C-II-ter of the French General Tax Code calculated on the basis of the total dividend paid to any shareholders holding (directly or indirectly) 10% or more of the share capital ("Shareholder Concerned"[(1)]), if the Shareholder Concerned, as a legal person who is a non-French tax resident, is not subject to a tax equivalent to the French corporate income tax to be paid by French companies on SIIC dividends distributed by the Company (the "Shareholder Subject to Withholding Tax"). Any Shareholder Concerned is deemed to be a Shareholder Subject to Withholding Tax unless it provides the Company with a satisfactory and unreserved legal opinion certifying that it is not a Shareholder Subject to Withholding Tax. If this is not possible and in compliance with Article 21 of the Articles of Association, this tax will be borne by the Shareholder Subject to Withholding Tax. The withholding amount is either offset against its dividend or reimbursed *a posteriori*.

7.6.8 STATUTORY SHAREHOLDER THRESHOLD AND OBLIGATION TO REGISTER SHARES (ARTICLES 9 AND 9 *BIS* OF THE ARTICLES OF ASSOCIATION)

In addition to the thresholds provided by French law[(2)], under Article 9 *bis* of the Articles of Association of Unibail-Rodamco-Westfield SE, any shareholder that comes to hold, alone or in concert with other shareholders, a number of shares equal to or greater than 2% of the total number of shares in issue or of the voting rights, or any further multiple thereof, must, no later than ten stock exchange days after exceeding each of the holding thresholds, advise the Company in writing of the total number of shares or voting rights held, sent by registered letter with proof of receipt requested to the registered office of the Company. Notification must also be given when the number of shares or voting rights falls below one of these thresholds under the same conditions and within the same time limit.

Moreover, pursuant to Article 9 of the Company's Articles of Association, a Shareholder Concerned[(1)] must register the totality of its shares (owned directly or via an entity it controls) and provide evidence to the Company by registered letter with proof of receipt within five stock exchange days of reaching such threshold. A Shareholder Concerned that fails to comply with the above requirements may lose the right to participate in and/or vote at general meetings of the Company in accordance with the provisions of Article 9 Paragraph 4 of the Articles of Association.

Pursuant to the provisions of Article 9 *bis*, the Shareholder Concerned shall declare under its own responsibility whether it has to be considered as a Shareholder Subject to Withholding Tax (*Actionnaire à Prélèvement*) under Article 208 C II of the French Tax Code, which is the case when the Shareholder Concerned (i) is not resident in France for taxation purposes; and, (ii) is not subject, in its country of residence, to a tax equal to at least two-thirds of the level of taxation applicable in France. Any Shareholder Concerned declaring it has to not to be considered as a Shareholder Subject to Withholding Tax shall provide the Company with a satisfactory and unreserved legal opinion certifying that it is not a Shareholder Subject to Withholding Tax. Any change in the Shareholder Concerned's position should be notified to the Company within ten trading days prior to the payment of any distribution.

Any shares exceeding the threshold that have not been disclosed in accordance with the requirements specified under the first and third paragraphs above shall be disqualified for voting purposes at all general meetings held for a period of two years after the date of the notice confirming the requisite disclosure has finally been made, (i) if the failure to disclose has been duly noted and (ii) if requested by one or more shareholders holding at least 2% of the Company's share capital in accordance with the terms of the law (unless the voting rights have already been stripped pursuant to Article 9 Paragraph 5 of the Articles of Association).

Similarly, the voting rights attached to any shares that have not been disclosed in accordance with these requirements may not be exercised or delegated by the holder either in person or by proxy.

Declarations are to be sent to the Investor Relations Department: individual.investor@urw.com.

(1) A "Shareholder Concerned" is any shareholder, other than a natural person, that owns, directly or through entities acting as intermediaries that it controls within the meaning of Article L. 233-3 of the French Commercial Code, at least the percentage of rights to a dividend specified in Article 208 C-II-ter (10%) of the French General Tax Code.
(2) For more details, please refer to Section 7.4.2 of the Universal Registration Document.

7.7 INVESTMENT BY THE COMPANY OUTSIDE THE UNIBAIL-RODAMCO-WESTFIELD GROUP

In accordance with Article L. 233-6 of the French Commercial Code, the Company has not made any significant investment in a company with its registered office in France during the financial year ending December 31, 2019.

7.8 ELEMENTS LIKELY TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFER

The Stapled Share Principle, which is part of the Articles of Association of the Company (for more details, please refer to Section 7.6.2 of this Universal Registration Document) contains restrictions on transfers of Company shares.

Any holder of Stapled Shares will hold both Unibail-Rodamco-Westfield SE shares and class A WFD Unibail-Rodamco N.V. shares. Consequently, any holder of Stapled Shares must comply with both the French public offer rules and the Dutch public offer rules. Due to Unibail-Rodamco-Westfield SE's shareholding in WFD Unibail-Rodamco N.V., one Stapled Share does not represent the same percentage of voting rights in Unibail-Rodamco-Westfield SE as it does in WFD Unibail-Rodamco N.V. As a result, a holder of Stapled Shares may cross the 30% threshold for a mandatory public offer for all outstanding Unibail-Rodamco-Westfield SE shares without being subject to a statutory requirement to make a mandatory offer for all outstanding WFD Unibail-Rodamco N.V. shares at the same time.

However, due to the Stapled Share Principle, an offeror that is not an entity of the Unibail-Rodamco-Westfield Group can only acquire Unibail-Rodamco-Westfield SE shares in the form of Stapled Shares, which could result in a requirement for the offerer to launch a parallel public offer for all outstanding WFD Unibail-Rodamco N.V. shares.

In addition, all information pursuant to Article L. 225-37-5 of the French Commercial Code that is likely to have an effect in the event of a public offer is included in this Chapter 7 and, regarding the change in control, in Section 4.1.5.1 of the Universal Registration Document.

CHAPTER 8

ADDITIONAL INFORMATION

8.1 STATEMENT OF THE PERSONS RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

We confirm, after having taken all reasonable measures, that the information contained in this Universal Registration Document gives, to the best of our knowledge, an accurate and fair view of the Company and the information contained within is free from any material misstatement.

We confirm, to the best of our knowledge, that the financial statements have been prepared in accordance with the applicable accounting and financial reporting standards and give an accurate and fair view of the financial situation of the Company and of the entities taken as a whole included in the scope of consolidation and that the enclosed management report presents a fair view of the development and performance of the business, the results and of the financial situation of the Company and of the entities taken as a whole included in the scope of consolidation and describes the main risks and uncertainties to which they are exposed.

Paris, March 25, 2020

Christophe Cuvillier
Chairman of the Management Board
Group Chief Executive Officer

Jaap Tonckens
Group Chief Financial Officer

8.2 STATUTORY AUDITORS

The Statutory Auditors of the Company are the following:

Ernst & Young Audit
1/2, Place des Saisons
92400 Courbevoie Paris La Défense 1

Mr Jean-Yves Jégourel

Commencement date of the first term of office:
General Meeting of May 13, 1975

Deloitte & Associés
6, Place de la Pyramide
92908 Paris La Défense Cédex

Mr Emmanuel Gadret and Mr Emmanuel Proudhon

Commencement date of the first term of office:
General Meeting of April 27, 2011

Deloitte & Associés succeeded to Deloitte Marque & Gendrot which was appointed on April 28, 2005.

The expiry of the term of office of Ernst & Young Audit and Deloitte & Associés will be at the General Meeting held to approve the 2022 accounts.

8.3 HISTORICAL INFORMATION ON FINANCIAL YEARS 2017 AND 2018

Pursuant to article 19 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2019, the following information is incorporated by reference in this 2019 Universal Registration Document:

8.3.1 FOR 2017 FINANCIAL YEAR

The 2017 Registration Document was filed with the French Financial Markets Authority on March 28, 2018, under number D. 18-0194.

The financial information, the consolidated financial statements and the statutory financial statement for the year 2017 and the Statutory Auditors' report on these financial statements appear respectively in Chapter 4 (on pages 194 to 237) and Chapter 5 (on pages 238 to 342).

The other parts of this document are either irrelevant to the investor or covered elsewhere in the 2017 Registration Document.

8.3.2 FOR 2018 FINANCIAL YEAR

The 2018 Registration Document was filed with the French Financial Markets Authority on March 27, 2019, under number D. 19-0211.

The financial information, the consolidated financial statements and the statutory financial statement for the year 2018 and the Statutory Auditors' report on these financial statements appear respectively in Chapter 4 (on pages 220 to 293) and Chapter 5 (on pages 294 to 409).

The other parts of this document are either irrelevant to the investor or covered elsewhere in the 2018 Registration Document.

8.4 DOCUMENTS AVAILABLE TO THE PUBLIC

The following documents are available on the website at www.urw.com:

- the registration documents in the form of annual reports, as well as their updates, which are filed with the French Financial Markets Authority;
- the financial press releases of the Group.

Unibail-Rodamco-Westfield SE's Articles of Association and statutory financial statements may be consulted at the headquarters of the Company, 7, place du Chancelier Adenauer – 75016 Paris, on the website www.urw.com or obtained upon request from the Company.

8.5 GLOSSARY

Average cost of debt: recurring financial expenses (excluding the ones on financial leases and the ones related to partners' current accounts) + capitalized financial expenses (excluding non-recurring financial expenses such as mark-to-market and termination costs of financial instruments including bonds repurchased, currency impact) / average net debt over the period.

Average rental spread: for the US portfolio, the rental spread reflects the trailing 12-months average increase in total rents, including common area maintenance charges, for specialty stores (excluding lease extensions, deals with zero prior rent and deals for less than 12 months).

Buyer's Net Initial Yield: annualized contracted rent (including indexation) and other incomes for the next 12 months, net of operating expenses, divided by the TAC.

Committed projects: projects for which URW owns the land or building rights and has obtained all necessary administrative authorizations and permits, approvals of JV partners (if applicable), approvals of URW's internal governing bodies to start superstructure construction works and on which such works have started.

Controlled projects: projects in an advanced stage of studies, for which URW controls the land or building rights, and all required administrative authorizations have been filed or are expected to be filed shortly. There can be no assurance these will become "Committed" projects, as this will be subject to having obtained all required administrative approvals, as well as those of JV partners (if applicable), and of URW's internal governing bodies to start superstructure works.

EBITDA-Viparis: "Net rental income" and "On site property services operating result" + "Recurring contribution of affiliates" of Viparis venues.

EPRA NNNAV (triple net asset value): corresponds to the Going concern NAV less the estimated transfer taxes and capital gain taxes.

EPRA NIY: annualized rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the Gross Market Value of the portfolio. For a reconciliation of URW's NIY with the EPRA Net Initial Yield definitions, refer to the EPRA Performance Measures.

EPRA topped-up yield: EPRA Net Initial Yield adjusted in respect of the expiration of rent free periods (or other unexpired lease incentives such as discounted rent periods and step rents).

EPRA vacancy rate: Estimated Rental Value (ERV) of vacant spaces divided by ERV of total surfaces.

Flagships: assets of a certain size and/or with footfall in excess of 10 million per year, substantial growth potential for the Group based on their appeal to both retailers and visitors, iconic architecture or design and a strong footprint in their area.

Financial statements under IFRS: the Group's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as applicable in the European Union as at closing date.

Financial statements on a proportionate basis: they are prepared based on the financial statements under IFRS, except for the joint-controlled entities, which are consolidated on a proportionate basis, instead of being accounted for using the equity method (as applicable under IFRS). Unibail-Rodamco-Westfield believes that these financial statements on a proportionate basis give to stakeholders a better understanding of the underlying operations of URW and the joint-controlled entities, as they represent a significant part of the Group's operations in the US and the UK.

Going Concern Net Asset Value (NAV): the amount of equity needed to replicate the Group's portfolio with its current financial structure.

Interest Cover Ratio (ICR): Recurring EBITDA / Recurring Net Financial Expenses (including capitalized interest); Recurring EBITDA is calculated as total recurring operating results and other income less general expenses, excluding depreciation and amortization.

Influencer Brand: unique retailer that create differentiation and experience in URW's shopping centres due to strong brand recognition and a differentiated product approach.

Like-for-like NRI: Net Rental Income <u>excluding</u> acquisitions, divestments, transfers to and from pipeline (extensions, brownfields or redevelopment of an asset when operations are stopped to enable works), all other changes resulting in any change to the square meters and currency exchange rate differences in the periods analysed.

Loan-to-Value (LTV): net financial debt, excluding current accounts with non-controlling interests / total assets (whether under IFRS or on a proportionate basis), including or excluding transfer taxes and excluding goodwill not justified by fee business.

Minimum Guaranteed Rent uplift: difference between new MGR and indexed old MGR. Indicator calculated on renewals and relettings only.

Net Disposal Price (NDP): Total Acquisition Cost incurred by the acquirer minus all transfer taxes and transaction costs.

Net Initial Yield (NIY): annualized contracted rent (including indexation) and other incomes for the next 12 months, net of operating expenses, divided by the asset value net of estimated transfer taxes and transaction costs.

Net Operating Income (NOI): Net Operating Income before management fees, termination/settlement income and straight-line adjustments.

Non-recurring activities: non-recurring activities include valuation movements, disposals, mark-to-market and termination costs of financial instruments, bond tender premiums, impairment of goodwill or recognition of negative goodwill, amortization of fair value of assets and liabilities recorded for the purpose of purchase price allocation, as well as costs directly incurred during a business combination and other non-recurring items.

Occupancy Cost Ratio (OCR): (rental charges + service charges including marketing costs for tenants, all including VAT) / (tenants' sales, including VAT). As tenant turnover is not known for all tenants for The Netherlands, no reliable OCR can be calculated for this country. Primark sales are estimates.

ORA (Obligations Remboursables en Actions): bonds redeemable for shares.

ORNANE (Obligations Convertibles ou Échangeables en Actions Nouvelles ou Existantes): net share settled bonds convertible into new and/or existing shares.

Peer group components: The external independent advisor, Willis Towers Watson (WTW) gave guidance, to the Supervisory Board and the Remuneration Committee, on the Fixed Income for the MB Members using a blended benchmarking approach, primarily based on the following two peer groups:
- **France General Industry (CAC40) in June 2018:** Total, LVMH, Sanofi, L'Oréal, BNP Paribas, Axa Group, Airbus Group, Vinci, Danone, Air Liquide, Schneider Electric, Crédit Agricole, Orange, Société Générale, Kering, Engie, Safran, LafargeHolcim, Pernod-Ricard, Saint-Gobain, Essilor International, Renault, Vivendi, ArcelorMittal, Michelin, Sodexo, Carrefour, Peugeot SA, Legrand, Capgemini, Publicis, Valeo, Bouygues, ST Microelectronics, Atos, Technip FMC, Solvay-Rhodia, Accor Hotels, Veolia Environnement;
- **Selected US Real Estate (12 companies):** Simon Property Group, GGP, Ventas, Realty Income Corporation, Regency Centers Corporation, Federal Realty Investment Trust, Macerich Company, Kimco Realty Corporation, National Retail Properties, Brixmor Property Group, Weingarten Realty Investors, Taubman Centers.

Other peer groups were used for reference purposes only:
- **Selected European Real Estate (12 companies):** Vonovia, Deutsche Wohnen, Klépierre, Land Securities Group, Gécina, The British Land Comp., Foncière des Régions, Swiss Prime Site, Hammerson, Intu properties, Derwent London, Altarea Cogedim;
- **Selected UK General Industry (15 companies):** Reckitt Benckiser Group, Lloyds Banking Group, Prudential, National Grid, Barclays, BT Group, RELX, Imperial Brands, The Royal Bank of Scotland Group, Associated British Foods, Compass Group, WPP, Standard Chartered, Aviva;
- **Selected US General Industry (32 companies):** Simon Property Group, Intuitive Surgical, Crown Castle International, Constellation Brands, Intuit, Vertex Pharmaceuticals, Electronic Arts, Regeneron Pharmaceuticals, Monster Beverage, Zoetis, Equinix, Public Storage, Illumina, Prologis, Pioneer Natural Resources Company, Firserv, Roper Technologies, Edwards Lifesciences, Amphenol, Hilton Worldwide Holding, Weyerhaeuser Company, Yum! Brands, Fortfive, Alexion Pharmaceuticals, Brown-Forman, Autodesk, Rockwell Automation, Zimmer Biomet Holdings, Paychex, Red Hat, Agilent Technologies, GGP.

Reference Index: The TSR Performance Benchmark Index includes companies with more than 50% of their activity focused in Retail or Office and operating in the same countries as URW. Following Westfield's acquisition, the composition of the index has been adjusted by the CR to reflect URW's new geographical and activity scopes. The Reference Index is composed of 29 companies (10 Eurozone Retails, 3 France Offices, 5 UK Retail and 11 US Retail), all sub-index weighted to reflected the weight of each business line in URW Gross Market Value, as follows (as long as the index includes the concerned company over the nesting period of the plan):
- Sub-Index Eurozone Retail (63% weight) - Klépierre, Carmila, Deutsche EuroShop, Citycon, EuroCommercial Property, Mercialys, Wereldhave, Vastned Retail, Retail Estates, Lar España Real Estate;
- Sub-Index France Offices (7% weight) - Covivio, Icade, Gecina;
- Sub-Index UK Retail (8% weight) – British Land Co, Land Securities Group, Hammerson, Intu Properties, NewRiver REIT;
- Sub-Index US Retail (22% weight) – Simon Property Group, Macerich, Taubman Centers, Washington Prime Group, CBL & Associates prop., Pennsylvania Centers, Regency Centers, Federal Realty Investment, Kimco Realty, Brixmor Property Group, Weingarten Realty Invest.

Replacement capital expenditure (Replacement Capex): replacement Capex relates to works either on equipment or the structure of a standing asset. The primary purpose of Replacement Capex is to ensure that the asset is in good working order and/or to make minor improvements. These investments can be triggered by obsolescence, maintaining technical performance at market levels or compliance with regulatory requirements.

Rotation rate: (number of re-lettings and number of assignments and renewals with new concepts) / number of stores. Short term leases are excluded.

SBR: Sales Based Rent.

SIIC: Société d'Investissement Immobilier Cotée (in France).

Specialty tenant: specialty stores <10k sq. ft. (ca. 929 sqm).

Tenant sales: performance in URW's shopping centres (excluding The Netherlands) in operation, including extensions of existing assets, but excluding deliveries of new brownfield projects, acquisition of new assets and assets under heavy refurbishment.

Total Acquisition Cost (TAC): the total amount a buyer shall pay to acquire an asset or a company. TAC equals the price agreed between the seller and the buyer plus all transfer taxes and transaction costs.

TIC: Total Investment Cost equals the sum of: (i) all capital expenditures from the start of the project to the completion date and includes: land costs, construction costs, study costs, design costs, technical fees, tenant fitting-out costs paid for by the Group, letting fees and related costs, eviction costs and vacancy costs for renovations or redevelopments of standing assets; and (ii) tenants' lease incentives and opening marketing expenses. Does not include capitalized financial interests, overheads costs, early or lost NRI and IFRS adjustments.

Yield on cost: stabilized expected Net Rental Income divided by the URW Total Investment Cost.

8.6 CROSS-REFERENCE TABLES

8.6.1 CONCORDANCE TABLE OF THE UNIVERSAL REGISTRATION DOCUMENT

This concordance table is based on the headings set out in Annexes I and II of Delegated Regulation (EU) 2019/980 of the Commission of March 14, 2019 and refers to the sections of this Universal Registration Document in which the relevant information can be found.

Information	Section of the Universal Registration Document
1. PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERTS' REPORTS AND COMPETENT AUTHORITY APPROVAL	
1.1. Persons responsible for the information given in the Universal Registration Document	8.1
1.2. Declaration of the persons responsible for the Universal Registration Document	8.1
1.3. Identification, qualification and potential conflicts of interest of persons acting as experts	1.6 - 1.7
1.4. Certification of Third Party Information	n/a
1.5. Statement without prior approval of the competent authority	first page
2. STATUTORY AUDITORS	
2.1. Identity of Statutory Auditors	8.2
2.2. Potential change	n/a
3. RISK FACTORS	6.2
4. INFORMATION ABOUT THE ISSUER	
4.1. Corporate name and trade name	7.1.1
4.2. Place, registration number and LEI	7.1.1
4.3. Date of incorporation and statutory length of life	7.1.1
4.4. Head office and legal form	7.1.1 - 7.1.2
5. BUSINESS OVERVIEW	
5.1. Main activities	4.1.1
5.1.1. Nature of operations	1.4 - 4.1.1
5.1.2. New products and important services	4.1.3
5.2. Main markets	4.1.1.2
5.3. Important events	5.2 (note 1)
5.4. Strategy and objectives	1.3
5.5. Dependence of the issuer on patents, licenses, contracts and manufacturing processes	n/a
5.6. Competitive position statement	n/a
5.7. Investments	
5.7.1. Material investments	4.1.2
5.7.2. Main current or future investments that the issuer intends to make and for which its management bodies have already made firm commitments and financing methods	4.1.3
5.7.3. Joint ventures and interests in which the issuer has an equity interest that may have a significant impact	5.2 (note 6)
5.7.4. Environmental issues that may affect the use of tangible fixed assets	2.2 - 6.2.2.3
6. ORGANISATIONAL STRUCTURE	
6.1. Brief description of the Group	1.8 - 1.9
6.2. List of significant subsidiaries	5.2 (note 15)
7. FINANCIAL POSITION AND RESULTS REVIEW	
7.1. Financial position	5.1
7.1.1. Changes in results and financial position including key performance indicators of a financial nature and, where appropriate, non-financial nature	5.1.2 - 2.1.4.2
7.1.2. Forecasts for future development and research and development activities	4.1.3
7.2. Operating results	5.1.1 - 5.2 (note 4)
7.2.1. Significant factors, unusual, infrequent events or new developments	4.1.1
7.2.2. Reasons for significant changes in net sales or revenues	4.1.1

Information	Section of the Universal Registration Document
8. CAPITAL RESOURCES	
8.1. Capital information	5.1.4
8.2. Cash flows	5.1.3
8.3. Funding needs and funding structure	4.1.5
8.4. Restrictions on the use of capital resources	2.5
8.5. Anticipated sources of funds	4.1.5.1
9. REGULATORY ENVIRONMENT	
9.1. Description of the regulatory environment and any measures or factors of an administrative, economic, budgetary, monetary, or political nature	n/a
10. TRENDS INFORMATION	
10.1. Description of major trends and any significant changes in the Group's financial performance since the end of the last financial year	4.1.2 - 5.2 (note 1)
10.2. Events likely to have a material impact on the outlook	4.1.1.8 - 4.1.1.10
11. PROFIT FORECASTS OR ESTIMATES	
11.1. Published profit forecasts or estimates	4.1.1.10
11.2. Statement outlining key forecasting assumptions	4.1.1.10
11.3. Statement of comparability with historical financial information and compliance with accounting policies	5.2 (note 2)
12. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES	
12.1. Information concerning Management Board and Supervisory Board members	3.2
12.2. Conflicts of interests	3.2.2.5
13. REMUNERATION AND BENEFITS	
13.1. Remuneration paid and benefits in kind	3.3.2
13.2. Provisions for pensions and retirement benefits	5.2 (note 11)
14. BOARD PRACTICES/FUNCTIONING OF SUPERVISORY AND MANAGEMENT BODIES	
14.1. Expiry date of terms of office	3.2
14.2. Service contracts between members of the administrative, management or supervisory bodies and the issuer	n/a
14.3. Information on the Audit Committee and the Remuneration Committee	3.2.2.3
14.4. Statement of compliance with the corporate governance regime	3.1
14.5. Potential significant impacts on corporate governance	n/a
15. EMPLOYEES	
15.1. Number of employees	2.4
15.2. Profit sharing and stock options	3.3.4
15.3. Agreement for employees to subscribe to the share capital	5.2 (note 11)
16. MAJOR SHAREHOLDERS	
16.1. Shareholders holding more than 5% of the share capital at the time of publication of the Universal Registration Document	7.4
16.2. Existence of different voting rights	7.6.4
16.3. Ownership or control of the issuer, directly or indirectly	7.4
16.4. Arrangements known to the issuer, the operation of which may result in a change of control	n/a
17. RELATED PARTY TRANSACTIONS	5.2 (note 6.6)
18. FINANCIAL INFORMATION CONCERNING ASSETS AND LIABILITIES, FINANCIAL POSITION AND RESULTS	
18.1. Historical financial information	8.3
18.1.1. Audited historical financial information covering the latest three financial years and the audit report	8.3
18.1.2. Change of accounting reference date	n/a
18.1.3. Accounting standards	5.2 (note 2)
18.1.4. Change of accounting framework	5.2 (note 2)
18.1.5. Financial information under French accounting standards	5.3 - 5.4
18.1.6. Consolidated financial statements	5.1 - 5.2
18.1.7. Dates of the latest financial information	5.1 - 5.2

Information	Section of the Universal Registration Document
18.2. Interim and other financial information	n/a
18.2.1. Quarterly or half-yearly financial information	n/a
18.3. Audit of historical annual financial information	
18.3.1. Independent audit of historical annual financial information	5.5 - 5.6 - 5.7
18.3.2. Other audited information	5.7
18.3.3. Sources of information not audited by the statutory auditors	n/a
18.4. Pro forma financial information	n/a
18.5. Dividend policy	
18.5.1. Description of dividend distribution policy and any applicable restrictions	4.1.1.9 - 4.1.1.10
18.5.2. Amount of dividend per share	4.1.1.9
18.6. Governmental, legal and arbitration proceedings	n/a
18.7. Significant change in financial position	n/a
19. ADDITIONAL INFORMATION	
19.1. Share capital	
19.1.1. Amount of issued capital, number of shares issued and fully paid up and nominal value per share, number of shares authorised	7.2
19.1.2. Shares not representing capital	n/a
19.1.3. Number, book value and nominal value of treasury shares	7.3.3
19.1.4. Information concerning securities giving access to share capital	7.2.2
19.1.5. Information on the conditions governing any acquisition rights and/or obligations attached to the subscribed but not paid-up capital, or on any undertaking to increase the share capital	n/a
19.1.6. Information on the share capital of Group companies subject to option	n/a
19.1.7. Historical information of share capital	7.2.6
19.2. Memorandum and Articles of Association	
19.2.1. Register and corporate purpose	7.6
19.2.2. Rights, privileges and restrictions attached to each class of shares	7.6
19.2.3. Arrangement having the effect of delaying, deferring or preventing a change of control	7.6
20. MATERIAL CONTRACTS	n/a
21. DOCUMENTS AVAILABLE	8.4

8.6.2 CROSS-REFERENCE TABLE OF THE FINANCIAL REPORT

The below table of contents sets out the main categories required under the General Regulation of the AMF.

Category of Article 222-3 of the AMF General Regulations	Section of the Universal Registration Document
1. FINANCIAL STATEMENTS	5.3
2. CONSOLIDATED FINANCIAL STATEMENTS	5.1
3. MANAGEMENT REPORT	8.6.3
4. RESPONSIBLE PERSONS	
4.1. Persons responsible for the information included in the Annual Financial Report	8.1
4.2. Declaration of the persons responsible for the Annual Financial Report	8.1
5. STATUTORY AUDITORS' REPORTS	
5.1. Statutory Auditors' report on the statutory financial statements	5.6
5.2. Statutory Auditors' report on the consolidated financial statements	5.5

8.6.3 CROSS-REFERENCE TABLE OF THE MANAGEMENT REPORT

The management report prepared pursuant to Article L. 225-100 of the Commercial Code, updated by Ordonnance no. 2019-1234 of November 27, 2019, is included in this Universal Registration Document. It contains the following information (unless otherwise stated, the numbers in brackets refer to the relevant articles of the Commercial Code).

Some parts related to the coronavirus (COVID-19) were not included in the management report approved on February 12, 2020, but have been added for the purpose of the Universal Registration Document.

Management report		Section of the Universal Registration Document
1. Review of the business, results and financial position of the Company, its affiliates and companies under its control during the year	(L. 225-100, L. 225-100-1, L. 232-1- II, L. 233-6, L. 233-26, R. 225-102)	4.1.1
2. Dividends paid out in respect of the last three years	(Article 243 *bis* of the General Tax Code)	5.2 (note 12.3)
3. Foreseeable developments, outlook	(L. 232-1-II, L. 233-26, R. 225-102)	4.1.1.10
4. Important events since the end of the financial year	(L. 232-1-II, L. 233-26)	4.1.1.8
5. Research and development activities	(L. 232-1-II, L. 233-26)	n/a
6. Key performance indicators of a non-financial nature	(L. 225-100, L. 225-100-1)	
6.1. Description of the business model		1.1 - 1.3 - 1.4 - 1.5 - 2.1 - 4.1
6.2. Description of the main non-financial risks related to the Company's activity		2.1.2.2
6.3. Description of policies designed to prevent, identify and mitigate the occurrence of non-financial risks and the outcomes of these policies, including key indicators		2.1.2.2
6.4. Respect for human rights		2.1.5.1
6.5. Anti-corruption and bribery matters		2.1.5.1 - 3.4.1
6.6. Climate change (contribution and adaptation)		2.2.1
6.7. Circular economy		2.2.2.1 - 2.2.2.3 - 2.2.3.6 - 2.3.4.1
6.8. Fight against food waste and sustainable food		2.2.3.6 - 2.3.4.1 - 2.3.4.2
6.9. Collective agreements and impacts		2.4.3.4
6.10. Fight against discrimination and the promotion of diversity		2.4.2.2
6.11. Societal commitments		2.3
6.12. Fight against fraud (fight against fiscal evasion)		2.3.2.1
7. Main risks and uncertainties	(L. 225-100, L. 225-100-1)	6.1 - 6.2
8. Information about the Company's use of financial instruments	(L. 225-100, L. 225-100-1)	4.1.5
9. Employee shareholdings	(L. 225-102)	7.4.1
10. Summary of securities transactions carried out by executive management	(Article 223-26 of the AMF General Regulation, Article L. 621-18-2 of the Monetary and Financial Code)	3.3.3.5
11. Purchases and sales of treasury stock	(L. 225-211)	7.3.2
12. Acquisitions of holdings in or control over companies having their registered office in France	(L. 233-6)	7.7
13. Share ownership	(L. 233-13)	7.4
14. Controlled companies	(L. 233-13)	5.2 (note 3)
15. Branches	(L. 232-1, II)	n/a
16. Results of the Company over the last five years	(R. 225-102)	5.8.2
17. Breakdown of trade payables	(L. 441-6-1, D. 441-4)	5.8.1
18. Human resources information	(L. 225-102-1, R. 225-105, R. 225-105-1)	2.4
19. Environmental information	(L. 225-102-1, R. 225-105, R. 225-105-1)	2.2
20. Social information	(L. 225-102-1, R. 225-105, R. 225-105-1)	2.3 - 2.4
21. Verification of human resources, environmental and social information	(L. 225-102-1)	2.6
22. Share buy-back programme	(L. 225-211)	7.3
23. Loans with a maximum term of three years granted by the Company to micro, small and medium-sized companies	(Article L. 511-6 of the Monetary and Financial Code)	n/a
24. Injunctions or fines imposed by the French Competition Authority for anti-competitive practices, which the Authority as required to be disclosed in the Universal Registration Document	(L. 464-2)	n/a

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