BETTER PLACES.

ANNUAL AND SUSTAINABLE DEVELOPMENT REPORT 2016

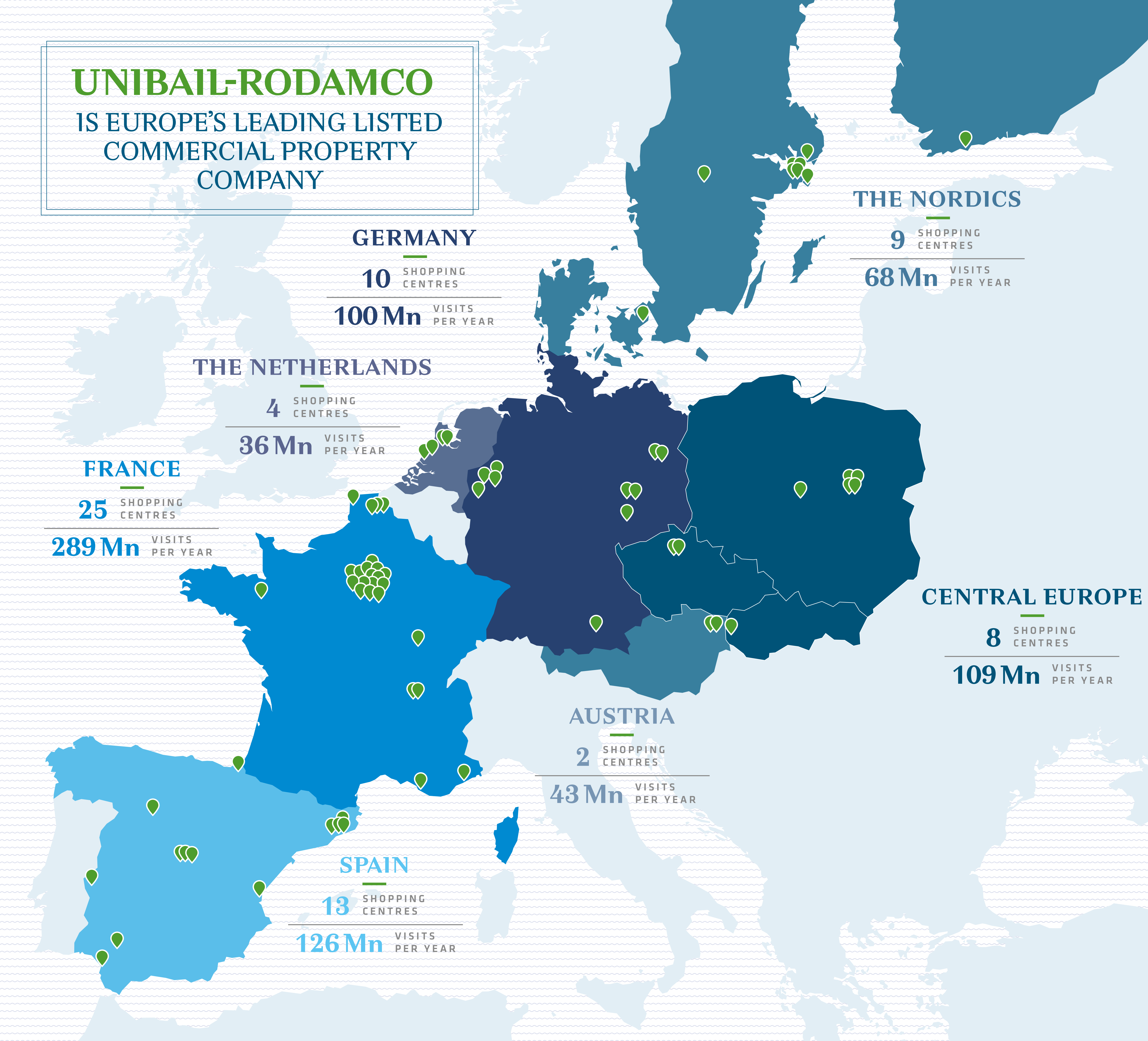
unibail·rodamco

About Unibail-Rodamco

Created in 1968, Unibail-Rodamco SE is Europe's largest listed commercial property company, with a presence in 11 EU countries, and a portfolio of assets valued at €40.5 billion as of December 31, 2016. As an integrated operator, investor and developer, the Group aims to cover the whole of the real estate value creation chain. With the support of its 1,990 professionals, Unibail-Rodamco applies those skills to highly specialised market segments such as large shopping centres in major European cities, large offices and convention & exhibition centres in Paris and its region.

The Group distinguishes itself through its focus on the highest architectural, city planning and environmental standards. Its long term approach and sustainable vision focus on the development or redevelopment of outstanding places to shop, work and relax. Its commitment to environmental, economic and social sustainability has been recognised by inclusion in the FTSE4Good and STOXX Global ESG Leaders indexes. The Group is a member of the CAC 40, AEX 25 and EuroSTOXX 50 indices. It benefits from an 'A' rating from Standard & Poor's and Fitch Ratings.

UNIBAIL-RODAMCO IS EUROPE'S LEADING LISTED COMMERCIAL PROPERTY COMPANY



OFFICES AND CONVENTION & EXHIBITION VENUES IN PARIS

OFFICES
Unibail-Rodamco focuses essentially on large, efficient office buildings at prime locations in Paris and La Défense.

CONVENTION & EXHIBITION
Viparis is a global leader in its sector and manages a portfolio of 11 unique world-class venues in Paris and its region.

SUMMARY

AN EXCELLENT YEAR FOR THE GROUP

2016 WAS ANOTHER YEAR OF FINANCIAL AND OPERATIONAL SUCCESS FOR UNIBAIL-RODAMCO. WITH ITS HIGH QUALITY ASSETS, ITS FLEXIBLE DEVELOPMENT PIPELINE, LOW COST OF DEBT AND DEDICATED, TALENTED PROFESSIONALS, UNIBAIL-RODAMCO IS WELL POSITIONED TO DELIVER CONTINUED STRONG GROWTH.

+10.4%

RECURRING EARNINGS PER SHARE GROWTH*

*Rebased for the disposals in 2015

Mall of Scandinavia, Sweden

71
SHOPPING CENTRES

1,990
EMPLOYEES

+5.2%
NET RENTAL INCOME

+1.4%
TENANT SALES

€10.20
DIVIDEND PER SHARE*

*Subject to the Annual General Meeting approval on April 25, 2017

Le Forum des Halles, France

UNVEILING THE CANOPY: A SYMBOL OF THE REVIVAL OF LES HALLES

THE PROJECT OFFERS BRAND NEW STORES AND A RENEWED CUSTOMER JOURNEY WITHIN AN ENTIRELY REINVENTED SPACE. UNIBAIL-RODAMCO'S AMBITION IS TO MAKE THE FORUM DES HALLES THE MAIN SHOPPING DESTINATION IN THE HEART OF PARIS.

Reducing the Group's carbon footprint with Better Places 2030

The Group revealed its ambitious CSR strategy. "Better Places 2030" addresses the main challenges facing commercial real estate for the coming years. By 2030, the Group aims at reducing its carbon emissions by -50%.

Mall of Europe, Belgium

Fostering Innovation

The Mixer welcomes external partners and internal teams in a 900m² co-working hub at the Group's HQ.

The Mixer, at Unibail-Rodamco HQ, Paris

The Designer Gallery™ at Galeria Mokotów

The initiative places fashion and creativity at the heart of the shopping experience. Poland welcomes the 3rd Designer Gallery™ of the Group as part of its destination concepts.

Galeria Mokotów, Poland

◇ CREATING VALUE FOR ALL STAKEHOLDERS ◇
UNIBAIL-RODAMCO BUSINESS MODEL

Inputs

SOURCES OF CAPITAL
(as of December 31, 2016)

Actively manage the balance sheet to optimise the weighted average cost of capital:

- Shareholders' equity
  - €21 Bn
- Bank loans and corporate bonds at lowest cost and optimal duration
  - Nominal financial debt: €13.8 Bn
  - 1.6% cost of debt, 7-year maturity
  - 33% Loan-to-Value and 'A' credit rating
- Recycle non-core asset disposal proceeds
  - €990 Mn Net Disposal Price

EMPLOYEES

1,990 talented and committed professionals

- Average age: 38 years

Strategy

CONCENTRATION

Focus on large, well-connected assets in Continental Europe's wealthiest metropolitan areas

- Most attractive assets for tenants, visitors and employees
- Generate superior growth and returns

DIFFERENTIATION

Continuous improvement of assets and services through redesigning, retenanting and remarketing: building the new face of retail

- Increase appeal and efficiency of shopping centres
- Attract new and differentiating retailers through active tenant rotation
- Drive footfall through attractive brands, spectacular events and superior services

INNOVATION

Continuously lead innovation and anticipate customer demands by:

- Fostering creativity with external partners and internal teams (UR Lab and UR Link)

Better places 2030

Ensure sustainable growth for all stakeholders and reduce by -50% the Group's carbon footprint by 2030

- Less carbon emissions, better buildings
- Less polluting transport, better connectivity
- Less local unemployment, better communities
- Less top-down, better collective power

Assets

SHOPPING CENTRES

The best Continental European shopping centre portfolio: leading destinations and exceptional customer experience

4 Star label, The Dining Experience™, The Designer Gallery™

- 71 shopping centres
- 3.5 million m² GLA
- €33 Bn portfolio
- €1,273 Mn NRI
- 1,479 leases signed
- 772 Mn footfall

OFFICES

High quality offices in Paris

- The New Art of Working
- 525,000 m² GLA
- €4 Bn portfolio
- €153 Mn NRI

CONVENTION AND EXHIBITION

The leading operator of prime venues in the Paris region

- 697,200 m² GLA
- €3 Bn portfolio
- €165 Mn NOI

Pipeline

Identifying, securing and developing new leading assets in Continental Europe

- Generating growth and creating value
- Providing new business opportunities for retailers and prime locations for tenants
- €8 Bn development pipeline: +1.2 million m² of new retail GLA (€6 Bn) +240,000 m² of new office GLA (€2 Bn)

Outcome

TENANTS

- Increasing footfall
- Increasing tenant sales

CUSTOMERS AND USERS

- Increasing customer satisfaction
- Increasing frequency of visits and dwell time
- Improving office users' well-being

COMMUNITIES

- Generating economic growth and tax revenues
- Providing employment
- Contributing to urban redevelopment

SHAREHOLDERS AND CREDITORS

- Generating long-term value creation
- Consistently growing recurring EPS and dividends
- Maintaining a strong balance sheet

“We set ourselves apart by offering the best places, the best experiences and the best brands to our customers.”

Christophe Cuvillier,
CEO & Chairman
of the Management Board

Dear Shareholders,

Since I became CEO of Unibail-Rodamco in 2013, we have, together with the new Management Board, accelerated our strategy of concentration, differentiation and innovation. We have further streamlined our portfolio to concentrate on the best performing assets, in the best catchment areas. And we have reinforced our differentiation by redesigning, retenanting and remarketing our shopping centres. This has helped increase the number of visitors, better match their preferences and improve our global performance.

2016 has been another very successful year, despite headwinds due mostly to the impact of terrorist threats throughout Europe, with:

- recurring Earnings Per Share reaching €11.24, an increase of +10.4% from the recurring EPS for 2015, rebased for the impact of the disposals in 2015;
- a solid like-for-like net rental income (NRI) growth of +2.4%;
- the average cost of debt further reduced to an all-time low of 1.6%, while the average maturity of the debt was extended to a record 7 years;
- excellent tenant sales growth for our recently renovated shopping centres: +8.3% for Aupark, +13% for Euralille, +17.9% for Ruhr Park and +23.2% for the Forum des Halles since the opening of the Canopy extension in April 2016;
- and an outstanding success for our new Mall of Scandinavia in Stockholm, with more than 13 million visits for its 1st calendar year.

TOMORROW’S ASSETS IN MOTION

I deeply believe that the commercial real estate industry is at a turning point, with the growing influence of the internet and social networks on retail, as well as the emergence of a fully “omni-channel” consumer. More than ever, innovation will be a driving force for value creation.

In 2012, we launched “UR Lab”, the Group’s innovation incubator. In 2016, we took innovation one step further: we launched “UR Link”, our start-up accelerator, and we inaugurated The Mixer, a new co-working space located in our Paris headquarters. The Mixer aims at fostering creativity and open innovation to invent the retail of tomorrow. The results exceeded our expectations: 281 start-ups applied to “UR Link” last year, and 11 entered the programme. We are already implementing Group-wide partnerships with two of them.

We set ourselves apart by offering the best places, the best experiences and the best brands to our customers. This is why we continue to create new destinations: The Designer Gallery™ and The Dining Experience™ are being rolled-out across all regions. We are also inventing the most family friendly shopping centres in Europe: with the launch of the Family Experience in 2016, we put families at the heart of the customer experience, with tailored services, attractions and retailers. The first pilot was launched in Donau Zentrum, in Vienna, with great success.

The Group was also proactive in enhancing its retail offer, with tenant rotation of 13.3%, well above our target of 10% per year. We increased the share of International Premium Retailers, with 15.7% of new signings, including many “firsts” such as the first directly operated Topshop in a mall in Continental Europe, the first Dior Parfums in Poland and market entries for NYX in Poland, Austria and Slovakia. This continuous renewal of the retail offer reinforces customer preference for our centres.

Mall of Europe, Belgium

> “We all are now looking forward to building the future successes of the Group.
> ”

We made significant progress in our digital strategy, aiming to offer the best omni-channel experience to our visitors and to bring innovative services into our shopping centres, such as Smart Map, deployed in 57 centres, enabling visitors to easily locate on their smartphones the shops they are looking for, or Smart Park, which automatically memorises their parking space.

In the offices division, in addition to great leases, highlights of the year include the successive disposals of 2-8 Ancelle in Neuilly, So Ouest Office in Levallois, Nouvel Air in Issy-les-Moulineaux and 70-80 Wilson in Nanterre. We demonstrated our ability to create value through capital recycling: the disposal of offices reached a total Net Disposal Price of €901 Mn, generating a premium of 24.8% to unaffected book value.

The Convention and Exhibition sector, with a growth of +9.7% of its Recurring Operating Income, showed strong resilience in a difficult environment in France, thanks to some outstanding events: the new Viva Technology Show at Porte de Versailles, the largest tech event in Europe, welcomed over 5,000 start-ups and 45,000 visitors; Porte de Versailles also hosted the International Broadcast Centre of the Euro 2016 Football Championship. The first phase of the renovation works at Porte de Versailles progressed, with the construction of the new Welcome Plaza and the redevelopment of Pavilion 7, to create the new Paris Convention Centre.

Lastly, in order to lay the foundations for future growth, we continued our efforts to identify and secure new development projects. Our pipeline now stands at more than €8 billion. In 2016, we added €900 million of new projects, including the extensions of La Part-Dieu in Lyon and of Garbera in San Sebastian. In 2017, we will be delivering the full redevelopment of Glòries in Barcelona, the extension of Centrum Chodov in Prague, the new Wroclavia in Wroclaw and the extension of Carré Sénart and Parly 2.

LONG-TERM VALUE WITH OUR PEOPLE

All the teams of Unibail-Rodamco contributed to these excellent results, with their expertise, their engagement, and their collective power. They share the Management Board’s ambition to generate superior results and create more value for our shareholders. They fully deserve my gratitude for their achievements, highlighted in this annual report. We all are now looking forward to building the future successes of the Group.

> “By creating better places together, we respond as a leader of our industry to a necessity for the planet.
> ”

The Mixer, at Unibail-Rodamco HQ, Paris

Corporate governance is key to our achievements. In this respect, I would also like to thank the members of the Supervisory Board for their constructive support, with a particular mention of our Chairman, Rob Ter Haar, whose mission will come to an end on April 25, 2017.

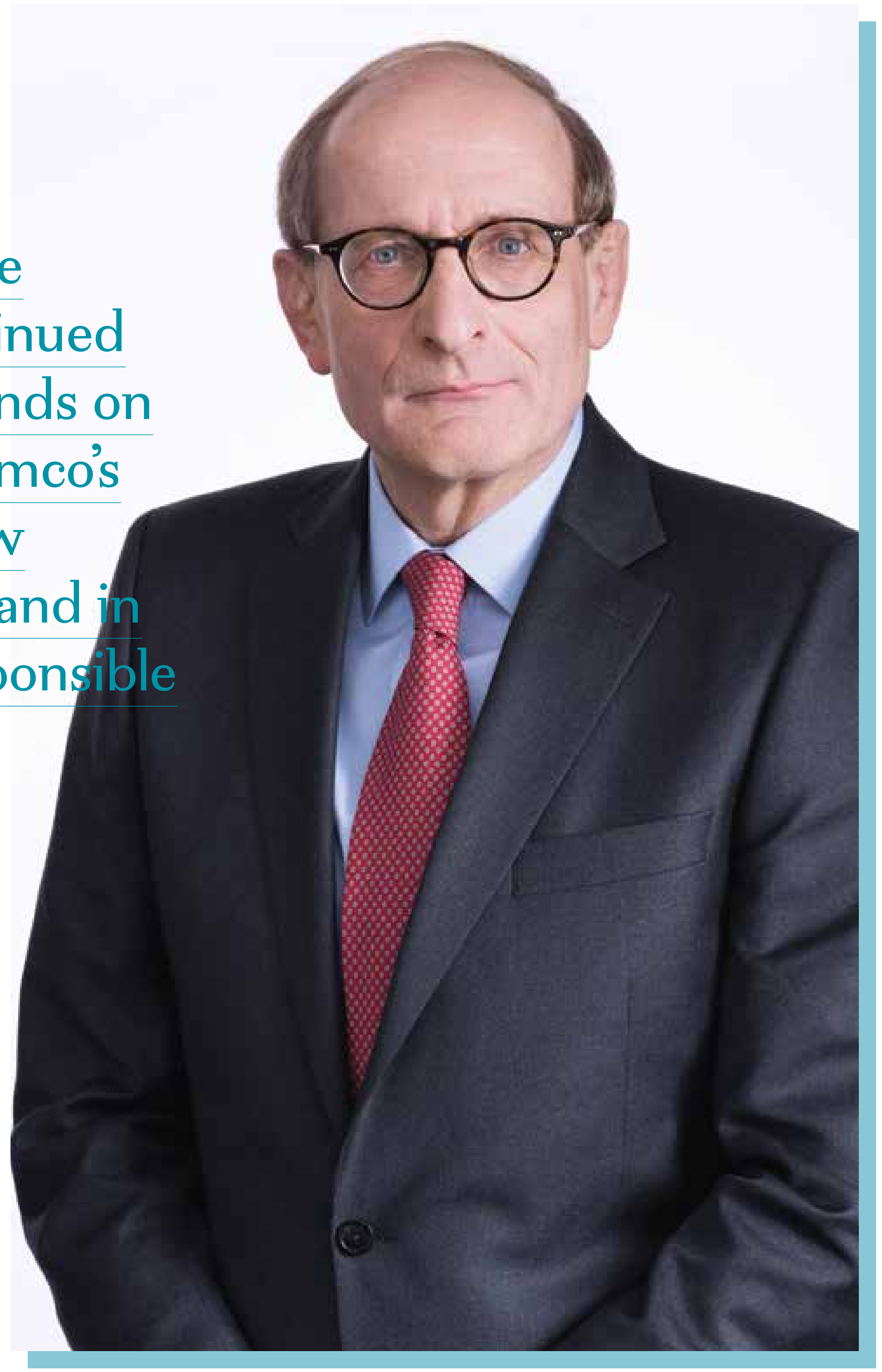
CREATING BETTER PLACES TOGETHER

At Unibail-Rodamco, we have a major influence on how people live, work, shop and are entertained. Therefore we have a serious responsibility for the future of the cities and communities we operate in. This is why, in light of the outcome of the Paris agreement on climate change (COP21), I decided to launch a new and ambitious programme for the Group, unveiled in September 2016: “Better Places 2030”.

“Better Places 2030”, detailed in this annual report, addresses the main challenges facing commercial real estate for the next 15 years: moving to a low carbon economy, anticipating new modes of sustainable mobility, and fully integrating our business activities within the local communities. Based on a simple mindset, “less is better”, its objective is to reduce by no less than 50% the carbon footprint of Unibail-Rodamco’s buildings by 2030. It concerns all the Group’s activities, and covers not only the direct and indirect emissions of greenhouse gases of the Group itself, but also, and for the first time in the Real Estate industry, those stemming from construction works, as well as from the energy used by our tenants and for the transportation of visitors and occupants of our buildings.
I am convinced that by creating better places together, we respond as a leader of our industry to a necessity for the planet, but we also answer an essential aspiration of younger generations. With “Better Places 2030”, we aim at making Unibail-Rodamco more attractive for employees, tenants, investors and stakeholders, and therefore an even better and more successful company.

The Management Board

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



"We recognise that our continued success depends on Unibail-Rodamco's ability to grow substainably and in a socially responsible manner."

Rob Ter Haar,
Chairman of
the Supervisory Board

The Supervisory Board is pleased that 2016 was another excellent year for Unibail-Rodamco. In the face of moderate economic growth, security concerns and an unstable political environment in Europe and around the world, Unibail-Rodamco remains strong and steady.

The key to this success is its long-term value creation objectives. With this focus on the future, it has the largest development pipeline of any European real estate company, valued at €8 Bn year-end 2016. Additionally, the Group is continually focused on revamping and renovating existing assets to deliver quality experiences to visitors.

Growing sustainably continues to be key to the Group's success and the Supervisory Board understands that this is also a key concern of many of our shareholders. This eye on the future drove the Group to announce, in 2016, the most ambitious Corporate Social Responsibility agenda of any listed real estate company, "Better Places 2030".

This was also an active year for the Supervisory Board. Major shareholder engagement and outreach was conducted on corporate governance matters generally and, in particular, the Group's remuneration policy (including its Long-term Incentive scheme). Led by the Audit Committee, the Supervisory Board focused on Risk Management leading to the formalization of a Risk Management Policy. Led by the Governance, Nomination & Remuneration Committee, the Supervisory Board focused extensively on succession planning. With respect to the Supervisory Board, one member renewal and three new members are being proposed for shareholder approval at the 2017 Annual General Meeting. These new members will continue to reinforce the Supervisory Board's competence in key areas such as digital, real estate/asset management, retail and finance.

The relationship between the Supervisory Board and the Management Board remains productive with open and frank discussion on strategy and all topics generally. The success of the Group is due not only to the strength of its leadership, but also the contributions of the entire Unibail-Rodamco team. The Supervisory Board is confident in the Group's ability to continually deliver value to its clients and to its shareholders. On February 1, 2017, it determined that each Management Board member had contributed to the long-term value creation of the Company and its shareholders. Accordingly, it decided to re-appoint the CEO and Chairman of the Management Board as well as all the other members of the Management Board for another 4-year mandate, effective as from April 25, 2017.

This will be my final message as Chairman of the Supervisory Board. I would like to thank you the shareholders, the Management Board and my colleagues in the Supervisory Board. It has been an honor to serve with such a talented group. The Supervisory Board has ensured a successor who will do a fine job in the role of Chairman of the Supervisory Board.

9 MEMBERS OF THE SUPERVISORY BOARD

The Supervisory Board (SB), chaired by Rob Ter Haar, exerts oversight and control over the Management Board and the general affairs of the Group. SB members participate in regular review sessions on subjects including market and industry developments, financial and legal matters, sustainable development, risk management and governance. The SB is assisted by two committees which focus on specific aspects of its supervisory responsibilities: the Audit Committee, and the Governance, Nomination and Remuneration Committee. As of December 31, 2016, all SB members were independent according to criteria defined in the SB Charter, based on the AFEP-MEDEF French Corporate Governance Code criteria.

Rob Ter Haar,
Chairman of the Supervisory Board

Jean-Louis Laurens,
Vice Chairman of the Supervisory Board







1 Mary Harris
2 Dagmar Kollmann
3 Yves Lyon-Caen
4 Alec Pelmore
5 Sophie Stabile
6 Jacques Stern
7 Jacqueline Tammenoms Bakker

Mall of Scandinavia, Sweden

An Outstanding Financial Year

PURSUING ORGANIC GROWTH

JAAP TONCKENS
Chief Financial Officer

Unibail-Rodamco has grown its underlying cashflow at an annual average rate of 8.6% during each of the last 4 years[1].
This demonstrates the success of the Group's disciplined approach to managing superior long-term cashflow growth from the best-in-class shopping centres and iconic office assets. This approach requires firm adherence to the Group's demanding financial return criteria, despite the currently low weighted average cost of capital. Unibail-Rodamco will continue to evaluate acquisition opportunities, preferably in "off market" transactions. However, in light of the current market conditions, the emphasis will be on disposing "dry" or "non-core" assets despite the dilutive impact. The Group has demonstrated its ability to grow its recurring earnings organically as well as create significant value by delivering on its development pipeline. Since 2012, Unibail-Rodamco has delivered eight new shopping centres for a total investment cost of €2.7 Bn. The net value creation from these deliveries amounted to €800 Mn, approximately €8/share over this period. This represents a gain of almost 30%. The Group is committed to continuing its organic growth strategy and expects to invest around €1.5 Bn per year during the current 5-year business plan. This will be financed through a combination of asset disposals and the issuance of debt instruments.
Unibail-Rodamco considers the strength of its balance sheet a competitive advantage and manages it as actively as it does its physical assets. The objective is to maintain a robust credit profile and ample financial liquidity (currently almost €6.0 Bn) to be able to take advantage of opportunities, should these arise.

> "Unibail-Rodamco has demonstrated its ability to grow its recurring earnings organically as well as create significant value by delivering on its development pipeline."

UNIBAIL-RODAMCO'S OUTSTANDING FINANCIAL RESULTS FOR 2016 WERE THE OUTCOME OF THE RELENTLESS EXECUTION OF THE GROUP'S OPERATING AND FINANCIAL STRATEGY BY THE TALENTED TEAMS IN ALL OF ITS REGIONS.

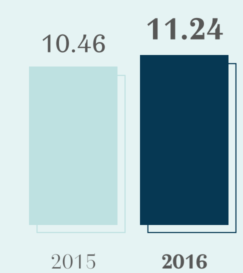
[1] *Rebased for disposals in 2014 and 2015.*

	FY-2015	FY-2016	GROWTH	LIKE-FOR-LIKE GROWTH
NET RENTAL INCOME *(in €Mn)*	1,453	1,529	+5.2%	+2.4%
Shopping Centres	1,177	1,273	+8.1%	+3.4%
France	549	581	+5.7%	+3.2%
Central Europe	148	156	+5.4%	+7.4%
Spain	147	146	-1.0%	+0.8%
The Nordics	106	140	+31.9%	+3.3%
Austria	92	99	+7.1%	+7.5%
Germany	67	90	+34.1%	+3.3%
The Netherlands	67	62	-8.1%	-6.3%
Offices	170	153	-10%	-2.0%
Convention & Exhibition	105	103	-2.7%	-2.7%
Recurring Net Result *(Group share, in €Mn)*	1,030	1,114	+8.1%	
Recurring EPS *(in € per share)*	10.46	11.24	+7.5%	+10.4%[1]

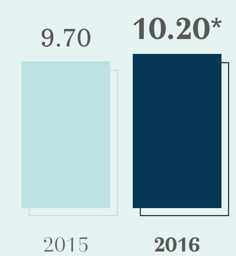
	FY-2015	FY-2016	GROWTH	LIKE-FOR-LIKE GROWTH
TOTAL PORTFOLIO VALUATION *(in €MN)*	37,755	40,495	+7.3%	+6.2%
Going Concern Net Asset Value *(in € per share)*	186.7	201.50	+7.9%	
EPRA Triple Net Asset Value *(in € per share)*	169.9	183.7	+8.1%	

Figures may not add up due to rounding.
[1] On 2015 REPS, rebased for disposals in 2015, of €10.18.

RECURRING EPS
• In € •



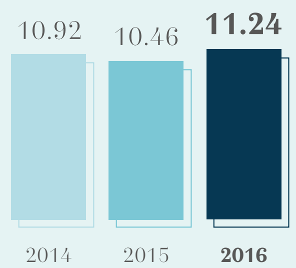
DIVIDEND PER SHARE
• In € •



**Subject to the approval of the Annual General Meeting on April 25, 2017.*

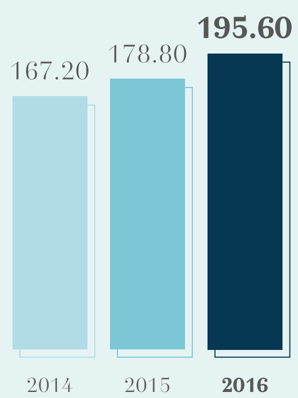
EPRA PERFORMANCE MEASURES

Unibail-Rodamco complies with the Best Practice Recommendations (BPR) established by EPRA, the representative body of the publicly listed real estate industry in Europe. These recommendations, which focus on the key measures of the most relevance to investors, are intended to make the financial statements of public real estate companies clearer, more transparent and comparable across Europe.



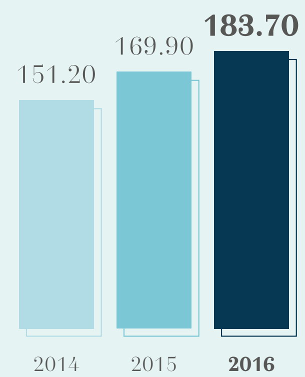
EPRA EARNINGS
• in € per share •

Recurring earnings from core operational activities.



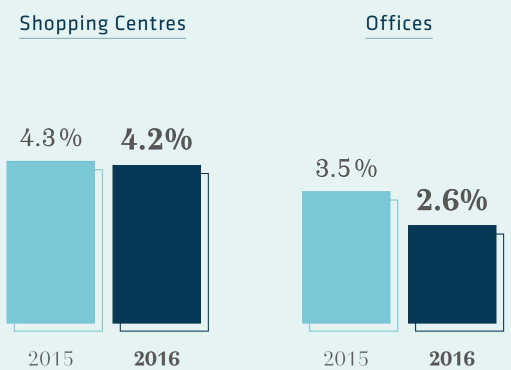
EPRA NET ASSET VALUE (NAV)
• in € per share •

Net Asset Value adjusted to include properties and other investment.



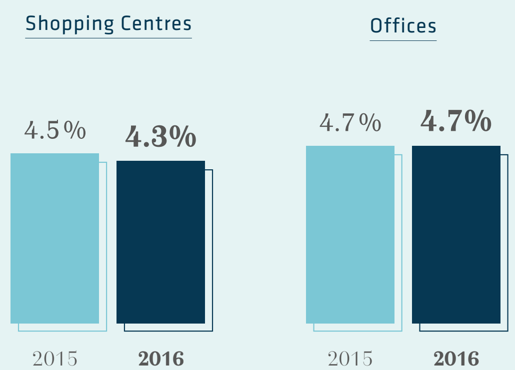
EPRA NNNAV
• in € per share •

EPRA NAV adjusted to include the fair values of (i) financial instruments, (ii) debt and (iii) deferred taxes.



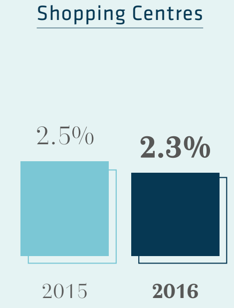
EPRA NET INITIAL YIELD (NIY)

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 property.



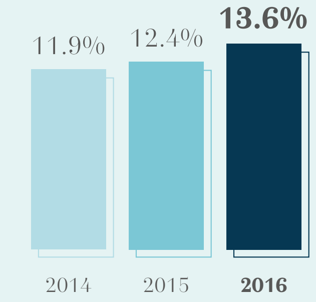
EPRA 'TOPPED-UP' NIY

This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).



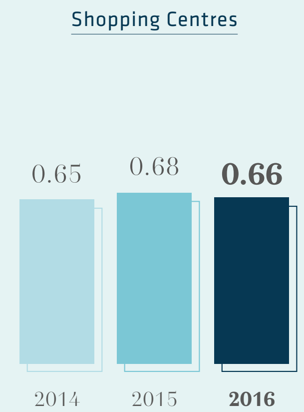
EPRA VACANCY RATE

Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio.



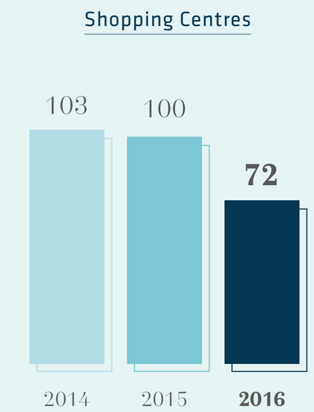
EPRA COST RATIO
• Excluding direct vacancy costs •

It is calculated as EPRA costs as a percentage of gross rental income less ground rent (including share of joint venture gross rental income less ground rent).



SHOPPING CENTRE ENERGY INTENSITY
• kWh/visit lfl •*

The indicator refers to the total amount of direct and indirect energy used by renewable and non-renewable sources in a building over a full reporting year, normalised by an appropriate denominator.



GREENHOUSE GAS (GHG) INTENSITY FROM SHOPPING CENTRE ENERGY CONSUMPTION
• kg CO_2 e/visit lfl •*

The indicator refers to the total amount of direct and indirect GHG emissions generated from energy consumption in a building over a full reporting year, normalised by an appropriate denominator.

*See all EPRA KPIs of the financial report.

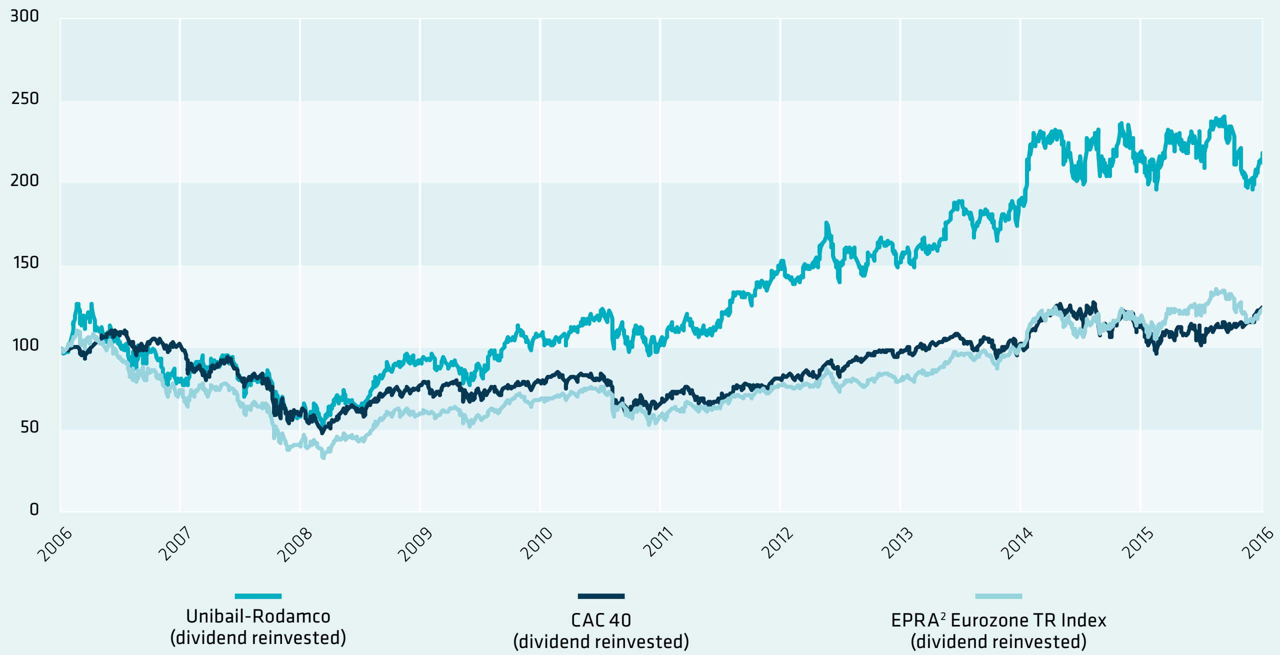
SHAREHOLDER'S REPORT

STOCK MARKET PERFORMANCE AND SHAREHOLDING STRUCTURE

"In 2016, the Group seized market opportunities to issue a 20-year bond, the longest maturity for a public euro bond issued by a real estate company, and an 8-year bond with the lowest coupon achieved by the Company. Consequently, the Group increased its average debt maturity to 7 years, reached a new all-time low cost of debt of 1.6% and maintains a well hedged position limiting the Group's exposure to interest rates increases.

Fabrice Mouchel,
Deputy Chief Financial Officer

RELATIVE PERFORMANCE OF UNIBAIL-RODAMCO'S SHARE
(REBASED TO 100 AS OF DECEMBER 30, 2006)



SHAREHOLDING STRUCTURE

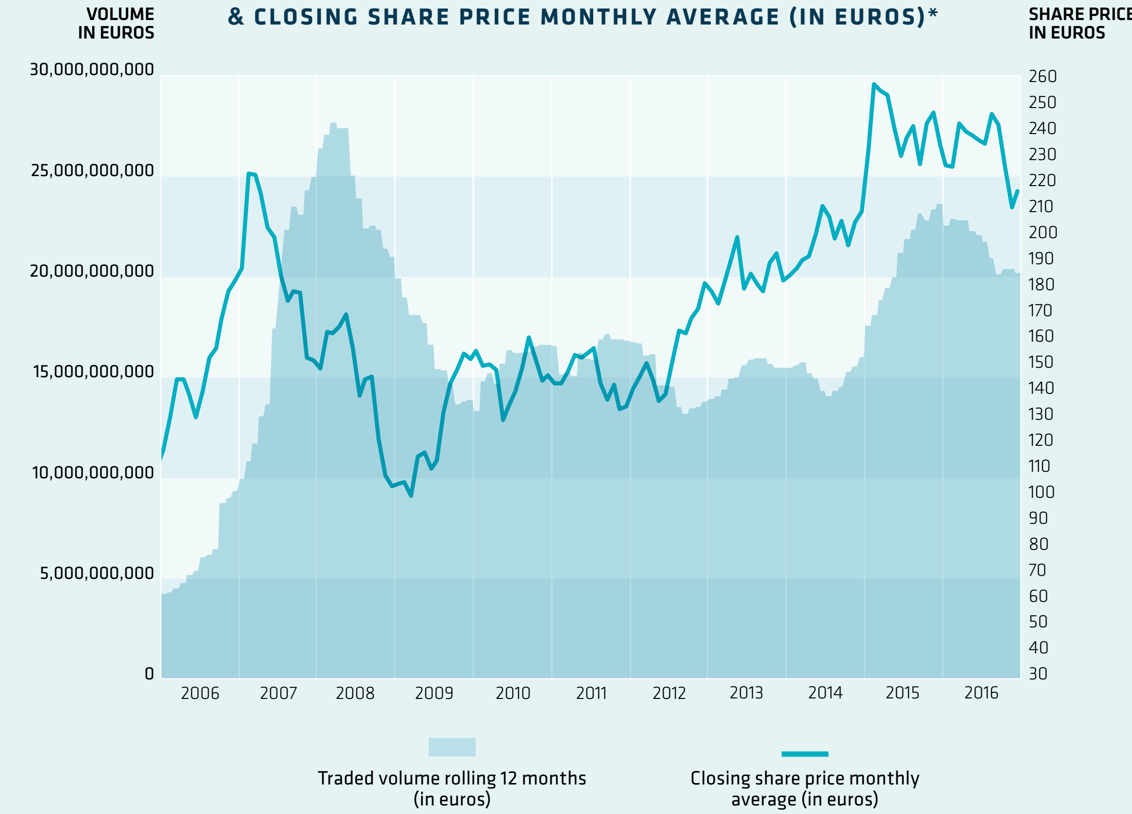
Unibail-Rodamco has been listed on the Paris Stock Exchange since 1972 and on the Amsterdam Stock Exchange since 1983. The Group is included in the French CAC 40 index since June 18, 2007, in the Dutch AEX 25 since June 22, 2007, and in the Dow Jones Euro Stoxx 50 Index since February 8, 2010. On December 31, 2016, the Group had a market capitalisation of €22.5 billion. Unibail-Rodamco has a large and diverse international shareholder base, which is mainly composed of institutional investors based in the United States, the United Kingdom, The Netherlands and France. As at December 31, 2016, none of Unibail-Rodamco's shareholders had declared holdings of more than 10% of the issued share capital. The main known shareholders, with holdings of between 3% and 10%[1], include APG Asset Management, BlackRock Fund Advisors, Northern Cross and Amundi Asset Management.

SHARE PRICE PERFORMANCE

Shareholder value creation is measured by Total Shareholder Return (TSR). TSR indicates the total return obtained through ownership of a share over a given period of time. It includes dividends (or any other distribution) paid and reinvested in the company's shares, as well as any change in the company's share price. Annualised TSR for Unibail-Rodamco shares amounted to 8.4% per annum over a 10-year period between December 30, 2006, and December 31, 2016, compared with 2.4% for the CAC 40 index and 2.4% for the EPRA[2] Eurozone Total Return Index.

(1) Based on latest ownership threshold disclosures received.
(2) European Public Real Estate Association (www.epra.com). TSR for EPRA Eurozone Total Return Index is calculated with gross dividend reinvested.

TRADED VOLUME ROLLING OVER 12 MONTHS (IN EUROS) & CLOSING SHARE PRICE MONTHLY AVERAGE (IN EUROS)*



*Data up to December 31, 2016.

TRADED VOLUMES

In 2016, the average daily volume of shares traded was ca. 338,000 compared to 377,000 in 2015. The value of the number of average daily traded shares was €78.2 million in 2016, compared to €92.2 million in 2015.

2017 DISTRIBUTION SCHEDULE

Unibail-Rodamco's current distribution policy is to pay out between 85% and 95% of the financial year's net recurring earnings per share. At the Annual General Meeting (AGM) to be held on April 25, 2017, the Management Board will propose a distribution of €10.20 per share for the 2016 fiscal year, representing a pay-out ratio of 91%. Subject to approval by the AGM, shareholders will be paid:

- €7.52 per share in cash paid from Unibail-Rodamco's tax exempt real estate activities (the "SIIC dividend")[3]; and
- €2.68 per share in cash paid from the Group's non-tax exempt activities (the "non SIIC dividend").[3]

The dividend for the year 2016 will be paid in 2017 according to the following schedule:

- Payment of an interim dividend of €5.10 on March 29, 2017 (ex-dividend March 27, 2017); and
- Payment of a final dividend of €5.10 on July 6, 2017 (ex-dividend July 4, 2017), subject to approval by the AGM.

(3) Refer to section 2.1.6 of the Financial Report.

INVESTOR AND SHAREHOLDER RELATIONS CONTACTS

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investors@unibail-rodamco.com

FINANCIAL SERVICES FOR SHARES AND DIVIDENDS:
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Investor Services (CACEIS)
Service Emetteurs-Assemblées
14, rue Rouget de Lisle
92862 Issy-les-Moulineaux
Cedex 9 – France
Tel: +33 (0)1 57 78 34 44
Fax: +33 (0)1 57 78 34 00

3 Pays, France

Creating Better Places Together

BETTER PLACES 2030

AN INTEGRATED COMMITMENT TO REDUCE THE GROUP'S CARBON FOOTPRINT

ASTRID PANOSYAN
Chief Resources Officer

Mall of Europe, Belgium

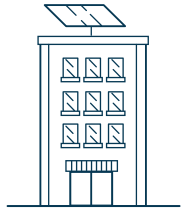
A 10-YEAR HISTORY AND PROVEN TRACK RECORD
Unibail-Rodamco has been a pioneer in the field of Corporate Social Responsibility, placing it at the heart of its strategy. CSR is a vehicle for progress for visitors of our shopping centres, a competitiveness factor for retailers who have put their trust in the Group and is equally important to our investors. As early as 2007, Unibail-Rodamco had devised an ambitious CSR strategy based on environmental best practices, social fairness and transparent governance. These commitments soon became an integral part of the operating, development and investment activities of Unibail-Rodamco and its teams, enabling the Group to obtain the best scores in the market.

PIONEERING CHANGE IN THE INDUSTRY
In September 2016, the Group committed to a new long-term challenge, setting out very ambitious objectives: "Better Places 2030" aims to reduce by -50% its overall carbon emissions by 2030. Unibail-Rodamco became the first listed real estate company to engage on such an ambitious and global strategy. In order to fulfill this objective, all employees and partners will be involved, reinforcing the Group's role in the industry as a leader in sustainable transformation.

The 4 Pillars

The Group has a major responsibility for the future of the cities and communities in which it operates. "Better Places 2030" addresses the main challenges facing commercial real estate for the next 15 years. It is based on a simple mindset, "less is better", and 4 pillars which each has clear objectives.

1 LESS CARBON EMISSIONS, BETTER BUILDINGS



100% of existing assets and development projects engaged in the reduction of the Group's carbon footprint

◇

-35% carbon footprint from construction

-70% carbon emissions from operations

100% green electricity

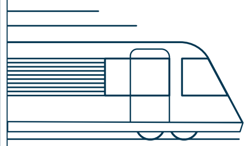
2 LESS POLLUTING TRANSPORT, BETTER CONNECTIVITY

100% of shopping centres connected to sustainable modes of transport

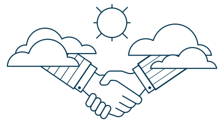
◇

-50% carbon footprint from transport

75% of all visitors coming to the Group's shopping centres by sustainable transport



3 LESS LOCAL UNEMPLOYMENT, BETTER COMMUNITIES



100% of shopping centres committed to supporting local employment and economic development

◇

1,000 unskilled young people hired per year through UR for Jobs

100% of shopping centres will organise one event per year in partnership with a local NGO

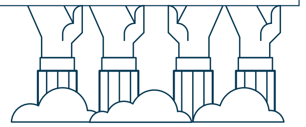
4 LESS TOP-DOWN, BETTER COLLECTIVE POWER

100% of the workforce committed to sustainable development

◇

100% of employees part of the Annual Day of Solidarity

100% employees with CSR objectives



PILLAR 1

LESS CARBON EMISSIONS, BETTER BUILDINGS

*Reducing by -35% the carbon footprint from the construction of new development projects by 2030**

SOLUTIONS

- *Apply a "sober building" approach*
- *Choose alternative, low-carbon materials*
- *Gradually reduce the carbon footprint of construction materials through procurement policy*
- *Develop targeted partnerships with construction firms and manufacturers of building materials*

TIMELINE

2016: Implementation of processes for measuring carbon footprint of each project from the conception phase.

2017: Implementation of experimental low carbon solutions in new projects. Establishment of strategic partnerships for low carbon solutions.
Selection of new key performance indicators for investment decisions.

2020-2030: Update Group guidelines and recommendations for eco-design. Integration of technological advances in their pilot stage.

*Reducing by -70% the carbon emissions from the operation of existing assets***

SOLUTIONS

- *Accelerate the Group's energy efficiency policy*
- *Systematic use of electricity from renewable sources*

TIMELINE

2016-2017: Implementation of partnerships with the retailers to accelerate and support the on-going transformation.

2017: 100% green electricity for all new electricity supply contracts in the shopping centres and office buildings. Systematic roll out of 100% LED lighting solutions in the shopping centres of the Group.

2018: Renewable electricity for 100% of the Group's assets.

2020-2030: Obligation in all new leases for retailers to install 100% LED lighting solutions and use energy supplied from renewable sources.

** Construction accounts for approx. 10% of the Group's annual carbon footprint.*

*** The operation of assets accounts for approx. 30% of the Group's annual carbon footprint.*

PILLAR 2

LESS POLLUTING TRANSPORT, BETTER CONNECTIVITY

*Reducing by -50% the Group's annual carbon footprint from transport by 2030**

SOLUTIONS

- *Connect future development projects to the city incorporating sustainable modes of transport*
- *For existing assets, develop the largest possible offer of sustainable transportation solutions*
- *Implement a set of pooled logistic solutions for tenant deliveries*

TIMELINE

2017: Acceleration of the deployment of low-carbon transportation solutions, parking spaces fitted with free charging points for electric vehicles.

2018: 100% of the Group managed parking lots equipped with parking spaces fitted with free charging points for electric vehicles.

2020: 100% of new development projects with at least one sustainable mode of transportation.

2020-2030: Implementation of pooled logistic solutions for urban shopping centres.

** The transportation of visitors + tenants' employees accounts for approx. 50% of Unibail-Rodamco's annual carbon footprint.*

PILLAR 3

LESS LOCAL UNEMPLOYMENT, BETTER COMMUNITIES

Supporting the development of communities

SOLUTIONS

- *Help unskilled young people find a job in the Group's shopping centres through the UR for Jobs programme*
- *Support economic stakeholders in local communities*
- *Strengthen partnerships with local organisations*
- *Develop services towards the community of employees working in the Group's shopping centres*

TIMELINE

2016: 3 pilot centres in the UR for Jobs programme.

2017: 15 centres in the UR for Jobs programme.

2018: 100% of shopping centres holding an annual event involving a local or national non-profit organisation.

2019: 100% of shopping centres using Connect, the app for the Group employees and retailers.

2020: UR for Jobs in 100% of the Group's shopping centres with at least 6 million visits annually. At least 1,000 unskilled young people per year hired through the UR for Jobs programme.

PILLAR 4

LESS TOP-DOWN, BETTER COLLECTIVE POWER

100% of employees to be actors of the change

SOLUTIONS

- *Create an Annual Day of Solidarity involving all employees*
- *Encourage new, environmentally friendly behaviour by employees*
- *Set CSR goals for all employees, adapted to each of the Group's activities*
- *Create a dedicated team, under the direct responsibility of the Management Board, to help achieve CSR goals*
- *Build momentum to involve the Group's ecosystem of partners*

TIMELINE

2017: Organisation of the Annual Day of Solidarity in pilot shopping centres.
Implementation of specific CSR objectives for top 100 managers.
All new company cars hybrid or electric.

2018: Roll out of the Annual Day of Solidarity to the whole Group.
Implementation of specific CSR objectives for 100% of the Group's employees.

2020: 100% of company cars hybrid or electric.

Le Forum des Halles, France

Setting Ourselves Apart

INSIDE UR

Unibail-Rodamco's employees shape tomorrow's cities, impacting the way people work, shop and live in Europe. Its workforce is made up of the best, the brightest and the boldest. The Group provides a platform for all employees to perform. Young people in particular are entrusted with a high level of responsibility.

The 6 pillars of the UR Experience, the Group's corporate culture

We work harder, we deliver faster
We create unique opportunities
We only play to win
We never compromise on ethics
We turn individual strengths into collective power
We trust our people, we empower them to dare

The UR commitment

A COMPETITIVE COMPENSATION POLICY

The Group seeks to attract and retain the best talent on the market. This is why it implements a comprehensive and competitive compensation policy based on merit, performance and loyalty. The package aims to motivate, reward and retain. This policy supports long-term growth of the Group.

- 16% of employees are granted Long-Term Incentives with stock options and performance shares.

A QUALITATIVE TALENT REVIEW

Unibail-Rodamco's approach to talent review is 360°. It takes multiple perspectives into account to ensure wide, fair and accurate individual assessments of all employees. The talent review aims to encourage career evolution within the Group.

- 291 promotions and 240 internal mobilities in 2016.

Building on the UR Experience

THE SECOND ENGAGEMENT SURVEY

The engagement survey offers all employees the opportunity to share their experiences. Involvement from teams in various workshops and 50 focus groups in 2016 were decisive in shaping the first action plan related to work-life balance, tools efficiency, recognition and employer brand.

- 81% participation rate in 2016
- 67% of employees feel motivated to go the extra mile for the Group

43% EMPLOYEES BORN AFTER 1983

45 NATIONALITIES

50% MEN

50% WOMEN

60 GRADUATES HIRED THROUGH THE EUROPEAN GRADUATE PROGRAMME IN 2016 FROM THE BEST EUROPEAN SCHOOLS AND UNIVERSITIES

KEY PROJECTS ENRICHING THE UR EXPERIENCE

INTERNATIONAL DIVERSITY

- The Group proposes the UR International Mobility Assignment Programmes (URIMAP): international mobility with five types of programmes, tailored to the Group's business activities and individual needs.
- +37.5% in international mobility from 2013 to 2016.

BUILDING WOMEN@UR

- Sharing Sessions: informal moments between senior and female talent, to share experiences and advice on career progression.
- Gender balanced leadership programmes: dedicated to top 100 European managers of the Group, including both men and women.
- 28.4% of positions at Principal grade and above are held by women
- 41% of expatriates in 2016 are women.

FOSTERING INNOVATION

- Innovation Champion Graduate Programme for dedicated innovation projects: 28 innovation champions in 2016.
- UR Link: the Group's start-up accelerator offers employees the opportunity to work every year with new start-ups.

CAREER PATHS WITH CONTINUOUS LEARNING

- **A dedicated programme for young graduates**
Each year, the Group recruits top talent for the European Graduate Programme (EGP). They each complete three four-month assignments in various departments, including at least one experience outside of their home country. Young graduates develop their core business skills, and acquire cross-functional expertise.
- **Talent Management through targeted programmes**
- The second edition of the UR Summer Campus for young talent: an interactive programme lead by managers and Board Members. This edition focused on enforcing a culture of feedback and sustainable growth within the Group.
- Leadership seminars for future top management and high potential employees of the Group: the Executive Development Leadership Programme prepares future leaders of the Group through external mentorship, training and personal development.
- **UR Academy for training throughout the year**
A platform offering e-learning and in-classroom training programmes to meet individual needs: An average of 21.8 training hours per employee in 2016.

UR VOICES

Empowering with Women@UR

"The Group has a strong culture of promoting gender equality. Women@UR is a network addressing women's professional challenges. As sponsor for Central Europe, it is my role to empower my female co-workers with the right programmes and speakers.

Dorothy Sydor,
Director of Leasing, Poland

Encouraging internal mobility

"After great experiences during the EGP and in Operating Management, today I am putting my skills to creative use. With UR Link, the Group's start-up accelerator, I now work on sourcing new and innovative retail concepts.

Jean-Baptiste Chandeson,
UR Accelerator Manager, France

Continuously learning

"During the EGP, I quickly gained valuable professional expertise in various fields. Even after the programme, I continued to learn in an excellence-driven environment. This is a deciding factor for staying in the Group.

Sergi Capdevila,
Operating Analyst, Spain

Expanding internationally

"Having built the 4 Star label throughout Europe helped me in my role as Director of Shopping Centre Management for Germany. My challenge was to set up a new organisation and implement new standards. I adapted to cultural differences and to a completely new market. The Group offered me the most enriching experience of my professional life!

Agathe Lang,
Director of Shopping Centre Management, France

Sharing know-how

"After four years in leasing, the Group offered me the opportunity to bring my experience to the UR Academy, the Group's corporate university, by developing expert training paths and programmes targeting employees' progress in their field and within the Group.

Ann-Charlotte Ladous,
Training Programme Manager, UR Academy

CORPORATE CITIZENSHIP

The Group and its assets are committed to fully contributing to local employment and economic development.

UR Involved!

- Unibail-Rodamco's entire workforce commits to fostering better communities. They engage in social initiatives led by the Group: UR for Jobs and the Annual Day of Solidarity. Both programmes target young people in the communities in which the Group operates.

2017: 40% of the Group's employees will engage in at least one of these social initiatives. This will take place in 50% of the Group's shopping centres welcoming more than 6 million visits annually.

2018: Roll-out of the Annual Day of Solidarity in all shopping centres of the Group.

2020: 100% of the Group's shopping centres welcoming more than 6 million visits annually will engage in UR for Jobs.

UR for Jobs

- The initiative aims at supporting young, unskilled people to find long-term employment or integrate a training programme. UR for Jobs is led by the Group's teams and includes coaching, mentoring and job fairs in partnership with retailers, local stakeholders and NGO's.

2016

- Launched in 3 pilot shopping centres (Parquesur in Spain, Citymall Almere in The Netherlands and Rosny 2 in France).
- Results: 137 people trained, 35 young people hired, 86 Unibail-Rodamco volunteers involved.

2017

- 15 shopping centres from all of the Group's regions involved.
- Objective: 225 young people hired.

2020

- Objective: 1,000 young people per year find a long-term job or integrate a graduate training programme.

Annual Day of Solidarity

- This initiative aims at supporting youth development together with a local NGO, the Group's employees and shopping centre visitors.

2017: The Annual Day of Solidarity will be conducted in 13 shopping centres from all of the Group's countries and will address the main issues faced by local youth.

2018: 100% of the Group's shopping centres will organise an Annual Day of Solidarity.

A long-lasting commitment with NGOs such as

LES ÉCOLES DE LA 2e CHANCE IN FRANCE
EMMA @ WORK IN THE NETHERLANDS

"Differentiation remains at the heart of the Group's strategy. To enhance its retail offer, the Group welcomed many "firsts" in its shopping centres. Not only did it develop pop-up stores with iconic brands, but it was the first in Europe to bring e-commerce stores to physical spaces. Such innovation keeps us at the forefront in our field.

Jean-Marie Tritant,
Chief Operating Officer

1,479
DEALS SIGNED ON CONSOLIDATED STANDING ASSETS, +7.4% VS 2015

196
DEALS SIGNED WITH INTERNATIONAL PREMIUM RETAILERS

13.3%
TENANT ROTATION RATE, ABOVE THE GROUP'S 10% ANNUAL TARGET

Emblematic retailers chose the Group's shopping centres to open their first stores.

TOPSHOP 1st directly operated store in Continental Europe	MAC 1st store in Sweden	Dior PARFUMS 1st store in Poland	new balance 1st store in France 1st store in a shopping centre in Germany
COS 1st store in a shopping centre in Austria	SCOTCH & SODA AMSTERDAM COUTURE 1st store in a shopping centre in Germany	KARL LAGERFELD 1st store in the Czech Republic	UTERQÜE 1st store in Poland

Exceptional retailers

THE GROUP IDENTIFIES INNOVATIVE RETAIL CONCEPTS, OFFERING ITS SHOPPING CENTRES A COMPETITIVE ADVANTAGE.

Pop-up stores

- **Temporary concepts** surprise visitors by creating new experiences.
- **Pop-up stores** also provide new retailers the opportunity to experiment with new offers.
- **Dyson** launched its first pop-up store in a shopping centre in France and in three other centres in the Nordics.

Dyson pop-up store at Vélizy 2, France

At the forefront of bringing e-tailers to shopping centres

- **Amazon** opened its 1st long-term kiosk in Continental Europe in CentrO.

amazon

The preferred partner to develop new retailers in Europe: The NYX example

- **9 NYX stores opened in 2016,** representing **43% of NYX stores** in the countries where the Group operates.
- **7 more NYX stores** have already been signed for 2017.

Destinations

THE GROUP ROLLED-OUT MORE DESTINATION CONCEPTS THROUGHOUT ITS PORTFOLIO TO FURTHER INCREASE DIFFERENTIATION AND CUSTOMER SATISFACTION.

The Dining Experience™

DINING EXPERIENCE
• RESTAURANTS • CAFÉS •

Continuously improving The Dining Experience™

- This destination puts dining at the heart of the customer experience. It includes a full food offer in spectacular dining plazas, in combination with services and regular events, thus creating a unique atmosphere.
- **Las Terrazas de Bonaire**, opened in 2016, offer a stunning gastronomic experience with 4 local concepts and 20 new restaurants including Nomada, the iconic restaurant by Begoña Rodrigo, Spanish "Top Chef" winner!
- 10 of the Group's shopping centres now offer The Dining Experience™

The Dining Experience™ at Bonaire, Spain

The Designer Gallery™

THE Designer GALLERY
MALL OF SCANDINAVIA

Providing the best fashion platform for innovative brands

- The Designer Gallery™ is a unique, sensory collaboration between contemporary premium retailers, young artists, designers and services, in an inspiring environment.
- After Polygone Riviera and Mall of Scandinavia, Galeria Mokotów is the 3rd asset of the Group to offer such a destination:
  - The 3,000 m² area hosts a Designer Gallery Studio, a coffee shop and art, fashion and lifestyle events.
  - Galeria Mokotów signs 3 'firsts' for Poland: Uterqüe, & Other Stories and Dior Parfums.

The Designer Gallery™ at Galeria Mokotów, Poland

The Family Experience

Creating the most family friendly shopping centres in Europe

- The new Family Experience sets the conditions for a family friendly journey inside the malls of the Group.
- Parents and children will share magical moments in "wow" attractions and tailor-made environments.
- A retail offer meeting their needs.
- Donau Zentrum hosts the pilot of The Family Experience, including the "Magic Tree", which already welcomes more than 50,000 sliders each month.

The Magic Tree at Donau Zentrum, Austria

Harnessing digitalisation to stay ahead

UNIBAIL-RODAMCO AIMS TO OFFER THE BEST EXPERIENCE TO VISITORS AND RETAILERS BY BRINGING MORE AND IMPROVED DIGITAL SERVICES TO ITS SHOPPING CENTRES.

Enhancing the customer journey with digital in-apps

SMART MAP

- Enables visitors to easily locate shops and promotions on their smartphone.
- Deployed in 57 centres.

SMART PARK

- Automatically memorises parking space.
- Deployed in 7 shopping centres.

Connect App

TECHNOLOGY FOR COLLABORATIVE TENANT COMMUNICATION

- Following a successful trial in two Spanish shopping centres, a new smartphone application was launched for day-to-day management tasks.

Shopping centre management communicates directly with all tenants and employees working in the Group's stores. They are able to share information, such as indicators on activity levels, maintenance and security issues.

Embracing augmented reality with Pokémon

AN EXCLUSIVE PARTNERSHIP WITH NIANTIC INC. AND THE POKÉMON COMPANY INTERNATIONAL

- Up to 500 PokéStops and Gyms deployed in 58 shopping centres.
- It is the first time in EMEA that shopping centres unleash the Pokémon GO game, providing a completely new experience.

Continuing investment in digital infrastructure for the digital ambition

- Smartphone app downloads grew by **+20% to 4.2 million**
- Website visits increased by **+15% to 51.9 million**
- Loyalty card holders increased by **+41% reaching more than 2.4 million**
- Number of Facebook fans **6.4 million**
- A new state-of-the-art Content Management System to manage website content, mobile applications and interactive directories in all shopping centres.
- Beacons have now been installed in 34 shopping centres. The Group will continue to deploy beacons and develop live interactions with its visitors.

Outstanding events

THE GROUP TRANSFORMS ITS SHOPPING CENTRES INTO PLACES WHERE PEOPLE MEET AND SHARE UNFORGETTABLE EXPERIENCES. IN 2016, THE GROUP TOOK EVENTS TO THE NEXT LEVEL.

A digital experience with Unexpected Concerts around Europe

Visitors lived an exclusive 360° recording of Yael Naïm's concert

- The Unexpected event took place over 7 shopping centres in Europe.
- Highlighting innovation in the Group's shopping centres.
- A total of 11,846 participants in all 7 shopping centres.

Höfe am Brühl, Germany

Samsung Life Changer

Over 6 days, visitors were immersed in virtual reality attractions with Samsung, offering an exceptional experience

- A virtual roller coaster.
- A contemplative world tour.
- More than 7 shopping centres in 3 countries in 2016 and 2017.

Les 4 Temps, France

YOUTUBE EVENTS

The Group's shopping centres welcomed famous YouTubers and bloggers, creating a buzz and welcoming new customers

ENJOYPHOENIX AT LES 4 TEMPS
2.5M followers

EMMA CUPCAKE AT VÉLIZY 2
1M followers

THE 4 STAR LABEL

★ ★ ★ ★

UNIQUE IN EUROPE, THE 4 STAR LABEL IS AUDITED BY SGS, THE WORLD LEADER IN CERTIFICATION. LAUNCHED IN 2012, THE 4 STAR LABEL ENSURES AN IRREPROACHABLE LEVEL OF QUALITY FOR EACH CONTACT POINT BETWEEN CUSTOMERS AND SHOPPING CENTRES. MYSTERY AUDITS ARE PERFORMED THROUGHOUT THE YEAR AND ON AN ANNUAL BASIS, FOR EVERY LABELLED SHOPPING CENTRE.

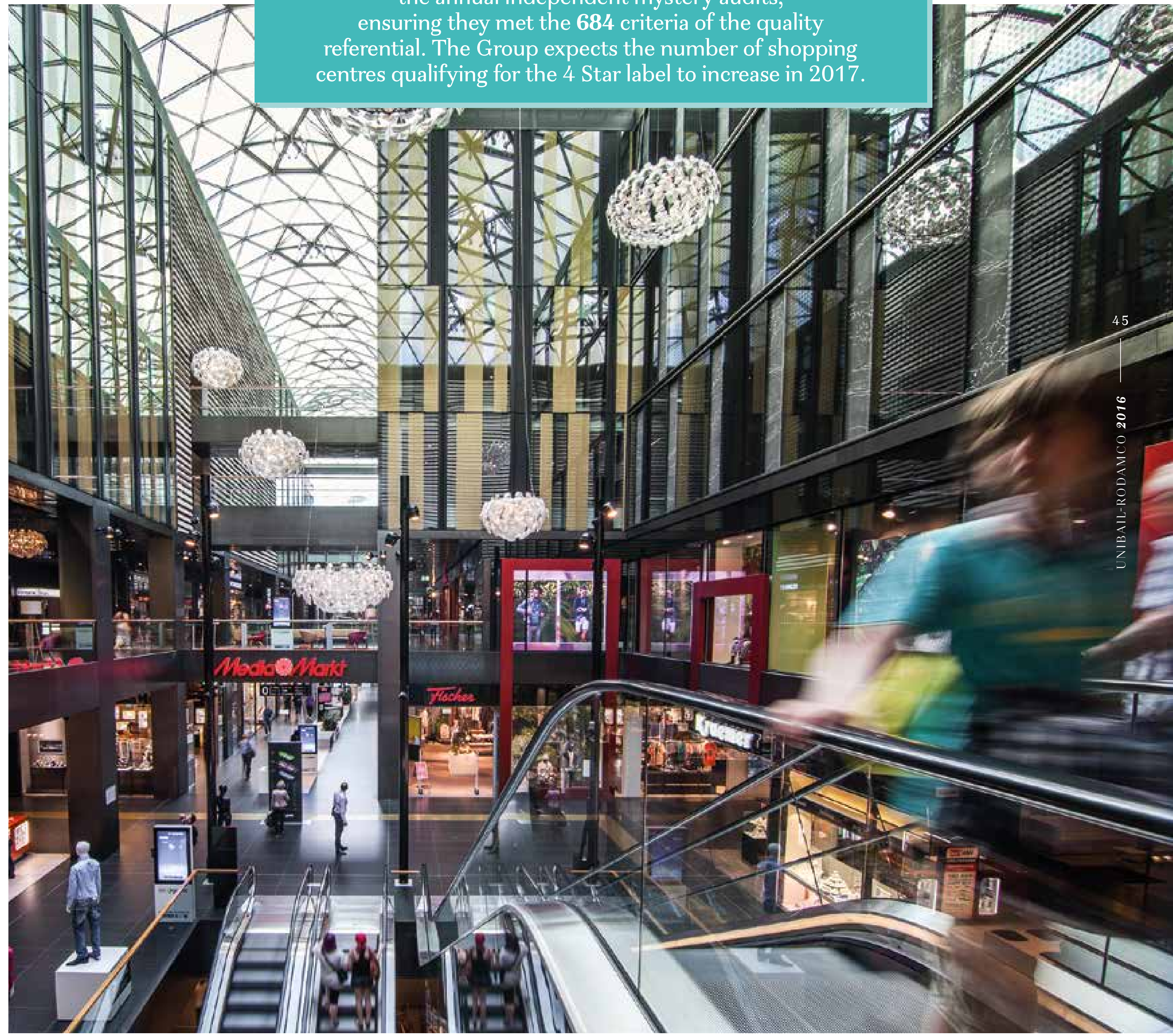
Customers encounter the 4 Star experience at every stage of their visit

Cloak rooms, iPhone and Android applications, attractive rest areas equipped with connected benches, free and unlimited wifi, valet parking for cars and scooters, a shoe shining service, a personal shopper, etc.

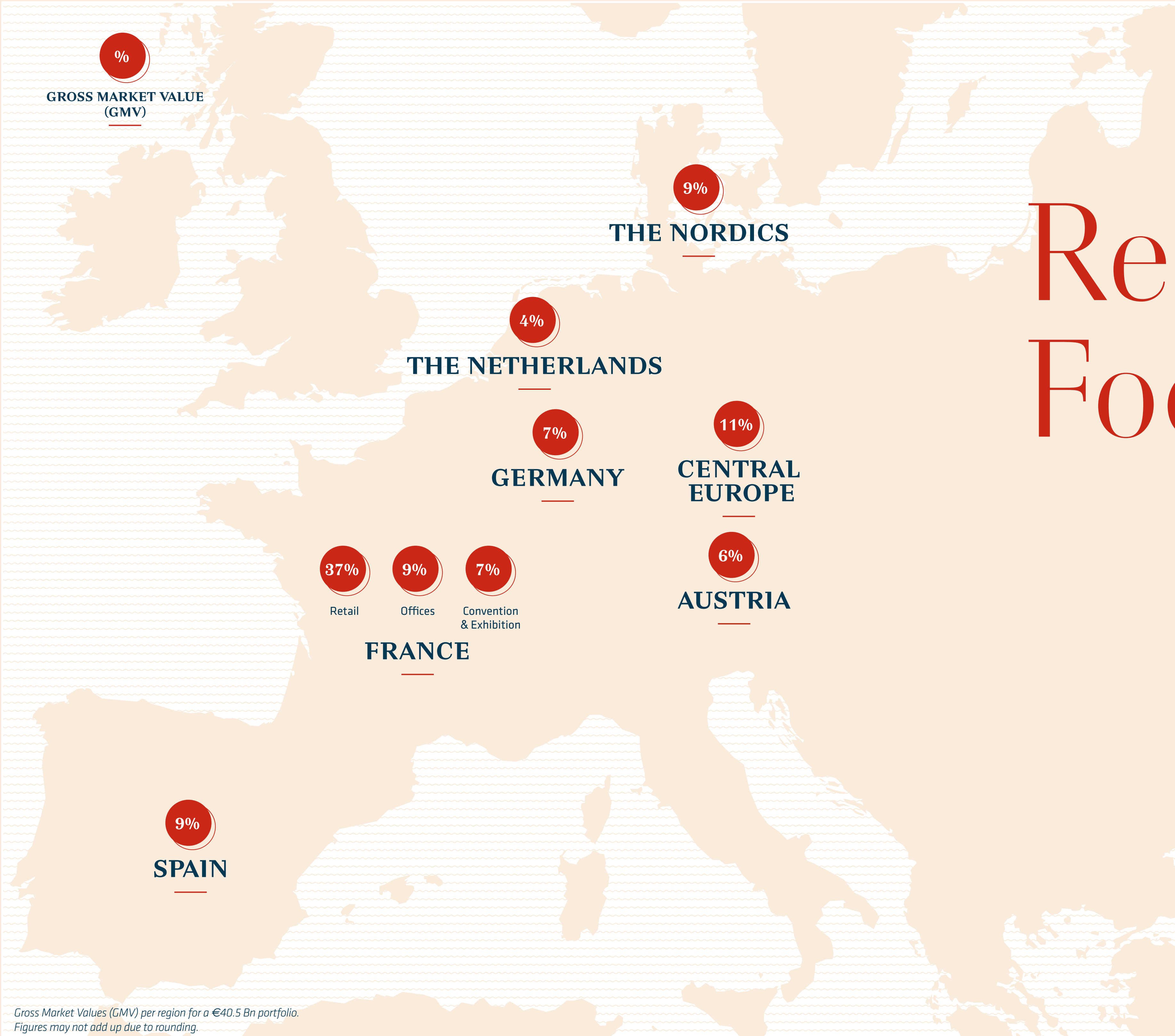
- computer + telephone recharge
- free unlimited wifi
- mobile site
- smartphone application
- rest areas
- cloak rooms
- valet parking
- kid's area
- shoe polisher
- personal shopper

26 of the Group's shopping centres carry the 4 Star label

25 shopping centres previously labelled passed the annual independent mystery audits, ensuring they met the **684** criteria of the quality referential. The Group expects the number of shopping centres qualifying for the 4 Star label to increase in 2017.



Höfe am Brühl, Germany



Gross Market Values (GMV) per region for a €40.5 Bn portfolio.
Figures may not add up due to rounding.

Regional Footprint

SHOPPING CENTRES
€33 Bn
PORTFOLIO

OFFICES
€4 Bn
PORTFOLIO

CONVENTION & EXHIBITION
€3 Bn
PORTFOLIO

FOOTFALL

(million visits)

56.6	LES 4 TEMPS - CNIT
35.6	LA PART-DIEU
33.9	LE FORUM DES HALLES
15.1	LE CARROUSEL DU LOUVRE
15.1	ROSNY 2
15	EURALILLE
14.6	VÉLIZY 2
11.4	PARLY 2
11.4	VILLENEUVE 2
9.3	LYON CONFLUENCE
8.9	AÉROVILLE

FRANCE

SUCCESSFUL SUNDAY OPENINGS

In addition to Rosny 2, Les 4 Temps - CNIT, Aéroville and Carrousel du Louvre, Polygone Riviera, the Forum des Halles and Vélizy 2 are now open for shopping on Sundays.

25 SHOPPING CENTRES

289 MILLION VISITS PER YEAR

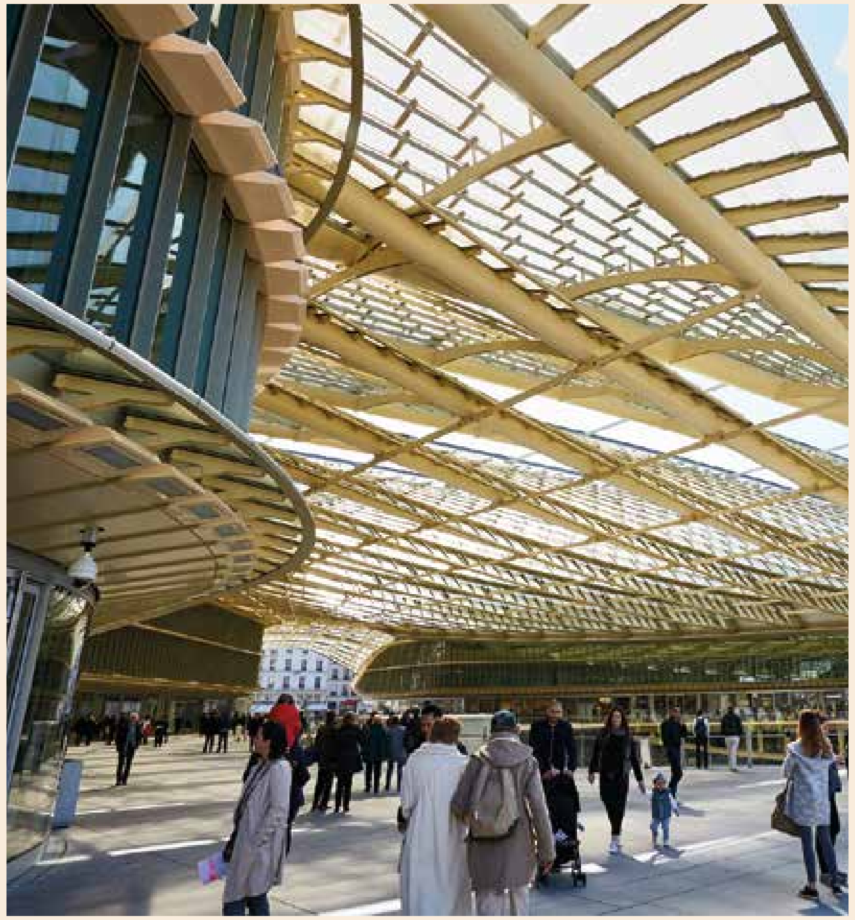
Euralille: a transformation project driving value creation

Euralille revealed the last two phases of its transformation project. Footfall grew by almost 8%, reaching 15 million visits. "Les Tables d'Euralille", the brand new dining plaza of the shopping centre opened, as well as a new shopping square with a 4,800 m² Primark.

ANNE-SOPHIE SANCERRE

MANAGING DIRECTOR, FRANCE

"2016 proved to be a good year with a 5.7% increase in NRI and positive tenant performance despite security threats. The delivery of the Forum des Halles was a great success. We also continued to focus on attracting new differentiating retailers."



A new shopping experience!

Exclusive brands, new concepts and redesigned stores bring a breath of modernity to the Forum des Halles.

The opening of the Canopy symbolises a commercial revival for the Forum des Halles, more connected to its outside environment. 70% of the surface of the existing centre was renovated and 35 new stores opened. An outstanding retail offer and new restaurants attract new visitors. Since the opening of the Canopy, tenant sales increased by more than 23%. The Group's ambition is to make the Forum des Halles the first shopping destination in the heart of Paris, for Parisians and tourists.

STRENGTHENING PARTNERSHIPS WITH RETAILERS

France reinforced its leading portfolio by signing with International Premium Retailers:

1. 4 NYX stores
2. 4 New Balance stores
3. 2 new Tesla stores in Polygone Riviera and Vélizy 2

It also brought in major differentiating brands with high customer recognition, such as the biggest Zara in France in Rosny 2. The Group continues to lead the way in retail activity.

SUCCESS FOR DELIVERIES:

POLYGONE RIVIERA REACHED **6.8 Million visits** AND AN EXCELLENT **Net Promoter Score of +30** IN ITS FIRST CALENDAR YEAR

FOOTFALL

(million visits)

	Footfall
CENTRO	15.6
HÖFE AM BRÜHL	14.7
GROPIUS PASSAGEN	10.6
PASING ARCADEN	11.3
RUHR PARK	10.5
PALAIS VEST	9.3
MINTO	8.4
PAUNSDORF CENTER	7.9
GERA ARCADEN	7.0

GERMANY

ANOTHER 4 STAR LABEL FOR GERMANY!
Höfe am Brühl is the fourth German shopping centre to be awarded this demanding service label.

10 SHOPPING CENTRES

100 MILLION VISITS PER YEAR

Key figures for the region

- Tenant sales outperformed the national sales index by +20 bps
- Footfall growth of +4.2%
- €91 Mn of refurbishment projects on standing assets
- Germany's projects account for more than €1 Bn of the Group's overall pipeline of €8 Bn

OLIVIER NOUGAROU

MANAGING DIRECTOR, GERMANY

"The German team continues to provide unique shopping centres with a design, service and retail offer that stand out from the rest. The region reinvents ways of being together via its destinations and has a robust pipeline, contributing to the Group's value creation."

At the forefront of innovation

The latest digital tools are deployed in the Group's centres, offering innovative services in its assets.

Bringing e-commerce to physical spaces
CentrO hosts the first Amazon long-term kiosk in Europe, taking the best of connected retail to shopping centres.

Digital Dream™ in CentrO
This innovative digital way of storytelling delights customers on 360° LED walls within the centre. A platform for brand presentation and image campaigns offers companies to present themselves in a fascinating way.

Unexpected concert
Three German shopping centres hosted this unique event series, with the latest virtual reality technique. Visitors were projected into the live concert by famous singer Yael Naïm.

BRINGING IN THE BEST

In 2016, CentrO brought in the most attractive retailers and many firsts for Germany:

1. New Balance: 1st store in a shopping centre in Germany
2. Scotch & Soda: 1st store in a shopping centre in Germany
3. Topshop: 1st direct store in Continental Europe in a shopping centre
4. Amazon: 1st long-term kiosk in Continental Europe

MIXED-USE PROJECT: ÜBERSEEQUARTIER IS A

209,566 m² GLA

DEVELOPMENT, MAKING IT THE LARGEST INNER-CITY DEVELOPMENT PROJECT IN EUROPE

FOOTFALL

(million visits)

13.2
MALL OF SCANDINAVIA

12.2
TÄBY CENTRUM

11.8
JUMBO

8.9
FISKETORVET

6.5
SOLNA CENTRUM

6.2
NACKA FORUM

THE NORDICS

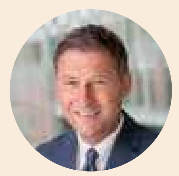
STOCKHOLM FASHION WEEK AT MALL OF SCANDINAVIA
Mall of Scandinavia partnered with the Stockholm Fashion Week, aiming to become the leading fashion destination in Sweden. Mall of Scandinavia gave consumers a front row experience and highlighted young and upcoming brands. The event was an absolute success!

9
SHOPPING CENTRES

68
MILLION VISITS PER YEAR

Mall of Scandinavia exceeding expectations

Mall of Scandinavia welcomed more than 13 million visits in its first calendar year, helping Group tenant sales in the region to grow by +28%!



LARS-ÅKE TOLLEMARK
MANAGING DIRECTOR, THE NORDICS

"The future of retail in The Nordics is in an extremely favourable position. We are taking advantage of such a context: the region's financial growth coincides with an increasingly expanding population. Mall of Scandinavia had an outstanding start, setting a new standard in the region."

Gearing up to lead the region

The Group's strategic positioning in The Nordics region is an added advantage to boost performance.

The Group's shopping centres are increasingly important players in the region and are leading the market in tenant sales. Fisketorvet grew by +8.0% and Jumbo by +4.6%. The 4 Star label further enforces the Group's positioning by offering outstanding services.

Choosing the best catchment areas

Subway extensions are planned, which will provide direct access to Mall of Scandinavia, Nacka and Fisketorvet.

THE REGION'S NRI GREW BY

+31.9%

FOOTFALL

(million visits)

20.9	LA VAGUADA
20.2	PARQUESUR
17	LA MAQUINISTA
10.2	SPLAU
10.2	BONAIRE
10.1	GLÒRIES

SPAIN

FOOTFALL AHEAD

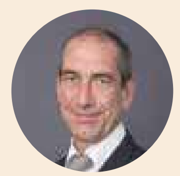
Across the Group's shopping centres in Spain, footfall growth was +183 bps higher than the national footfall index for Spanish shopping centres.

13 SHOPPING CENTRES

126 MILLION VISITS PER YEAR

Glòries is evolving!

The opening of the first phase was an absolute success. The centre welcomed 60 new stores on the lower floor, hosting a range of brands like Tommy Hilfiger, Pedro del Hierro and a new flagship H&M store. The final phase, to be delivered in October 2017, is expected to be spectacular.



SIMON ORCHARD

MANAGING DIRECTOR, SPAIN

"2016 was a year of acceleration. Performance in the region reflects an increase in consumption, economic recovery and optimism. Vacancy was well controlled while International Premium Retailers' presence steadily increased. The region has grown more than expected."

A proven success for The Dining Experience™

Bonaire inaugurated "Las Terrazas", the latest Dining Experience™ in the Group's portfolio.

The shopping centre in Valencia now offers a completely revisited gastronomic experience. "Las Terrazas" hosts 20 restaurants in an exceptional environment and mixes a wide variety of local food and major international brands. Spanish Top Chef winner, Begoña Rodrigo, is the ambassador of Bonaire's Dining Experience™, with her restaurant Nomada. "Las Terrazas" offer food entertainment to visitors throughout the year, with exclusive cooking performances, happy hours or activities for children. Together with "Las Terrazas" opening, new fashion brands like El Ganso, Tommy Hilfiger, Pepe Jeans and Lefties have settled in Bonaire; and brands, such as Mango, have redesigned their stores. Bonaire's cinema also introduced the latest technologies.

Connect App: Piloting Digital Communication

Spain was the first country to implement this app, which allows shopping centre managers to communicate directly with all tenant employees:

1. 2 successful pilots in La Maquinista and Parquesur
2. The roll out in 30 shopping centres in 5 regions will take place in 2017

FOOTFALL
(million visits)

21.3
ZLOTE TARASY

19.5
ARKADIA

15.5
GALERIA WILENSKA

12.8
CENTRUM CHODOV

12.7
GALERIA MOKOTÓW

11.6
AUPARK

11.2
CENTRUM CERNY MOST

4.0
URSYNÓW

CENTRAL EUROPE

A NEW H&M OPENING FOR ARKADIA
3,900 m² were opened for the trade-up of H&M

PREPARING ARKADIA'S EATERIES
Refurbishment for a new dining plaza started in 2016

8
SHOPPING CENTRES

109
MILLION VISITS PER YEAR

LEGO® Experience Tour

As part of the LEGO® Tour event, Arkadia and Galeria Mokotów welcomed 17,000 participants. Young explorers enjoyed playing in the LEGO® Savannah and participating in the exhibition of giant LEGO® brick sculptures – a great opportunity for our younger customers to imagine, build, and have fun!

ARNAUD BURLIN
MANAGING DIRECTOR, CENTRAL EUROPE

"The Group's shopping centres in Central Europe performed above the market, making them a reference in the region. As the sole host to premium retailers, our shopping centres have risen to the next level and set the trend in the region."

The Designer Gallery™ at Galeria Mokotów

Putting fashion and creativity at the heart of the shopping experience.

The 3rd Designer Gallery™ within the Group's portfolio, an innovative space allowing visitors to stay one step ahead of emerging trends, was inaugurated. It hosts the first Uterqüe, & Other Stories and Dior Parfums in Poland.

The Designer Gallery™ also has a Studio where art, fashion and lifestyle events are organised by retailers in coordination with the shopping centre management team.

Fashion Firsts for Central Europe

The Group took the shopping experience one notch higher by signing first market entries in the region:

1. 1st Dior Parfums in Poland
2. 1st Uterqüe in Poland
3. 1st & Other Stories in Poland
4. 1st Westwing store in Poland
5. 1st Massimo Dutti in Slovakia
6. 1st NYX stores in Poland and Slovakia

TENANT SALES IN CENTRAL EUROPE OUTPERFORMED THE NATIONAL SALES INDEX BY

+180 bps

FOOTFALL

(million visits)

24.7
SHOPPING CITY SÜD

18.8
DONAU ZENTRUM

AUSTRIA

IN 2016:

- Tenant sales in Austria grew by +1.4%
- The region achieved +7.1% in NRI growth

2
SHOPPING CENTRES

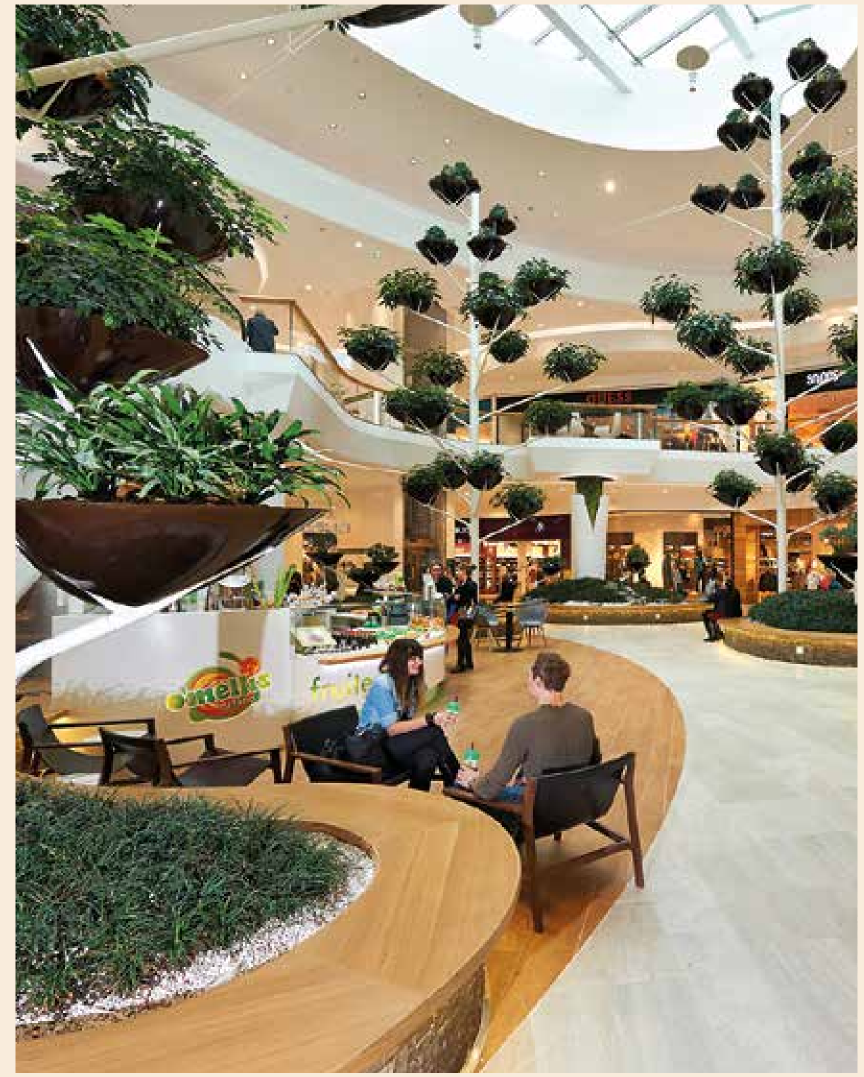
43
MILLION VISITS PER YEAR

Launching The Family Experience

The first pilot of The Family Experience was successfully launched in Donau Zentrum. The kid's area enhanced the destination experience, leading the way to family friendly shopping centres.

ARNAUD BURLIN
MANAGING DIRECTOR, CENTRAL EUROPE

"Shopping City Süd and Donau Zentrum, as leading shopping centres in Austria, embody the spirit of Unibail-Rodamco. The Group enhanced the shopping experience with concepts that increasingly attract new customers, such as families with children, with adapted retailers and offers."



Driving footfall with exceptional events

Shopping City Süd Multiplex terraces were lively throughout the year: over the summer, public broadcasts were organised for the Euro 2016 football championship, with large screens and deckchairs. In the winter, the area was transformed into a Christmas market and an ice skating rink. These events welcomed more than 7,000 people, boosting sales of the food retailers and attracting newcomers.

Firsts in the region

1. 1st two NYX stores in Austria
2. 1st Rituals in Vienna
3. 1st Gin Yuu in Austria

111
LEASES SIGNED

3,650 m²
FLAGSHIP STORE OF XXL SPORTS & OUTDOOR IN SHOPPING CITY SÜD

FOOTFALL

(million visits)

10.2	ZOETERMEER
9.4	CITYMALL ALMERE
9.1	STADSHART AMSTELVEEN
7.0	LEIDSENHAGE

THE NETHERLANDS

NEW EXPERIENCES AT AMSTELVEEN
The first Amstelveen winter village hosted a Christmas market with 40 chalets and an ice-rink. A partnership with the Municipality was signed for 2016-2019.

4 SHOPPING CENTRES

36 MILLION VISITS PER YEAR

A renewed dining area at Almere

The Group renovated the Belfort square into a new dining plaza. This brought strong sales performance, new customers and a +8.3% increase in footfall. The mall has become a go-to destination in the region.

OTTO AMBAGTSHEER

MANAGING DIRECTOR, BENELUX

"Despite a turbulent context in the market since 2014, shopping centres in The Netherlands attracted new international retailers. Major renovation projects are taking place to drastically change the shopping experience."

Mall of The Netherlands, a game changer

With the redevelopment project of the Leidsenhage shopping centre into Mall of The Netherlands, the Group is changing the retail landscape in the region.

Mall of The Netherlands will set a new standard following a major redevelopment project and name change. It will be the only mall of this size in the country. It will host an exceptional retail offer, an entertainment area and eateries. The Group communicated extensively on this transformation, which has lead to unprecedented publicity.

Set for success

Deal signings with major retailers increased in 2016:

1. **Citymall Almere**
The Group signed Hudson's Bay Department store, bringing spin-off deals with Pull&Bear, Vapiano and MAC
2. **Zoetermeer**
Westwaarts Passage opened and includes a new AH-XL supermarket. Re-tenanting was successful, the Group having signed with Kiko, JD Sports, Vingino and Mango
3. **Amstelveen**
An improved retail offer with signings from We Are Labels, NZA, Clarks and Sport2000

KEY FIGURES

13
ASSETS

402,700 m²
GLA

OFFICES

Taking advantage of a positive market

24.8% average premium above the last unaffected book value for office disposals in 2016.

BRUNO DONJON DE SAINT MARTIN
MANAGING DIRECTOR, OFFICES, FRANCE

"Unibail-Rodamco's Offices division is in constant evolution. In 2016, the Group took advantage of a very positive market to sell at the right time, invest in premium assets and ensure new cycles of construction. The Group is securing the future with a robust pipeline that will continue to drive growth."

Trinity project, France

A year of acceleration of disposals:

- **2-8 rue Ancelle** in Neuilly
- **So Ouest office** in Levallois
- **Nouvel Air** in Issy-les-Moulineaux
- **70-80 Wilson** in La Défense

Total Net Disposal Price: €901 Mn

High rental activity in 2016: 67,196 wm²*

- Capital 8 underwent renovation. 12,332 wm² were let out in 2016, and 10,333 wm² let out or renewed in January 2017
- All 6,446 wm² of Village 3 were rented out immediately after delivery

An important year for pipeline projects

- **Trinity:** works ongoing, delivery planned in 2019
- **Shift, a 45,000m² project in Issy-les-Moulineaux:** permit received and delivery planned for 2019
- **Versailles Chantiers project:** permit received, land acquired and works started in 2016
- **Gaîté Montparnasse project:** positive outcome of the public inquiry held in June-July 2016, permit obtained in January 2017
- **Triangle:** positive outcome received from the public inquiry held in September-October 2016, permit to be obtained in H1 2017
- **Sisters:** permit submitted in July 2016, positive outcome received from the public inquiry held in November-December 2016, permit to be obtained in H1-2017

**Weighted square meters: actual square meters rented to which a weighting coefficient is applied to reflect the different types of surfaces.*

KEY FIGURES

11
VENUES

697,200
M² GLA

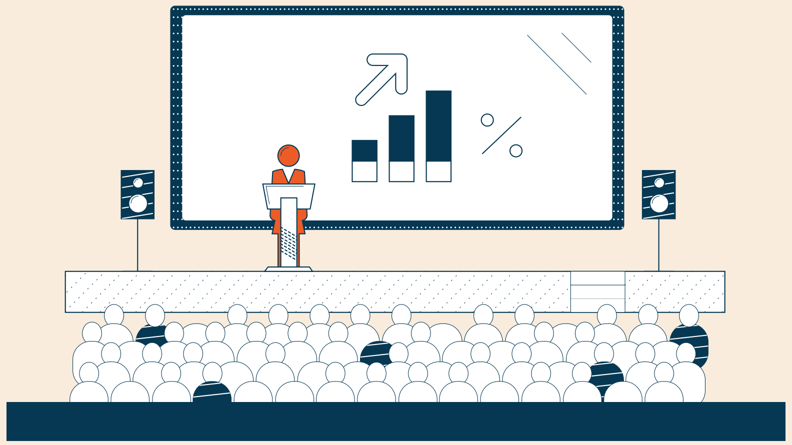
383
CORPORATE EVENTS

266
SHOWS

101
CONGRESSES

750
EVENTS

CONVENTION & EXHIBITION



Digital transformation

At the forefront of digitalising the Convention and Exhibition experience.

The Group has delved fully into digital means as a source of value creation for all actors:
- **Visitor comfort** ensured via internal GPS, applications and click & collect for restaurants.
- **Exhibitors and organisers** can measure their performance. Viparis increased data tracking in its sites. The Palais des Congrès was the first conference centre of such a stature to offer HD wifi. The Viva Technology Show demonstrated the Group's ability to host the largest tech event in Europe. The event welcomed over 5,000 start-ups and 45,000 visitors at Porte de Versailles.

MICHEL DESSOLAIN

MANAGING DIRECTOR, CONVENTION AND EXHIBITION, FRANCE

"2016 was a year dedicated to investing in the renovation and upgrading of our facilities, aimed at developing the activity and enhancing the experience of visitors. The Group focused on business tourism and digitalisation to attract new customers."

The Guest Attitude

A transformation strategy catering for a new demand in the market.

By providing unique experiences with the "Guest Attitude", the Group aims to make its convention and exhibition centres the most frequented in Europe. It plans to host more international conferences in lively locations and offer a reinvented experience, mixing business and leisure. The Group is implementing a service that is innovative and highly qualitative. Its locations are being transformed to be more attractive and coveted. New standards include an improved welcome strategy and signage, better equipped rest areas, more parkings and additional security.

Renovation projects

2016 was a year of modernising our sites and offering unique visitor experiences. The Group reinforced its position as a leader in the industry:

1. A prestigious positioning for the Carrousel du Louvre
2. Paris Nord Villepinte offers a new taxi terminal
3. €500 Mn invested to modernise Porte de Versailles
4. Delivery of Paris Convention Centre, the largest conference centre in Europe, scheduled for 2017

La Part-Dieu, France

Sowing the Seeds of Tomorrow

UR LAB

UR Lab is Unibail-Rodamco's innovation incubator. Launched in 2012, UR Lab accelerates innovation within the Group and ensures that promising ideas receive dedicated resources.

UR Lab works closely with internal and external stakeholders, identifies innovative ideas, monitors trends and tests new concepts. Thanks to this open innovation strategy, Unibail-Rodamco keeps reinventing the retail experience.

THE UR LAB MISSION

▸ Foster a culture of innovation across the Group. Develop ideas and opportunities for visitors, partners and employees.

UR LAB WORKFORCE

▸ Dedicated internal teams and external partners work together on a range of innovation projects.

HOUSING CREATIVITY

▸ The Mixer, a co-working space fosters creativity.

PROJECT SELECTION

▸ External and internal teams selected to develop their projects in the Group's shopping centres.

PILOTING INNOVATION

▸ Selected projects are implemented in the Group's shopping centres.

INNOVATION PROJECTS

THE MIXER

The Group inaugurated a 900 m² co-working hub for external partners and internal teams in its Paris HQ

UR LINK

11 start-ups selected to work in collaboration with the Group

INNOVATION CHAMPION GRADUATE PROGRAMME

28 employees of the Group worked on dedicated innovation projects

CONNECT

An application developed by the Group, for shopping centre management to communicate with employees and retailers

THE GRAND PRIZE OF YOUNG RETAIL ENTREPRENEURS

An original project supporting young entrepreneurs with innovative retail concepts


Dress in the City, Les 4 Temps, France

Connect App


The Grand Prize of Young Retail Entrepreneurs

THE MIXER

The Group inaugurated The Mixer, a 900 m² co-working hub, at its Parisian HQ, aimed at fostering creativity. It hosts internal teams and external partners, offering a hive for collaborative work. Every week, thematic events are organised on retail, digitalisation, architecture and collaboration with start-ups.

"We love the atmosphere Unibail-Rodamco created at the Mixer! The collaborative space is inspiring. It facilitates communication with other start-ups and our contacts within the Group.

Pierre Maury,
CEO of Merito

"Working in the Mixer's open ecosystem brings innovative projects alive faster and stronger!

Matthieu Nicoletti,
Director of UR Link, Unibail-Rodamco's start-up accelerator

OPEN INNOVATION

The Group aims to disrupt its industry through innovative strategies. At the heart of the Mixer, UR Link offers start-ups the opportunity to work in collaboration with Unibail-Rodamco experts, to develop and prototype their concept in the Group's portfolio.

UR Link

- Co-development with Unibail-Rodamco's top management sponsors and project leaders
- Access to Unibail-Rodamco's portfolio: 71 shopping centres, hosting around 800 million visits
- Coaching, mentoring and access to an innovation and commercial real estate network
- Free work stations in the heart of Paris
- Toolbox and inspiring events

Three strategic themes

- Smart and connected retail
- Communities
- Sustainable development

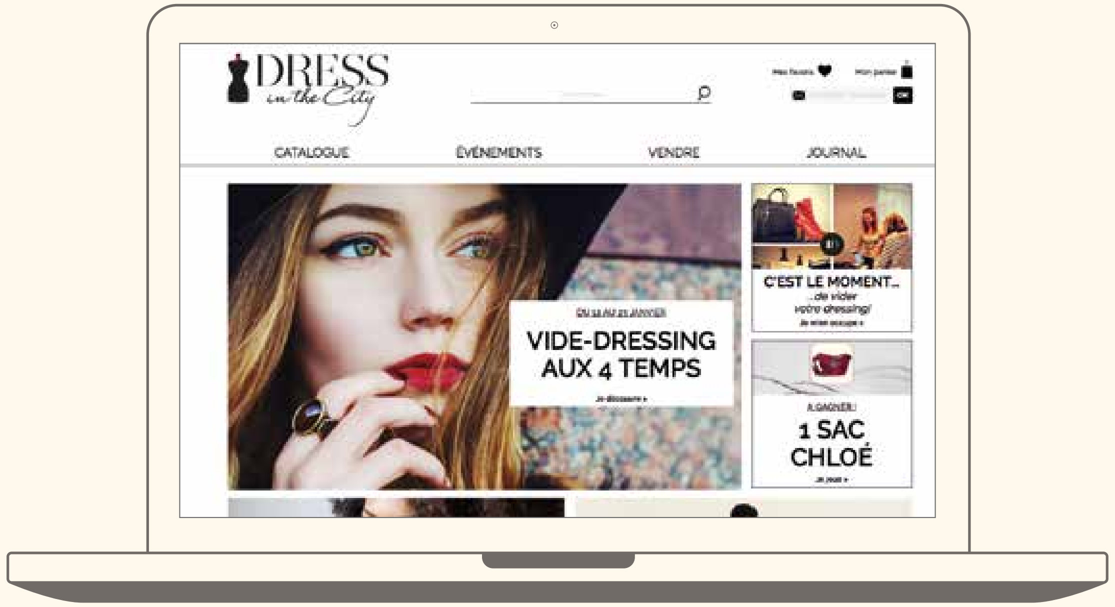
In partnership with Numa, a leading start-up incubator in Paris.

11 START-UPS

2 SEASONS

281 APPLICATIONS

SEASON 1



Dress in the City

After a 4-month acceleration within UR Link, Dress in the City hosted 3 sales events in the Group's shopping centres. A very simple idea that combines the power of the commercial website with pop-up stores to speed up sales.

SEASON 2

- **Merito** enables retailers to recruit online staff suitable to their needs.
- **Karos** is a pioneer in urban car sharing.
- **Sous les Fraises** specialises in the design, implementation and management of urban farms on rooftops.

Partech Ventures

Accelerating innovation with start-ups

€15 million invested in two funds managed by Partech Ventures, one of the leading European venture capital funds known for investments in LaFourchette and Sigfox.

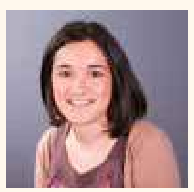
€5 Mn IN A SEED FUND

€10 Mn IN A VENTURE FUND

This investment aims to detect new talent, transform traditional business and create win-win collaborations.

Innovation Champions

Sponsored by UR Academy and UR Lab, the Innovation Champion Graduate Programme (ICGP) trains UR employees working on innovation projects and eager to develop their creativity skills.



Claudine Sornay, *SPECIALTY LEASING EUROPEAN COORDINATOR, FRANCE*
"With my project on speciality leasing and data, I get to think out of the box and leave my comfort zone to run a project requiring the specific technical expertise needed for success."

Eline Ouwerkerk, *DEVELOPMENT MANAGER, THE NETHERLANDS*
"The programme allows me to be part of an innovation community. We have training programmes and share best practices, which I can apply to the development project, Mall of The Netherlands."

Alvaro Velasco, *LEASING MANAGER, SPAIN*
"As part of the innovation programme, I am working on new food offers for our shopping centres. I feel like I am making a difference, which is absolutely worth the extra effort!"

Grand Prize

Grand Prize of Young Retail Entrepreneurs: 10th anniversary edition

Created in 2007 by the Group, the project aims to boost, promote and support innovation and entrepreneurship in the retail sector by selecting the most promising concepts each year. It offers the opportunity to test innovative retail experiences in the Group's shopping centres.

A global reward of **€1,350,000** allocated between the three winners.

DISCOVERY PRIZE
(pop-up store)

€175,000

Déclic et des Trucs

creates playful and practical activities for kids to help them understand mathematics

GRAND PRIZE
(store)

€1 Mn

Lunettes pour Tous

revolutionises the industry by offering quality glasses adapted to individual needs in 10 minutes and for €10

BOUTIQUE.COM PRIZE
(pop-up store)

€175,000

Tediber

is a French online retailer selling a unique and specifically designed model of mattress, both firm and comfortable

DEVELOPMENT PIPELINE

"The projects we develop evolve constantly to reflect change in our society. These projects are now increasingly multi-functional and open to the city. They are in tune with their territories, in dialogue with their inhabitants, local heroes and entrepreneurs, cultural associations and all those who live and work in them. We think about our projects as opportunities: to improve a territory, to create social places for the benefit of local communities. Our objective is clear: to mark a lasting and beneficial presence where we invest, build, and operate.

Olivier Bossard,
Chief Development Officer

Development pipeline: €8 Bn

new

44% GREENFIELD-BROWNFIELD SHOPPING CENTRES

33% EXTENSION-RENOVATION SHOPPING CENTRES

new

19% BROWNFIELD OFFICES

4% EXTENSION-RENOVATION OFFICES

WROCLAVIA

Wroclaw, Poland
(Brownfield)
79,466 m² GLA

H2 2017

PARLY 2

Paris region, France
(Extension/Renovation)
+7,670 m² GLA

H2 2017

TRINITY

Paris region, France
(Brownfield)
48,929 m² GLA

H1 2019

Paris region, France
(Extension/Renovation)
+31,448 m² GLA

H2 2017

CARRÉ SÉNART

Barcelona, Spain
(Redevelopment)
+10,690 m² GLA

H2 2017

GLÒRIES

Prague, Czech Republic
(Extension/Renovation)
+41,817 m² GLA

H2 2017

CENTRUM CHODOV

◇ SOWING THE SEEDS OF TOMORROW ◇

MALL OF THE NETHERLANDS

The Hague region, The Netherlands
(Extension/Renovation)
+83,512 m² GLA

H1 2019

VAL TOLOSA

Toulouse, France
(Greenfield)
97,936 m² GLA

H2 2019

BENIDORM

Benidorm, Spain
(Brownfield)
57,185 m² GLA

H1 2020

LA PART-DIEU

Lyon, France
(Extension/Renovation)
+27,970 m² GLA

H1 2020

GAITÉ

Paris, France
(Redevelopment)
88,276 m² GLA

H1 2020

3 PAYS

Hésingue, France
(Brownfield)
85,720 m² GLA

H1 2021

ÜBERSEEQUARTIER

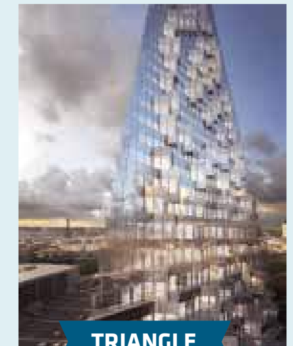
Hamburg, Germany
(Brownfield)
209,566 m² GLA

H2 2021

MAQUINEXT

Barcelona, Spain
(Extension/Renovation)
+37,616 m² GLA

H2 2021



TRIANGLE

Paris, France
(Brownfield)
85,140 m² GLA

POST 2021

SISTERS

Paris region, France
(Brownfield)
89,427 m² GLA

POST 2021

MALL OF EUROPE

Belgium, Brussels
(Brownfield)
126,333 m² GLA

POST 2021

SISTERS

Opening: Post 2021

Paris region, France, 89,427 m² GLA

Two towers creating an urban link and new experiences

The highest tower includes next generation offices offering loggias and gardens, for a reinvented experience of working in a high-rise building. An upscale hotel is embedded in the lowest tower.

100 meters above the ground, a suspended bridge links the two towers, hosting the project's exceptional amenities: a business centre, a restaurant and a skybar, a gym and a swimming pool. A terrace also offers breathtaking views of La Défense.

3 PAYS

Opening: H1 2021

Hésingue, France, 85,720 m² GLA

Accelerating the redevelopment of a neglected area

The building, imagined as an integrated landscape structure, will host an innovative shopping and leisure programme. The project will be an anchor to the transformation of a waste land into a new green destination. It will also help to accelerate the development of public transportation (tramway line extension) and soft mobility within the 3 Pays region. Partnerships with local actors will enrich the cultural and educational programme of the project.

MALL OF EUROPE

Opening: Post 2021

Belgium, Brussels, 126,333 m² GLA

Transforming territories with multiple activities

The Brussels Heysel area will host an ambitious project, which will be the beating heart of a new district. It hosts an innovative shopping centre, a new urban park with leisure facilities, as well as residential and office buildings.

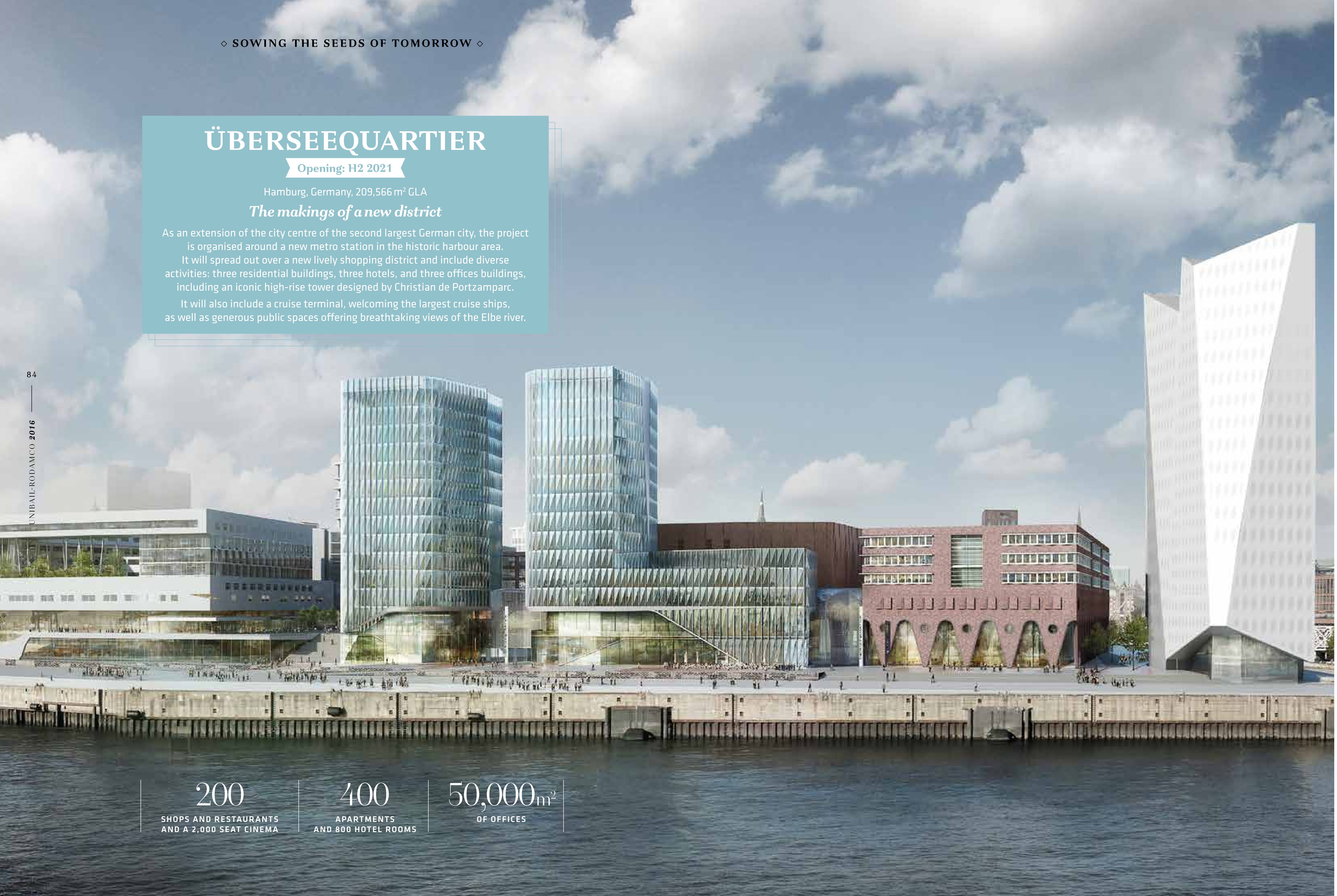
GAITÉ

Opening: H1 2020

Paris, France, 88,276 m² GLA

A mixed-use project in the heart of Paris

What was once an obsolete Parisian block with a 1970's style will soon become an outstanding piece of architecture. This ambitious project offers new social housing and public facilities, where underground parking is transformed into shops and restaurants to create a new heart in the 14th district of Paris. A new office building spreads out onto the city to replace an outdated one, while a completely restructured and redesigned hotel welcomes 1,000 rooms.



ÜBERSEEQUARTIER

Opening: H2 2021

Hamburg, Germany, 209,566 m² GLA

The makings of a new district

As an extension of the city centre of the second largest German city, the project is organised around a new metro station in the historic harbour area.
It will spread out over a new lively shopping district and include diverse activities: three residential buildings, three hotels, and three offices buildings, including an iconic high-rise tower designed by Christian de Portzamparc.

It will also include a cruise terminal, welcoming the largest cruise ships, as well as generous public spaces offering breathtaking views of the Elbe river.

200	400	50,000 m²
SHOPS AND RESTAURANTS AND A 2,000 SEAT CINEMA	APARTMENTS AND 800 HOTEL ROOMS	OF OFFICES

BUILDING ICONIC PLACES

MARK GURNEY
Group Director Concept Studio

"The Concept Studio is the in-house team of architects and product designers which enables the definition and design of innovative and sustainable retail planning concepts, outstanding interiors and impressive shopfronts."

WHAT IS THE CONCEPT STUDIO?
The Concept Studio is the in-house team of architects and product designers which enables the definition and design of innovative and sustainable retail planning concepts, outstanding interiors and impressive shopfronts.
Its ambition is to create the most unique customer experience across Unibail-Rodamco's shopping centres and increase the value of the Group's retail portfolio, by means of clear product definitions, excellent urban and retail planning, and innovative architecture.

HOW DOES THE CONCEPT STUDIO OPERATE?
The Concept Studio operates across the asset development life cycle, from the preliminary feasibility study, through conception and construction, and into operation. It collaborates closely with other teams within Unibail-Rodamco such as Development, Operations and UR Lab. The Concept Studio also selects and collaborates with renowned architects, design firms and artists to provide additional fresh ideas and production capabilities to create the design visions of the Group's shopping centre projects.

WHAT IS THE TEAM'S ROLE WITHIN THE GROUP?
The Concept Studio is a think-tank and research centre that creates added value in the Group's retail portfolio by offering solutions to increase development efficiency and enrich the customer experience. The multi-cultural team supports the Group's retail property development and operational activities across Europe. They contribute to the Group's sustainability efforts, and consolidate its unique knowledge in urban development and retail design.

CONCEPT Studio unibail·rodamco

Galeria Mokotów, Poland

CREDITS PHOTO

Page 2: Mall of Scandinavia: Lars Classon; **Page 4:** Le Forum des Halles: Alain Potignon; **Page 5:** Mall of Europe: Golem Images // The Mixer: From Unibail-Rodamco's image bank // Galeria Mokotów: Szymon Brzóska; **Page 8:** The Mixer: Arnault de Giron; **Page 10:** Mall of Europe: Golem Images; **Page 11:** The Mixer: From Unibail-Rodamco's image bank; **Pages 12-13:** Managment Board: Arnault de Giron; **Page 14:** Rob ter Haar: Arnault de Giron; **Pages 16-17:** Supervisory Board: Arnault de Giron; **Page 18-19:** Mall of Scandinavia: Lars Classon; **Page 20:** Jaap Tonckens: Arnault de Giron; **Page 24:** Fabrice Mouchel: Arnault de Giron; **Page 26-27:** 3 Pays: L'Autre Image Production; **Page 28:** Astrid Panosyan: Arnault de Giron // Mall of Europe: Golem Images; **Page 30-31:** Mall of Europe: Golem Images; **Page 32-33**: Le Forum des Halles: Alain Potignon; **Page 36:** Dorothy Sydor: Piotr Deszkiewicz // Sergi Capdevila, Jean-Baptiste Chandeson, Agathe Lang, Ann-Charlotte Ladous: From Unibail-Rodamco's image bank; **Page 37:** Corporate citizenship: Alberto Navas @PuertaSeis; **Page 38:** Jean-Marie Tritant: Arnault de Giron; **Page 39:** Dyson pop-up store at Vélizy 2: Vincent Baillais; **Page 40:** The Dining Experience™: Pedro Pegenaute; **Page 41:** The Designer Gallery™: Szymon Brzóska // The Magic Tree: Faruk Pinjo; **Page 43:** Höfe am Brühl: Christian Kneise // Les 4 Temps: Alain Potignon; **Page 45:** Höfe am Brühl: Christian Kneise; **Page 48:** Anne-Sophie Sancerre: From Unibail-Rodamco's image bank // Euralille: Laurent Ghesquière; **Page 49:** Le Forum des Halles: Alain Potignon // Polygone Riviera: Gérard Taride; **Page 50:** Olivier Nougarou: From Unibail-Rodamco's image bank // Höfe am Brühl: Christian Kneise; **Page 51:** Höfe am Brühl: Christian Kneise // Überseerquartier: Moka-studio GbR / Glassroof:Sobek; **Page 52:** Lars-Åke Tollemark: From Unibail-Rodamco's image bank // Mall of Scandinavia: Lars Classon; **Page 53:** Fiskervorset: Clear Channel Denmark // Nacka Forum: Lars Classon // Mall of Scandinavia: Maximilian Borovic; **Page 54:** Simon Orchard: From Unibail-Rodamco's image bank // Glòries: EDU VIZA; **Page 55:** Bonaire - Las Terrazzas: Diego Puerta // La Maquinista: Pedro Pegenaute; **Page 56:** Arnaud Burlin: From Unibail-Rodamco's image bank // Lego Experience: LEGO®; **Page 57:** Galeria Mokotów: Szymon Brzóska // Galeria Mokotów: Piotr Deszkiewicz; **Page 58:** Arnaud Burlin: From Unibail-Rodamco's image bank // Donau Zentrum: Sabri Dridi; **Page 59:** Shopping City Süd: Toni Rappersberger // Shopping City Süd: Toni Rappersberger; **Page 60:** Otto Ambagtsheer: From Unibail-Rodamco's image bank // Citymall Almere: From Unibail-Rodamco's image bank; **Page 61:** Mall of The Netherlands: MVSA Architects // Amstelveen: Anko Stoffels; **Page 62:** Bruno Donjon de Saint Martin: From Unibail-Rodamco's image bank // Capital 8: Benoit Linero; **Page 63:** Trinity: L'Autre Image Production / Crochon Brullmann et Associés // Trinity: L'Autre Image Production / Crochon Brullmann et associés; **Page 64:** Michel Dessolain: From Unibail-Rodamco's image bank // Congrès ADF: Bullit Studio; **Page 65:** Pavillon 7, Paris Expo Porte de Versailles: L'Autre Image Production / Viparis // Carrousel du Louvre: Bullit_Studio; **Page 66-67:** La Part Dieu: L'Autre Image Production / MVRDV et Sud Architectes; **Page 69:** Dress in the City: Dress in the City // Connect: From Unibail-Rodamco's image bank // Grand Prix de Jeunes Créateurs: Nora Houguenade; **Page 70:** The Mixer: Arnault de Giron; **Page 71:** The Mixer: From Unibail-Rodamco's image bank; **Page 74:** Claudine Sornay: From Unibail-Rodamco's image bank // Eline Ouwerkerk: Arjen Eeken Fotografie // Alvaro Velasco: From Unibail-Rodamco's image bank; **Page 75:** Lunettes pour tous: Antoine Magnien; **Page 76:** Olivier Bossard: Arnault de Giron; **Page 77:** Centrum Chodov: Benoy Architecture Studio // WROCLAVIA: IMB Asymetria // Carré Sénart: L'Autre Image Production // Parly 2: Kréaction // Glòries: Kréaction // Trinity: L'Autre Image Production / Crochon Brullmann et associés; **Page 78:** Mall of The Netherlands: MVSA Architects // Val Tolosa: Golem Images // Benidorm: A&G Architects // La Part Dieu: L'Autre Image Production / MVRDV et Sud Architectes // Gaité: L'Autre Image Production /MVRDV – SRA; **Page 79:** 3 Pays: Mir // Überseequartier: Moka-studio GbR / Christian de Portzamparc // Maquinext: Kréaction // Triangle: L'Autre Image Production / Herzog et de Meuron // Sisters: 2Portzamparc - L'Autre Image Production // Mall of Europe: Golem Images; **Page 80:** Sisters: 2Portzamparc - L'Autre Image Production; **Page 81:** 3 Pays: L'Autre Image Production; **Page 82:** Mall of Europe: Golem Images; **Page 83:** Gaité: L'Autre Image Production / MVRDV – SRA; **Page 84-85:** Überseequartier: Moka-studio GbR / Christian de Portzamparc / UN Studio / Lederer,Ragnarsdóttir,Oei; **Page 86:** Mark Gurney: From Unibail-Rodamco's image bank // Sketch: Concept Studio, Unibail-Rodamco // The Designer Gallery™: Piotr Deszkiewicz.

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FINANCIAL REPORT 2016

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Contents

In application of article 28 of European Regulation 809/2004 on prospectus documents, the following are included for reference purposes:

- The Business Review and the consolidated accounts for the 2014 financial year including reports pertaining to Statutory Auditors, that can be found on page 15-219 in the French version, lodged at the AMF (*Autorité des Marchés Financiers*) no. D.15-0132 on March 13, 2015.
- The Business Review and the consolidated accounts for the 2015 financial year including reports pertaining to Statutory Auditors, that can be found on page 15-223 in the French version, lodged at the AMF (*Autorité des Marchés Financiers*) no. D.16-0170 on March 18, 2016.

FINANCIAL REPORT

2016

An excellent year for the Group

71 SHOPPING CENTRES	1,990 EMPLOYEES	+5.2% NET RENTAL INCOME GROWTH
+1.4% TENANT SALES GROWTH	+10.4% RECURRING EARNINGS PER SHARE GROWTH[1]	€10.20 DIVIDEND PER SHARE[2]

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AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This is a free translation into English of the Registration Document issued in French and filed at the AMF[3] on March 21, 2017 and is provided solely for the convenience of English-speaking users.

When consulting this document, and in the event of a conflict in interpretation, reference should be made to the original French version.

This document has been prepared by the issuer under the responsibility of its signatories.

(1) Rebased for disposals in 2015.
(2) Subject to the Annual General Meeting approval on April 25, 2017.
(3) AMF: Autorité des Marchés Financiers (French Monetary Authority).

1

PORTFOLIO

1.1. France: Shopping Centres

Portfolio as at December 31, 2016	GLA of the whole complex (m²)	Parking spaces	Catchment area (in millions of people)	Number of visits (in millions)	Year of acquisition	Construction (C) Refurbishment (R) date	Occupancy (EPRA definition)	GLA of the property owning companies (m²)	% Unibail-Rodamco's share	% of consolidation	Total space according to consolidation (m²)
Shopping Centres in the Paris Region											
Les Quatre Temps (La Défense) *Auchan, Castorama, C&A, Toys'R'Us, Apple, 26 MSU, 184 retail units and a cinema*	139,600	5,400(1)	6.9	42	1992/95 1999/ 2011 2016	1981 (R) 2006/08	97.2%	134,700	53%	100%	134,700
Carré Sénart (Lieusaint) *Carrefour, Apple, 1 shopping park, 15 MSU, 119 retail units and a cinema*	120,500	6,960	2.9	13.9	1994/99	2002 (C) 2006/07 (C) 2012	99.7%	96,500	100%	100%	96,500
Rosny 2 (Rosny-sous-Bois) *Carrefour, Galeries Lafayette, FNAC, C&A, Apple, 20 MSU, 151 retail units and a cinema*	111,600	5,050	8.5	15.1	1994 2001 2010 2016	1973 (R) 1997 (C) 2011 (R) 2015	100%	32,200 17,500 20,400	26% 100% 50%	n.a. 100% 100%	n.a. 17,500 20,400
Parly 2 (Le Chesnay) *Printemps, BHV, Fnac, Simply Market, Habitat, Decathlon, Apple, 15 MSU and 154 retail units*	107,200	4,630	4.1	11.4	2004 2012	1969/87 (R) 2011 (R) 2015	98.1%	81,800	50%	100%	81,800
Vélizy 2 (Vélizy-Villacoublay) *Auchan, Printemps, FNAC, C&A, Apple, Darty, Toys'R'Us, 14 MSU, 157 retail units and a cinema*	104,000	6,680	6.2	14.6	1994 2007	(R) 2005/07	99.6%	66,100	100%	100%	66,100
Aéroville (Roissy-en-France) *Auchan, Marks & Spencer, 18 MSU, 156 retail units and a cinema*	83,300	4,170	1.9	8.9		2013	92.0%	83,300	100%	100%	83,300
Le Forum des Halles (Paris 1st) *FNAC, H&M, Go Sport, 17 MSU, 123 retail units, 1 UGC Ciné Cité*	73,200	880	6.8	33.9	1994 2010 2016	1979/86 (R) 1996 (C) 2016	98.8%	73,200	65%	100%	73,200
So Ouest (Levallois-Perret) Leclerc, H&M, Marks & Spencer, 8 MSU, 88 retail units and a cinema	54,300	1,700(1)	8.6	8.3	2006 2010	(C) 2012/ 2015	99.2%	54,300	100%	100%	54,300
Ulis 2 (Les Ulis) *Carrefour, C&A, 8 MSU, 82 retail units and a cinema*	53,900	3,200(1)	2.5	6.2	1994	1973 (R) 1998/99	95.5%	25,100	100%	100%	25,100
Bobigny 2 (Bobigny) *Auchan, 5 MSU, 45 retail units and a cinema*	26,900	1,110	4	n.a.	2004	1974	66.7%	7,900	100%	100%	7,900
CNIT (La Défense) *FNAC, Decathlon, Monoprix, 2 MSU, 23 retail units and a restaurant area*	25,800	1,100(2)	6.9	14.6	1999	1989 (R) 2009	96.9%	25,800	100%	100%	25,800
L'Usine Mode et Maison (Vélizy-Villacoublay) *2 MSU, 88 retail units*	20,600	1,270	6.2	0.9	2005	1986 (R) 2011	71.8%	20,600	100%	100%	20,600
Boutiques Palais des Congrès (Paris 17th) *Galerie Gourmande, Les Editions du Palais, Palais Maillot, 3 MSU, 62 retail units and a cinema*	18,900	1,660(1)	8.7	7.1	2008		86.4%	18,900	50%	100%	18,900
Galerie Gaité (Paris 15th) *Darty, 3 MSU, 7 retail units*	14,300	2,030(3)	6.7	2.3	1998	1976 (R) 2000/01	100.0%	13,000	100%	100%	13,000
Carrousel du Louvre (Paris 1st) *Printemps, Apple, Bose, 1 MSU, 33 retail units and a food court*	13,100	670(1) (4)	6.8	15.1	1999	1993/ (R) 2009	96.5%	13,100	100%	100%	13,100
SUB-TOTAL SHOPPING CENTRES IN THE PARIS REGION											**752,200**

Catchment area: less than 30 minutes from the Shopping Centre.
MSU: Medium Size Unit.
(1) Car Parks not owned by Unibail-Rodamco.
(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 the Pullman hotel, the 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, 2016	GLA of the whole complex (m²)	Parking spaces	Catchment area (in millions of people)	Number of visits (in millions)	Year of acquisition	Construction (C) Refurbishment (R) date	Occupancy (EPRA definition)	GLA of the property owning companies (m²)	% Unibail-Rodamco's share	% of consolidation	Total space according to consolidation (m²)
Shopping Centres in the French Provinces											
La Part-Dieu (Lyon) *Carrefour, Galeries Lafayette, Decathlon, C&A, BHV, Primark, Monoprix, FNAC, 32 MSU, 196 retail units and a cinema*	132,000	4,760	1.5	35.6	2004 2016	1975 (R) 2001/02 (C) 2009/10 (R) 2011	99.6%	84,500	100%	100%	84,500
La Toison d'Or (Dijon) *Primark, Carrefour, Cultura, Boulanger, Norauto, 14 MSU and 133 retail units*	78,000	3,700	0.4	8.5	1994	1990 (C) 2013	97.8%	46,100	100%	100%	46,100
Polygone Riviera (Cagnes-sur-Mer) *Printemps, H&M, Zara, Primark, FNAC, 16 MSU, 101 retail units, a cinema and a casino*	73,400	2,470	0.9	6.8		(C) 2015	94.5%	67,200	50%	100%	67,200
Euralille (Lille) *Carrefour, Go Sport, Primark, 17 MSU and 102 retail units*	66,700	2,900[1]	2	15	1994 2010	1994 (R) 2015	98.7%	50,600	76%	100%	50,600
Villeneuve 2 (Villeneuve-d'Ascq) *Auchan, C&A, Furet du Nord, 5 MSU and 118 retail units*	57,100	3,050[1]	1.8	11.4		1977 (R) 2004/06	98.7%	32,600	100%	100%	32,600
Lyon Confluence (Lyon) *Carrefour, Joue Club, C&A, Apple, 15 MSU, 75 retail units and a cinema*	53,500	1,500	1.6	9.3		2012	97.7%	53,500	100%	100%	53,500
Rennes Alma (Rennes) *Carrefour, Printemps, 7 MSU and 98 retail units*	46,100	2,690	0.6	7.2	2005 2007	1971 (R) 1990 (C) 2013	98.4%	32,100	100%	100%	32,100
La Valentine (Marseille) *Printemps, Darty, FNAC and 70 retail units*	30,000	1,650	1.4	n.a.	2007	1982 (R) 1999	100.0%	8,900	100%	100%	8,900
L'Usine Roubaix (Roubaix) *Galeries Lafayette Outlet, Nike, 5 MSU and 70 retail units*	19,300	500	1.4	n.a.	2007	1984	87.3%	19,300	100%	100%	19,300
Channel Outlet Store (Coquelles) *Galeries Lafayette Outlet, Adidas, Nike, Hugo Boss, 31 retail units*	13,700	830	0.4	1.2		2003	82.2%	13,700	100%	100%	13,700
SUB-TOTAL SHOPPING CENTRES IN THE FRENCH PROVINCES											**408,500**

Catchment area: less than 30 minutes from the Shopping Centre.
MSU: Medium Size Unit.
(1) Car parks not owned by Unibail-Rodamco.

Portfolio as at December 31, 2016	GLA of the whole complex (m²)	Parking spaces	Catchment area (in millions of people)	Number of visits (in millions)	Year of acquisition	Construction (C) Refurbishment (R) date	Occupancy (EPRA definition)	GLA of the property owning companies (m²)	% Unibail-Rodamco's share	% of consolidation	Total space according to consolidation (m²)
Other Holdings											
Bel-Est (Bagnolet) *Auchan, 58 retail units*	48,800	2,000	3.8	n.a.	2010	1992	94.6%	500 5,000	100% 35.2%	100% 35.2%	500 1,800
Aquaboulevard (Paris) *Decathlon, Water park, Fitness center, cinema, event area, food court, 4 retail units*	38,400	1,000	n.a.	n.a.	2006 2008	1990	100%	32,400	100%	100%	32,400
Maine Montparnasse (Paris) *1 Naf Naf store*	35,500	1,900	n.a.	n.a.	2007		100%	200	100%	100%	200
Villabe *Carrefour, Toys'R'Us, 3 MSU and 53 retail units*	35,300	2,400	1.3	n.a.	2010 2012 2013 2015	1992	60.9%	4,700 5,800	100% 48.75%	100% 48.75%	4,700 2,800
Grigny 2 (Grigny) *1 MSU, 22 retail units*	10,700	1,200	n.a.	n.a.	2004	1973 (R) 2000	80.9%	1,600	100%	100%	1,600
Go Sport (Saintes)	2,500	n.a.	n.a.	n.a.	2007		n.a.	2,500	100%	100%	2,500
SUB-TOTAL OTHER HOLDINGS											**46,500**
TOTAL (ACCORDING TO THE SCOPE OF CONSOLIDATION)											**1,207,200**

Catchment area: less than 30 minutes from the Shopping Centre.
MSU: Medium Size Unit.

1.2. France: Convention & Exhibition

Portfolio as at December 31, 2016	Year of acquisition	Construction (C) Refurbishment (R) date	Parking spaces	Total floor space of the asset (m²)	% Unibail-Rodamco's share	% of consolidation	Total space according to consolidation (m²)	Description
Paris Region								
PROPERTY AND OPERATION								
Paris Porte de Versailles (Paris 15th)	2000	Hall 5 in 2003	3,400	220,000	50%	100%	220,000	8 exhibition halls (from 5,000 to 70,000 m²), 32 conference rooms of which 3 auditoriums
Paris Nord (Villepinte)	2008	Hall 7 in 2010	13,000	245,000	50%	100%	245,000	9 exhibition halls, 45 conference rooms of which 3 auditoriums
CNIT (La Défense)	1999	(R) 2007	1,100(1)	24,000	100%	100%	24,000	Exhibition and convention space
Espace Grande Arche (La Défense)	2001	(R) 2003	n.a.	5,000	50%	100%	5,000	Flexible space covering 5,000 m²
Espace Champerret (Paris 17th)	1989/1995	(R) 2008	1,100(2)	9,100	50%	100%	9,100	Exhibition space (Trade shows)
Le Palais des Congrès de Paris	2008	1993	1,500(2)	32,000	50%	100%	32,000	92 conference rooms of which 4 auditoriums
Carrousel du Louvre (Expos) (Paris 1st)	1999	1993 (R) 2016	4,300(2)	7,100	100%	100%	7,100	Exhibition space (Trade and fashion shows, corporate events)
Hilton CNIT (La Défense)	1999	(R) 2008	n.a.	10,700	100%	100%	10,700	Hotel
Pullman Paris-Montparnasse Hotel (Paris 14th)	1998	(R) 2012(3)	2,000(4)	57,400	100%	100%	57,400	Hotel, conference centre and private parking lot(2)
OPERATION								
Paris, Le Bourget	2008	1952 2005	3,000(2)	80,000	50%	100%	n.a.	5 exhibition halls, 7 conference rooms of which 1 auditorium
Palais des Congrès de Versailles	2008	1964	4,300(2)	3,200	45%	100%	n.a.	11 conference rooms of which 1 auditorium
Palais des Congrès d'Issy-les-Moulineaux	2009	(R) 2007	n.a.	3,000	48%	100%	n.a.	14 conference rooms of which 1 auditorium
Hôtel Salomon de Rothschild	2014	(R) 2007 (R) 2010 (R) 2016	n.a.	1,600	50%	100%	n.a.	8 18th century rooms 1 reception room
Palais des Sports (Paris 15th)	2002	1960	n.a.	n.a.	25%	25%	n.a	Flexible entertainment or convention room from 2,000 to 4,200 seats
Outside Paris								
Novotel (Lyon Confluence)	2012	(C) 2012	n.a.	7,100	100%	100%	7,100	Novotel 4 stars hotel, 150 rooms
TOTAL (ACCORDING TO THE SCOPE OF CONSOLIDATION)							**617,400**	

(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 Unibail-Rodamco.
(3) 382 rooms refurbished out of 957 in 2011 and 2012.
(4) Car parks shared between the Pullman hotel, the Gaîté shopping gallery and offices.

1.3. France: Offices

Portfolio(*) as at December 31, 2016	Year of acquisition	Construction (C) Refurbishment (R) date	Occupancy (EPRA definition)	Total floor space (m²)	Parking spaces	% ownership and % consolidation	Total floor space according to consolidation (m²)	Main tenants (in terms of rental income)
Paris CBD, Paris and Western Paris Outskirts								
Paris 8th								
Capital 8 (Monceau/Murat)	2001	(R) 2006 (R) 2016	66.0%	45,300	376	100%	45,300	Wereldhave, Dechert, Dior Parfums, Rothschild & Cie, Arsene, Tikheau, Doctolib, CMA CGM
Paris 15th								
Le Sextant, 2 bis-2 ter, rue Louis-Armand	2009	(C) 1998	99.9%	13,400	144	100%	13,400	Securitas, Direct Énergie, La Poste
Paris 16th								
7, place du Chancelier-Adenauer	1999	(R) 2008	100.0%	12,100	150	100%	12,100	Unibail-Rodamco's Headquarters
SUB-TOTAL "PARIS CBD"							**70,800**	
92 Paris - La Défense								
Les Villages de l'Arche	1999	(R) 2006 (R) 2016(1)	68.6%	42,100	1,546	100%	42,100	Genegis, Louvre Hôtels, Ageas, Orange Cyber Défense(2)
Tour Ariane	1999	(R) 2008(3)	78.3%	63,600	211	100%	63,600	Marsh, British Telecom France, Mercer, Arkea, IMS Health, Ciments Français, Network Appliance, Apec, Regus
CNIT (Offices)	1999	(R) 2008	97.9%	37,100	1,100(4)	100%	37,100	SNCF, ESSEC, IFSI, Châteauform
Majunga		(C) 2014	100%	65,600	271	100%	65,600	Axa Investment Managers, Deloitte
Michelet-Galilée	1999	(R) 2010	99.7%	32,700	127	100%	32,700	Alstom
SUB-TOTAL "PARIS - LA DÉFENSE"							**241,100**	
92 Levallois-Perret								
So Ouest Plaza	2005	(R) 2015	100.0%	36,600	333	100%	36,600	L'Oréal
92 Issy-les-Moulineaux								
34-40, rue Guynemer	1999	(R) 2012	n.a.	31,600	571	100%	30,600	In restructuring
SUB-TOTAL "NEUILLY-LEVALLOIS-ISSY"							**67,200**	
Other office buildings in Paris (Paris 14th)								
Gaîté-Montparnasse (Offices)	1998	(C) 1974	n.a.	9,900	2,033(5)	100%	9,900	In restructuring
Other office buildings in Western Paris region (Nanterre)								
29, rue du Port	2010	(C) 1989	100.0%	10,300	94	100%	10,300	Xylem Water Solutions France
Le Blériot, 2 rue Louis Blériot, Rueil-Malmaison	2016	(C) 1989	0%	3,400	72	100%	3,400	
SUB-TOTAL OF OTHER OFFICE ASSETS IN PARIS AND WESTERN PARIS REGION							**23,600**	
TOTAL (ACCORDING TO THE SCOPE OF CONSOLIDATION)							**402,700**	

(*) And potential related: shops in office buildings, light-industrial space.
(1) Refurbishment of Village 3 and Village 4 buildings.
(2) Lease contract is expected to take effect in H1-2017.
(3) Refurbishment from 2004 to 2008.
(4) Car parks are owned by CNIT C&E and shared between CNIT C&E, CNIT Offices and CNIT retail.
(5) Car parks are shared between the Pullman hotel, the Gaîté shopping gallery and offices.

1.4. Central Europe: Shopping Centres

Portfolio as at December 31, 2016	GLA of the whole complex (m²)	Parking spaces	Catchment area (in millions of people)	Number of visits (in millions)	Year of acquisition	Construction (C) Refurbishment (R) date	Occupancy (EPRA definition)	GLA of the property owning companies (m²)	% Unibail-Rodamco's share	% of consolidation	Total space according to consolidation (m²)
Czech Republic											
Centrum Cerny Most (Prague) *H&M, Desigual, Nespresso, Mango, 173 units and a cinema complex*	106,700	3,800	1.7	11.2	2000	(C) 1997 (C) 2013	100.0%	106,700	100%	100%	106,700
Centrum Chodov (Prague) *Chaps, Zara, Superdry, Versace Jeans, 213 units*	62,400	2,800[1]	1.4	12.8	2005 2014	(C) 2005 (C+R) 2014	100.0%	62,400	100%	100%	62,400
SUB-TOTAL SHOPPING CENTRES IN CZECH REPUBLIC											**169,100**
Poland											
Arkadia (Warsaw) *H&M, Nespresso, Kiko, Zara, 211 units and a cinema complex*	116,000	3,900	1.7	19.5	2010	2004	100.0%	76,500	100%	100%	76,500
Galeria Mokotow (Warsaw) *Uterque, Kiehl's, Rolex, Peek & Cloppenburg, Lacoste, 254 units and a cinema complex*	68,500	2,160	1.3	12.7	2003 2011	(C) 2000 (C) 2002 (C) 2006 (C) 2013	99.6%	68,500	100%	100%	68,500
Zlote Tarasy (Warsaw) *Superdry, H&M, Zara, Van Graaf, 230 units and a cinema complex*	66,400	1,130	2	21.3	2007 2012 2013	2007	n.a.	66,400	100%	n.a.	n.a.
CH Ursynow (Warsaw) *OBI, Auchan, Sephora, Reserved, 31 units*	46,600	1,900	1.5	4	2014	1998	n.a.	46,600	50%	n.a.	n.a.
Wilenska (Warsaw) *Kiko, Calzedonia, Sephora, Parfois, 88 units*	39,900	1,100	1.7	15.5	2010	2002	100.0%	19,100	100%	100%	19,100
SUB-TOTAL SHOPPING CENTRES IN POLAND											**164,100**
Slovak Republic											
Aupark (Bratislava) *Zara, H&M, Desigual, Peek & Cloppenburg, 215 units, a fitness center and a cinema complex*	56,800	2,220	0.7	11.6	2006 2011	(C) 2001 (R) 2015	100.0%	51,400	100%	100%	51,400
SUB-TOTAL SHOPPING CENTRES IN SLOVAK REPUBLIC											**51,400**
TOTAL (ACCORDING TO THE SCOPE OF CONSOLIDATION)											**384,600**

Catchment area: less than 30 minutes from the Shopping Centre.
(1) 700 car spots out of 2,800 are rented by the City as "Park & Ride" parking.

1.5. Central Europe: Offices

Portfolio as at December 31, 2016	GLA of the whole complex (m²)	Year of acquisition	Construction (C) Refurbishment (R) date	GLA of the property owning companies (m²)	% Unibail-Rodamco's share	% of consolidation	Total space according to consolidation (m²)
Zlote Tarasy Lumen (Warsaw)	23,700	2007 2012 2013	2007	23,700	100%	n.a.	n.a.
Zlote Tarasy Skylight (Warsaw)	22,000	2012 2013	2007	22,000	100%	n.a.	n.a.
Wilenska Offices (Warsaw)	13,400	2010	2002	4,800	100%	100%	4,800
TOTAL (ACCORDING TO THE SCOPE OF CONSOLIDATION)							**4,800**

1.6. Spain: Shopping Centres

Portfolio as at December 31, 2016	GLA of the whole complex *(m²)*	Parking spaces	Catchment area *(in millions of people)*	Number of visits *(in millions)*	Year of acquisition	Construction (C) Refurbishment (R) date	Occupancy (EPRA definition)	GLA of the property owning companies *(m²)*	% Unibail-Rodamco's share	% of consolidation	Total space according to consolidation *(m²)*
Spain											
Parquesur (Madrid) *Primark, El Corte Ingles, Media Markt, Leroy Merlin, Zara, Hollister, Apple, H&M, Cinesa, Alcampo, 217 retail units*	151,200	5,800	5.5	20.2	1994	(C) 1989 (C) 2005	99.1%	97,300	100%	100%	97,300
Bonaire (Valencia) *Decathlon, H&M, Cortefiel, Deichmann, Zara, Primark, Hollister, C&A, 169 retail units Retail Park*	135,000	5,700	1.7	10.2	2001	(C) 2001 (R) 2003 (R) 2012 (R) 2016	98.0%	54,800	100%	100%	54,800
La Maquinista (Barcelone) *Apple, Zara, SuperDry, Tous, Nike, Diesel, H&M, Hollister, Media Markt, Cinesa, Nespresso, MAC, Carrefour, 222 retail units and a hypermarket*	95,000	5,500	4.5	17	2008	(C) 2000 (C) 2010 (R) 2012	99.9%	79,600	51%	100%	79,600
La Vaguada "Madrid 2" (Madrid) *Alcampo, El Corte Inglés, C&A, Disney, Zara, Mango, Hema , Adidas, 242 retail units*	85,500	3,600	5.9	20.9	1995	(C) 1983 (R) 2003	98.5%	22,500	100 %	100%	22,500
Glòries (Barcelone) *Carrefour, C&A, Duet Sport, Sfera, Desigual, Lefties, Fnac, Adidas, Hema, H&M, 130 retail units*	68,800	2,610[1]	4.3	10.1	1998	(C) 1995 (R) 2001 (R) 2014/15 (R) 2016	100.0%	40,800	100%	100%	40,800
El Faro (Badajoz) *Primark, Media Markt, El Corte Inglés outlet, Bimba y Lola, El Ganso, Zara, H&M, 95 retail units*	66,300	2,840	0.6	6.7	2012	(C) 2012	99.9%	43,100	100%	100%	43,100
Bahía Sur (Cádiz) *Carrefour, El Corte Inglés, Zara, H&M, 87 retail units*	59,300	3,350	0.9	7.1	1994	(C) 1992 (R) 2005 (R) 2014	97.7%	24,700	100%	100%	24,700
Splau (Barcelone) *Primark, Media Markt, Zara, H&M, A Loja do Gato Preto, C&A, Adidas, 143 retail units*	55,000	2,800	4.2	10.2	2011	(C) 2010	99.8%	55,000	100%	100%	55,000
Los Arcos (Seville) *Hipercor, C&A, Mango, Zara, 88 retail units*	44,000	1,800	1.5	6.5	1995	(C) 1992 (R) 2002 (R) 2013	95.8%	17,700	100%	100%	17,700
Barnasud (Barcelone) *Carrefour, Media Markt, Cinesa, Bershka, Burger King, Yves Rocher, 82 retail units, Retail Park*	43,700	2,450	3.6	4.1	2001	(C) 1995 (R) 2002 (R) 2006 (R) 2015	98.3%	33,300	100%	100%	33,300
Garbera (San Sebastian) *Eroski, Media Markt, Forum, Aki, Zara, Cortefiel, 68 retail units*	40,000	2,780	0.6	4.6	2002	(C) 1997 (R) 2002 (R) 2014	99.6%	25,300	100%	100%	25,300
Equinoccio (Madrid) *Decathlon, Ilusiona, Espacio Casa, Warner Bross, 49 retail units, Retail Park*	36,800	1,410	5	3.6	1998	(C) 1998 (R) 2000/08 (C) 2012 (R) 2015	95.8%	35,200	100%	100%	35,200
Vallsur (Valladolid) *Erosku, Zara, Mango, Jack & Jones, 101 retail units*	36,000	2,250	0.4	4.9	2002	(C) 1998/2011 (R) 2004/14	97.7%	35,200	100%	100%	35,200
TOTAL (ACCORDING TO THE SCOPE OF CONSOLIDATION)											**564,500**

Catchment area: less than 30 minutes from the Shopping Centre.
(1) Car parks partly owned by Unibail-Rodamco.

1.7. Nordics: Shopping Centres

Portfolio as at December 31, 2016	GLA of the whole complex (m²)	Parking spaces	Catchment area (in millions of people)	Number of visits (in millions)	Year of acquisition	Construction (C) Refurbishment (R) date	Occupancy (EPRA definition)	GLA of the property owning companies (m²)	% Unibail-Rodamco's share	% of consolidation	Total space according to consolidation (m²)
Sweden											
Mall of Scandinavia (Greater Stockholm) *H&M, Zara, Mango, & Other Stories, LEGO Store, Victoria's Secret, 222 units and a cinema complex*	103,200	3,600	1.6	13.2		(C) 2015	98.8%	103,200	100%	100%	103,200
Täby Centrum (Greater Stockholm) *H&M, G-Star, Apple, Mango, Rituals, Stadium, 259 units and a cinema complex*	81,400	3,000	1.4	12.2	1997	1968/1969 1975/1992/ 2015	98.2%	81,400	100%	100%	81,400
Nacka Forum (Greater Stockholm) *H&M, Zara, Rituals, Media Markt, New Yorker, Ahléns, 142 units*	56,400	1,750	1.6	6.2	1996	1990/1997/ 2008	94.1%	56,400	100%	100%	56,400
Solna Centrum (Greater Stockholm) *Stadium, H&M, Hemköp, Systembolaget, 120 units*	50,000	1,270	1.6	6.5	1985	1962/1965/ 1992/(R) 2012/ 2013	89.7%	50,000	100%	100%	50,000
Eurostop Arlanda (Greater Stockholm) *H&M, ICA, Huntyard & Berras, 25 units*	33,200	1,600	1	2.1	1996	1992	82.3%	33,200	100%	100%	33,200
Arninge Centrum (Greater Stockholm) *H&M, ICA, Jula, Apoteket, 25 units*	20,200	620	1.3	2.7	2001	1983 1990	95.3%	20,200	100%	100%	20,200
Eurostop Örebro (Örebro) *ICA, Jysk, Max, Circle K, 10 units*	15,300	900	0.2	4.7	1996	1991/1996/ 2007	99.1%	15,300	100%	100%	15,300
SUB-TOTAL SHOPPING CENTRES IN SWEDEN											**359,700**
Denmark											
Fisketorvet (Copenhagen) *Fotex Hypermarket, Silvan, Bahne, Sport24, 117 units, a cinema complex and a gym*	59,600	1,600	1.7	8.9	2000	2000 (R) 2013	98.0%	59,600	100%	100%	59,600
SUB-TOTAL SHOPPING CENTRES IN DENMARK											**59,600**
Finland											
Jumbo (Helsinki) *K- Citymarket, Prisma, Clas Ohlson, New Yorker, 125 units*	85,100	4,600	1.4	11.8	2005	1999 2005	97.0%	85,100	34%	34%	29,900
SUB-TOTAL SHOPPING CENTRES IN FINLAND											**29,900**
TOTAL (ACCORDING TO THE SCOPE OF CONSOLIDATION)											**449,200**

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

1.8. Nordics: Offices

Portfolio as at December 31, 2016	GLA of the whole complex *(m²)*	Year of acquisition	Construction (C) Refurbishment (R) date	GLA of the property owning companies *(m²)*	% Unibail-Rodamco's share	% of consolidation	Total space according to consolidation *(m²)*
Sweden							
Solna Centrum (Greater Stockholm) *75 office units and 108 apartments*	29,900	1985	1962/1965/ 1992	29,900	100%	100%	29,900
Täby Centrum (Greater Stockholm) *49 office units*	21,500	1997	1968/1969 1975/1992	21,500	100%	100%	21,500
Nacka Forum (Greater Stockholm) *80 office units*	13,800	1996	1990/1997/ 2008	13,800	100%	100%	13,800
Eurostop Arlanda (Greater Stockholm) *1 Hotel and 222 rooms*	10,500	1996	1992	10,500	100%	100%	10,500
Eurostop Örebro (Örebro) *1 hotel and 111 rooms*	4,700	1996	1991/1996/ 2007	4,700	100%	100%	4,700
TOTAL (ACCORDING TO THE SCOPE OF CONSOLIDATION)							**80,400**

1.9. Austria: Shopping Centres

Portfolio as at December 31, 2016	GLA of the whole complex *(m²)*	Parking spaces	Catchment area *(in million of people)*	Number of visits *(in million)*	Year of acquisition	Construction (C) Refurbishment (R) date	Occupancy (EPRA definition)	GLA of the property owning companies *(m²)*	% Unibail-Rodamco's share	% of consolidation	Total space according to consolidation *(m²)*
Austria											
Shopping City Süd (SCS) (Vienna) *278 units, a fitness centre and a cinema complex*	199,900	10,000	2.1	24.7	2008	(C) 1976/ 2002/2012 (R) 2013	99.2%	137,200	100%	100%	137,200
Donau Zentrum (Vienna) *259 units, a fitness centre, a cinema complex and a hotel*	123,900	3,000	1.7	18.8	2003	(C)1975/2000/ 2006/2008/ 2010 (R) 2012	98.4%	123,900	100%	100%	123,900
TOTAL (ACCORDING TO THE SCOPE OF CONSOLIDATION)											**261,100**

Catchment area: less than 30 minutes from the Shopping Centre (Except for SCS: 60 minutes).

1.10. Austria: Offices

Portfolio as at December 31, 2016	GLA of the whole complex *(m²)*	Year of acquisition	Construction (C) Refurbishment (R) date	GLA of the property owning companies *(m²)*	% Unibail-Rodamco's share	% of consolidation	Total space according to consolidation *(m²)*
Austria							
Donauzentrum (Vienna) *2 buildings*	10,700	2003	1975 1985	10,700	100%	100%	10,700
Shopping City Süd (SCS) (Vienna)	9,200	2008	1989	9,200	100%	100%	9,200
TOTAL (ACCORDING TO THE SCOPE OF CONSOLIDATION)							**19,900**

1.11. Germany: Shopping Centres

Portfolio as at December 31, 2016	GLA of the whole complex (m²)	Parking spaces	Catchment area (in millions of people)	Number of visits (in millions)	Year of acquisition	Construction (C) Refurbishment (R) date	Occupancy (EPRA definition)	GLA of the property owning companies (m²)	% Unibail-Rodamco's share	% of consolidation	Total space according to consolidation (m²)
Germany											
CentrO (Oberhausen) *Kaufhof, SinnLeffers, Saturn, P&C, H&M, C&A, Apple, Zara, Esprit, 210 retail units, 37 MSU, 1 cinema and leisure*	241,900	12,000	3.3	15.6	2014	(C) 1996	93.1%	234,600	45%	n.a.	n.a.
Ruhr Park (Bochum) *Kaufland, SinnLeffers, MediaMarkt, Forever 21, H&M, New Yorker, 156 retail units, 23 MSU and a cinema*	115,800	4,750	3.7	10.5	2012	(C) 1964 (R) 2015	99.8%	107,100	65%	100%	107,100
Paunsdorf Center (Leipzig) *Kaufland, MediaMarkt, Esprit, H&M, New Yorker, 188 retail units, 23 MSU and offices*	113,300	7,000	0.9	7.9	2012	(C) 1994 (R) 2012	90.1%	113,300	24%	n.a.	n.a.
Gropius Passagen (Berlin) *Kaufland, Kult, Kaufhof, P&C, New Yorker, SpieleMax, H&M, 124 retail units, 13 MSU, 1 cinema and offices*	93,700	2,000	3	10.6	2012	(C) 1964 (R) 1997	96.2%	93,700	10%	n.a.	n.a.
Hofe am Brühl (Leipzig) *MediaMarkt, Müller, H&M, New Yorker, Olymp&Hades, 130 retail units, 13 MSU and offices*	54,600	820	1.1	14.7	2012	(C) 2012	95.6%	54,600	48%	100%	54,600
Pasing Arcaden (Munich) *MediaMarkt, Müller, HIT, C&A, H&M, Aldi, 152 retail units, 12 MSU and offices*	52,900	990	2.1	11.3	2012	(C) 2011 (C) 2013	99.5%	52,900	48%	100%	52,900
Palais Vest (Recklinghausen) *Kaufland, MediaMarkt, Reserved, H&M, C&A, 119 retail units and 14 MSU*	43,100	970	2.4	9.3	2012	(C) 2014	92.4%	43,100	48%	100%	43,100
Minto (Mönchengladbach) *Media Saturn, H&M, Reserved, Sportscheck, Müller, Forever 21, Aldi, 107 retail units and 17 MSU*	41,800	910	1.5	8.4		(C) 2015	98.0%	41,800	48%	100%	41,800
Gera Arcaden (Gera) *Kaufland, Medimax, H&M, C&A, New Yorker, 85 retail units, 12 MSU and offices*	38,600	1,310	0.3	7	2012	(C) 1998 (R) 2008	97.0%	38,600	48%	100%	38,600
Ring-Center 1 (Berlin) *Pandora, H&M, New Yorker, Orsay, 73 retail units and a cinema complex*	20,600	1,000[1]	0.7	n.a.	1996	1997	n.a.	20,600	67%	n.a.	n.a.
TOTAL (ACCORDING TO THE SCOPE OF CONSOLIDATION)											**338,100**

Catchment area: less than 30 minutes from the Shopping Centre.
MSU: Medium Size Unit.
(1) Car park not owned by Unibail- Rodamco.

1.12. Netherlands: Shopping Centres

Portfolio as at December 31, 2016	GLA of the whole complex *(m²)*	Parking spaces	Catchment area *(in millions of people)*	Number of visits *(in millions)*	Year of acquisition	Construction (C) Refurbishment (R) date	Occupancy (EPRA definition)	GLA of the property owning companies *(m²)*	% Unibail-Rodamco's share	% of consolidation	Total space according to consolidation *(m²)*
Netherlands											
Stadshart Almere (Almere) *Media Markt, H&M, HEMA, Zara, Cinema, 97 retail units and 26 MSU*	89,500	1,810(1)	1.1	9.4	2002	(C) 2002 (R) 2008	97.7%	87,500	100%	100%	87,500
Stadshart Amstelveen (Amstelveen) *De Bijenkorf, H&M, HEMA, Albert Heijn, Zara, 125 retail units and 19 MSU*	83,500	2,780(2)	2.6	9.1	2005	(C) 1960 (R) 1998	99.2%	57,600	100%	100%	57,600
Stadshart Zoetermeer (Zoetermeer) *Albert Heijn XL, H&M, Primark, HEMA, Media Markt, 80 retail units and 17 MSU*	77,400	3,330(2)	2.4	10.2	1983	(C) 1983 (R) 2005	95.2%	52,800	100%	100%	52,800
Leidsenhage (Leidschendam) *Albert Heijn, H&M, HEMA, Jumbo, 90 retail units and 19 MSU*	75,400	1,180(2)	2.4	7	1990	(C) 1971 (R) 2000	n.a.	66,700	100%	100%	66,700
SUB-TOTAL SHOPPING CENTRES IN THE NETHERLANDS											**264,600**
Other holdings											
De Els (Waalwijk) *11 retail units*	14,500	500(1)	n.a.	n.a.	1990	(C) 1975 (R) 1990	n.a.	1,200	100%	100%	1,200
Kerkstraat (Hilversum) *1 unit*	12,200	70	n.a.	n.a.	1993	n.a.	n.a.	11,500	100%	100%	11,500
In den Vijfhoek (Oldenzaal) *33 retail units and 3 MSU (Albert Heijn)*	8,100	340(1)	n.a.	n.a.	1980	(C) 1980	n.a.	8,000	100%	100%	8,000
Zoetelaarpassage (Almere) *17 retail units and 3 MSU (Lidl)*	6,700	n.a.	n.a.	n.a.	1983	(C) 1983	n.a.	6,700	100%	100%	6,700
Carleijspassage 10 (Venlo) *1 retail unit and 2 MSU*	1,900	n.a.	n.a.	n.a.	1993	(C) 1951	n.a.	1,900	100%	100%	1,900
Oosterdijk (Sneek) *1 retail unit and 1 MSU*	1,500	n.a.	n.a.	n.a.	1988	n.a.	n.a.	900	100%	100%	900
SUB-TOTAL OTHER HOLDINGS IN THE NETHERLANDS											**30,200**
TOTAL (ACCORDING TO THE SCOPE OF CONSOLIDATION)											**294,800**

Catchment area: less than 30 minutes from the Shopping Centre.
MSU: Medium Size Unit.
(1) Car parks not owned by Unibail- Rodamco.
(2) Car parks partly owned by Unibail-Rodamco and are shared between retail and office.

1.13. Netherlands: Offices

Portfolio as at December 31, 2016	GLA of the whole complex *(m²)*	Parking spaces	Year of acquisition	Construction (C) Refurbishment (R) date	GLA of the property owning companies *(m²)*	% Unibail-Rodamco's share	% of consolidation	Total space according to consolidation *(m²)*
Netherlands								
Stadshart Zoetermeer (Zoetermeer)	11,500	3,330(1)	1983/2005	n.a.	10,600	100%	100%	10,600
Stadshart Amstelveen (Amstelveen)	6,800	2,780(1)	2005/2016	(C) 1999	6,500	100%	100%	6,500
TOTAL (ACCORDING TO THE SCOPE OF CONSOLIDATION)								**17,100**

(1) Car parks partly owned by Unibail-Rodamco and are shared between retail and office.

2

BUSINESS REVIEW AND 2016 RESULTS

2.1. Business Review

2.1.1. Accounting principles and scope of consolidation

2.1.1.1. Accounting principles

Unibail-Rodamco's consolidated financial statements as at December 31, 2016 were prepared in accordance with International Financial Reporting Standards ("IFRS") as applicable in the European Union as at such date.

No changes were made to the accounting principles applied for the year ended December 31, 2015.

The performance indicators are compliant with the best practices recommendations published by the European Public Real Estate Association (EPRA)[1]. These are reported in a separate chapter at the end of this section.

2.1.1.2. Scope of consolidation

The principal changes in the scope of consolidation since December 31, 2015 were the disposals of:

- on March 24, 2016, the 2-8 rue Ancelle office building in Neuilly-sur-Seine to a joint-venture between ACM Vie SA and funds managed by Amundi Immobilier;
- on July 12, 2016, the So Ouest office building, located in Levallois, to an institutional investor;
- on October 18, 2016, the 70-80 Wilson office building in La Défense;
- on October 19, 2016, the Nouvel Air office building located in Issy-les-Moulineaux;
- on December 15, 2016, the hypermarket of Sant Cugat in Barcelona; and
- a number of small assets, including a 26,159 m² shopping centre in Budapest, Europark.

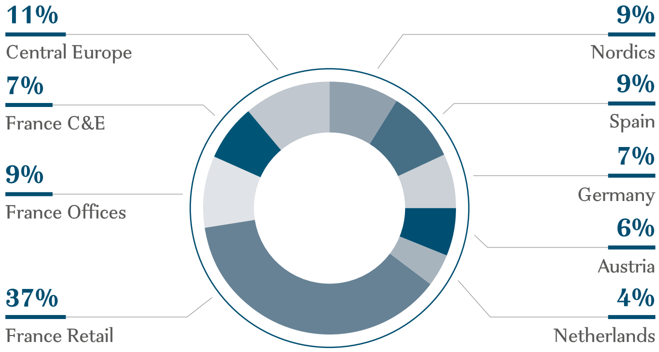
As at December 31, 2016, 296 companies were fully consolidated, six companies were consolidated under "joint operation" (as defined by IFRS 11) and 22 companies were accounted for using the equity method[2].

2.1.1.3. Operational reporting

The Unibail-Rodamco Group is operationally organised in seven regions: France, Central Europe[3], Spain, the Nordics, Austria, Germany and The Netherlands.

As France has substantial activities in all three business-lines of the Group, this region is itself divided in three segments: Shopping Centres, Offices and Convention & Exhibition (C&E). The other regions operate almost exclusively in the Shopping Centre segment.

The table below shows the split of Gross Market Values (GMV) per region as at December 31, 2016, including assets accounted for using the equity method[4].



Figures may not add up due to rounding.

2.1.2. Business review by segment

2.1.2.1. Shopping Centres

2.1.2.1.1. Shopping centre activity in 2016

Economic environment

GDP growth in 2016 for the European Union[5] (EU) and the Eurozone is forecast to have reached +1.8% and +1.7%, respectively, well below 2015 growth of +2.2% and +2.0%. The impact of accommodative monetary policy, low energy prices and lower euro exchange rates were broadly offset by political uncertainty.

(1) *EPRA Best Practices Recommendations are available on the EPRA website: www.epra.com.*
(2) *Mainly the Rosny 2 shopping centre in France, the Zlote Tarasy complex in Poland, and the CentrO, Gropius Passagen, Paunsdorf and Ring-Center shopping centres in Germany.*
(3) *Central Europe includes Ring-Center, accounted for using the equity method, and Aupark.*
(4) *Except property service companies (Espace Expansion and Unibail-Rodamco Germany property services).*
(5) *Source: European Commission, European Economic Forecast, autumn 2016 (latest version, released in November 2016). http://ec.europa.eu/economy_finance/publications/eeip/pdf/ip038_en.pdf*

	GDP	
Region/Country	2016 Forecast	2015 Actual
European Union (EU)	1.8%	2.2%
Eurozone	1.7%	2.0%
France	1.3%	1.3%
Czech Republic	2.2%	4.5%
Poland	3.1%	3.9%
Slovakia	3.4%	3.8%
Spain	3.2%	3.2%
Sweden	3.4%	4.1%
Finland	0.8%	0.2%
Denmark	1.0%	1.0%
Austria	1.5%	1.0%
Germany	1.9%	1.7%
Netherlands	1.7%	2.0%

Source: European Economic Forecast, autumn 2016.

Current estimates for EU GDP growth are +1.6% for 2017 and +1.8% for 2018. This expansion is expected to be led by domestic demand underpinned by steady employment growth. The outcome of elections in a number of European countries and Brexit negotiations may have an impact on EU GDP growth.

Unemployment levels(1) as at November 2016 have decreased to 8.3% in the EU and 9.8% in the Eurozone (both -70 bps compared to November 2015). These are the lowest recorded rates since 2009.

Finally, headline inflation(2) is expected to pick up in the coming quarters in all countries in which Unibail-Rodamco operates, potentially impacting positively local indices to which the Group's rents are contractually linked.

Footfall(3)

Despite the terrorist attacks in 2016 (Brussels in March, Nice in July and Berlin in December) and threats, the number of visits to Unibail-Rodamco's shopping centres through December 31, 2016, was up by +0.4% compared to the same period in 2015. Strong footfall growth in Germany, Nordics and Central Europe, of +4.2%, +3.0% and +1.3%, respectively, was partly offset by the drop in footfall in France.

Footfall in the Group's French shopping centres decreased by -0.7% through December 31, 2016, outperforming the -1.2% drop for the French national index(4). The most meaningful impact on footfall was observed in the Group's Parisian(5) shopping centres (-5.7%). This impact was partly offset by the strongly positive trend for recently renovated or opened shopping centres such as Euralille (+7.6%), Aéroville (+4.3%), Confluence (+3.8%) and So Ouest (+3.3%).

Tenant sales(6)

Tenant sales in the Group's shopping centres increased by +1.4% through December 31, 2016, compared to 2015. Tenant sales growing faster than footfall reflects an increase of both conversion rates and customers' spending baskets(7). This trend has been apparent in the Group's shopping centres since 2013.

Through November 30, 2016, the Unibail-Rodamco tenant sales growth in all regions resulted in an increase of +1.4% compared to the same period last year. The aggregate Group tenant sales' weaker than usual performance (-20 bps) relative to the National Sales Indices(8) was due to: (i) the unfavourable weather impact on fashion sales in Europe, (ii) France, where the Group has a very strong presence in the Paris region, and (iii) the Nordics, where the Group's tenants sales do not include those of Mall of Scandinavia whereas the national index does.

(1) Source: Eurostat, November 2016 (released on January 9, 2017). http://ec.europa.eu/eurostat/documents/2995521/7784700/3-09012017-AP-EN.pdf/a71f5105-0f38-4f52-ba3a-c6f3cf6f9c41

(2) Source: European Commission, European Economic Forecast, autumn 2016 (latest version, released in November 2016). http://ec.europa.eu/economy_finance/publications/eeip/pdf/ip038_en.pdf

(3) Except as indicated otherwise, footfall data are year-to-date through December 2016 and include Rosny 2, CentrO and Paunsdorf. Footfall in Unibail-Rodamco's shopping centres in portfolio of 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 2016 reporting period, shopping centres excluded due to delivery or ongoing works were Forum des Halles, Parly 2, Carré Sénart and Carré Sénart Shopping Park, Polygone Riviera, Galerie Gaîté, Mall of Scandinavia, Minto, Ruhr Park, Gropius Passagen, Glòries, Bonaire, Centrum Chodov and Aupark.

(4) Reference is the CNCC (Conseil National des Centres Commerciaux) index.

(5) Les Quatre Temps, CNIT, Carrousel du Louvre and Les Boutiques du Palais des Congrès.

(6) Except as indicated otherwise, tenant sales data are year-to-date through November 2016 and include Rosny 2, CentrO and Paunsdorf. Tenant sales performance in Unibail-Rodamco's shopping centres (excluding The Netherlands) in portfolio of 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 2016 reporting period, shopping centres excluded due to delivery or ongoing works were Forum des Halles, Parly 2, Carré Sénart and Carré Sénart shopping park, Polygone Riviera, Galerie Gaîté, Mall of Scandinavia, Minto, Ruhr Park, Gropius Passagen, Glòries, Bonaire, Centrum Chodov and Aupark. Primark sales are based on estimates.

(7) Constant perimeter from 2013 to 2016 (49 shopping centres studied). Conversion rate: percentage of visitors who have made at least one purchase in the shopping centre. Average spending basket: average spending in all stores (including hypermarket), restaurants and entertainment areas of all clients who have made at least one purchase.

(8) Based on latest national indices available (year-on-year evolution) as at November 2016: France: Institut Français du Libre-Service (IFLS); Spain: Instituto Nacional de Estadistica; Central Europe: Česky statisticky urad (Czech Republic), Polska Rada Centrow Handlowych (Poland) (as at October 2016), Eurostat (Slovakia); Austria: Eurostat; the Nordics: HUI Research (Sweden), Danmarks Statistik (Denmark), Eurostat (Finland); Germany: Destatis-Genesis (Federal Statistical Office).

Region	Tenants Sales Growth (%) (November 2016)	Performance *versus* National Sales Index (bps)
France	0.3	0
Central Europe	4.4	+180
Spain	2.6	-60
Nordic	0.2	-250
Austria	1.4	+40
Germany	2.6	+20
TOTAL	**1.4**	**-20**

- Tenant sales in the Group's French shopping centres increased by +0.3% through November 2016 (+0.6% through December 2016) despite the decline in footfall. This performance was the same as the increase of the French national sales index. Tenant sales were particularly strong in the newer or refurbished shopping centres such as Euralille (+10.5%), Confluence (+7.7%), Aéroville (+5.9%), Toison d'Or (+5.5%) and La Part Dieu (+4.9%). The strong performance in these shopping centres was partially offset by the impact of the terrorist threat, mostly affecting the Parisian shopping centres.
- In Central Europe, the Group's tenant sales outperformed the national sales index by +180 bps, primarily due to Galeria Wilenska (+8.9%), Aupark (+8.9%), Centrum Cerny Most (+6.3%) and Arkadia (+4.6%).
- In Spain, strong tenant sales growth in Splau (+7.3%), Bahia Sur (+6.8%), El Faro (+4.6%) and Vallsur (+4.3%) was partially offset by the impact of a number of significant reletting operations (stores closed during the fitting out) in certain of the Group's large shopping centres[(1)] and the bankruptcy of two retailers. Across the Group's shopping centres in Spain, footfall was 183 bps higher than the national footfall index for Spanish shopping centres.
- In the Nordics, Group tenant sales, which exclude sales in Mall of Scandinavia, increased by +0.2%, mainly driven by the growth of Fisketorvet (+8.0%) and Jumbo (+4.6%), partially offset by Solna (-14.0%) which was particularly impacted by the opening of its immediate neighbour, Mall of Scandinavia. Including Mall of Scandinavia, the Groups' tenant sales in the Nordics were up by +28.0%. The Nordics national sales index, which includes this asset, was up by +2.7%.
- In Austria, tenant sales in Shopping City Süd and Donau Zentrum grew by +1.6% and +1.3%, respectively.
- In Germany, tenant sales outperformed the national sales index by +20 bps mainly due to Paunsdorf (+9.2%) and Höfe am Brühl (+7.7%).

Group wide, the segments "Fashion apparel" and "Bags & Footwear & Accessories" were affected most by the unseasonable weather. Without these two segments, Group tenant sales would have grown by +2.1%.

GROUP TENANT SALES BY SELECTED SEGMENTS THROUGH NOVEMBER 2016

	Weight in GLA	Tenant sales growth
Fashion apparel	28.6%	+0.2%
Entertainment	10.7%	+5.8%
Dining	9.2%	+4.2%
Culture & Media & Technology	8.5%	+1.3%
Department Stores & Luxury	6.4%	-3.3%
Bags & Footwear & Accessories	5.1%	-1.2%
Health & Beauty	4.8%	+5.0%

(1) *Shopping centres which receive six million or more visitors per annum.*

Leasing

Leasing activity was strong in 2016, with a total of 1,479 deals signed on consolidated standing assets, a +7.4% increase compared to 2015[(1)]. Unibail-Rodamco leasing teams generated a Minimum Guaranteed Rent uplift[(2)] of +17.4%, exceeding the Group's objectives for the year.

The tenant rotation rate[(3)] reached 13.3%, well above the Group's 10% annual target.

Differentiation through International Premium Retailers (IPR[(4)]) remains at the heart of the Group's strategy. 196 deals were signed with IPRs, in line with 2015. The share of IPRs in the Group tenant rotation rate increased from 13.8% in 2015 to 15.7% in 2016 (12.0% in 2014 and 10.1% in 2013) strengthening Unibail-Rodamco's position as a major partner for these retailers in Continental Europe and reinforcing its unique positioning in the European shopping centre market.

Many emblematic retailers have chosen the Group's shopping centres to open their first mono-brand store in a country or in a major city, including:

- Topshop: 1st direct store (non-franchisee owned) in Continental Europe in a shopping centre, on a 1,762 m^2 unit in CentrO;
- NYX (L'Oréal Group): 1st store in Paris in Les Quatre Temps, in Austria in Donau Zentrum, in Poland in Galeria Mokotow and in Slovakia in Aupark. NYX also signed with the Group its 1st store in a shopping centre in Spain in La Vaguada;
- Dior Parfums: 1st store in Poland in Galeria Mokotow;
- MAC (Estée Lauder Group): 1st store in Sweden in Mall of Scandinavia;
- New Balance: 1st store in France in Forum des Halles and 1st store in a shopping centre in Germany in CentrO;
- COS: 1st store in a shopping centre in Austria in Shopping City Süd;
- Scotch & Soda: 1st store in a shopping centre in Germany in CentrO;
- Karl Lagerfeld: 1st store in the Czech Republic in Centrum Chodov;
- Karl Lagerfeld Women: 1st store in Slovakia in Aupark;
- Uterqüe: 1st store in Poland in Galeria Mokotow; and
- Amazon: 1st long-term kiosk in Continental Europe in CentrO.

Meanwhile, the Group strengthened its partnership with major differentiating brands with high customer recognition, increasing their number of stores in its portfolio during 2016. These include:

- ten new leases with Nespresso, seven with Rituals, seven with Starbucks, six with JD Sports, six with PVH Group (Tommy Hilfiger and Calvin Klein) and six with Flying Tiger;
- seven leases with Bialetti in France and Spain. (Aéroville, Carré Sénart, Toison d'Or, Parly 2, Carrousel du Louvre, Parquesur and La Vaguada). Bialetti opened its first store in the Group's portfolio in 2015 in Polygone Riviera;
- two new Tesla stores in France (Polygone Riviera and Vélizy 2), after Tesla signed for its first store in a shopping centre in France (Parly 2) in 2015. In Sweden, Tesla also renewed its lease agreement in Täby Centrum.

2016 was also characterized by robust pre-letting of a number of projects in the Group's development pipeline:

- the Wroclavia project, a development of 79,466 m^2 in Wroclaw, was 79% pre-let[(5)] as at December 31, 2016, prior to the scheduled opening in H2-2017. Media Markt, Steve Madden, Estée Lauder, L'Occitane and Lacoste were among the major differentiating tenants signed by the Group in 2016;
- Centrum Chodov's 41,817 m^2 extension project in Prague was 82% pre-let[(5)] as at December 31, 2016, with delivery expected in H2-2017. Sephora signed for a larger store in the extension (more than +50% increase in GLA). The Group also signed with Peek&Cloppenburg, Nespresso, NYX and Starbucks;
- for Carré Sénart's 31,448 m^2 extension project anchored by a 9,000 m^2 Galeries Lafayette store, the Group secured the commitment for a medium-size unit for each of Superdry and AS Adventure. NYX, Rituals and New Balance were signed also. As at December 31, 2016, the extension project was 65% pre-let[(5)].

Brand Event activities

Specialty leasing revenues in 2016 amounted to €22.5 Mn, an increase of +13% compared to the same period last year.

The Group's Brand Events team accelerated the signing of new cross-border deals with brands such as:

- Samsung: after a successful event in Mall of Scandinavia, Samsung followed with a number of campaigns in the Group's shopping centres: in Poland (Arkadia) with the Samsung Galaxy Studio, in France (Les Quatre Temps) for a demonstration of the Gear VR (virtual reality headset) and in the Czech Republic (Centrum Chodov) to promote Samsung's sport products;
- Dyson launched its first pop-up store in a shopping centre in France in Vélizy 2 in September 2016 and in three other shopping centres in the Nordics (Mall of Scandinavia, Täby Centrum and Fisketorvet);
- Nespresso led several road shows in the Group's shopping centres in the Czech Republic (Centrum Chodov and Cerny Most), Sweden (Täby Centrum) and France (in eight shopping centres). The Group also signed two Nespresso pop-up stores in the Czech Republic (Centrum Chodov) and Poland (Galeria Mokotow);

(1) *Based on 1,377 leases signed in 2015, which include those signed for Ruhr Park which is now fully consolidated.*
(2) *Minimum Guaranteed Rent (MGR) uplift: difference between new MGR and indexed old MGR. Indicator calculated on renewals and relettings only.*
(3) *Rotation rate: (number of relettings + number of assignments and renewals with new concepts) / number of stores. Short term leases are excluded.*
(4) *IPR: Retailer with strong and international brand recognition and a differentiating store design and product approach, which the Group believes will increase the appeal of the shopping centres.*
(5) *GLA signed, all agreed to be signed, and financials agreed.*

- Huawei organised a global campaign, including in four of the Group's shopping centres, to promote its P9 phone in Slovakia, the Czech Republic, Austria and Sweden.

The Group continued to roll out the installation of spectacular digital screens within its portfolio:

- in CentrO, the Digital Dream®, composed of a customized 250 m² LED screen, was launched in September 2016;
- in Aéroville, a high definition rotating LED screen (34 m²) was installed at the end of 2016;
- Similar digital screens will be launched in Rosny 2 and Vélizy 2 in 2017.

Digital screens give the Group the opportunity to increase its appeal to luxury brands, such as Dior, Chanel and Burberry, contributing to the +15% growth in advertising revenues (€12.5 Mn) in 2016.

Extension, renovation and brownfield projects

On April 5, 2016, the Canopy was unveiled in Forum des Halles. The Canopy consists of 6,000 m² of new GLA with 18 new stores such as LEGO, New Balance, Rituals, Superdry and Nike. The full renovation and extension project of Forum des Halles will be completed in 2017, with the opening of a Monoprix on 3,926 m². At completion, 15,100 m² GLA will have been added for a total of 75,000 m² for this unique asset. Unibail-Rodamco's ambition is to make Forum des Halles the main shopping destination in the heart of Paris.

Following the restructuring project delivered in 2015, Euralille revealed the last two phases of its transformation. On May 12, 2016, "Les Tables d'Euralille", the brand new Dining Plaza of the shopping centre with 1,200 seats was opened. On October 27, 2016, a new shopping square with nine new stores, including a 4,800 m² Primark, was inaugurated, drawing more than 71,000 visitors on the opening day. Euralille reached a record number of visits with more than 96,000 visitors on January 14, 2017.

In December 2016, Glòries unveiled the first phase of its full redevelopment project with 60 new shops on level -1, out of which the latest Mango concept and the largest Bershka in the Group's portfolio. The entire new Glòries is scheduled to open in H2- 2017, offering more than 70,000 m² of GLA and 130 stores.

In 2016, the Group also capitalised on projects delivered last year:

- Polygone Riviera, inaugurated on October 21, 2015, benefited from several major openings, including the first Primark of the French Riviera in March 2016, Tesla in June and FNAC in September. Polygone Rivera was granted the *"Prix d'excellence"* award from the CNCC (French council of shopping centres) and received strong customer recognition: the NPS[1] of the shopping centre stands at +30, compared to +22 for the Group, and has an average dwell time of 84 minutes.
- The performance of Mall of Scandinavia exceeded expectations: in only one year since its delivery on November 12, 2015, almost 14 million visits were recorded[2]. Mall of Scandinavia was named "2016 Best International Shopping Centre" by the Retail & Leisure International magazine in May 2016. The NPS of Mall of Scandinavia stands at +37.

See Section 7 of the Development projects segment for a list of all retail projects in the Group's development pipeline.

Destinations and innovation

During 2016, the Group rolled-out more destination concepts throughout its portfolio so as to further increase customer satisfaction and differentiation:

- The Dining Experience™ aims at offering customers a large range of dining offers in spectacular dining plazas. "Las Terrazas" officially opened in November 2016 in Bonaire with 20 restaurants including the second restaurant of the "Top Chef" winner, Begoña Rodrigo. 10 of the Group's shopping centres now offer the Dining Experience™.
- The Designer Gallery™: this initiative places fashion and creativity at the heart of the shopping experience. Launched in 2015 in Polygone Riviera and in Mall of Scandinavia, a new Designer Gallery™ opened in December 2016, in Galeria Mokotow, with great brands including the first Uterqüe, & Other Stories and Dior Parfums stores in Poland and a Polish designer concept store.
- The Family Experience: the Group continues to develop new solutions to add to the appeal of its shopping centres. A pilot project for customers shopping with children is underway in Donau Zentrum.
- 4 Star label: as at December 31, 2016, 26 of the Group's shopping centres had been awarded the 4 Star label. 25 shopping centres previously labeled all passed the annual independent quality audits ensuring these met the 684 quality referential. The Group expects the number of other shopping centres qualifying for the 4 Star label to increase during 2017.

The Group also aims to extend collaboration with its tenants in day-to-day management tasks through the increased use of technology. In December 2016, the Group, following a successful trial in two Spanish shopping centres, launched a new smartphone application, Connect, through a strategic partnership with Toolbox Group, a UK-based company. It allows the Group to communicate directly with all of the tenants' employees working in stores in the Group's shopping centres and share indicators about activity levels, or important information regarding maintenance and security.

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(1) Net Promoter Score: an international customer loyalty metric measuring if a shopping centre engenders positive or negative recommendations. It was created in 2003 by a consultant of Bain & Company in collaboration with Satmetrix. The NPS measures the difference between the percentage of "promoters" and the percentage of "detractors" of a shopping centre. "Promoters" are defined as those answering 9 or 10 to the question "Based on a scale from 0 to 10, how likely are you to recommend this shopping centre to a colleague or friend? 0 means you would not recommend and 10 means you would definitely recommend." "Detractors" are defined as those answering 0 to 6. Scores of 7 and 8 are "Passives" and do not impact the calculation of the NPS. NPS can be as low as -100 and as high as +100. The NPS is calculated yearly in all Unibail-Rodamco's shopping centres, based on a survey at the exits of each shopping centre of approximately 500 visitors during a one-week period and led by Soft Computing, an independent institute.

(2) 13.2 million for the 12 months ended December 31, 2016.

After a successful first season in H1-2016, six new start-ups entered UR Link, the Group's accelerator, for its second season. This initiative, launched in partnership with NUMA (a leading Parisian start-up incubator), offers start-ups the opportunity to work in collaboration with Unibail-Rodamco experts to develop and prototype their concept in the Group's portfolio. These start-ups were selected, among 120 candidates, by the Group's teams and external experts, based on three themes from Unibail-Rodamco's Corporate Social Responsibility strategy, "Better Places 2030": smart and connected retail, communities and sustainable development.

Marketing and digital

In 2016, Unibail-Rodamco continued the roll-out of the "Unexpected Shopping" campaign, developed a strongly differentiated entertainment offer and built real communities of interest. Unibail-Rodamco also aims to offer the best omni-channel experience to its visitors by continuously bringing more and improved digital services into its shopping centres.

Two more shopping centres joined the "Unexpected Shopping" campaign: CentrO in March and Forum des Halles in April. Each campaign was enhanced with photo shoots of local celebrities. In 2017, three more shopping centres will join the campaign: Höfe am Brühl, Glòries and Wroclavia, bringing the number of its shopping centres deploying this unique strategy to 34.

In 2016, Unibail-Rodamco entered into partnerships with brands such as LEGO, Warner Bros., Disney, Samsung, Sephora and Le Tour de France. New entertainment experiences were offered to visitors through the use of state-of-the-art technologies, such as virtual reality, robots and connected bicycles. These innovative and differentiating events drew more than 1.4 million participants in 2016, while engaging 7.3 million people on Facebook. Over 20% of the growth of loyalty cards in 2016 was generated during these event days.

In December 2016, the Group entered into an exclusive partnership in Continental Europe[(1)] with Niantic, Inc. and The Pokémon Company International. Up to 500 PokéStops and Gyms will be deployed in 58 shopping centres. It is the first time in EMEA[(2)] that shopping centres will unleash the Pokémon GO game, providing a completely new experience which embraces augmented reality.

The development of digital in-app functionalities to further enhance the customer journey continued in 2016:

- Smart Map, deployed in 57 centres, enables visitors to easily locate on their smartphone the shops they are looking for, as well as current promotions;
- Smart Park offers an automatic memorization of the parking space and has been deployed in seven shopping centres, with more to come in 2017.

In 2016, Unibail-Rodamco continued its investment in digital infrastructure to support the development of its digital ambition:

- beacons have now been installed in 34 shopping centres. The Group will continue to deploy beacons and develop live interactions with its visitors;
- the Group developed a new state-of-the-art CMS (Content Management System), to manage content for websites, mobile applications and interactive directories in all of its shopping centres simultaneously;
- a substantial IT investment is under way to construct a unique European data framework gathering app use, loyalty, footfall and Facebook data, allowing better understanding and interactions with the visitors and digital audience.

In 2016:

- smartphone app downloads grew by +20% to 4.2 million[(3)];
- website visits[(4)] increased by +15% to 51.9 million[(5)];
- the number of loyalty card holders increased by +38% to reach more than 2.4 million.

Unibail-Rodamco's ambitious redesigning, retenanting and remarketing strategy continues to generate high levels of satisfaction for visitors. The average NPS[(6)] of the Group's shopping centres has risen further in 2016, with a score of +22 (+20 in 2015).

(1) Exclusivity for all shopping centres in Continental Europe (excluding Russia) for seven months, and in the catchment area of the 58 Unibail-Rodamco shopping centres concerned for the following six months.
(2) EMEA: Europe, Middle East and Africa.
(3) Total growth, including German assets. Like-for-like growth vs. end 2015: +11%.
(4) Desktop and mobile visitors (FY-2015 MD&A displayed only desktop visitors).
(5) Total growth, including German assets. Like-for-like growth vs. end 2015: +4%.
(6) NPS is calculated yearly in all Unibail-Rodamco's shopping centres, based on a survey led during a one-week period by an independent institute, Soft Computing.

2.1.2.1.2. Net Rental Income

As at December 31, 2016, the Group owned 83 retail assets, of which 71 shopping centres. 56 of these host six million or more visits per annum and represent 97% of the Group's retail portfolio[1] in GMV.

Total consolidated Net Rental Income (NRI) of the shopping centre portfolio amounted to €1,272.6 Mn in 2016, an increase of +8.1% from 2015, mainly due to the positive impact of the openings of Mall of Scandinavia and Polygone Riviera in H2-2015 and the full consolidation of Ruhr Park, partially offset by disposals in 2015 and 2016.

	Net Rental Income *(€Mn)*		
Region	**2016**	**2015**	**%**
France	580.5	549.1	5.7%
Central Europe	156.2	148.2	5.4%
Spain	146.0	147.5	-1.0%
Nordic	139.9	106.1	31.9%
Austria	98.6	92.1	7.1%
Germany	89.9	67.1	34.1%
Netherlands	61.5	67.0	-8.1%
TOTAL NRI	**1,272.6**	**1,177.0**	**8.1%**

Figures may not add up due to rounding.

The total net change in NRI amounted to +€95.6 Mn compared to 2015 due to:

- +€58.9 Mn from delivery of shopping centres or new units, mainly in Sweden (Mall of Scandinavia and Täby Centrum), in France (Polygone Riviera and Forum des Halles) and in Germany (Minto);
- +€19.1 Mn from changes in consolidation and acquisitions:
  - in Germany, Ruhr Park has been fully consolidated since July 24, 2015, following the acquisition of an additional stake and the related change of control,
  - acquisition of additional units, mainly in France;
- -€5.7 Mn due to assets moved to the pipeline, mainly in Spain (projects Glòries and Bonaire) and The Netherlands (Mall of The Netherlands project);
- -€9.8 Mn due to disposals of assets, mainly in the Nordics (Nova Lund) and Central Europe (Europark);
- -€1.9 Mn due to a negative currency translation effect from SEK and a reallocation of units between retail and offices in Sweden;
- the like-for-like NRI[2] growth amounted to +€35.0 Mn, *i.e.* +3.4%, 310 bps above indexation. The growth was impacted by some security costs, mainly in France, not recharged to tenants.

	Net Rental Income *(€Mn)* Like-for-like		
Region	**2016**	**2015**	**%**
France	504.0	488.5	3.2%
Central Europe	147.6	137.4	7.4%
Spain	140.2	139.1	0.8%
Nordic	89.8	86.9	3.3%
Austria	98.6	91.7	7.5%
Germany	50.4	48.8	3.3%
Netherlands	47.5	50.7	-6.3%
TOTAL NRI LFL	**1,078.2**	**1,043.2**	**3.4%**

Figures may not add up due to rounding.

(1) *On standing assets, including value of equity in the companies accounted for using the equity method.*
(2) *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 meters and currency exchange rate differences in the periods analysed.*

	Net Rental Income Like-for-like evolution (%)			
Region	Indexation	Renewals, relettings net of departure	Other(1)	Total
France	0.0%	2.5%	0.7%	3.2%
Central Europe	0.8%	4.8%	1.8%	7.4%
Spain	0.0%	3.0%	-2.2%	0.8%
Nordic	1.6%	1.0%	0.8%	3.3%
Austria	0.8%	1.6%	5.0%	7.5%
Germany	0.2%	2.1%	1.0%	3.3%
Netherlands	0.6%	-7.8%	0.9%	-6.3%
TOTAL	**0.3%**	**2.2%**	**0.9%**	**3.4%**

(1) Other income net of expenses.

The +3.4% like-for-like NRI growth for the Group in 2016 reflects low indexation (+0.3%, stable *vs.* 2015), the solid performance in renewals and relettings (+2.2% *vs.* +2.4% in 2015) and "Other" (+0.9% *vs.* +1.2% in 2015). In Central Europe, "Other" increased mainly due to Sales Based Rent (SBR) and a reduction in vacancy costs. In Austria, "Other" was positively impacted by the resolution of a legal dispute with a tenant. In Spain, the -2.2% decline in "Other" is due mainly to indemnities received in 2015 following a court decision and the subsequent reversal of provision for doubtful debt. Excluding this impact, the 2016 NRI like-for-like growth in Spain would have been +4.5%. In The Netherlands, like-for-like NRI growth of -6.3% is due primarily to bankruptcies of a number of retailers, including the department store chain V&D, and departures of certain tenants.

Across the portfolio, SBR represented 2.6% (€33.0 Mn) of total Net Rental Income in 2016, *vs.* €22.4 Mn (1.9%) in 2015. This increase is mainly due to Germany, France and the Nordics as a result of the successful deliveries of Minto, Polygone Riviera and Mall of Scandinavia in 2015.

2.1.2.1.3. Contribution of affiliates

The total recurring Contribution of affiliates[1] for the shopping centre portfolio amounted to €66.7 Mn in 2016, compared to €79.1 Mn in 2015.

	Contribution of affiliates (€Mn)		
Region	2016 Recurring activities	2015 Recurring activities	Change
France	7.0	9.0	-2.1
Central Europe	30.7	36.0	-5.3
Spain	0.5	1.1	-0.6
Germany	28.5	32.9	-4.4
TOTAL	**66.7**	**79.1**	**-12.3**

Figures may not add up due to rounding.

The total net decrease of -€12.3 Mn is due to:

- in France, an indemnity received in 2015 for an aborted development project;
- in Central Europe, the disposal of the Group's stake in Arkady Pankrac in June 2015;
- in Spain, the impact of the full consolidation of Benidorm since June 2016; and
- in Germany, the change of control in Ruhr Park, fully consolidated since July 2015.

On a pro-forma basis, excluding the changes in consolidation method and divestment, the total recurring "Contribution of affiliates" decreased by -€1.1 Mn, mainly due to Ring-Center and ongoing works in the parking of Rosny 2.

(1) Contribution of affiliates represents Unibail-Rodamco's share of the Net recurring result for the period of all entities accounted for using the equity method and interests received on loans granted to companies accounted for using the equity method.

2

2.1.2.1.4. Leasing activity in 2016

The Group signed 1,479 leases in 2016 on consolidated standing assets (compared to 1,377 leases in 2015[(1)]) for €187.2 Mn of MGR. The average MGR uplift was +17.4% on renewals and relettings during 2016 (compared to +18.2% in 2015), exceeding the Group's targets for the year. The uplift in 2016 was the result of strong uplifts in France and Austria, partially offset by the negative uplift in The Netherlands.

	Lettings/re-lettings/renewals excl. Pipeline				
				MGR uplift Like-for-like	
Region	nb of leases signed	m²	MGR (€Mn)	€ Mn	%
France	327	104,137	69.5	11.6	25.8%
Central Europe	393	100,425	38.9	3.1	10.8%
Spain	257	45,175	24.0	2.5	14.9%
Nordic	190	49,328	21.9	2.0	13.5%
Austria	111	29,949	13.5	2.6	27.0%
Germany	73	25,825	7.4	0.7	14.2%
Netherlands	128	52,465	12.0	-0.2	-1.9%
TOTAL	**1,479**	**407,304**	**187.2**	**22.4**	**17.4%**

Figures may not add up due to rounding.

2.1.2.1.5. Lease expiry schedule, Vacancy and Occupancy Cost Ratio (OCR)

As at December 31, 2016, the total annualised MGR from Unibail-Rodamco's shopping centre portfolio increased to €1,279.6 Mn (€1,243.2 Mn as at December 31, 2015).

The following table shows a breakdown by lease expiry date and at the tenant's next break option:

	Lease expiry schedule			
Retail	MGR (€Mn) at date of next break option	As a % of total	MGR (€Mn) at expiry date	As a % of total
Expired	37.1	2.9%	36.6	2.9%
2017	220.4	17.2%	88.6	6.9%
2018	237.8	18.6%	83.0	6.5%
2019	271.7	21.2%	116.3	9.1%
2020	143.5	11.2%	127.7	10.0%
2021	123.9	9.7%	122.7	9.6%
2022	62.7	4.9%	132.4	10.3%
2023	42.1	3.3%	115.9	9.1%
2024	32.1	2.5%	78.5	6.1%
2025	33.0	2.6%	115.0	9.0%
2026	16.9	1.3%	84.1	6.6%
2027	9.1	0.7%	29.4	2.3%
Beyond	49.3	3.9%	149.2	11.7%
TOTAL	**1,279.6**	**100%**	**1,279.6**	**100%**

Figures may not add up due to rounding.

(1) *Including those signed for Ruhr Park which is now fully consolidated.*

The Estimated Rental Values (ERV) of vacant space in operation on the total portfolio decreased to €35.2 Mn (from €36.2 Mn as at December 31, 2015).

The EPRA vacancy rate(1) decreased to 2.3% as at December 31, 2016, from 2.5% as at December 31, 2015, including 0.2% of strategic vacancy. In The Netherlands, the increase in vacancy is mainly due to the bankruptcy of the department store chain V&D. The Group relet one of the three stores vacated by V&D to Hudson's Bay Company, and discussions with potential tenants about another store are ongoing. The vacancy decreased in Central Europe, the Nordics, Austria and Germany due to strong leasing activity.

	Vacancy (31/12/2016)		31/12/2015
Region	€ Mn	%	%
France	20.2	2.8%	2.8%
Central Europe	0.2	0.1%	0.9%
Spain	2.0	1.0%	1.1%
Nordic	5.4	3.3%	3.8%
Austria	1.3	1.2%	1.6%
Germany	2.3	2.2%	3.0%
Netherlands	3.7	6.0%	3.9%
TOTAL	**35.2**	**2.3%**	**2.5%**

Excluding pipeline.
Figures may not add up due to rounding.

The OCR(2) for the Group increased to 14.7% as at December 31, 2016, compared to 14.1% as at December 31, 2015, due to rental growth outpacing tenant sales growth during the period.

	OCR	
Region	31/12/2016	31/12/2015
France	15.4%	14.7%
Central Europe	15.9%	15.5%
Spain	12.2%	12.3%
Nordic	13.8%	12.3%
Austria	15.9%	15.8%
Germany	13.7%	13.0%
Netherlands(1)	-	-
TOTAL	**14.7%**	**14.1%**

(1) Tenant sales not available in The Netherlands.

(1) EPRA vacancy rate: Estimated Rental Value (ERV) of vacant spaces divided by ERV of total surfaces.
(2) Occupancy Cost Ratio: (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 estimates have been taken into account.

2.1.2.1.6. Average rent/m² and Appraisers' view on NRI Growth

The table below contains quantitative data used by the Group's appraisers, and disclosed in section 1.6 of the Net Asset Value Note provided pursuant to IFRS 13, in order to provide readers with incremental data on the Group's consolidated assets.

Shopping Centres – 31/12/2016		Rent in € per sqm(1)	CAGR of NRI(2)
France	Max	853	10.4%
	Min	110	1.3%
	Weighted average	491	4.1%
Central Europe	Max	554	2.8%
	Min	188	2.2%
	Weighted average	389	2.6%
Nordic	Max	513	4.3%
	Min	100	1.1%
	Weighted average	356	3.5%
Spain	Max	785	4.1%
	Min	95	1.6%
	Weighted average	288	3.3%
Germany	Max	453	4.7%
	Min	244	2.3%
	Weighted average	303	3.4%
Austria	Max	382	3.0%
	Min	359	2.6%
	Weighted average	370	2.8%
Netherlands	Max	404	5.5%
	Min	113	n.m
	Weighted average	247	3.4%
GROUP	**MAX**	**853**	**10.4%**
	MIN	**95**	**N.M**
	WEIGHTED AVERAGE	**384**	**3.6%**

(1) Average annual rent (minimum guaranteed rent + sales based rent) per asset per m².
(2) Compounded Annual Growth Rate of Net Rental Income determined by the appraiser (between 6 and 10 years depending on duration of DCF model used).

2.1.2.1.7. Investment and divestment

Unibail-Rodamco invested €933 Mn[1] in its shopping centre portfolio in 2016:

- new acquisitions amounted to €96 Mn, mainly in Forum des Halles, Rosny 2 and La Part Dieu;
- €615 Mn were invested in construction, extension and refurbishment projects. The Forum des Halles renovation project was delivered in April 2016. Significant progress was made on the Carré Sénart, Glòries, Centrum Chodov and Wroclavia projects (see also section "Development projects");
- maintenance Capex[2] amounted to €101 Mn[1] in 2016 *vs.* €71 Mn in 2015, €56 Mn in 2014 and €106 Mn in 2013;
- financial, eviction and other costs were capitalised in 2016 for €9 Mn, €79 Mn and €33 Mn, respectively.

The Group disposed of a number of small assets, including:

- in April 2016, Europark, a 26,159 m² shopping centre in Budapest, for a Total Acquisition Cost (TAC)[3] of €32 Mn, reflecting a price of €1,223/m²;
- in December 2016, the hypermarket of Sant Cugat in Barcelona for a TAC of €53 Mn, reflecting a price of €2,368/m².

Collectively, the Group disposed a total of €90 Mn (TAC) of retail assets during 2016 at an average premium of +51.3% above the last unaffected book value.

The ongoing disposal of non-core retail assets remains a component of Unibail-Rodamco's value creation strategy.

(1) Total capitalised amount in asset value Group share.
(2) Maintenance Capex relates to works either on equipment or the structure of a standing asset. The primary purpose of Maintenance 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 Maintenance Capex spent as part of the TIC of extension and/or renovation projects and on which the Group's standard Return On Investment (ROI) is expected.
(3) 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.

2.1.2.1.8. Overview of German operations[1]

Under IFRS, the performance of the Group's German portfolio is reported partly in consolidated NRI and partly in the line "Contribution of affiliates".

To provide a better understanding of the operational performance of the Group's German assets in 2016, the following paragraph describes a number of key performance indicators[2] on a pro-forma and 100% basis:

- the total GMV of the German portfolio (fully or partly owned) amounted to €5.0 Bn as at December 31, 2016 (€4.8 Bn as at December 31, 2015);
- the Pipeline amounted to €1.2 Bn as at December 31, 2016, stable compared to December 31, 2015;
- the GLA managed amounted to 1.4 million m² and includes 0.8 million m² of owned assets;
- NRI amounted to €200.3 Mn in 2016, an increase of +€9.6 Mn compared to 2015, mainly explained by the opening of Minto in March 2015 as well as the delivery of the Ruhr Park extension in November 2015;
- on a like-for-like basis, NRI is flat (with an indexation of +0.1%), mainly due to the bankruptcy of a department store and an increase in vacancy in CentrO (see below);
- 154 leases were signed in 2016 for standing assets (149 in 2015), with an average MGR uplift of +19.9%;
- EPRA vacancy rate as at December 31, 2016 was 4.9% compared to 3.0% as at December 31, 2015, mainly due to the increase in CentrO following the reallocation of certain tenants;
- OCR for tenants as at December 31, 2016 was 15.1%, compared to 14.7% as at December 31, 2015.

2.1.2.2. Offices

2.1.2.2.1. Office property market in 2016

Take-up

With 2.4 million m² of office space[3] let in 2016, the take-up in the Paris region was up by +6% over the same period last year.

The La Défense market recorded a historically high take-up of more than 274,000 m², an increase of +93% over the same period last year and almost 50% higher than the 10-year average.

The increase of take-up in La Défense is primarily due to the signing of several very large transactions: Deloitte's lease for 31,164 m² in the Majunga tower and Saint-Gobain's lease for 49,000 m² in the M2 tower in H1-2016, and RTE's lease for 45,000 m² in the Window building in H2-2016.

Transactions in the Paris Central Business District (CBD) reached 444,960 m² of leased office space in 2016, a slight decrease from 2015 but above the 10-year average (381,750 m²).

Transactions over 5,000 m² in the Paris region have also set a new record, with 65 transactions in 2016[4] (891,145 m², up +23% *vs.* 2015).

Rents

Rents in Paris CBD were strong throughout 2016. Certain prime rental values exceeded the €810/m² reached for the 4,485 m² taken by Mayer Brown in 10 avenue Hoche (Paris 8).

In La Défense, the highest rent recorded during 2016 was €550/m² for the Deloitte transaction in the Majunga Tower. This level of rent is the highest since 2011.

Lease incentives in the Paris region remained high, with an average discount of 20% of the face rent granted by landlords in 2016.

These conditions can change significantly, depending on volume and quality of the immediate supply in the Paris region's sectors as well as duration of the lease term.

New supply

Supply in the Paris region was around 3.5 million m² as at December 31, 2016, down by -10% compared to December 31, 2015. The level of new or refurbished as new supply in the Paris region reached only 444,700 m², representing 12.5% of the immediate supply compared to an average of approximately 21% over the last ten years (722,060 m²). However, this is expected to change over the next three years due to the 1.0 million[4] m² currently under construction in the Paris region. This represents a +36% increase of new supply over the 2012-2015 period. The highest increase is expected in Paris CBD (+155%), whereas the supply of new offices in La Défense is expected to decrease by -5%.

As at December 31, 2016, the vacancy rate in the Paris region reached 6.8% (*vs.* 6.9% as at December 31, 2015 and 7.2% as at December 31, 2014). There continue to be major variances between geographic sectors. For example, the vacancy rate in the CBD stands at approximately 3.5%[4], while that of La Défense decreased to 8.2%[4] (*vs.* 10.8% as at December 31, 2015). In other sectors such as the Peri Défense and the Northern Rim, vacancy rates exceed 12%[4].

(1) *Includes Office assets, representing 0.8% of total GMV-group share. Excludes Ring-Center.*
(2) *These operating data are for 100% of the assets for the years 2015 and 2016, and therefore cannot be reconciled with the Group's financial statements and key performance indicators.*
(3) *Source: Immostat, January 2017.*
(4) *Source: BNP Paribas Real Estate.*

Investment market

The total volume of transactions in the Paris region closed during 2016 amounted to €16.4 Bn[1] (+3% *vs.* 2015). This volume was driven by transactions in the second half with €11.4 Bn recorded *vs.* €5.0 Bn during H1-2016.

46 large transactions (over €100 Mn per transaction) were recorded in 2016 compared to 56 in 2015. The largest were: 9 Place Vendôme for more than €1 Bn in Paris 1, Tour First in La Défense (approximately €750 Mn), Ecowest in Levallois (more than €700 Mn), Tour CBX in La Défense (approximately €350 Mn) and So Ouest in Levallois (€334 Mn). Like in 2015 with some exceptions, French domestic investors, primarily investment funds, insurance companies and SCPIs, drove the market in 2016.

The strong demand, the ample availability of financing and the limited supply of high quality office buildings compressed yields for prime office assets in Paris CBD towards their historical lows of 2007. Prime yields in the Paris region decreased in almost all locations, and especially in the western crescent and in Paris. In Paris CBD, prime yields fell to 3.00-3.25% in 2016, as evidenced by the acquisition by Norges of 9 Place Vendôme and that by CARMF of 41 Francois 1er. Prime yields in La Défense fell by about 25 bps to around 4.75%, as illustrated by the sale by Beacon Capital of Tour First.

2.1.2.2.2. Office division activity in 2016

Unibail-Rodamco's consolidated NRI from its offices portfolio amounted to €153.3 Mn in 2016, a -10.0% decrease compared to the same period last year due primarily to an acceleration of the disposals of office assets.

	Net Rental Income *(€Mn)*		
Region	2016	2015	%
France	135.7	151.4	-10.3%
Nordic	12.9	12.4	4.5%
Other countries	4.6	6.6	-30.1%
TOTAL NRI	**153.3**	**170.4**	**-10.0%**

Figures may not add up due to rounding.

The decrease of -€17.1 Mn breaks down as follows:

- +€6.5 Mn due to the delivery of So Ouest Plaza and the lease contract with L'Oréal effective from March 2016, partially offset by Les Villages 3 and 4;
- +€0.3 Mn due to currency effects in the Nordics and to the reallocation of units between retail and offices in Sweden;
- -€6.0 Mn due to the transfer of assets to the pipeline, including Issy Guynemer and Gaîté office;
- -€15.5 Mn due to disposals, primarily the 2-8 Ancelle building in March 2016, So Ouest offices in July 2016, and the 70-80 Wilson and Nouvel Air buildings in October 2016;
- the like-for-like NRI growth was -€2.4 Mn (-2.0%), mainly due to the departures of some tenants, principally in Capital 8, and renewals with negative reversion, partially offset by the AXA IM and Deloitte leases in Majunga and indemnities received in 2016 from departing tenants in France.

	Net Rental Income *(€Mn)* Like-for-like		
Region	2016	2015	%
France	97.4	99.6	-2.2%
Nordic	13.1	12.9	1.6%
Other countries	5.0	5.3	-6.0%
TOTAL NRI LFL	**115.4**	**117.8**	**-2.0%**

Figures may not add up due to rounding.

83,439 weighted square meters (wm^2) were leased in standing assets in 2016, including 67,196 wm^2 in France. The dynamic CBD leasing market and the enhancement works and repositioning of Capital 8 enabled the Group to lease more than 12.000 wm^2 on this asset. Demand for space in Capital 8 remains very strong.

Tenants' interest for new or refurbished areas remains high, especially in the CBD and in La Défense, as reflected in the Deloitte transaction (30,690 wm^2) or more recently on the Village 3 building, fully let to Orange group just after delivery.

(1) Source: Cushman & Wakefield.

The expiry schedule of the leases of the office portfolio (termination option and expiry date) is shown below:

	Lease expiry schedule			
Office	MGR *(€Mn)* at date of next break option	As a % of total	MGR *(€Mn)* at expiry date	As a % of total
Expired	1.3	0.8%	1.3	0.8%
2017	8.8	5.2%	6.4	3.8%
2018	23.4	13.8%	16.2	9.5%
2019	47.3	27.9%	37.6	22.2%
2020	9.0	5.3%	4.2	2.4%
2021	6.6	3.9%	4.0	2.4%
2022	7.4	4.4%	4.9	2.9%
2023	7.2	4.2%	13.3	7.8%
2024	0.5	0.3%	5.8	3.4%
2025	22.9	13.5%	11.8	6.9%
2026	19.4	11.5%	21.8	12.9%
2027	0.2	0.1%	0.2	0.1%
Beyond	15.6	9.2%	42.1	24.9%
TOTAL	**169.6**	**100%**	**169.6**	**100%**

Figures may not add up due to rounding.

ERV of vacant office space in operation amounted to €25.7 Mn as at December 31, 2016, corresponding to a financial vacancy[1] of 13.1% on the total portfolio (14.4% as at year-end 2015), including €23.4 Mn and 13.4% (*vs.* 14.7% as at December 31, 2015) in France. This vacancy is mainly due to vacant space in Capital 8 (following the departure of GDF), Les Villages and Tour Ariane.

2.1.2.2.3. Investment and divestment

Unibail-Rodamco invested €121 Mn[2] in its offices portfolio in 2016:

- €100 Mn were invested for works and minor acquisitions, mainly in France for the Trinity project in La Défense, for the Versailles Chantiers project and for the renovation of Les Villages 3 and 4 in La Défense (see also section "Development Projects").
- Maintenance Capex amounted to €3 Mn in 2016 (€4 Mn in 2015).
- Financial and other costs capitalised amounted to €18 Mn.

On March 24, 2016, further to the purchase and sale agreement *(promesse de vente)* entered into in December 2015, Unibail-Rodamco disposed of the office building located at 2-8 rue Ancelle in Neuilly-sur-Seine to a joint-venture between ACM Vie SA and funds managed by Amundi Immobilier. The Net Disposal Price (NDP)[3] was €267.6 Mn.

On July 12 2016, further to the agreement *(promesse de vente)* entered into in February 2016, Unibail-Rodamco disposed of the So Ouest office building, located in Levallois, to an institutional investor. The NDP was €333.8 Mn (more than €10,000/m^2), representing a Buyer's Net Initial Yield[4] below 4.5%.

In September, Unibail-Rodamco acquired Le Blériot, a 3,425 m^2 office building located in the Paris region.

On October 18, 2016, the Group disposed of the 70-80 Wilson office building located in La Défense. The NDP was €169.8 Mn, reflecting a TAC of €6,975/m^2.

On October 19, 2016, the Group disposed of the Nouvel Air office building located in Issy-les-Moulineaux. The NDP was €127.5 Mn, reflecting a TAC of €7,716/m^2.

The aggregate NDP of all offices sold in 2016 amounted to €901 Mn (Group share). The office disposals made by Unibail-Rodamco in 2016 have valued these assets at an average premium of +24.8% above the last unaffected appraisal value.

Since January 2014, the Group has disposed €1,193 Mn (TAC) of office assets.

The Group expects to pursue further office asset disposals in 2017.

(1) *EPRA Vacancy rate = Estimated Rental Value (ERV) of vacant spaces divided by ERV of total surfaces.*
(2) *Total capitalised amount, Group share.*
(3) *Net Disposal Price (NDP): Total Acquisition Cost incurred by the acquirer minus all transfer taxes and transaction costs.*
(4) *Buyer's Net Initial Yield: annualised contracted rent (including indexation) and other incomes for the next 12 months, net of operating expenses, divided by the TAC.*

2.1.2.3. Convention & Exhibition

The 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 Unibail- Rodamco.

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

Despite a challenging economic and political environment, shows remain one of the most effective media for exhibitors. Therefore, companies maintain their presence, even though they lease fewer square meters. In 2016, 17 new shows were created, including the successful Viva Technology show held in Paris Expo Porte de Versailles between June 30 and July 2, 2016.

2016 has been characterized by the following shows:

- annual shows:
  - the International Agriculture's show ("SIA") attracted 611,000 visitors. This year's show was impacted by the state of emergency and farmers protests,
  - the 2016 edition of the "Foire de Paris" attracted 518,200 visitors, less than prior years due to an unfavourable calendar with less public holidays and to the impact of the terrorist threat;
- biennial shows:
  - Eurosatory, the Land and Air-land Defense and Security Exhibition attracted 57,000 visitors and 1,572 exhibitors from 56 countries. It maintained its position as the leading international show in this sector and is the major event for new products and innovations,
  - *Salon Mondial de l'Automobile* in Paris Expo Porte de Versailles was a good year in terms of orders despite a decrease in the number of visitors,
  - SIAL, the European leader in food sector, was a success in October in Paris Nord Villepinte with 7,000 exhibitors out of which 85% were international.

The International Broadcast Centre (IBC) at the UEFA EURO 2016 football tournament was located at the Paris Expo Porte de Versailles exhibition complex from March 22 to July 27, 2016.

EuroPCR, the official congress of the European Association of Percutaneous Cardiovascular Interventions (EAPCI), is the world's leading annual congress in its field. Held in May in Paris, in Palais des Congrès, this event drew more than 11,500 participants.

ADF, the congress of the *"Association des Dentistes Français"* held in Palais des Congrès de Paris, drew more than 55,000 participants.

In total, 750 events were held in Viparis venues during 2016, of which 266 shows, 101 congresses and 383 corporate events.

Despite the challenging circumstances, Viparis' EBITDA[1] came to €152.1 Mn for 2016, an increase of +€16.8 Mn (+12.4%) *vs.* 2014, the latest comparable period. This increase resulted mainly from: (i) the resilience of the activity especially in congresses; (ii) the IBC for EURO 2016; (iii) the growth in the corporate events segment, with a +17.3% increase in turnover; and (iv) the negative impact from the increase in security costs post the November 13, 2015 terrorist attacks.

The first phase of renovation works (2015-2017) on the Porte de Versailles site continued with the construction of the new Welcome Plaza, travelators in the Central Alley, the Meshing facade of Pavilion 1 by Dominique Perrault, and the renewal of the 72,000 m^2 Pavilion 7, to create a new Parisian Convention Centre, including a 5,200-seat plenary room.

The NRI from hotels amounted to €13.0 Mn for 2016, compared to €14.2 Mn for 2015, as a result of the impact of terrorism on tourism in France.

2.1.3. Corporate Social Responsibility (CSR)

CSR is closely integrated into Unibail-Rodamco's operating, development and investment activities. As early as 2007, Unibail-Rodamco devised an ambitious CSR strategy based on environmental best practices, social fairness and transparent governance.

On December 12, 2015, the signature by 195 countries of the Paris Agreement to fight climate change, in the framework of COP21, brought the world into a new era. On September 22, 2016, the Group presented its response to this generational challenge, with a set of objectives to be achieved by 2030: "Better Places 2030". The Group aims to reduce its carbon emissions by -50% by 2030. This strategy is being incorporated into the entire value chain with, for the first time, a wide spectrum of initiatives covering the emissions resulting from the activities of the Group and its stakeholders. In doing so, it is the first listed real estate company to address the very wide scope of indirect carbon emissions resulting from construction works, consumption of energy by tenants and transport used by all users of its sites (employees and visitors).

"Better Places 2030" addresses the main challenges facing commercial real estate for the coming years: moving toward a low-carbon economy, anticipating new modes of sustainable mobility and fully integrating business activities with the local communities.

(1) EBITDA (Viparis): "Net rental income" and "Other site property services income" + "Contribution of affiliates" of Viparis venues.

Unibail-Rodamco's global approach revolves around four pillars with ambitious and tangible objectives for each of them:

1. Less carbon emissions, better buildings;
2. Less polluting transport, better connectivity;
3. Less local unemployment, better communities;
4. Less top-down, better collective power.

CSR objectives are being defined for the entire organisation. Specific CSR criteria will be incorporated into the calculation of the short term incentives of the Management Board members as of 2017.

To succeed in this "Better Places 2030" program, Unibail-Rodamco engages its stakeholders in addition to all of its teams. Moreover, to accelerate the transition of its assets and activities, the Group is working to develop a favorable ecosystem combining major industrial groups, start-ups and research centres, through cooperation and open innovation partnerships.

After the Engie (low-carbon solutions) and Sephora (LED) agreements signed in September 2016, the Group signed two new partnerships linked to the Pillar 2: a Europe-wide agreement with Tesla for the deployment of the "destination charging" solution at several of the Group's shopping centres, and a technical partnership with the logistics firm Deret for the development of a shared urban logistics offer with electric vehicles dedicated to tenants.

Other partnerships are under discussion with construction and logistics companies to test innovative low-carbon and sustainable mobility solutions and to encourage their deployment in the Group's assets.

In 2016, the Group launched the "UR for jobs" initiative, to help unskilled young people find a job. Pilot programs were organised in three shopping centres in 2016: Parquesur, Stadshart Almere and Rosny 2. As at December 31, 2016, 35 people had found a job. For 2017, the Group targets 15 sites and 225 jobs offered.

Unibail-Rodamco has committed, as of 2016 and for a period of five years, to a carbon offsetting program related to business travel (airplane and train) for all its employees. The Group has selected a joint program of reforestation and forest conservation in Peru, certified REDD+ since 2014 and registered in UNESCO as a biosphere reserve.

In parallel with this long-term plan, Unibail-Rodamco continues to implement its policy of energy efficiency and environmental certification of its portfolio in accordance with its ongoing commitments.

In 2016, the Group's energy intensity decreased a further -2.9% compared to 2015 (in kWh/visit for the managed shopping centre portfolio on a like-for-like basis). This performance has led to a cumulative -15.7% decrease of energy intensity since 2012, in line with the objective of a -25% decrease by 2020 from the 2012 baseline.

For its development projects, the Group obtained a new BREEAM Excellent certificate for the Carré Sénart extension and received the BREEAM "Excellent" final certificate for So Ouest Plaza.

Continuing its certification policy for the standing managed portfolio, 12 shopping centres obtained a BREEAM In-Use certificate in 2016 (two newly certified and ten renewed), of which nine at "Outstanding" level for the "Building Management (part 2)".

With 48 shopping centres certified as of December 31, 2016, 79% of the Group's standing shopping centre portfolio is now BREEAM In-Use certified[1], corresponding to over 2.6 million m^2 of GLA. 71% of certifications obtained reached an "Outstanding"[2] level for the "Building Management (part 2)", which is the highest certification profile for a portfolio in the retail Real Estate market.

In 2016, the Group continued to embed its in-house Risk Management System ("RMS") across its entire portfolio in order to mitigate and better manage health and safety risks: 73% of the Group's assets obtained the highest score (A) in the annual risk management assessment by an independent third-party (compared to 57% in 2015). The overall rating of 27% of the assets improved compared to 2015, thanks to the strict implementation of customized improvement plans set up for each asset.

The Group was again included in the main Environmental, Social and Governance indices in 2016 (FTSE4Good; STOXX® Global ESG[3] leaders; Euronext Vigeo: World 120, Eurozone 120, France 20) and is ranked among the top companies in the Real Estate sector.

The Group was selected as industry leader in Sustainalytics rating (Sustainalytics is used for the STOXX® Global ESG Leaders indices). For 2016, the Group was ranked 3rd out of 226 real estate companies rated by Oekom research (January 2017). It achieved a C+ ("Prime" status).

In the 2016 GRESB Survey (Global Real Estate Sustainability Benchmark – the only sustainability benchmark dedicated to the Real Estate sector), Unibail-Rodamco was selected as "Green Star" for the sixth year in a row.

In addition to the fifth consecutive EPRA Sustainability Gold Award received for its compliance with the EPRA Best Practice Recommendations for Sustainability Reporting, the Group's reporting for 2016 again complied with the international reporting framework GRI G4 (Global Reporting Initiative), based on the most material issues for the Group, and in line with its main business opportunities and risks.

(1) In terms of m^2 of GLA, as at December 31, 2016.
(2) BREEAM In-Use "Building Management" score.
(3) Environmental/Social/Governance.

2.1.4. 2016 Results

Other property services net operating result was €33.4 Mn in 2016 and came from property services companies in France, Spain and Germany. The recurring part amounted to €35.8 Mn, an increase of +€2.4 Mn compared to 2015, mainly due to France.

Other Income of €0.4 Mn in 2016 is related to dividends received from non-consolidated investments.

General expenses amounted to -€120.4 Mn in 2016, including -€119.0 Mn in recurring expenses (-107.7 Mn in 2015, of which -€106.1 Mn in recurring), an increase of +€12.7 Mn mainly due to the impact of: (i) less recharges to the pipeline due to deliveries of projects in 2015; (ii) higher staff costs, including some one-off charges; and (iii) increased IT spending to modernise and upgrade the Group's information systems. As a percentage of NRI from shopping centres and offices, recurring general expenses were 8.3% in 2016 (*vs.* 7.9% in 2015). As a percentage of GMV of shopping centres and offices, recurring expenses stood at 0.32% for the period ended on December 31, 2016, compared to 0.31% at the end of December 2015.

Development expenses incurred for feasibility studies of projects and potential acquisitions amounted to -€5.9 Mn in 2016 (-€4.5 Mn in 2015) in recurring expenses.

Recurring financial result totalled -€254.9 Mn in 2016 (after deduction of capitalised financial expenses of €14.9 Mn allocated to projects under construction). This represents a -€44.6 Mn decrease compared to 2015.

The Group's average cost of debt[1] decreased to 1.6% for 2016 (*vs.* 2.2% for 2015).

Unibail-Rodamco's financing policy is described in section "Financial Resources".

Non-recurring financial result amounted to -€240.4 Mn in 2016, which breaks down as follows:

- -€205.1 Mn due to the marking-to-market of derivatives and the restructuring of hedges in H2-2016. Unibail-Rodamco recognises the change in value of caps and swaps directly in the income statement;
- -€74.3 Mn resulting mainly from the premium and costs paid on the partial buy back of outstanding bonds for a total nominal amount of €847 Mn in April and November 2016;
- +€37.0 Mn mark-to-market of the ORNANEs issued in 2012, 2014 and 2015;
- -€2.2 Mn of debt discounting and other minor items;
- +€4.2 Mn of currency impact mainly resulting from the revaluation of bank accounts and debt issued in foreign currencies. The offsetting cost of the cross currency swap was recorded in the mark-to-market of derivatives as these transactions were fully hedged.

Income tax expenses are due to the Group's activities in countries where specific tax regimes for property companies[2] do not exist and from activities in France not eligible for the SIIC regime, mainly in the Convention & Exhibition business.

Income tax allocated to the recurring net result amounted to -€11.1 Mn in 2016 compared to -€24.8 Mn in 2015. The difference mainly comes from the recognition, in 2016, of tax losses carried forward in France for non-SIIC activities.

Non-recurring income tax expenses amounted to -€272.1 Mn in 2016 (-€263.5 Mn in 2015), due mainly to the increase of deferred tax liabilities as a result of the revaluation of the Group's real estate assets. This amount also includes the 3% tax levied on cash dividends paid by French companies. In 2016, the Group paid -€2.5 Mn of tax on the dividend paid in March and July 2016 for the fiscal year ended December 31, 2015.

Non-controlling interests in the consolidated recurring net result after tax amounted to €177.4 Mn in 2016 compared to €148.7 Mn in 2015. This increase is due mainly to partners in France (€17.3 Mn) and in the Group's German operations (€10.3 Mn). Minority interests in France held by third parties relate to shopping centres (€86.0 Mn, mainly Les Quatre Temps, Parly 2 and Forum des Halles) and the stake of CCIR in Viparis (€58.9 Mn). The non-recurring non-controlling interests amounted to €231.0 Mn in 2016, up from €150.6 Mn in 2015, due primarily to valuation movements.

(1) Average cost of debt = Recurring financial expenses (excluding the ones on financial leases and the ones 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) In France: SIIC (Société d'Investissements Immobiliers Cotée).

Net result – owners of the parent was a profit of €2,409.0 Mn in 2016. This figure breaks down as follows:

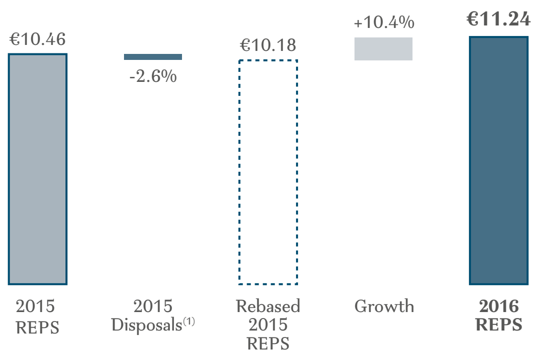
- €1,114.2 Mn of recurring net result (+8.1% compared to 2015) as a result of strong NRI growth and lower interest expenses and taxes, partially offset by the impact of disposals made in 2015 and in 2016;
- €1,294.8 Mn of non-recurring result(1) (compared to €1,303.6 Mn in 2015).

The average number of shares and ORAs(2) outstanding during 2016 was 99,160,738, compared to 98,496,508 in 2015. The increase is mainly due to stock options exercised in 2015 and 2016 (impact of +601,885 on the average number of shares in 2016 *vs.* 2015) and to the issuance of performance shares in 2015 and 2016 (impact of +31,604).

Recurring Earnings per Share (recurring EPS) came to €11.24 in 2016. This represents an increase of +10.4% from the recurring EPS for 2015, rebased for the disposals in 2015, of €10.18.

This increase, above the +8% to +10% guidance provided in early 2016, is primarily due to the robust rental growth of the shopping centres and the strong decrease in the average cost of debt. In addition, the Group benefited from the positive effect of the recognition of tax losses carried forward.

THE EVOLUTION OF THE RECURRING EPS (REPS) 2016



(1) *Impact on the recurring earnings per share of the disposals of Arkady Pankrac shopping centre (Prague), Nicetoile (Nice) (revenues received in 2015 related to the recovery of service charges not included in the 2014 impact), Nova Lund (Lund), the sale of (i) a stake in Unibail-Rodamco Germany to CPPIB, (ii) the 50% stake in Comexposium, (iii) a small non-core retail asset in Spain and (iv) a non-core office building in France.*

Reported recurring EPS for 2016 came to €11.24 compared to €10.46 for 2015, representing an increase of +7.5%.

2.1.5. Post-Closing events

- None at the closing date.
- In February 2017, Unibail-Rodamco has successfully placed a bond with a maturity of 11 years (maturing in February 2028) for a total amount of €600 Mn. This bond was priced at a spread of 65 bps over mid-swap rates, corresponding to a coupon of 1.50%.
- Unibail-Rodamco has also tapped its €500 Mn bond maturing in 2030 (1.375% coupon) issued in April 2015 through a €105 Mn private placement in March 2017, bringing the total outstanding amount to €605 Mn.

2.1.6. Dividend(3)

In 2017, Unibail-Rodamco will again pay its dividend in two instalments. Unibail-Rodamco believes that this policy offers shareholders a regular flow of dividends which more closely matches the Group's cash flows.

For the 2016 fiscal year, the Group will propose a cash dividend of €10.20 per share, subject to the approval of the Annual General Meeting (AGM). The payment schedule will be as follows:

- payment of an interim dividend of €5.10 on March 29, 2017 (ex-dividend date March 27, 2017); and
- payment of a final dividend, subject to approval of the AGM, of €5.10 on July 6, 2017 (ex-dividend date July 4, 2017).

The total amount of dividends paid with respect to 2016 would be €1,013.8 Mn for the 99,393,785 shares issued as at December 31, 2016. This represents a 91% pay-out ratio of the net recurring result, in line with the Group's 85%-95% dividend pay-out policy.

The statutory 2016 result of Unibail-Rodamco SE (parent company) was a profit of €543.4 Mn. The 2016 result of Unibail-Rodamco SE's SIIC sector amounted to €691.8 Mn. The dividend distribution obligation, including the distribution obligation resulting from the merger of Rodamco Europe BV in Unibail-Rodamco SE in December 2016, will be €747.4 Mn. After payment of the proposed dividend, the SIIC distribution requirement will have been met for 2017.

Assuming approval by the Annual General Meeting on April 25, 2017:

(i) €7.52 of the dividend will have been paid from Unibail-Rodamco's tax exempt real estate activities (the "SIIC dividend"). Such dividend, which corresponds to the distribution obligation under the SIIC regime, will bear applicable French withholding tax reduced, as the case may be, by double tax treaties, will not be eligible for the tax exemption provided for under the parent-subsidiary regime when received by legal entities that are liable to French corporate income tax, and will not benefit from the 40% rebate for French-resident individual shareholders;

(1) *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.*
(2) *It has been assumed here that the ORAs have a 100% equity component.*
(3) *The tax elements included in this section are not intended to constitute tax advice, and shareholders should consult their own tax advisers.*

(ii) The remaining €2.68 will have been paid from Unibail-Rodamco's non-tax exempt activities (the "non-SIIC dividend"). The non-SIIC dividend will bear applicable French withholding tax reduced, as the case may be, by double tax treaties, will be eligible for the tax exemption provided for under the parent-subsidiary regime when received by legal entities that are liable to French corporate income tax and will benefit from the 40% rebate for French-resident individual shareholders.

For 2017 and thereafter, the Group expects to increase its annual cash distribution broadly in line with its recurring EPS growth.

2.1.7. Outlook

The macroeconomic environment in 2016 benefitted from improving consumer confidence in a number of countries, lower cost of debt, commodity prices and euro exchange rates. Looking ahead, the outcome of elections in a number of European countries, the Brexit process, trade policies enacted by the new United States administration or further terrorist attacks could affect economic growth in Europe and the Group's business.

The Group expects recurring earnings per share in 2017 of between €11.80 and €12.00 per share.

For the medium term, the Group reiterates it expects to grow its recurring earnings per share at a compound annual growth rate of between +6% and +8%. This medium-term outlook is derived from the Group's annual 5-year business plan exercise and 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 current economic conditions, are assumptions on indexation, which recently has consistently been below market expectations, rental uplifts, disposals, timely delivery of pipeline projects, cost of debt and taxation. Variations in these assumptions will also cause growth rates to vary from one plan to the next. The 5-year business plan does not assume acquisitions.

2.2. Development Projects as at December 31, 2016

As at December 31, 2016, Unibail-Rodamco's consolidated development project pipeline amounted to €8.0 Bn (€7.3 Bn in Group share), corresponding to a total of 1.6 Mn m² Gross Lettable Area (GLA), to be re-developed or added to the Group's standing assets. The Group retains significant flexibility on its consolidated development portfolio (70% of the total investment cost[(1)]).

2.2.1. Development project portfolio evolution

After the many openings of 2015, 2016 saw the delivery of two retail extensions and an office refurbishment project. In April, the extension of the Forum des Halles was inaugurated after a five-year development program. In November, an extension of the Bonaire shopping centre was delivered, including retail units and a Dining Experience™. The refurbishment project in the Les Villages 3 and 4 in La Défense was completed in August. In December, Glòries unveiled the first phase of its full redevelopment project with 60 new shops on level -1. The remaining levels are scheduled to open in H2-2017.

Five new extension and renovation projects were added to the retail development pipeline in 2016, illustrating the Group's strategy to capitalise on the value creation potential of its portfolio. The first project is the extension of the La Part Dieu shopping centre, to create 80 new shops and restaurants, on ca. 28,000 m² of new GLA. The second project is the ca. 20,000 m² extension of the Garbera shopping centre in San Sebastian. In Parly 2, a 12-screen cinema is scheduled for delivery in H2-2018. In Carré Sénart, the dining and leisure offer will be enhanced through the development of a full Dining Experience™ and the extension of the cinema. These projects are in addition to the other ongoing projects in these two shopping centres to be delivered in H2-2017. A full renovation program of the Villeneuve 2 shopping centre is also added to the Group's projects portfolio.

Lastly, the Group made significant progress on the existing pipeline projects. In The Hague region, works started for the Mall of The Netherlands, a full redevelopment project, after final administrative authorisations were obtained. In the offices sector, construction works started for a development project in Versailles and the redevelopment of the Issy Guynemer building in Issy-les-Moulineaux.

The Group's pipeline as at December 31, 2016 also includes the Benidorm project, for a Total Investment Cost (TIC)[(2)] of €207 Mn, following the acquisition by the Group of an additional stake in the project and the associated change in control. The project company has been fully consolidated since June 24, 2016.

(1) In terms of cost to completion of "Controlled" and "Secured exclusivity" projects, as % of total investment cost of the consolidated development portfolio.

(2) Total Investment Cost (TIC): 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, technical fees, tenant fit-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 does not include capitalised interest and internal costs capitalised.

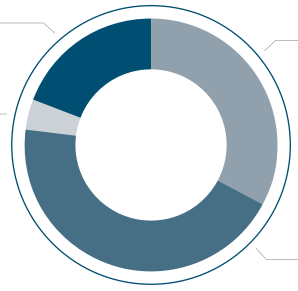
2.2.2. Development projects overview

The estimated TIC of the consolidated development pipeline[1] as at December 31, 2016 amounts to €8.0 Bn (€7.4 Bn as of December 31, 2015). This amount does not include the projects under development by companies accounted for using the equity method[2], which amount to circa €0.2 Bn (Group share), nor projects under consideration or for which the Group is in competition.

The change in the TIC since December 2015 results from: (i) the new projects added to the pipeline in 2016 (+€470 Mn), (ii) modifications in the program of existing projects, including currency changes (+€188 Mn), (iii) the change of consolidation method of the Benidorm project (+€207 Mn), and (iv) the delivery of three projects (-€221 Mn).

The pipeline categories are as follows:

CONSOLIDATED DEVELOPMENT PIPELINE BY CATEGORY



Figures may not add up due to rounding.

The €6.2 Bn retail pipeline is split between brownfield projects, which represent 57%, and extensions and renovations, which make up the remaining 43%. The Group currently expects to add 1.2 million m² of GLA, representing an increase of ca. 33% of the Group's existing retail GLA.

Development projects in the Office & Others sector amount to €1.9 Bn. Brownfield projects represent 81% of this investment and correspond to some 240,000 m² of new GLA, of which 73% is expected to be delivered after 2021. The remainder will be invested in the redevelopment or refurbishment of almost 106,000 m² of existing assets. Out of the €1.9 Bn Office & Others pipeline, €521 Mn (28%) are committed.

2.2.3. A secured and flexible development pipeline

The table below shows the evolution of the development pipeline between December 31, 2015 and December 31, 2016, by commitment categories:

In €Bn	December 2016	December 2015
"Committed[1]" projects	1.9	1.4
"Controlled[2]" projects	5.0	5.2
"Secured Exclusivity[3]" projects	1.2	0.8
CONSOLIDATED TOTAL INVESTMENT COST	**8.0**	**7.4**

Figures may not add up due to rounding.

(1) "Committed" projects: projects currently under construction, for which Unibail-Rodamco owns the land or building rights and has obtained all necessary administrative authorisations and permits.

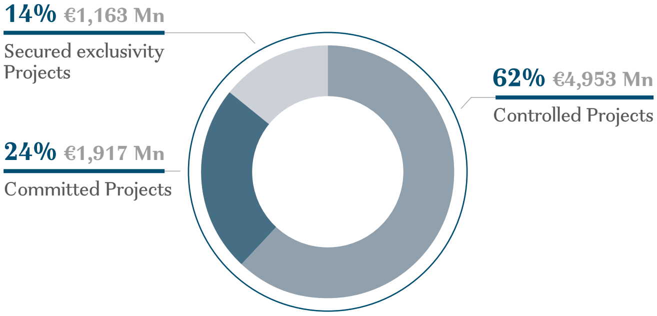
(2) "Controlled" projects: projects in an advanced stage of studies, for which Unibail-Rodamco controls the land or building rights, but where not all administrative authorisations have been obtained yet.

(3) "Secured exclusivity" projects: projects for which Unibail-Rodamco has the exclusivity but where negotiations for building rights or project definition are still underway.

(1) The development pipeline includes only the projects in the shopping centre and offices divisions of the Group. Projects for the Convention & Exhibition business of Viparis are not included.

(2) Mainly the development of a new shopping centre located in Central Europe and the renovation of the Gropius Passagen shopping centre.

CONSOLIDATED DEVELOPMENT PIPELINE BY PHASE



Figures may not add up due to rounding.

Of the €1.9 Bn "Committed" development pipeline, €0.9 Bn has already been spent, with €1.0 Bn still to be invested over the next three years. Of this amount, €0.4 Bn has been contracted.

The "Committed" category now includes the Mall of The Netherlands, the Issy Guynemer and the Versailles Chantiers office projects, following the beginning of the works.

The "Controlled" category now includes the Benidorm project, as well as two new projects: the renovation of Villeneuve 2 and the new cinema project in Parly 2.

In 2016, the La Part Dieu and Garbera extensions, as well as the Carré Sénart additional extension entered the pipeline portfolio as "Secured exclusivity" projects.

The "Controlled" and "Secured exclusivity" projects represent options to create significant value for the Group. €0.5 Bn have already been spent on these two categories.

2.2.4. Changes in development pipeline projects in 2016

In 2016, five extension/renovation projects with a TIC of ca. €0.5 Bn were added to the development pipeline:

- the extension project of La Part Dieu shopping centre;
- the extension of the Garbera shopping centre; The cinema extension project in Parly 2;
- the additional extension project in Carré Sénart;
- the renovation project of Villeneuve 2.

Since December 31, 2015, the delivery dates of some of the Group's projects have been pushed back, for example: Val Tolosa (eleven months) was delayed because of administrative procedures, and the Palma Springs project's planning was delayed due to ongoing litigation and the political context. On the other hand, following the final approval of the zoning plan for the Mall of The Netherlands, delivery is scheduled for H1-2019.

2.2.5. Delivered projects in 2016

Two retail projects were delivered in 2016:

- the extension and renovation program of the Forum des Halles, including the 18 new stores of the Canopy, opened fully let in April;
- a 7,314 m² extension project opened in Bonaire, introducing a new Dining Experience™ with 20 restaurants and additional retail units.

The average yield on cost[1] of the retail projects delivered in 2016 is 8.6%.

The first phase of Glòries extension project was delivered in December with 60 new shops on level -1. The entire new Glòries is scheduled to open in H2-2017 offering more than 70,000 m² of GLA and 130 stores.

The refurbished Les Villages 3 and 4 in La Défense were delivered in August.

2.2.6. Deliveries expected in the next 12 months

Several retail projects, representing an expected TIC of ca. €890 Mn, are scheduled to be delivered in H2-2017:

- Wroclavia, a new 79,466 m² shopping centre development in Wroclaw (Poland);
- the 41,817 m² extension of Centrum Chodov;
- the 31,448 m² extension of Carré Sénart;
- the 10,690 m² extension of Glòries;
- the 7,670 m² extension of Parly 2.

The average preletting of the projects to be delivered by December 2017 stands at 79%[2].

2.2.7. Projects overview

See table next page.

The aggregate TIC of existing projects has slightly increased, but individual projects varied due to:

- the mechanical effects of inflation and discounting;
- changes in scope, mainly in the Mall of The Netherlands, partly offset by the Maquinext and Shopping City Süd extension projects;
- an increase of other costs in some projects, mainly in Überseequartier, Bubny, Parly 2 and Vélizy 2.

(1) *Annualised expected rents net of expenses divided by the TIC.*
(2) *GLA signed, all agreed to be signed and financials agreed.*

DEVELOPMENT PROJECTS – DECEMBER 31, 2016

Consolidated Development projects[1]	Business	Country	City	Type	Total Complex GLA (m²)	GLA U-R scope of consoli-dation (m²)	Cost to date[2] U-R scope of consolida-tion (€Mn)	Expected cost[3] U-R scope of consolida-tion (€Mn)	Expected Opening date[4]	U-R Yield on cost (%)[5]	Project Valuation
Wroclavia[6]	Shopping Centre	Poland	Wrocław	Greenfield/ Brownfield	79,466	79,466	141	239	H2 2017		Fair value
Chodov Extension	Shopping Centre	Czech Rep.	Prague	Extension/ Renovation	41,817	41,817	100	168	H2 2017		Fair value
Carré Sénart Extension	Shopping Centre	France	Paris region	Extension/ Renovation	31,448	31,448	142	238	H2 2017		Fair value
Parly 2 Extension	Shopping Centre	France	Paris region	Extension/ Renovation	7,670	7,670	70	123	H2 2017		Fair value
Glories Extension-Renovation	Shopping Centre	Spain	Barcelona	Extension/ Renovation	10,690	10,690	70	123	H2 2017		Fair value
Versailles Chantiers	Office & others	France	Paris region	Greenfield/ Brownfield	16,130	16,130	12	54	H2 2018		At cost
Issy Guynemer	Office & others	France	Paris region	Redevelopment/ Refurbishment	44,859	44,859	8	150	H1 2019		Fair value
Mall of the Netherlands[7]	Shopping Centre	Netherlands	The Hague region	Extension/ Renovation	83,512	83,512	221	505	H1 2019		At cost
Trinity	Office & others	France	Paris	Greenfield/ Brownfield	48,929	48,929	118	317	H1 2019		At cost
COMMITTED PROJECTS					**364,521**	**364,521**	**884**	**1,917**		**7,7%**	
Villeneuve 2 Renovation	Shopping Centre	France	Lille region	Extension/ Renovation	0	0	1	9	H2 2018		At cost
Parly 2 Cinema	Shopping Centre	France	Paris region	Extension/ Renovation	3,040	3,040	5	22	H2 2018		At cost
Vélizy 2 Leisure Extension	Shopping Centre	France	Paris region	Extension/ Renovation	18,977	18,977	3	111	H1 2019		At cost
Aupark Extension	Shopping Centre	Slovakia	Bratislava	Extension/ Renovation	7,612	7,612	0	14	H1 2019		At cost
Val Tolosa	Shopping Centre	France	Toulouse	Greenfield/ Brownfield	97,936	65,308	46	281	H2 2019		At cost
Gaîté Montparnasse Retail	Shopping Centre	France	Paris	Redevelopment/ Refurbishment	27,151	27,151	16	146	H1 2020		At cost
Gaîté Montparnasse Offices[8]	Office & others	France	Paris	Redevelopment/ Refurbishment	61,125	61,125	7	204	H1 2020		At cost
Benidorm	Shopping Centre	Spain	Benidorm	Greenfield/ Brownfield	57,185	57,185	78	207	H1 2020		At cost
Vélizy 2 Retail Extension	Shopping Centre	France	Paris region	Extension/ Renovation	17,644	17,644	0	179	H2 2021		At cost
Überseequartier	Shopping Centre	Germany	Hamburg	Greenfield/ Brownfield	209,566	209,566	21	1,007	H2 2021		At cost
Maquinext	Shopping Centre	Spain	Barcelona	Extension/ Renovation	37,616	37,616	64	169	H2 2021		At cost
Phare - "Sisters" Project	Office & others	France	Paris region	Greenfield/ Brownfield	89,427	89,427	60	629	Post 2021		At cost
Triangle	Office & others	France	Paris	Greenfield/ Brownfield	85,140	85,140	11	522	Post 2021		At cost
Neo	Shopping Centre	Belgium	Brussels	Greenfield/ Brownfield	126,333	126,333	10	566	Post 2021		At cost
Bubny	Shopping Centre	Czech Rep.	Prague	Greenfield/ Brownfield	55,114	55,114	23	218	Post 2021		At cost
Others[9]					187,517	187,517	124	670			
CONTROLLED PROJECTS					**1,081,383**	**1,048,755**	**470**	**4,953**		**8% TARGET**	

Consolidated Development projects[1]	Business	Country	City	Type	Total Complex GLA (m²)	GLA U-R scope of consoli-dation (m²)	Cost to date[2] U-R scope of consolida-tion (€Mn)	Expected cost[3] U-R scope of consolida-tion (€Mn)	Expected Opening date[4]	U-R Yield on cost (%)[5]	Project Valuation
Carré Sénart Add'l Ext.	Shopping Centre	France	Paris region	Extension/ Renovation	3,406	3,406	1	20	H2 2018		At cost
Garbera Extension	Shopping Centre	Spain	San Sebastian	Extension/ Renovation	19,883	19,883	0	108	H1 2020		At cost
La Part-Dieu Extension	Shopping Centre	France	Lyon	Extension/ Renovation	27,970	27,970	5	311	H1 2020		At cost
3 PAYS	Shopping Centre	France	Hésingue	Greenfield/ Brownfield	85,720	85,720	2	397	H1 2021		At cost
SCS West Extension	Shopping Centre	Austria	Vienna	Extension/ Renovation	7,047	7,047	0	65	H1 2021		At cost
Others					53,129	53,129	12	262			
SECURED EXCLUSIVITY PROJECTS					**197,154**	**197,154**	**20**	**1,163**		**8% TARGET**	
U-R TOTAL PIPELINE					**1,643,058**	**1,610,430**	**1,373**	**8,033**		**8% TARGET**	
Of which additionnal area						1,397,079					
Of which redevelopped area						213,351					

Development projects accounted under equity method[1]	Business	Country	City	Type	Total Complex GLA (m²)	GLA U-R scope of consoli-dation (m²)	Cost to date[2] U-R scope of consolida-tion (€Mn)	Expected cost[3] U-R scope of consolida-tion (€Mn)	Expected Opening date[4]	U-R Yield on cost (%)[5]	Project Valuation
Gropius	Shopping Centre	Germany	Berlin	Extension/ Renovation	471	471	7	18	H2 2019		
COMMITTED PROJECTS					**471**	**471**	**7**	**18**		**8% TARGET**	
Others[10]					104,672	52,336	5	171			
CONTROLLED PROJECTS					**104,672**	**52,336**	**5**	**171**		**8% TARGET**	
U-R TOTAL PIPELINE – PROJECTS UNDER EQUITY METHOD					**105,143**	**52,807**	**12**	**189**		**8% TARGET**	

(1) Figures subject to change according to the maturity of projects.
(2) Excluding financial costs and internal costs capitalised.
(3) Excluding financial costs and internal costs capitalised. The costs are discounted as at December 31, 2016.
(4) In the case of staged phases in a project, the date corresponds to the opening of the last phase.
(5) Annualised expected rents net of expenses divided by the TIC.
(6) Formerly named Wroclaw.
(7) The extension and renovation of Leidsenhage. Units acquired for the project are included in the cost to date at their acquisition cost.
(8) Includes the refurbishment of a hotel of 49,273 m².
(9) Now includes Palma Springs project. Formerly included Gaîté Montparnasse projects.
(10) Under confidentiality agreement.

2.3. Net Asset Value as at December 31, 2016

Unibail-Rodamco's EPRA triple Net Asset Value (NNNAV)[1] amounted to €183.70 per share as at December 31, 2016, an increase of +8.1%, or +€13.80, from €169.90 at December 31, 2015. This increase of +€13.80 is the result of: (i) the value creation of €27.75 per share representing the sum of: (a) the revaluation of property and intangible assets and capital gain on disposals of €17.78 per share, (b) the 2016 Recurring Earnings Per Share of €11.24, (c) the accretive effect of the instruments giving access to Group's shares of €0.07 per share, (d) foreign exchange difference and other items for -€1.31 per share, and (e) the change of transfer taxes and deferred tax adjustments of -€0.03 per share; (ii) the impact of the payment of a total dividend of -€9.70 per share in March and July 2016; and (iii) the negative impact of the mark-to-market of debt and financial instruments of -€4.25 per share.

The going concern NAV[2] (GMV based), measuring the fair value on a long term, ongoing basis, came to €201.50 per share as at December 31, 2016, up by +7.9%, or +€14.80, compared to €186.70 as at December 31, 2015.

The Group's EPRA NAV per share increased by +9.4% to €195.60 as at December 31, 2016, compared to €178.80 as at December 31, 2015.

2.3.1. Property portfolio

Investment volumes in European commercial real estate[3] amounted to €224.9 Bn in 2016, representing a decrease of -7% *vs.* the same period in 2015, which recorded a number of large portfolio transactions. Excluding the United Kingdom, volumes increased by +8%. Retail investment volumes accounted for 25% of total volumes, of which shopping centres represented 41%.

Demand for commercial property remained very strong in Continental Europe across asset classes and sectors, with investors focusing on prime and core shopping centres and offices, offering secure income streams and attractive yields in an environment of low interest rates. In the shopping centre segment, while investment volumes in the UK decreased significantly as a result of the Brexit referendum, the demand for quality properties in Europe was high while the supply of prime assets remained scarce, leading to lower return expectations and yields. The lack of prime malls available on the market and the strong investor interest led to highly competitive auctions, particularly in France, Spain and the Czech Republic. Appraisers have compressed yields across Europe based on transactional evidence and asset performance, the most significant compressions were observed for the largest, most dominant and attractive shopping centres.

Unibail-Rodamco's shopping centre portfolio GMV increased by +6.3% in 2016 on a like-for-like basis or +€1,625 Mn. The growth in retail GMV was driven by yield compression (+3.8%) and a rental effect (+2.5%). Malls attracting six million or more visits per annum, which represent 97% of the Group's shopping centre portfolio[4], experienced a like-for-like growth in GMV of +6.5%, while malls with ten million or more visits grew +7.9% on a like-for-like basis. The value of the Group's Spanish mall portfolio experienced the highest increase in 2016 with +12.5% on a like-for-like basis, of which +9.7% was driven by yield compression supported by benchmark transactions in the country. The 2016 like-for-like GMV growth of the Central European and German shopping centres was +8.7% and +7.9%, respectively.

The value of the Group's office portfolio increased +7.9% on a like-for-like basis as a result of a yield compression effect (+7.3%), following reference transactions in the Paris CBD and La Défense. Unibail-Rodamco's office portfolio in the Paris region saw a like-for-like GMV growth of +9.0%, of which +8.6% was due to a yield effect partly due to the Group's own office disposal transactions.

The Convention & Exhibition portfolio value grew +4.4% on a like-for-like basis in 2016 as a result of lower discount rates used by appraisers as well as the progress made on the Porte de Versailles development project, in turn lowering the risk of the development.

Unibail-Rodamco's asset portfolio, including transfer taxes, amounted to €40,495 Mn as of December 31, 2016, compared to €37,755 Mn in December 2015. On a like-for-like basis, the GMV of the Group's portfolio increased +6.2% or +€1,993 Mn net of investments.

(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) Source: JLL.
(4) In term of GMV as at December 31, 2016, including values of shares in assets accounted for using the equity method.

Asset portfolio valuation of Unibail-Rodamco (including transfer taxes)[(1)]	31/12/2016		Like-for-like change net of investment – full year 2016[(2)]		31/12/2015	
	€Mn	%	€Mn	%	€Mn	%
Shopping Centres	33,082	82%	1,625	6.3%	30,129	80%
Offices	4,045	10%	240	7.9%	4,512	12%
Convention & Exhibition	2,970	7%	118	4.4%	2,726	7%
Services	397	1%	10	2.7%	387	1%
TOTAL	**40,495**	**100%**	**1,993**	**6.2%**	**37,755**	**100%**

Figures may not add up due to rounding.

(1) Based on a full scope of consolidation, including transfer taxes and transaction costs (see §1.5 for Group share figures).
The portfolio valuation includes:
- *the appraised or at cost value of the entire property portfolio, when fully consolidated or under joint operation;*
- *the equity value of Unibail-Rodamco's investments in assets accounted for using the equity method (mainly CentrO, Ring-Center, Gropius Passagen and Paunsdorf shopping centres in Germany, the Zlote Tarasy complex in Poland and part of Rosny 2 in France). The equity value of Unibail-Rodamco's share investments in assets accounted for using the equity method amounted to €1,708 Mn as at December 31, 2016, compared to €1,536 Mn as at December 31, 2015.*

The valuations take into account the negative cash flows related to rents paid on concessions or leaseholds, which are accounted for as financial debt in the consolidated balance sheet.
The portfolio does not include financial assets such as the €400 Mn of cash and cash equivalents on the Group's balance sheet as at December 31, 2016.

(2) Excluding currency effect, investment properties under construction, assets accounted for using the equity method and changes in the scope (including acquisitions, disposals and deliveries of new projects) during 2016. Changes in scope consist mainly of:
- *acquisitions of retail units in Les Quatre Temps, Forum des Halles, Leidsenhage for the Mall of The Netherlands project;*
- *acquisition of an office asset: Le Blériot in Rueil-Malmaison (France);*
- *disposals of retail assets: Europark, Plaisir and Sant Cugat;*
- *disposals of office assets: 2-8 Ancelle, Würzburg, 70-80 Wilson, Nouvel Air, So Ouest and Zoetelaarpassage in Almere;*
- *impact of the change in consolidation method of Benidorm in 2016 (from equity to full consolidation method).*

The like-for-like change in portfolio valuation is calculated excluding changes described above.

Appraisers

Since June 30, 2015, three international and qualified appraisal firms, Cushman & Wakefield (formerly DTZ), JLL and PwC, value Unibail-Rodamco's retail, office, convention & exhibition and service portfolios. These appointments followed the expiry of the previous appraisal mandates on December 31, 2014. Cushman & Wakefield, JLL and PwC were selected following a tender process with 12 different appraisal firms, ensuring the nomination of the best appraisers in their respective geographies.

JLL and Cushman & Wakefield appraise the retail and office properties of the Group. The valuation process has a centralised approach, intended to ensure that, on the Group's international portfolio, pan-European capital market views are taken into account. Unibail-Rodamco has allocated properties across the two appraisers by region for comparison and benchmarking purposes. France, being the largest region, is assessed by both firms. PwC assesses Convention & Exhibition venues as well as the services activities. Assets are appraised twice a year (in June and December), except service companies, which are appraised once a year.

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*).

Appraiser	Property location	% of total portfolio
Cushman & Wakefield	France/Netherlands/Central Europe	48%
JLL	France/Germany/Nordic/Spain/Austria	41%
PwC	France/Germany	8%
At cost or under sale agreement.		3%
		100%

Figures may not add up due to rounding.

Fees paid to appraisers are determined prior to the valuation campaign and are independent from the value of properties appraised.

A detailed report, dated and signed, is produced for each appraised property.

None of the appraisers has received fees from the Group representing more than 10% of their turnover.

Valuation methodology

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 increase in transfer taxes in the Paris region, applicable from January 1, 2016, was taken into account by the Group's appraisers and had an aggregate negative impact of -€54 Mn on the gross market values of the assets concerned.

Valuation scope

As at December 31, 2016, 97% of Unibail-Rodamco'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. Unibail-Rodamco uses generic guidelines to establish the remaining 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[1]) as deemed appropriate by the independent appraiser. In some cases, both methods were combined to validate and cross-check critical valuation parameters.

The Glòries extension and renovation project continues to be taken into account by appraisers in the valuation of the standing asset.

The Parly 2, Carré Sénart and Centrum Chodov extension and renovation projects as well as the Wroclavia project and the Issy Guynemer refurbishment project are now assessed at fair value as at December 31, 2016.

Refer to the table in the Section "Development Projects as at December 31, 2016" for an overview of valuation methods used for development projects.

The remaining assets (3%) of the portfolio were valued as follows:

- at cost for IPUC for which a reliable value could not yet be established. These include assets under development: renovation projects and the Trinity office project in La Défense, Versailles Chantiers, Mall of The Netherlands as well as all development projects included in the "Controlled" and "Secured exclusivity" categories (see section "Development Projects" for more details);
- at acquisition price for assets acquired in H2-2016 that were not appraised.

2.3.1.1. Shopping Centre portfolio

The value of Unibail-Rodamco's shopping centre portfolio is the addition of the value of each individual asset as determined by the Group's appraisers. 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 although it is definitely part of the appeal to the Group's shareholders.

(1) RICS: Royal Institution of Chartered Surveyors; IVSC: International Valuation Standards Council.

Evolution of Unibail-Rodamco's shopping centre portfolio valuation

The value of Unibail-Rodamco's shopping centre portfolio grew from €30,129 Mn as at December 31, 2015, to €33,082 Mn as at December 31, 2016, including transfer taxes and transaction costs.

VALUATION 31/12/2015 *(€Mn)*	**30,129**
Like-for-like revaluation	1,625
Revaluation of non like-for-like assets	333[1]
Revaluation of shares	174[2]
Capex/Acquisitions	1,081[3]
Disposals	-74[4]
Constant Currency Effect	-186[5]
VALUATION 31/12/2016 *(€Mn)*	**33,082**

Figures may not add up due to rounding.
(1) Non like-for-like assets include IPUC valued at cost or at fair value, and projects such as the Parly 2, Carré Sénart, Centrum Chodov and Glòries extension and renovation projects, and the Wroclavia brownfield project.
(2) Revaluation of the shares in companies holding the assets accounted for using the equity method.
(3) Includes the impact of the change in consolidation method of Benidorm in 2016 (from equity method to full consolidation).
(4) Value as at 31/12/2015.
(5) Currency impact of -€186 Mn mainly in the Nordics, 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 net initial yield as at December 31, 2016, decreased to 4.4% from 4.6% as at December 31, 2015.

Shopping Centre portfolio by region – 31/12/2016	Valuation including transfer taxes *(€Mn)*	Valuation excluding estimated transfer taxes *(€Mn)*	Net initial yield[1] 31/12/2016	Net initial yield[1] 31/12/2015
France[2]	14,807	14,250	4.1%	4.3%
Central Europe[3]	4,385	4,347	4.9%	5.2%
Nordic	3,490	3,412	4.4%	4.6%
Spain	3,556	3,483	4.8%	5.1%
Germany[3]	2,908	2,790	4.5%	4.8%
Austria[3]	2,356	2,344	4.3%	4.5%
Netherlands	1,579	1,500	5.0%	5.0%
TOTAL[4]	**33,082**	**32,126**	**4.4%**	**4.6%**

Figures may not add up due to rounding.
(1) 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 held by companies accounted for using the equity method are not included in the calculation.
(2) The effect of including key money in the region's net rental income would increase the net initial yield to 4.2% as at December 31, 2016.
(3) Ring-Center is included in the Central Europe region.
(4) Valuation amounts in € include the Group's share equity investments in assets accounted for using the equity method.

The following table shows the geographic split of the Group's retail assets:

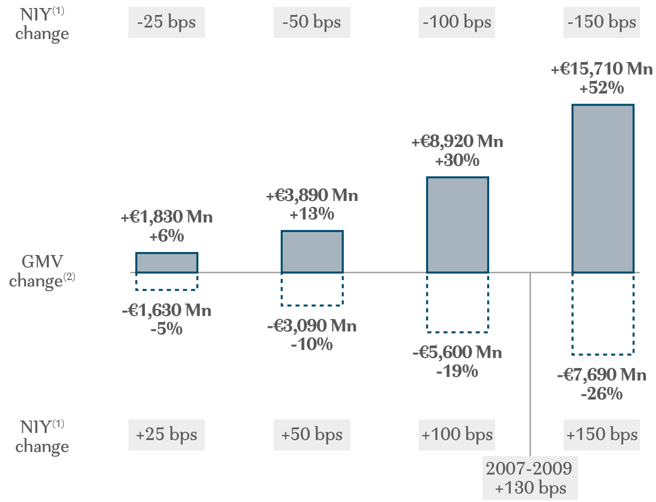
	31/12/2016		31/12/2015	
Valuation of Shopping Centre portfolio (including transfer taxes)	€Mn	%	€Mn	%
France	14,807	45%	13,661	45%
Central Europe	4,385	13%	3,691	12%
Nordic	3,490	11%	3,338	11%
Spain	3,556	11%	3,090	10%
Germany	2,908	9%	2,681	9%
Austria	2,356	7%	2,147	7%
Netherlands	1,579	5%	1,521	5%
TOTAL[1]	**33,082**	**100%**	**30,129**	**100%**

Figures may not add up due to rounding.
(1) Valuation amounts include the Group share equity investments in assets accounted for using the equity method.

Sensitivity

A change of +25 basis points in net initial yield, which represents the main output of the appraisal models, would result in a downward adjustment of -€1,630 Mn (or -5.4%) of the shopping centre portfolio value (excluding assets under development or accounted for using the equity method), including transfer taxes and transaction costs.

SENSITIVITY TO NET INITIAL YIELD CHANGE



Like-for-like analysis

On a like-for-like basis, the value of the shopping centre portfolio, including transfer taxes and transaction costs and after accounting for works, capitalised financial and leasing expenses and eviction costs, increased by +€1,625 Mn (or +6.3%) in 2016. This +6.3% increase was the result of a rent and yield impact of +2.5% and +3.8%, respectively.

Shopping Centre – Like-for-like (LxL) change[1] Full year 2016	LxL change *(€Mn)*	LxL change *(%)*	LxL change – Rent impact	LxL change – Yield impact[2]
France	518	4.4%	1.7%	2.8%
Central Europe	260	8.7%	4.6%	4.2%
Nordic	230	6.9%	3.7%	3.2%
Spain	318	12.5%	2.8%	9.7%
Germany	156	7.9%	1.8%	6.1%
Austria	142	6.6%	4.0%	2.6%
Netherlands	0	0.0%	-1.4%	1.4%
TOTAL	**1,625**	**6.3%**	**2.5%**	**3.8%**

Figures may not add up due to rounding.
(1) Like-for-like change net of investments from December 31, 2015 to December 31, 2016, excluding assets accounted for using the equity method.
(2) Yield impact calculated using the change in potential yields (to neutralize changes in vacancy rates) and taking into account key money.

Like-for-like revaluations illustrated the outperformance of assets attracting six million or more visits per annum.

Shopping Centre – Like-for-like (LxL) change by footfall category[1] Full year 2016	LxL change *(€Mn)*	LxL change *(%)*	LxL change – Rent impact	LxL change – Yield impact[2]
6 Mn visits and above	1,622	6.5%	2.6%	3.8%
Below 6 Mn visits	3	0.4%	-0.9%	1.3%
TOTAL	**1,625**	**6.3%**	**2.5%**	**3.8%**

Figures may not add up due to rounding.
(1) Like-for-like change net of investments from December 31, 2015 to December 31, 2016, excluding assets accounted for using the equity method.
(2) Yield impact calculated using the change in potential yields (to neutralize changes in vacancy rates) and taking into account key money.

On a like-for-like basis, the value of the shopping centres attracting 10 million or more visits per annum increased by +7.9% in 2016 (+3.9% rent impact and +4.0% yield impact).

Since December 31, 2011, the increase in the quality of the Group's shopping centres has resulted in a +42.9% increase in value[1] per square meter to €8,719 as of December 31, 2016, from €6,102 as of December 31, 2011. On a like-for-like basis[2], the net revaluation amounted to +34.7% of which +19.1% is due to the rent effect and +15.6% is due to yield compression.

2.3.1.2. Office portfolio

Evolution of Unibail-Rodamco's office portfolio valuation

As a result of the disposal of four of its offices in 2016, the value of the Group's office portfolio (including transfer taxes and transaction costs) decreased by €467 Mn to €4,045 Mn as at December 31, 2016, from €4,512 Mn as at December 31, 2015. The impact of these disposals was partly offset by yield compression and a positive rent effect.

VALUATION 31/12/2015 (€Mn)	4,512
Like-for-like revaluation	240
Revaluation of non like-for-like assets	40[1]
Revaluation of shares	8[2]
Capex/Acquisitions	105
Disposals	-846[3]
Constant Currency Effect	-13[4]
VALUATION 31/12/2016 (€MN)	**4,045**

Figures may not add up due to rounding.

(1) Non like-for-like assets including investment properties under construction or refurbishment valued at cost or at fair value, including assets such as Issy Guynemer impacted by a project as at December 31, 2016 and projects delivered during 2016 such as Les Villages 3 and 4.
(2) Revaluation of the shares in Zlote Tarasy offices (Lumen and Skylight) accounted for using the equity method.
(3) Value as at 31/12/2015.
(4) Currency impact of -€13 Mn in the Nordics, before offsets from foreign currency loans and hedging programs.

The split by region of the total office portfolio is the following:

Valuation of Office portfolio (including transfer taxes)	31/12/2016		31/12/2015	
	€Mn	%	€Mn	%
France	3,614	89%	4,044	90%
Nordic	190	5%	209	5%
Central Europe	153	4%	137	3%
Germany	35	1%	54	1%
Austria	39	1%	40	1%
Netherlands	14	0%	27	1%
TOTAL	**4,045**	**100%**	**4,512**	**100%**

Figures may not add up due to rounding.

For **occupied offices** and based on an asset value excluding estimated transfer taxes and transaction costs, the office division's net initial yield as at December 31, 2016 fell by -15 bps to 5.8%.

(1) Gross Market Value per m^2 of the Group's standing shopping centres, excluding assets consolidated under the equity method.
(2) Analysis made on a constant like-for-like standing perimeter from December 31, 2011 to December 31, 2016 (assets owned by the Group as of December 31, 2011 through December 31, 2016).

Valuation of occupied office space – 31/12/2016	Valuation including transfer taxes (€Mn)[(1)(2)]	Valuation excluding estimated transfer taxes (€Mn)[(2)]	Net initial yield[(3)] 31/12/2016	Net initial yield[(3)] 31/12/2015
France	2,801	2,716	5.7%	5.9%
Nordic	168	163	7.5%	7.0%
Central Europe[(2)]	145	145	8.5%	8.6%
Germany	33	32	5.5%	5.9%
Austria	36	35	6.7%	6.7%
Netherlands	3	3	17.3%	8.1%
TOTAL	**3,185**	**3,094**	**5.8%**	**6.0%**

Figures may not add up due to rounding.

(1) Valuation of occupied office space as at December 31, 2016, based on the appraiser's allocation of value between occupied / vacant space.

(2) Central Europe valuation includes the Group share equity investments in Zlote Tarasy offices (Lumen and Skylight), held by companies accounted for using the equity method.

(3) Annualised contracted rents (including latest indexation) and other income net of expenses, divided by the value of occupied space net of estimated transfer taxes and transaction costs. Zlote Tarasy offices (Lumen and Skylight), held by companies accounted for using the equity method, and the 7 Adenauer office building (occupied by Unibail-Rodamco) are not included in this calculation.

Sensitivity

A change of +25 basis points in net initial yield, which represents the main output of the appraisal models, would result in a downward adjustment of -€168 Mn (-4.9%) of the office portfolio value (occupied and vacant spaces, excluding assets under development or accounted for using the equity method), including transfer taxes and transaction costs.

Like-for-like analysis

The value of Unibail-Rodamco's office portfolio, including transfer taxes and transaction costs, and after accounting for the impact of works and capitalised financial and leasing expenses, increased by +€240 Mn (+7.9%) in 2016 on a like-for-like basis, due to a rent effect of +0.6% and a yield compression of +7.3%.

Offices – Like-for-like (LxL) change[(1)] Full year 2016	Like-for-like change (€Mn)	Like-for-like change (%)	LxL change – Rent impact	LxL change – Yield impact[(2)]
France	249	9.0%	0.5%	8.6%
Nordic	-5	-2.6%	2.4%	-5.0%
Central Europe	0	2.4%	1.4%	1.0%
Germany	-1	-3.1%	2.3%	-5.4%
Austria	-2	-5.0%	-1.2%	-3.8%
Netherlands	-1	-10.2%	-1.5%	-8.7%
TOTAL	**240**	**7.9%**	**0.6%**	**7.3%**

Figures may not add up due to rounding.

(1) Like-for-like change net of investments from December 31, 2015 to December 31, 2016. Does not include assets accounted for using the equity method.

(2) Yield impact calculated using the change in potential yields (to neutralize changes in vacancy rates).

French Office portfolio

Unibail-Rodamco's French office portfolio split by sector is the following:

	Valuation (including transfer taxes)	
French Office portfolio by sector – 31/12/2016	€Mn	%
La Défense	1,979	55%
Levallois-Issy	674	19%
Paris CBD & others	960	27%
TOTAL	**3,614**	**100%**

Figures may not add up due to rounding.

For **occupied offices** and based on an asset value excluding estimated transfer taxes and transaction costs, the French office division's net initial yield as at December 31, 2016 came to 5.7%, reflecting a -21 bps decrease in yields during 2016.

Valuation of French occupied office space – 31/12/2016	Valuation including transfer taxes (€Mn)[1]	Valuation excluding estimated transfer taxes (€Mn)	Net initial yield 31/12/2016 (€/m²)[2]	Average price (€/m²)[3]
La Défense	1,626	1,569	6.4%	7,445
Levallois-Issy	467	458	4.9%	8,977
Paris CBD and others	708	688	4.2%	13,127
TOTAL	**2,801**	**2,716**	**5.7%**	**8,416**

Figures may not add up due to rounding.
(1) Valuation of occupied office space as at December 31, 2016, based on the appraiser's allocation of value between occupied and vacant spaces.
(2) Annualised contracted rent (including latest indexation) net of expenses, divided by the value of occupied space net of estimated transfer taxes and transaction costs. Excludes the 7 Adenauer (occupied by Unibail-Rodamco).
(3) Average price, excluding estimated transfer taxes, per square meter for occupied office space based on the appraiser's allocation of value between occupied and vacant spaces. The computation takes into account the areas allocated to company restaurants. Average prices were restated for car parks with a basis of €30,000 per unit for Paris CBD and Levallois-Issy and €15,000 for other areas. Excludes the 7 Adenauer (occupied by Unibail-Rodamco).

2.3.1.3. Convention & Exhibition portfolio

The value of Unibail-Rodamco's Convention & Exhibition portfolio is derived from the combination of the value of each individual asset.

Valuation methodology

The valuation methodology adopted by PwC for the venues is mainly based on a discounted cash flow model applied to total net income projected over the life of the concession or leasehold (net of the amounts paid for the concession or leasehold) if it exists, or otherwise over a 10-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.

The discounted cash flow methodology has been adopted for the Pullman Montparnasse, the Cnit Hilton and the Novotel Confluence hotels as at December 31, 2016.

Evolution of the Convention & Exhibition valuation

The value of Convention & Exhibition centres and hotels, including transfer taxes and transaction costs, grew to €2,970 Mn[1] as at December 31, 2016:

VALUATION 31/12/2015 *(€MN)*	**2,726**[1]
Like-for-like revaluation	118
Revaluation of non like-for-like assets	-33
Capex/Acquisitions	159
VALUATION 31/12/2016 *(€MN)*	**2,970**[2]

Figures may not add up due to rounding.
(1) Of which €2,439 Mn for Viparis (including Palais des Sports) and €287 Mn for hotels (including hotel project in Porte de Versailles).
(2) Of which €2,747 Mn for Viparis (including Palais des Sports) and €223 Mn for hotels (including hotel project in Porte de Versailles).

On a like-for-like basis, net of investments, the value of Convention & Exhibition properties and hotels is up +€118 Mn (+4.4%) compared to December 31, 2015. The value of the Group's hotel portfolio was impacted by the decreased occupancy of the hotels following the terrorist attacks in Paris and Nice.

	Full year 2016	
Convention & Exhibition – Like-for-like change net of investment	€Mn	%
Viparis and others[1]	156	6.4%
Hotels	-39	-15.4%
TOTAL	**118**	**4.4%**

Figures may not add up due to rounding.
(1) Viparis and others include all of the Group's Convention & Exhibition centres.

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 as at December 31, 2016 decreased by -96 basis points from December 31, 2015 to 5.4%.

(1) Based on a full scope of consolidation, including transfer taxes and transaction costs (see §1.5 for Group share figures).

2.3.1.4. Services

The services portfolio is composed of Unibail-Rodamco's French and German property service companies. The services portfolio is appraised annually by PwC as at each year-end in order to include all significant intangible assets in the portfolio at their market value for the calculation of Unibail-Rodamco's NAV. In Unibail-Rodamco's consolidated statement of financial position, intangible assets are not revalued but recognised at cost less any amortisation charges and/or impairment losses booked.

2.3.1.5. Group share figures for the property portfolio

The figures above are based on a full scope of consolidation. The following tables also provide the Group share level (in GMV):

	Full scope consolidation		Group share	
Asset portfolio valuation – 31/12/2016	**€Mn**	**%**	**€Mn**	**%**
Shopping Centres	33,082	82%	28,791	83%
Offices	4,045	10%	4,022	12%
Convention & Exhibition	2,970	7%	1,693	5%
Services	397	1%	318	1%
TOTAL	**40,495**	**100%**	**34,824**	**100%**

	Full scope consolidation		Group share	
Asset portfolio valuation – 31/12/2015	**€Mn**	**%**	**€Mn**	**%**
Shopping Centres	30,129	80%	26,240	80%
Offices	4,512	12%	4,480	14%
Convention & Exhibition	2,726	7%	1,592	5%
Services	387	1%	312	1%
TOTAL	**37,755**	**100%**	**32,624**	**100%**

Like-for-like change – net of Investments – Full year 2016	€Mn	%	€Mn	%
Shopping Centres	1,625	6.3%	1,413	6.2%
Offices	240	7.9%	240	8.0%
Convention & Exhibition	118	4.4%	36	2.3%
Services	10	2.7%	6	2.0%
TOTAL	**1,993**	**6.2%**	**1,695**	**6.1%**

Like-for-like change – net of Investments – Full year 2016 – Split rent/yield impact	Rent impact %	Yield impact %	Rent impact %	Yield impact %
Shopping Centres	2.5%	3.8%	2.3%	3.9%
Offices	0.6%	7.3%	0.6%	7.4%

Net Initial Yield	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Shopping Centres(1)	4.4%	4.6%	4.4%	4.6%
Offices – occupied space(2)	5.8%	6.0%	5.9%	6.0%

Figures may not add up due to rounding.

(1) 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 held by companies accounted for using the equity method are not included in the calculation.

(2) Annualised contracted rents (including latest indexation) and other income net of expenses, divided by the value of occupied space net of estimated transfer taxes and transaction costs. In Central Europe, Zlote Tarasy offices (Lumen and Skylight), held by companies accounted for using the equity method, and the 7 Adenauer office building (occupied by Unibail-Rodamco) are not included in this calculation.

2.3.1.6. Additional Valuation parameters – IFRS 13

Unibail-Rodamco 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, Unibail-Rodamco believes it appropriate to classify its assets under Level 3. In addition, unobservable inputs, including appraisers' assumptions on growth rates and exit yields, are used by appraisers to determine the fair value of Unibail-Rodamco'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.

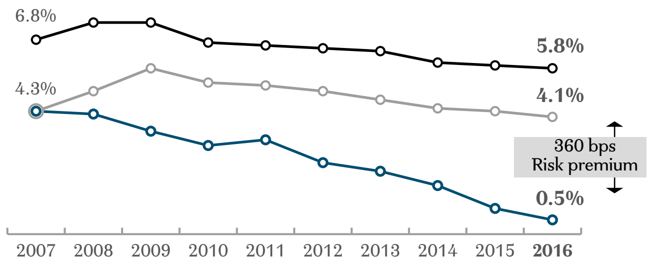
Shopping Centres – 31/12/2016		Net initial yield	Rent (€ per sqm)(1)	Discount Rate(2)	Exit yield(3)	CAGR of NRI(4)
France	Max	7.5%	853	13.0%	9.5%	10.4%
	Min	3.5%	110	5.3%	3.7%	1.3%
	Weighted average	4.1%	491	5.8%	4.2%	4.1%
Central Europe	Max	6.6%	554	7.9%	7.5%	2.8%
	Min	4.7%	188	6.5%	4.7%	2.2%
	Weighted average	4.9%	389	6.8%	5.1%	2.6%
Nordic	Max	12.1%	513	9.5%	8.3%	4.3%
	Min	3.9%	100	6.5%	4.1%	1.1%
	Weighted average	4.4%	356	7.0%	4.4%	3.5%
Spain	Max	7.8%	785	11.0%	7.8%	4.1%
	Min	4.0%	95	7.2%	4.2%	1.6%
	Weighted average	4.8%	288	7.8%	4.8%	3.3%
Germany	Max	7.2%	453	8.0%	6.6%	4.7%
	Min	4.0%	244	6.2%	4.0%	2.3%
	Weighted average	4.5%	303	6.5%	4.6%	3.4%
Austria	Max	4.4%	382	6.2%	4.1%	3.0%
	Min	4.1%	359	6.2%	4.1%	2.6%
	Weighted average	4.3%	370	6.2%	4.1%	2.8%
Netherlands	Max	9.3%	404	8.8%	8.9%	5.5%
	Min	4.5%	113	5.8%	4.2%	n.m
	Weighted average	5.0%	247	6.2%	4.9%	3.4%

Net initial yield, discount rate and exit yield weighted by GMV.
(1) Average annual rent (minimum guaranteed rent + sales based rent) per asset per m^2.
(2) Rate used to calculate the net present value of future cash flows.
(3) Rate used to capitalise the exit rent to determine the exit value of an asset.
(4) Compounded Annual Growth Rate of Net Rental Income determined by the appraiser (between 6 and 10 years depending on duration of DCF model used).

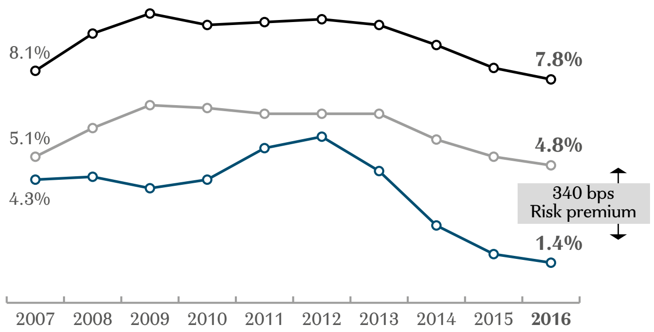
To value the Group's assets, appraisers use discount rates they consider investors will require to generate target returns. For example, since 2007, the gap between discount rates used by appraisers for the Group's assets in France and Spain and the government bond yields of these countries has widened materially. This and their judgment on appropriate exit cap rates have led to record yield differentials between the Group's French and Spanish assets relative to the French and Spanish government bond yields.

(1) EPRA position paper on IFRS 13 – Fair value measurement and illustrative disclosures, February 2013.

FRANCE



SPAIN



Offices

Offices are valued using the discounted cash flow and yield methodologies.

Offices – 31/12/2016		Net initial yield	Rent *(€ per sqm)*(1)	Discount Rate(2)	Exit yield(3)	CAGR of NRI(4)
France	Max	11.2%	536	9.5%	8.2%	15.3%
	Min	3.9%	105	5.0%	3.8%	-4.1%
	Weighted average	5.7%	439	5.8%	4.8%	3.6%
Nordic	Max	10.7%	218	9.4%	7.8%	3.0%
	Min	6.2%	104	7.1%	5.2%	2.3%
	Weighted average	7.5%	183	7.8%	6.4%	2.6%
Netherlands	Max	18.3%	48	13.8%	9.8%	11.2%
	Min	n.m	n.m	6.3%	4.6%	n.m
	Weighted average	17.3%	40	9.7%	7.0%	11.0%
Germany	Max	7.9%	152	8.4%	7.5%	12.2%
	Min	4.8%	48	6.5%	4.5%	1.7%
	Weighted average	5.5%	114	6.8%	4.9%	2.8%
Austria	Max	6.8%	130	7.6%	7.0%	5.0%
	Min	6.6%	118	7.5%	6.5%	2.0%
	Weighted average	6.7%	124	7.6%	6.8%	3.7%

Net initial yield, discount rate and exit yield weighted by GMV. Central Europe region only encompasses one asset (excluding shares in Zlote Tarasy offices, Lumen and Skylight) and is therefore not displayed. Vacant assets, assets considered at bid value and assets under restructuring are not included in this table.

(1) Average annual rent (minimum guaranteed rent) per asset per m^2. The computation takes into account the areas allocated to company restaurants.

(2) Rate used to calculate the net present value of future cash flows.

(3) Rate used to capitalise the exit rent to determine the exit value of an asset.

(4) Compounded Annual Growth Rate of NRI determined by the appraiser (between 3 and 10 years, depending on duration of DCF model used).

2.3.2. EPRA Triple Net Asset Value Calculation

The EPRA triple Net Asset Value (NNNAV) is calculated by adding to the consolidated shareholders' equity (Owners of the parent), as shown on the consolidated statement of financial position (under IFRS), several items as described hereafter.

2.3.2.1. Consolidated shareholders' equity

As at December 31, 2016, consolidated shareholders' equity (Owners of the parent) came to €17,465.3 Mn.

Shareholders' equity (Owners of the parent) incorporated the net recurring profit of €1,114.2 Mn and the net positive impact of €1,294.8 Mn of fair value adjustments on property assets and financial instruments, as well as the capital gain on sales of properties.

2.3.2.2. Impact of rights giving access to share capital

Dilution from securities giving access to share capital as at December 31, 2016 was computed for such instruments "in the money" and having fulfilled the performance conditions.

The debt component of the ORAs[1], recognised in the financial statements was added to shareholders' equity for the calculation of the NNNAV. At the same time, all ORAs were treated as shares of common stock.

In accordance with IFRS, financial instruments and the ORNANEs[2] were recorded on Unibail-Rodamco's statement of financial position at their fair value with the impact of the change in fair value included in the income statement and thus in the consolidated shareholders' equity.

The ORNANE issued in 2012 and not repurchased was "in the money" as at December 31, 2016. Consequently, the fair market value was restated for an amount of €2 Mn for the NNNAV calculation and the potential dilution (+6,564 shares) was included in the number of fully diluted shares outstanding as at December 31, 2016 (*i.e.*, for the outperformance part of the ORNANE, the nominal amount remains as debt).

The ORNANEs issued in 2014 and 2015 were not restated for the NNNAV calculation as they are "out of the money" as at December 31, 2016, 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, 2016, would have led to a rise in the number of shares by +1,127,974, generating an increase in shareholders' equity of +€191 Mn.

As at December 31, 2016, the fully-diluted number of shares taken into account for the NNNAV calculation was 100,535,706.

2.3.2.3. Unrealised capital gains on intangible and operating assets

The appraisal of property service companies, of the operating asset of Unibail-Rodamco (7 Adenauer, Paris 16) and of the operations *("fonds de commerce")* of Viparis Porte de Versailles, Paris Nord Villepinte, Palais des Congrès de Paris, Palais des Congrès de Versailles and Issy-les-Moulineaux gave rise to an unrealised capital gain of +€345 Mn which was added for the NAV calculation.

2.3.2.4. Adjustment of capital gains deferred taxes

In accordance with accounting standards, deferred tax on property assets was calculated on a theoretical basis on the consolidated statement of financial position as at December 31, 2016.

For the purpose of the EPRA NAV calculation, deferred taxes on unrealised capital gains on assets not qualifying for tax exemption (€1,676 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 €264 Mn.

For the calculation of the EPRA NNNAV, estimated taxes actually payable should a disposal take place (€792 Mn) were deducted.

2.3.2.5. Mark-to-market value of debt and derivatives

In accordance with IFRS, derivatives and ORNANEs were recorded on Unibail-Rodamco's statement of financial position at their fair value.

The fair value adjustment (€253 Mn, excluding exchange rate hedging according to EPRA recommendation) 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 ex-Unibail debt and the fair value of the ex-Rodamco debt at combination date (December 31, 2007). Taking fixed rate debt at its fair value would have had a negative impact of -€655 Mn. This impact was taken into account in the EPRA NNNAV calculation.

(1) Bonds redeemable for shares ("Obligations Remboursables en Actions").
(2) Net share settled bonds convertible into new and/or existing shares (ORNANE) – see Financial Resources note.

2.3.2.6. 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, 2016, 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 €505 Mn.

2.3.2.7. EPRA Triple Net Asset Value

Unibail-Rodamco's EPRA NNNAV (Owners of the parent) stood at €18,472 Mn or €183.70 per share (fully-diluted) as at December 31, 2016.

The EPRA NNNAV per share increased by +5.3% (or +€9.30) compared to June 30, 2016 and increased by +8.1% (or +€13.80) compared to December 31, 2015.

The increase of +€13.80 compared to December 31, 2015 was the sum of: (i) the value creation of +€27.75 per share, (ii) the impact of the dividend paid in March and July 2016 of -€9.70, and (iii) the negative impact of the -€4.25 mark-to-market of the fixed-rate debt and derivatives.

2.3.3. Going Concern Net Asset Value

Unibail-Rodamco 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 stands at €201.50 per share as at December 31, 2016, an increase of +€14.80 (+7.9%) compared to December 31, 2015.

This increase was the sum of: (i) the value creation of +€28.75 per share, (ii) the impact of the dividend paid in March and July 2016 of -€9.70, and (iii) the negative impact of the -€4.25 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, 2015 to December 31, 2016 is also presented.

EPRA NNNAV calculation *(All figures are Group share, in €Mn)*	31/12/2015		30/06/2016		**31/12/2016**	
	€Mn	€/share	€Mn	€/share	**€Mn**	**€/share**
Fully diluted number of shares		99,484,430		99,393,351		100,535,706
NAV per the financial statements	16,042		16,417		17,465	
Amounts owed to shareholders	0		483		0	
ORA and ORNANE	2		2		2	
Effect of exercise of options	107		11		191	
Diluted NAV	16,151		16,913		17,658	
Add						
Revaluation of intangible and operating assets	340		349		345	
Added backdeducted						
Fair value of financial instruments	182		349		253	
Deferred taxes on balance sheet	1,377		1,439		1,676	
Goodwill as a result of deferred taxes	-267		-266		-264	
EPRA NAV	**17,783**	**€178.80**	**18,785**	**€189.00**	**19,667**	**€195.60**
Fair value of financial instruments	-182		-349		-253	
Fair value of debt	-469		-892		-655	
Effective deferred taxes	-670		-688		-792	
Impact of transfer taxes estimation	442		484		505	
EPRA NNNAV	**16,903**	**€169.90**	**17,338**	**€174.40**	**18,472**	**€183.70**
% of change over 6 months		**5.1%**		**2.6%**		**5.3%**
% of change over 1 year		**12.4%**		**7.9%**		**8.1%**

Unibail-Rodamco also states the "going concern NAV" = EPRA 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)*	31/12/2015 €Mn	31/12/2015 €/share	30/06/2016 €Mn	30/06/2016 €/share	31/12/2016 €Mn	31/12/2016 €/share
EPRA NNNAV	16,903		17,338		18,472	
Effective deferred capital gain taxes	670		688		792	
Estimated transfer taxes	1,000		1,035		998	
GOING CONCERN NAV	**18,573**	**€186.70**	**19,062**	**€191.80**	**20,263**	**€201.50**
% of change over 6 months		**5.2%**		**2.7%**		**5.1%**
% of change over 1 year		**12.3%**		**8.1%**		**7.9%**

The change in EPRA NNNAV and Going concern NAV between December 31, 2015 and December 31, 2016 broke down as follows (figures may not add up due to rounding):

Evolution of EPRA NNNAV and Going concern NAV		EPRA NNNAV	Going concern NAV
AS AT DECEMBER 31, 2015, PER SHARE (FULLY DILUTED)		**€169.90**	**€186.70**
Revaluation of property assets[1]		16.91	16.91
Retail	14.64		
Offices	2.30		
Convention & Exhibition	-0.03		
Revaluation of intangible and operating assets		-0.07	-0.07
Capital gain on disposals		0.94	0.94
Recurring Net Result		11.24	11.24
Distribution		-9.70	-9.70
Mark-to-market of debt and financial instruments		-4.25	-4.25
Variation in transfer taxes & deferred taxes adjustments		-0.03	1.17
Variation in the fully diluted number of shares		0.07	-0.12
Other (including foreign exchange difference)		-1.31	-1.32
AS AT DECEMBER 31, 2016, PER SHARE (FULLY DILUTED)		**€183.70**	**€201.50**

(1) Revaluation of property assets is €14.11 per share on like-for-like basis, of which +€4.40 is due to rental effect and +€9.71 is due to yield effect.

2.4. Financial Resources

In 2016, political events (including Brexit, US elections and the Italian Referendum) and the anticipation of Central Bank actions had a significant impact on financial markets. The European funding market however remained attractive due to support by the European Central Bank (ECB), despite more volatility, especially in the second half of the year, as a result of the anticipation of rate hikes by the U.S. Federal Reserve and its rate outlook, as well as potential QE tapering in Europe.

Against this backdrop, Unibail-Rodamco raised €3,686 Mn of medium to long-term funds in the bond and bank markets while maintaining its financial ratios at healthy levels. As at December 31, 2016:

- the Interest Coverage Ratio (ICR) was 5.9x (*versus* 4.6x in 2015);
- the Loan to Value (LTV) ratio had decreased to 33% (*versus* 35% as at December 31, 2015).

The average cost of debt for 2016 reached an all-time low of 1.6% (*vs.* 2.2% for 2015).

2.4.1. Debt structure as at December 31, 2016

Unibail-Rodamco's consolidated nominal financial debt as at December 31, 2016 increased to €13,819 Mn[1] from €13,600 Mn as at December 31, 2015.

Financial debt includes €1,008 Mn of net share settled bonds convertible into new and/or existing shares of Unibail-Rodamco (ORNANE) issued in June 2014 and in April 2015 for 100% of their outstanding nominal value, while 99% of the ORNANE issued in September 2012 has been repurchased.

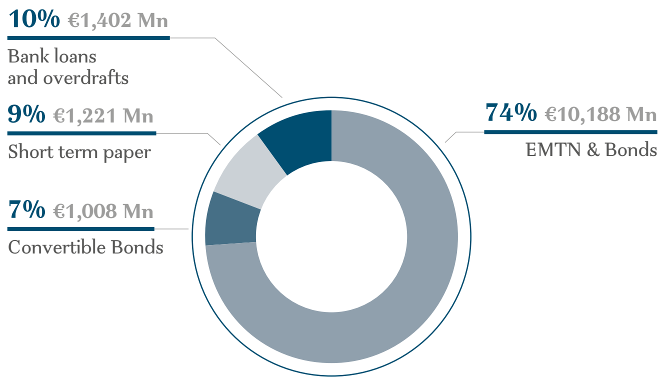
2.4.1.1. Debt breakdown

Unibail-Rodamco's nominal financial debt as at December 31, 2016, breaks down as follows[2]:

- €10,188 Mn in bonds under its Euro Medium Term Notes (EMTN) program;
- €1,008 Mn in ORNANE;
- €1,221 Mn in commercial paper (*billets de trésorerie*) and BMTN paper[3];
- €1,402 Mn in bank loans and overdrafts, including €350 Mn in unsecured corporate loans, €1,048 Mn in mortgage loans and €4 Mn in bank overdrafts.

No loans are subject to prepayment clauses linked to the Group's ratings[4].

The Group's debt remains well diversified with further diversification achieved in 2016 and a predominant proportion of bond financing.



2.4.1.2. Funds Raised

In 2016, the Group took advantage of favourable market windows on the back of the ECB supportive policy, to extend its maturity profile, secure attractive funding conditions while managing its balance sheet through the following transactions:

- the 1st public bond with a 20-year maturity issued by a real-estate company, *i.e.* the longest ever maturity achieved in the sector on the Euro market;
- an 8-year Euro bond with the lowest coupon ever achieved by the Group;
- new 10-year and 11-year benchmark Euro bonds;
- new 5-year bond on the SEK market with the lowest coupon achieved by Unibail-Rodamco in this market;
- two buy back exercises of outstanding bonds in April and November 2016 for a total nominal amount of €847 Mn.

In total, medium- to long-term financing transactions completed in 2016 amounted to €3,686 Mn and include:

- the signing of €1,450 Mn medium- to long-term bank loan and credit facilities with an average maturity of 5.2 years and an average margin[5] of 30 bps. This amount includes the refinancing of a mortgage loan in Poland and of a corporate loan in France for a total amount of €400 Mn.

  Certain of these lines (€325 Mn) were signed with new banks, allowing the Group to further diversify its financing sources.

(1) *After impact of derivative instruments on debt raised in foreign currencies.*
(2) *Figures may not add up due to rounding.*
(3) *Short term paper is backed by committed credit lines (see 1.2).*
(4) *Barring exceptional circumstances (change in control).*
(5) *Taking into account current rating and based on current utilization of these lines.*

In addition to the €1,450 Mn of bank loans raised, Unibail-Rodamco extended existing bilateral and syndicated lines for a total of €2,325 Mn by an additional year;

- four public EMTN bonds were issued in March, April and November 2016, respectively, for a total amount of € 2,000 Mn with the following features:
  - €500 Mn with a 10-year maturity and a coupon of 1.375%,
  - €500 Mn with a 20-year maturity and a coupon of 2.0%,
  - €500 Mn with an 11-year maturity and a coupon 1.125%,
  - €500 Mn with an 8-year and 3 month maturity and a coupon of 0.875%;
- the issue of three private placements under Unibail-Rodamco's EMTN program for a total equivalent amount of €236 Mn:
  - a SEK 1,500 Mn fixed rate private placement swapped to floating with a 5-year maturity kept in local currency to refinance a Swedish asset,
  - a €20 Mn, 11-year private placement,
  - an HKD 500 Mn, corresponding to ca. €61 Mn, 10-year private placement with an Asian investor that was swapped back into Euro.

  These last two transactions were completed at discounts to secondary levels.

  In total, these bonds were issued at an average margin of 74 bps over mid-swaps for an average duration of ca. 12 years.

The Group also completed two tender offers:

- in April 2016, €282 Mn encompassing eight bonds (including seven bonds subject to a prior buy back) maturing between 2017 and 2023 with coupons ranging between 1.625% and 3.875%;
- in November 2016, €565 Mn encompassing six bonds (including five bonds subject to a prior buy back) maturing between 2017 and 2023 with coupons ranging between 1.625% and 3.875%.

In addition, Unibail-Rodamco accessed the money market by issuing BMTN and commercial papers under its *"billets de trésorerie"* program.

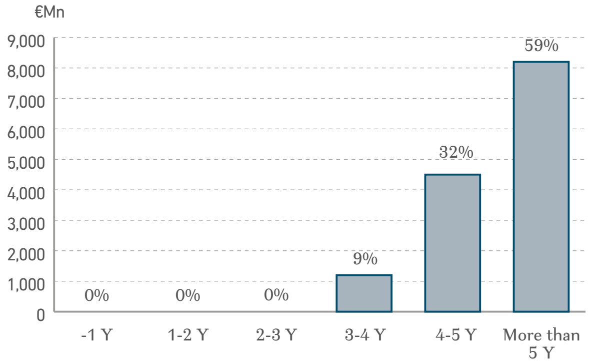
The Group also put in place a "US Commercial Paper" (USCP) program in H1-2016. The average outstanding amount was $105 Mn over the period the USCP program was used.

The average amount of commercial paper, USCP, and BMTN outstanding in 2016 was equivalent to €1,252 Mn (€1,192 Mn on average in 2015) with a remaining maturity of up to 17 months. *Billets de trésorerie* were raised in 2016 at an average margin of 8 bps above Eonia[1].

As at December 31, 2016, the total amount of undrawn credit lines came to €5,995 Mn following the signing of new lines and cash on-hand came to €400 Mn.

2.4.1.3. Debt maturity

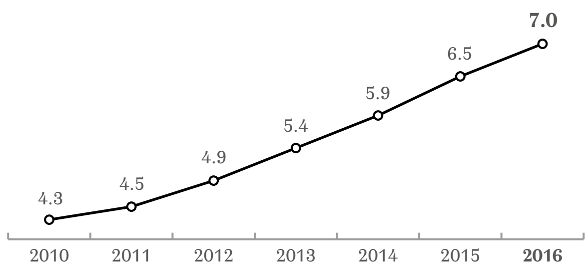
The following chart illustrates Unibail-Rodamco's debt as at December 31, 2016 after the allocation of the committed credit lines (including the undrawn part of the bank loans) by date of maturity and based on the residual life of its borrowings.



100% of the debt had a maturity of more than 3 years as at December 31, 2016 (after taking into account undrawn credit lines).

The average maturity of the Group's debt as at December 31, 2016, taking into account the unused credit lines improved to 7.0 years (*vs.* 6.5 years as at December 2015 and 5.9 years as at December 2014).

AVERAGE DEBT MATURITY (in years)



Liquidity needs

Unibail-Rodamco's debt repayment needs[2] for the next twelve months are covered by the available undrawn credit lines. The amount of bonds and bank loans outstanding as at December 31, 2016, and maturing or amortising in 2017 is €799 Mn (including a total of €688 Mn of bonds maturing in June, November and December 2017) compared with €5,995 Mn of undrawn committed credit lines and €400 Mn of cash on-hand as at December 31, 2016.

(1) *The average Eonia rate in 2016 was -0.320%.*
(2) *Excluding Commercial Papers and BMTN maturing in 2017 and amounting to €1,159 Mn.*

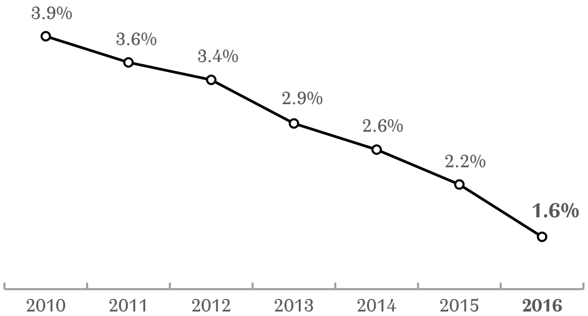
2.4.1.4. Average cost of Debt

Unibail-Rodamco's average cost of debt decreased to 1.6% for 2016 compared to 2.2% for 2015.

This record low average cost of debt results from:

- low coupon levels the Group achieved during the last years on its fixed rate debt;
- the tender offer transactions realised in April 2015, April 2016 and November 2016;
- the level of margins on existing borrowings;
- the cost of carry of the undrawn credit lines; and
- the Group's hedging instruments in place, including the caps put in place in 2015 which allowed the Group to take advantage of the low interest rate environment in 2016.

AVERAGE COST OF DEBT (in %)



2.4.2. Ratings

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

Standard & Poor's confirmed its long-term rating "A" and its short-term rating "A1" on May 24, 2016 and maintained its stable outlook.

On July 14, 2016, Fitch confirmed the "A" long term rating of the Group with a stable outlook. Fitch also rates the short-term issuances of the Group as "F1".

2.4.3. Market risk management

Market risks can generate losses resulting from fluctuations in interest rates, exchange rates, raw material prices and share prices. As at December 31, 2016, Unibail-Rodamco's risks mainly relate to interest rate fluctuations on the loans 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 Euro-zone.

Unibail-Rodamco's risk management policy aims to limit the impact of interest rate fluctuations on results, while minimising the overall cost of debt. To achieve those objectives, the Group uses derivatives, mainly caps and swaps, to hedge its interest rate exposure through a macro hedging policy. These interest rate hedging activities are managed centrally and independently.

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

Due to its use of derivatives 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.

2.4.3.1. Interest rate risk management

The Group took advantage of historically low long-term interest rates in 2016 on the back of the supportive monetary measures implemented by the ECB to issue longer maturities and lock-in attractive coupons kept at fixed rate:

- €500 Mn 20-year bond with a 2% coupon;
- €500 Mn 10-year bond with a 1.375% coupon.

The other bonds issued by the Group in 2016 were swapped into floating-rate bonds in accordance with the Group's position on helding.

The Group also put in place a €200 Mn fixed rate loan in view of rates levels in H2-2016.

With the Brexit, the US elections, the rate hike expected by the U.S. Federal reserve and the rumours around QE tapering in Europe, the market was very volatile in H2-2016. The rate curve steepened with an increase of long-term rates while short-term rates remained low.

In view of this market context and the Group's hedging position, Unibail Rodamco restructured part of its hedging position to (i) be protected through caps in the short-term, and (ii) extend the maturity of its long-term hedges. To achieve this objective, Unibail-Rodamco proceeded with the following operations in H2-2016:

- the restructuring of existing swaps for €2.5 Bn to extend the hedging by 3 to 5 years up to 2024[(1)];
- the implementation of a total of €3 Bn of new forward swaps and caps over 2017 and up to 2020, taking advantage of rate levels over these maturities;
- cancellation of €1 Bn of swaps to offset the fixed rate debt added by the debt issued and kept at a fixed rate.

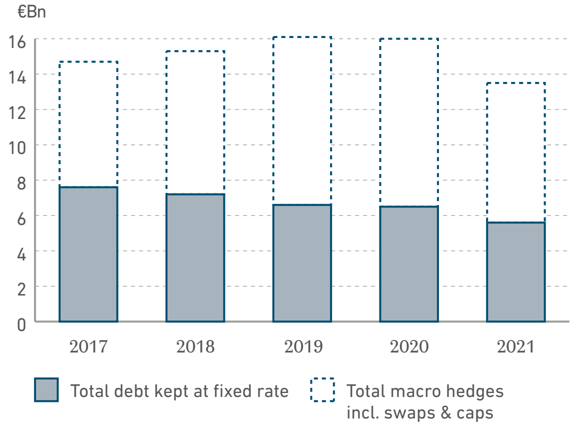
(1) *Excluding options on swaps for another two years.*

Following these restructurings:

- the debt the Group expects to raise over the next three years is fully hedged;
- the debt the Group expects to raise in 2020 and 2021 is hedged at 90% and 70%, respectively;
- the hedging of the Group is more balanced now with an increased proportion of hedging by way of caps on more than 32% of the debt it expects to raise allowing it to benefit from lower rates.

The cost of adjustment of the hedging position in 2016 (including cancellation, restructuring and implementation of new instruments) was €114 Mn.

ANNUAL PROJECTION OF AVERAGE HEDGING AMOUNTS AND FIXED RATE DEBT UP TO 2021 (€BN – AS AT DECEMBER 31, 2016)



The graph above shows:

- the part of the debt which is 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.

Unibail-Rodamco in general does not classify its financial hedging instruments as a cash flow hedge. As a result, any fair value changes in these instruments are recognised in the Group's income statement.

A cash flow hedge accounting policy according to IFRS was only applied for its derivative instrument on Täby Centrum loan raised in DKK and swapped into SEK. This instrument was redeemed in H2-2016.

Measuring interest rate exposure

As at December 31, 2016, net financial debt stood at €13,419 Mn (*vs.* €13,258 Mn as at December 31, 2015), excluding partners' current accounts and after taking into account the cash surpluses of €400 Mn.

The outstanding debt was fully hedged against an increase in variable rates, based on debt outstanding as at December 31, 2016 through both:

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

Based on the estimated average debt position of Unibail-Rodamco in 2017, if interest rates (Euribor, Stibor or Pribor) were to rise by an average of +0.5%(1) (50 bps) during 2017, the estimated impact on financial expenses would be -€4.5 Mn, reducing the 2017 recurring net profit by a broadly similar amount. A further rise of +0.5% (50 bps) would reduce financial expenses by +€3.8 Mn. In total, a +1.0% (100 bps) increase in interest rates during 2017 would have a net negative impact on the financial expenses of less than -€1 Mn. A -0.5% (50 bps) drop in interest rates (leading to negative interest rates) would reduce the financial expenses by +€31.2 Mn and would increase the 2017 recurring net profit by a broadly equivalent amount.

2.4.3.2. Management of other risks

The Group has activities and investments in countries outside the euro zone (*e.g.*, the Czech Republic, Poland and Sweden). When converted into euros, the income and value of the Group's net investment may be influenced by fluctuations in exchange rates against the euro. Wherever possible, the Group aims to match foreign currency income with expenses in the same currency, reducing the exchange effects on earnings volatility and net valuation of the investment. Translation risks can be hedged by either matching cash investments in a specific currency with debt in the same currency, or using derivatives to achieve the same risk management-driven goal. Currency risk during the building period of pipeline investments is covered as early as possible after signing of the actual building contract. Other monetary assets and liabilities held in currencies other than the euro are managed by ensuring that net exposure is kept to an acceptable level by buying or selling foreign currencies at spot or forward rates where necessary to address short term balances.

The Group, through its activities, is 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 participations 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.

(1) *The eventual impact on exchange rates due to this theoretical increase of 0.5% in interest rates is not taken into account; theoretical impacts of rise or decrease in interest rates are calculated above the 3-month Euribor as of December 31, 2016 of -0.319%.*

MEASURE OF THE EXPOSURE TO OTHER RISKS (€MN)

Currency	Assets	Liabilities	Net exposure	Hedging Instruments	Exposure net of hedges
DKK	434	-58	376	0	376
PLN	178	0	177	0	177
SEK	2,645	-849	1,796	0	1,796
Others	7	-662	-655	669	14
TOTAL	**3,264**	**-1,569**	**1,694**	**669**	**2,363**

The main exposure kept is in Swedish Krona:

- a change of 10% in the EUR/SEK exchange rate (*i.e.* a 10% increase of EUR compared to SEK) would have a -€167.5 Mn negative impact on shareholders' equity;
- the sensitivity of the 2017[(1)] recurring result to a 10% change in the EUR/SEK exchange rate is limited to -€10 Mn;
- the SEK 1,750 Mn credit line, signed in April 2012 and maturing in December 2019, is undrawn as at December 31, 2016.

2.4.4. Financial structure

As at December 31, 2016, the portfolio valuation (including transfer taxes) of Unibail-Rodamco amounted to €40,495 Mn.

Debt ratio

As at December 31, 2016, the Loan-to-Value ratio (LTV) ratio amounted to 33%, compared to 35% as at December 31, 2015.

Interest coverage ratio

The Interest Coverage Ratio (ICR) ratio further improved to 5.9x for 2016 as a result of strong rental level growth including the impact of assets delivery and the lower cost of debt.

Financial ratios	31/12/2016	31/12/2015
LTV[(1)]	33%	35%
ICR[(2)]	5.9x	4.6x

(1) Loan-to-Value (LTV) = Net financial debt / Total portfolio valuation including transfer taxes. Total Portfolio valuation includes consolidated portfolio valuation (€40,495 Mn as at December 31, 2016 versus €37,755 Mn as at December 31, 2015). The LTV excluding transfer taxes is estimated at 35%.
(2) Interest Cover Ratio (ICR) = 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.

Those ratios show ample headroom vis-à-vis bank covenants usually set at a maximum of 60% LTV and a minimum of ICR of 2x, which the Group reports to the banks twice a year.

As at December 31, 2016, 97% of the Group's credit facilities and bank loans allowed indebtedness up to 60% of the Group's total asset value or of the value of the asset of the borrowing entity, as the case may be.

There are no financial covenants in the EMTN, CP and USCP programs.

(1) The sensitivity is measured by applying a change in exchange rate to the net revenues in SEK (net rents – administrative and financial expenses – taxes), based on an EUR/SEK exchange rate of 9.7983.

2.5. EPRA Performance Measures

In compliance with the EPRA[1] best practices recommendations[2], Unibail-Rodamco summarises below the Key Performance Measures over 2016.

2.5.1. EPRA earnings

EPRA earnings are defined as "recurring earnings from core operational activities", and are equal to the Group's definition of recurring earnings.

	2016	2015
EPRA Earnings *(€Mn)*	1,114.2	1,030.4
EPRA Earnings/share *(€/share)*	11.24	10.46
Growth EPRA Earnings/share *(%)*	7.5%	-4.2%

Bridge between Earnings per IFRS Income Statement and EPRA Earnings:

	2016	2015
EARNINGS PER IFRS INCOME STATEMENT (OWNERS OF THE PARENT)	**2,409.0**	**2,334.0**
Adjustments to calculate EPRA Earnings, exclude:		
• (i) Changes in value of investment properties, development properties held for investment and other interests	2,005.8	1,818.8
• (ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	96.2	84.7
• (iii) Profits or losses on sales of trading properties including impairment charges in respect of trading properties	0.0	0.0
• (iv) Tax on profits or losses on disposals	-2.0	-14.9
• (v) Negative goodwill / goodwill impairment	0.0	0.0
• (vi) Changes in fair value of financial instruments and associated close-out costs	-240.4	-362.1
• (vii) Acquisition costs on share deals and non-controlling joint venture interests	-1.3	-1.6
• (viii) Deferred tax in respect of EPRA adjustments	-270.1	-248.6
• (ix) Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation)	-62.4	177.9
• (x) Non-controlling interests in respect of the above	-231.0	-150.6
EPRA EARNINGS	**1,114.2**	**1,030.4**
Average number of shares and ORA	99,160,738	98,496,508
EPRA Earnings per Share (EPS)	**€11.24**	**€10.46**
EPRA Earnings per Share growth	**7.5%**	**-4.2%**

2.5.2. EPRA Net Asset Value and EPRA NNNAV

For a more detailed description of the EPRA NAV and triple NAV, please see the Net Asset Value section, included in this report.

	31/12/2016	31/12/2015
EPRA NAV *(€/share)*	195.60	178.80
EPRA NNNAV *(€/share)*	183.70	169.90
% change over 1 year *(%)*	8.1%	12.4%

(1) EPRA: European Public Real estate Association.
(2) Best Practices Recommendations. See www.epra.com

2.5.3. EPRA Net Initial Yields

The following table provides the Group yields according to the EPRA net initial yield definitions per sector and with a bridge from Unibail-Rodamco's net initial yield:

	31/12/2016		31/12/2015	
	Retail(3)	Offices(3)	Retail(3)	Offices(3)
UNIBAIL-RODAMCO YIELDS	**4.4%**	**5.8%**	**4.6%**	**6.0%**
Effect of vacant units	0.0%	-1.0%	0.0%	-1.2%
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%	-0.1%
EPRA TOPPED-UP YIELDS(1)	**4.3%**	**4.7%**	**4.5%**	**4.7%**
Effect of lease incentives	-0.2%	-2.1%	-0.2%	-1.2%
EPRA NET INITIAL YIELDS(2)	**4.2%**	**2.6%**	**4.3%**	**3.5%**

(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 held by companies accounted for under the equity method are not included in the calculation.

2.5.4. EPRA Vacancy rate

The EPRA vacancy rate is defined as the Estimated Rental Value (ERV) of vacant spaces divided by the ERV of total space (let plus vacant).

	31/12/2016	31/12/2015
Retail		
France	2.8%	2.8%
Central Europe	0.1%	0.9%
Spain	1.0%	1.1%
Nordic	3.3%	3.8%
Austria	1.2%	1.6%
Germany	2.2%	3.0%
Netherlands	6.0%	3.9%
TOTAL RETAIL	**2.3%**	**2.5%**
Offices		
France	13.4%	14.7%
TOTAL OFFICES	**13.1%**	**14.4%**

2.5.5. EPRA Cost ratios

		2016	2015
	Include:		
(i-1)	General expenses	-119.0	-106.2
(i-2)	Development expenses	-5.9	-4.5
(i-3)	Operating expenses	-109.3	-99.9
(ii)	Net service charge costs/fees	-29.2	-29.1
(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	-14.7	-14.3
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	21.8	28.8
EPRA COSTS (INCLUDING DIRECT VACANCY COSTS)		**-256.3**	**-225.3**
(ix)	Direct vacancy costs	-29.2	-29.1
EPRA COSTS (EXCLUDING DIRECT VACANCY COSTS)		**-227.1**	**-196.2**
(x)	Gross Rental Income (GRI) less ground rents	1,577.8	1,490.6
(xi)	Less: service fee and service charge costs component of GRI (if relevant)	-21.8	-28.8
(xii)	Add Share of Joint Ventures (Gross Rental Income less ground rents)	111.2	121.4
GROSS RENTAL INCOME		**1,667.1**	**1,583.1**
EPRA COST RATIO (INCLUDING DIRECT VACANCY COSTS) (A/C)		**15.4%**	**14.2%**
EPRA COST RATIO (EXCLUDING DIRECT VACANCY COSTS) (B/C)		**13.6%**	**12.4%**

Note: The calculation is based on the EPRA recommendations and is applied on shopping centres and offices sectors.

2.5.6. Capital expenditure

	2016		2015	
(€Mn)	100%	Group Share	100%	Group Share
Acquisitions[1]	146.7	98.6	137.7	127.6
Development[2]	367.2	356.7	507.8	422.2
Like-for-like portfolio[3]	663.9	541.1	513.9	407.7
Other[4]	175.0	139.7	172.6	137.6
TOTAL CAPITAL EXPENDITURE	**1,352.7**	**1,136.1**	**1,332.1**	**1,095.1**

(1) In 2016, includes mainly the acquisitions of plots related to the Forum des Halles, Rosny 2, La Part Dieu and Vélizy 2. In 2015, includes mainly the acquisitions of land and assets related to the Mall of The Netherlands project, Amstelveen and Parquesur.
(2) In 2016, includes the capital expenditures related to investments in the Carré Sénart and Centrum Chodov extension projects and to the Trinity, Uberseequartier and Wroclavia new development projects.
(3) In 2016, includes mainly the capital expenditures related to Viparis Porte de Versailles, Donau Zentrum, Forum des Halles, Glòries, Bonaire and Shopping City Süd.
(4) Includes eviction costs and tenant incentives, capitalised interest relating to projects referenced above, letting fees and other capitalised expenses of €84.3 Mn, €12.5 Mn, €29.0 Mn and €13.9 Mn in 2016, respectively (amounts in Group share).

2.5.7. LTV reconciliation with B/S

(€Mn)	31/12/2016	31/12/2015
Amounts accounted for in B/S	**39,078.1**	**36,515.9**
Investment properties at fair value	35,426.9	33,001.8
Investment properties at cost	954.0	708.2
Other tangible assets	219.8	216.3
Goodwill	539.9	542.8
Intangible assets	229.4	242.1
Shares and investments in companies under the equity method	1,708.2	1,536.0
Properties or shares held for sale	0.0	268.8
Adjustments	**1,416.9**	**1,239.0**
Transfer taxes	1,804.9	1,642.8
Goodwill	-397.5	-400.4
Revaluation intangible and operating assets	441.7	418.3
IFRS restatements, including	-432.1	-421.7
Financial leases	*-361.6*	*-364.3*
Other	*-70.5*	*-57.3*
TOTAL ASSETS, INCLUDING TRANSFER TAXES (=A)	**40,495.1**	**37,754.9**
TOTAL ASSETS, EXCLUDING TRANSFER TAXES (=B)	**38,690.2**	**36,112.1**
Amounts accounted for in B/S		
Net share settled bonds convertible into new and/or existing shares (ORNANE)	1,049.4	1,087.8
Long-term bonds and borrowings	12,223.7	11,522.9
Current borrowings and amounts due to credit institutions	2,005.6	2,447.7
TOTAL FINANCIAL LIABILITIES	**15,278.7**	**15,058.3**
Adjustments		
Mark-to-market of debt	-41.8	-79.1
Current accounts with non-controlling interests	-1,274.3	-1,227.0
Impacts of derivatives instruments on debt raised in foreign currency	-99.5	-99.9
Accrued interests/issue fees	-44.0	-52.0
TOTAL FINANCIAL LIABILITIES (NOMINAL VALUE)	**13,819.1**	**13,600.3**
Cash & cash equivalents	-400.1	-342.6
NET FINANCIAL DEBT (=C)	**13,418.9**	**13,257.7**
LTV ratio, including Transfer Taxes (=C/A)	**33%**	**35%**
LTV ratio, excluding Transfer Taxes (=C/B)	**35%**	**37%**

3

CORPORATE SOCIAL RESPONSIBILITY

Unibail-Rodamco, the leading listed real estate company in Europe, is a pioneer in the field of Corporate Social Responsibility. For ten years, CSR has been at the very heart of the Group's strategy. It is a vehicle for progress for the hundreds of millions of visitors the shopping centres welcome every year. It is also a factor of competitiveness for the retailers who have put their trust in the Group. Finally, it is important to investors.

3.1. "Better Places 2030": a new frontier

3.1.1. Meeting the major CSR challenges

As early as 2007, Unibail-Rodamco devised an ambitious CSR strategy based on environmental best practices, social fairness and transparent governance. These commitments soon became an integral part of the operating, development and investment activities of the Group and its teams, enabling Unibail-Rodamco to obtain the best scores on the market. Between 2007 and 2012, on a like-for-like basis, the Group achieved a cumulative decrease of -23% in energy use and of -58% in corresponding carbon intensity.

Having exceeded as of 2012 the environmental objectives initially set for 2016, Unibail-Rodamco defined new targets which placed the environmental certification of its buildings, the commitment to its tenants and the relationships with communities where it operates at the core of its strategy.

As a result, Unibail-Rodamco achieved, from 2012 to 2015, a further reduction of -17% in carbon intensity and of -13% in energy intensity thanks to its active policy of optimised operation of its assets. The Group was awarded the highest environmental certifications in the industry, with 75% of its existing portfolio of Shopping Centres BREEAM In-Use certified at year-end 2016 (in number), 71% of which rated at least "Outstanding".

The early implementation of "green leases" in 2009 made the Group the leader in sustainable operations and showed its engagement with its stakeholders. The same applies to "green clauses" incorporated systematically into the contracts signed with its service providers. These clauses span all relevant aspects of operations, from the use of products with a low environmental impact to the recycling of waste, and a number of practices supporting energy savings. Through such clauses, suppliers were also encouraged to behave in an environmentally friendly manner.

Unibail-Rodamco's CSR strategy and performance are also regularly audited by independent agencies which have, for several years now, ranked the Group among the most sustainable companies in commercial real estate. In 2016, Unibail-Rodamco was selected as "Green Star" for the sixth year in a row by the GRESB Survey (Global Real Estate Sustainability Benchmark – the only sustainability benchmark dedicated to the real estate sector). In 2015, the Group was named "Global sector leader", achieving the best score worldwide within the retail sector. The Group is also included in the main indices measuring the corporate sustainability performance of companies against environmental, social and governance criteria: FTSE4Good, STOXX® Global ESG Leader, Euronext Vigeo, etc.

When its environmental performance in 2016 was again the best in the industry, Unibail-Rodamco raised the CSR bar by setting new medium and long term objectives, and did so for several reasons:

- The Sustainable Development objectives set in 2012 and still in effect were due to expire between 2016 and 2020 and a new Group-wide medium-term time horizon had to be set;
- The world in which commercial real estate operates has evolved significantly since the last plan prepared in 2012, such as sustainable construction, renewable energy, new transport technologies, and rising expectations of municipalities and local communities with regards to new real estate programs;
- The Group wants to build strategic plans that add to the attractiveness, market differentiation and resilience of its assets in coming years by anticipating market trends, new regulations, and changes of expectations of building occupants;
- Finally, as the leader in its market, Unibail-Rodamco believes it also has a duty to lead the industry towards the most responsible and sustainable practices possible with regard to the environment and society.

One marker illustrating this ongoing transition has been the climate change agreement signed in Paris in late 2015 by 195 countries as part of COP 21. This major event marked a new era for the world and will lead to profound transformations in numerous industries over the coming decades. Christophe Cuvillier, Chairman of the Management Board of Unibail-Rodamco, accordingly chose this event to launch, and commit the Group to, a new long-term CSR plan out to the year 2030: "Better Places 2030".

The "Better Places 2030" program addresses the main challenges facing commercial real estate for the next 15 years, namely:

- moving toward a low-carbon economy, in line with the COP 21 commitments;
- anticipating new modes of sustainable mobility;
- fully integrating the Group's business activities in the regions, in partnership with the local communities.

The Unibail-Rodamco CSR overall approach covers the Group's entire value chain and business activities: from the design and construction of new development projects to the renovation or extension works involving existing assets, the daily operation of its assets, including the energy consumption practices of the retailers present in its centres, the modes of transport of its visitors and employees, the logistical practices of its retailers, the contribution to the welfare of local communities, and of course the commitment of all its employees to the Group's CSR objectives.

The cornerstone commitment of this program is the objective of reducing the Group's carbon footprint by 50% between 2015 and 2030: Unibail-Rodamco is the first listed real estate company to engage on such an ambitious and comprehensive strategy. This low-carbon strategy will be incorporated into the entire value chain with, for the first time, a wide spectrum of initiatives covering the emissions resulting from the activities of both the Group and its stakeholders.

This new CSR agenda revolves around four pillars:

1. Less carbon emissions, better buildings;
2. Less polluting transport, better connectivity;
3. Less local unemployment, better communities;
4. Less top-down, better collective power.

"Better Places 2030" – 4 pillars	Main commitments	Key levers & initiatives
Pillar 1 LESS CARBON EMISSIONS, BETTER BUILDINGS	-35% carbon footprint from construction in 2030 (/2015) -70% carbon emissions from operations in 2030 (/2015)	• carbon footprint measurement for all development projects • "lean building" design from the design phase • choice of alternative and low-carbon materials • partnerships with construction firms and materials manufacturers • continued energy reduction efforts • 100% green electricity for landlord and tenants' areas • 100% LED lighting for landlord and tenants' areas
Pillar 2 LESS POLLUTING TRANSPORT, BETTER CONNECTIVITY	-50% carbon footprint from transport in 2030 (/2015) 75% of all visitors come to the centres by a sustainable means of transport in 2030	• for 100% of new developments, at least one sustainable mode of transportation • for existing assets, large offer of sustainable transportation solutions (car sharing, car pooling, charging stations for electric cars...) • UR Delivery = pooled logistic solution for tenant deliveries in dense urban areas
Pillar 3 LESS LOCAL UNEMPLOYMENT – BETTER COMMUNITIES	100% of the Shopping Centres committed to supporting local employment and economic development	• "UR for Jobs" initiative: 1,000 low skilled youth recruited per year by our tenants and service providers in all UR Shopping Centres welcoming annually 6 million visits and above • 100% of Shopping Centres holding an annual event involving a national or local non profit organisation • 100% of Shopping Centres using Connect, the app for the Group's community of employees and retailers
Pillar 4 LESS TOP DOWN – BETTER COLLECTIVE POWER	100% of UR workforce committed to sustainable development	• CSR objectives for 100% Group employees, starting with top management • annual Day of Solidarity for all employees • 100% of the Company cars hybrid or electric • new environmentally friendly behaviour by employees • UR Link to promote open innovation with CSR start-ups

Each of these four pillars translates into a global objective that is in turn broken down into specific and quantified sub-objectives. Some of them are intended to be achieved in the short term (by 2020), others will be gradually implemented until 2030. The Group will engage all of its employees and its main European partners in order to meet these ambitious objectives.

Unibail-Rodamco chose 2030 as the time horizon for its program because these very ambitious commitments, particularly in terms of low-carbon transition and sustainable transport, require profound transformations in the construction and real estate industries that will take some time. For that reason the Group's action plan foresees a sustained effort between 2016 and 2020, so that all partnerships can be formed and initiatives rapidly launched in order to achieve their full impact as soon as possible. Achieving the objectives will of course depend on the Group's voluntary actions in its own areas of responsibility, but also on its ability to lead and engage its stakeholders in the coming transition.

All commitments will be tracked on a regular basis using new CSR indicators, and progress reports on their implementation. As with all publicly reported CSR information, the projects and their indicators will also be audited on a yearly basis audits (in 2017, by EY).

3.1.2. Less carbon emissions, better buildings

Unibail-Rodamco's new low-carbon strategy runs throughout the value chain, including for the first time a very broad range of actions dealing with the carbon footprint not just of the Group's operations but of its stakeholders as well, both for existing assets and for projects in development.

The carbon emissions of an entity are usually measured on three scopes:

- Scope 1: refers to all direct emissions of greenhouse gases; for Unibail-Rodamco, it relates mainly to emissions resulting from the consumption of primary energy for the operation of its buildings (gas, fuel);
- Scope 2: refers to the indirect emissions of greenhouse gases; for the Group, it means those linked to the consumption of electricity and energy supplied by urban heating and cooling networks…;
- Scope 3: refers to all other emissions of greenhouse gases, specifically those stemming from the activity of the company's stakeholders. In the commercial real estate sector, these are mainly emissions related to construction works, to the energy used by tenants and to the transport of visitors and occupants of the buildings.

In addition to Scopes 1 and 2, Unibail-Rodamco is the first listed real estate company to become fully commited in a very wide Scope 3 of indirect emissions resulting from construction works, energy consumption of tenants and transport taken by all users of its sites (employees and visitors).

The objective of a 50% reduction in the Group's carbon footprint between 2015 and 2030 breaks down into three additional low-carbon objectives to emissions from construction, building operations and travel by building occupants.

1. Reducing by 35% the carbon footprint from the construction of new development projects

Unibail-Rodamco is the first company in commercial real estate to commit to shrinking significantly, on a broad scope, its carbon emissions resulting from construction. In practice, cutting by 35% its carbon footprint means decreasing from around 800 kg CO_2e/constructed m^2 today to less than 520 kg CO_2e/m^2 by the end of 2030. These figures will be specified and fine-tuned in 2017 thanks to the carbon footprint measures in progress for the most recently delivered projects.

The main levers of this low-carbon construction strategy are the following:

- a "lean building" approach applied from early design phase: using fewer materials through optimised design and layout decisions: structure, facilities and equipment, façades, false ceilings, downsizing of parking spaces, etc.;
- using new solutions for construction projects and choosing alternative, low-carbon materials: use of low-carbon concrete and cement, wood, recycled materials, etc. including the selection of suppliers or products on the basis of their place of operation or manufacturing (taking into account the country's energy mix);
- developing targeted partnerships with construction firms and manufacturers of building materials for the implementation of innovative solutions.

This approach now involves systematically measuring the carbon footprint of each of the Group's projects, starting from the design phase, including a Life Cycle Analysis (LCA) of the projects and new key indicators of carbon performance in every investment decision of the Group.

2. Reducing the carbon footprint from the operating existing assets by 70%

This mainly relates to all carbon emissions arising from the energy consumed in the Group's buildings in operation. This very significant decrease therefore builds simultaneously upon two drivers: accelerating the reduction of energy consumption and moving quickly towards low carbon or carbon-free energy.

The main commitment of the Group with regards to energy efficiency is the announced accelerated transition to 100% LED lighting. The expected savings are very significant as lighting represents up to 50% of the energy consumption in the shopping centres. Starting in 2017, LED lighting will systematically be installed in every new Group project and will gradually replace the other lighting systems in existing centres. In addition, starting in 2020, this 100% LED lighting requirement will be extended to all retailers in the Group's shopping centres.

The continuing efforts in energy improvement will also involve generalising innovative solutions for managing and tracking consumption and establishing incentive contracts with the maintenance service providers (Energy Performance Contract).

As for low-carbon energy, Unibail-Rodamco is committed to using only green electricity (100% renewable), both for the supply purchased for its assets, starting in 2018, and the private consumptions for its tenants, starting in 2020.

Requirements for 100% LED lighting and electricity from renewable sources will be included in all leases in 2017, for application from 2020 forward. By then, partnerships with pioneering international retailers will have been signed to accelerate this transformation and to encourage other retailers to adopt LED lighting in their stores. For example, partnerships were already signed by the end of 2016 with Séphora, L'Occitane and Rituals chains, who have agreed to use 100% LED lighting designs when renovating any store in the Group's shopping centres.

3.1.3. Less polluting transport, better connectivity

Unibail-Rodamco also wants to give a new momentum to the issues related to sustainable transportation where the Group operates. By making a broad commitment, the Group seeks to enhance the attractiveness and improve the access of its properties as a guarantee of their long-term success by anticipating changes in the commuting habits of new visitors and by encouraging visitors' sustainable mobility solutions. This approach also addresses the two leading sources of transport-related pollution: visitors' travel to and from the shopping centres and retailers' deliveries.

Today, 41% of visitors on average travel by car to the Group's shopping centres. Unibail-Rodamco is committed to developing sustainable mobility and sets itself a challenging target that, by 2030, 75% of all visitors will come to its centres by a sustainable means of transport. This is reflected in the objective of reducing visitors' transport-related carbon footprint by 50%.

This requirement will affect 100% of new development projects coming into the portfolio in 2020 and beyond, which will have to provide for at least one significant mode of sustainable transport. In this way, the Group's selection and investment process will prioritise connected projects and sustainable mobility solutions, with a strong positive impact on the surrounding region.

For existing assets, Unibail-Rodamco is committed to systematically providing its visitors, retailers and employees with an extended offer of sustainable transportation solutions: short-distance carpooling, testing of car-sharing solutions, increasing the number of parking spaces fitted with free charging stations for electric vehicles, availability of electric bikes and separate bike lanes (bicycle paths) on the sites, and autonomous electric transportation when available.

Unibail-Rodamco also seeks to reduce the impact of tenant deliveries in urban centres by developing pooled delivery solutions using low-polluting vehicles in order to optimise the loading of delivery trucks and reduce the number of vehicles involved. Pilot solutions will be studied in 2017 for the Forum des Halles and Lyon Part Dieu.

Following the example of the European agreement with Tesla for installing "destination charging" stations for their electric vehicles and the partnership with the logistics firm Deret to study a pooled delivery proposal using clean vehicles for certain shopping centres, in 2017 other partnerships will be undertaken with sustainable mobility companies, fostering the roll-out of their solutions in Group assets.

3.1.4. Less local unemployment, better communities

Unibail-Rodamco is aware of the leading economic role its real estate properties play in the regions where it operates. They are places for social connections, significant sources of employment and drivers of economic development and urban regeneration. The Group's Shopping Centres need to develop these advantages in order to have a strong foothold and impact in a region. Moreover, these commitments respond to a growing demand expressed by residents to include them more in the design and operation of commercial facilities.

Unibail-Rodamco builds long-term partnerships where the Group develops and operates its assets. These partnerships involve working on a daily basis with all those who play a part in developing local communities: elected officials, local authorities, businesses and non-profit organisations.

Considering the still difficult employment situation in many regions where the Group operates, Unibail-Rodamco has chosen to promote and implement "UR for Jobs", a jobs program aimed at training and supporting the recruitment of low-skilled youth. The Group has committed to having 1,000 young people hired through the "UR for jobs" program in all shopping centres welcoming 6 million or more visits per year by 2020. Initiated in 2016 in three pilot centres, the "UR for Jobs" program will gradually be extended to all countries where the Group is located.

The Group is committed to supporting the development of new local retail concepts through partnerships with entrepreneurs and regional networks, by supporting initiatives that promote short trips, particularly for restaurants, or activities connected with the circular economy. For example, the "Dress in the City" operation, the first multi-channel clothing-swap tested at Les 4 Temps in 2016, will be rolled out in six Group shopping centres in 2017.

In addition, as part of reinforcing its partnerships with local associations, Unibail-Rodamco has made a commitment that, starting in 2018, 100% of its centres will organise an event at least once each year in partnership with an NGO or a local association centred around topics related to youth.

Finally, Unibail-Rodamco has made a commitment with regards to the community of employees who work in the Group's centres (Group staff, retailers and service providers) to take advantage of technology and digital resources. The smartphone application, Connect, is being implemented in order to make on-site communication and interaction easier between shopping centre management and retailers' employees, to support local employment by publishing job offers in real time improving services provided. By the end of 2016, three shopping centres had already implemented Connect and another 27 centres will have deployed it in 2017. The goal is for 100% of Group centres to use this solution by the end of 2019.

3.1.5. Less top-down, better collective power

A CSR strategy is fully effective only if shared and sustained by all employees and stakeholders. It must be integrated into the daily actions of each and every individual, whether they work at the head office or in the Group's assets in direct contact with the local communities.

This fourth pillar, then, includes the tools needed to bring about the commitments of the first three pillars:

- employees of Unibail-Rodamco are actively involved, accountable of their own contribution to collective success through individual CSR objectives and the widespread adoption of environmentally friendly behaviours;
- stakeholders are involved in innovative initiatives and strategic partnerships to accelerate the transition.

CSR objectives tailored to each position in the Group

Each employee of the Group will be assigned CSR objectives tailored to his/her functions within the company and applying the commitments of the "Better Places 2030" program. This will start in 2017 for members of the Management Board, the Group Management Committee and the management teams in each of the countries and, as of 2018, for all of employees of the Group. See page 70 in 3.1.7. Governance and CSR.

Encouraging new environmentally friendly behaviour by each individual employee

To be consistent and set an example, change is also demonstrated by the environmentally friendly behaviour of employees on a daily basis on the job site. For this reason, Unibail-Rodamco will offer all its employees the work setting and resources needed to improve their habits and reduce their impact on the environment.

In particular, as regards as work-related travel, thanks to the new technologies put in place in January 2017, remote meetings by video-conference are favoured as an efficient alternative to physical meetings and a way to limit travel.

In addition, since October 2016, all new company vehicles in any country must be hybrids or electric. Moreover, the carbon emissions from business travel by train or plane by all Group personnel, which was 2,815 tonnes of CO_2 in 2016, will be offset through a reforestation or ecosystem preservation program.

A new dynamic for partnerships within the Group's ecosystem

The success of the "Better Places 2030" strategy and the speed with which it is implemented depend on stakeholders' contributions. Unibail-Rodamco will therefore speed up the development of a supportive ecosystem comprising major industrial groups, SMEs, start-ups and research centres through cooperation projects and open innovation partnerships to design solutions for the future, on the model of partnerships already signed with Engie, Séphora, L'Occitane, Deret and Tesla.

In particular, the Group will accelerate the program research on sustainable development. Research projects focus on environmentally-friendly, energy-efficient building processes and operating practices. The Group's efforts to apply next-generation solutions offer a series of benefits, including lower operating costs throughout the life cycle of the building, "future-proofing" of the portfolio in an increasingly demanding regulatory environment, and the commercial edge offered by recognised third-party certifications.

For example, in June 2016 Unibail-Rodamco and Engie jointly requested proposals from start-ups and SMEs to identify new tools for analysing and monitoring energy consumption in the major shopping centres.

Other R&D partnerships with the construction industry will be launched in 2017 to test innovative low-carbon solutions on Group development projects.

An innovative approach to transformation and differentiation

In 2012, the Group created the UR Lab to structure the innovation strategy of its business by offering customers a unique experience that cannot be matched with any other retail settings, including internet. The role of the UR Lab is to define the innovative vision which will reinforce the leading position of the Group's assets in terms of customer service and unique selling points; and support the roll-out of these initiatives by developing design processes and conducting pilot tests on development projects.

The UR Lab also fosters an innovative mindset and skills across the whole organisation so that the Group's management and teams speed up implementation of their projects. Moreover, the UR Lab encourages each of the Group's employees to participate in the sourcing of new concepts, ideas and projects and to feed the innovation roadmap. The Ureka! Program integrates HR items (training, and coaching of Innovation Managers in the Group), physical tools (UR Lab Campus in Clichy, Ureka! Creativity rooms), events (keynotes and Innovation Days) as well as an internal digital collaborative platform called UR World intended for all Group employees.

Innovation Champions are trained and coached to launch and develop in a lean start-up mode each roadmap project.

The Group has also adopted a truly open innovation approach by launching the UR-Link accelerator, through two seasons in March and November 2016.

In the first season, after four months of intensive work, during which five start-ups launched pilot projects in Group Shopping Centres and received customized support from the Group's experts, entrepreneurs and investors, a European partnership was signed with one of the companies, Dress in the City. This is the first concept for a multi-channel second-hand market that enables people to buy and sell second-hand fashion through a blend of on-site sales and a digital platform. For Unibail-Rodamco, this partnership fits with its goal of offering innovative services to shopping centres customers and getting into the value chain of collaborative and circular consumption, which is a fast-growing market.

Extending the success of its first season, the UR-Link saw more than 120 start-ups apply to join the second season of the program. The Group has selected six very promising start-ups mentored since November 2016 on issues as diverse as urban farming with Sous les Fraises, ride-sharing with Karos, new recruitment tools with Merito. All these issues align with the goal of providing more services to shoppers and of creating facilities that are more sustainable and better integrated into their environment. The third season, which will begin in June 2017, will mean hosting yet more new start-ups whose solutions will help transform the shopping centres, with special focus on those matching with the Group's new "Better Places 2030" strategy.

3.1.6. Integration of "Better Places 2030" within the Group's activities and core processes

Material issues to create sustainable value

As far back as 2012, Unibail-Rodamco undertook a materiality study, with the support of JLL, which identified the material issues having the potential to create the most value for both stakeholders and the Company, given the current business strategy and activities. This vision has led the Group to re-allocate its efforts and resources on CSR issues to address the main risks and opportunities, to refine its long-term targets and to report progress on these material topics.

The new CSR commitments were organised into the four pillars of "Better Places 2030", after the materiality matrix was revised in 2015 so as to better prepare the Group to confront new challenges of the future.

The conclusions of the materiality study make it possible to place the various sustainable development issues on a matrix structured as follows:

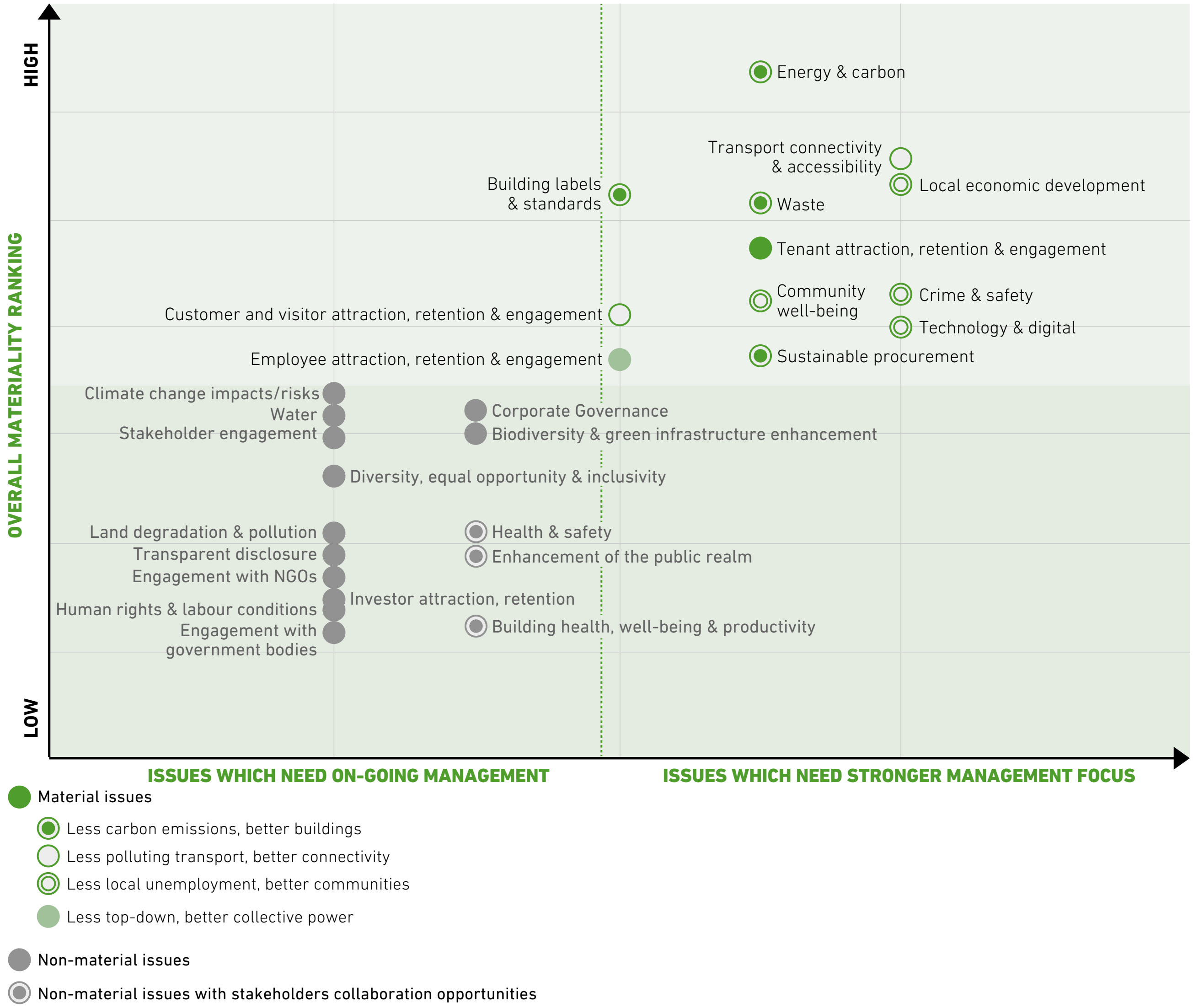
- vertically: impact on the Group's value creation in line with business risks and opportunities.

  Different levels of impact according to the relative position on this axis:

  - high: key value creation opportunities – core priorities in line with Unibail-Rodamco's business levers for value creation,
  - medium: actively manage risks and meet stakeholder expectations – fields to be mastered within Unibail-Rodamco CSR strategy with a limited impact on the Group's value,
  - low: less material, incorporate within reporting & investor disclosure – issues with a low impact on the Group's value, to be addressed through operational policies and internal targets (maintained in the reporting);
- horizontally: current management of these issues, which determines on the right-hand side of the graphic where new initiatives can be undertaken or what topics require stronger management focus, and on the left-hand side what issues are considered to be under control and which ones require ongoing management.

In light of these rankings, the materiality analysis concludes that low-carbon and energy challenges and local economic development are major issues for Unibail-Rodamco activities, ahead of reducing water use or enhancing biodiversity. The Group's operating activities are located in dense cities across continental Europe, which means they have a minor impact on biodiversity protection and water supply. However concerning climate change, job creation and urban regeneration, the Group's direct impact is real.

TOP MATERIAL ISSUES TO CREATE SUSTAINABLE VALUE



The updating of the materiality matrix confirmed the relevance of the previous study carried out in 2012 and also raised a few new topics, now positioned as priorities given the current and upcoming business challenges for Unibail-Rodamco, such as "crime and safety", "waste management", and "technology and digital".

Target-setting

The new CSR strategy of Unibail-Rodamco is now structured into the four pillars of "Better Places 2030". In parallel with long-term objectives set in 2012 and still ongoing, new objectives have been added for each pillar in line with the new commitments announced in September 2016. The principal long-term horizon is 2030, but intermediate objectives will be set to sequence operational performance over time and to match these commitments with collective and individual goals.

For a detailed presentation of the refined targets according to these four pillars, please see page 145-146.

Integration with core processes and activities

The Group support strongly that the CSR agenda must be fully embedded into core business processes and not managed alongside the business; otherwise it would not be sustainable because of the disconnection between material issues and daily concerns. Sustainability matters are therefore managed through an in-house system whereby targets and key performance indicators are fully integrated into existing management processes. Their implementation is verified by external audits and certification schemes.

Relevant management processes are in place at each stage of the Group's business cycle. For example:

- the due diligence process for acquisitions and investments includes a complete audit of technical, regulatory, environmental and health and safety procedures, including risks such as soil pollution;
- development projects are regularly reviewed in light of the Design Guidelines in order to deliver the highest standards;
- each managed asset has a customized Environmental Action Plan and performance targets, which are assessed at least once a year;
- the 4-person Internal Audit department conducts regular assessments of the management and compliance processes which are in place within each of the Group's business units. Final audit reports are addressed to the Management Board and to the departments involved in the audit;
- recruitment and career development procedures promote equality and diversity and provide employees with the skills and opportunities required for rewarding careers.

For more information about the two in-house Environmental Management Systems (EMS) in place for both operations on standing assets (Sustainable Management Attitude), and development projects (Sustainable Design Attitude), see pages 75-77.

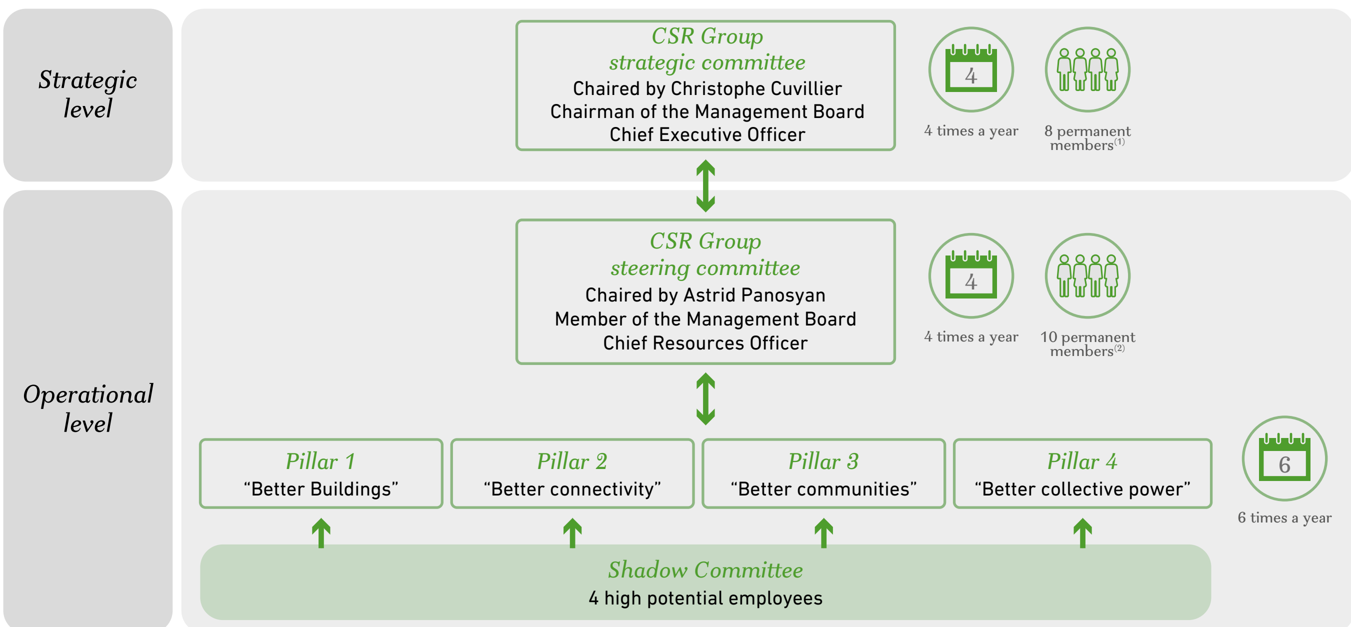
Finally, carrying out the "Better Places 2030" commitments in 2017 will involve introducing new CSR indicators into the documents and systems that support the Group's decision-making processes, particularly for selecting investments and keeping track of construction projects.

3.1.7. Governance and Corporate Social Responsibility

Starting on January 1, 2017, the monitoring and operational implementation of the "Better Places 2030" program will involve:

- a management system focused on two priorities:
  - monitoring CSR performance by ensuring the full integration of the new objectives of the "Better Places 2030" program into the Group's core processes, decision-making and business activities;
  - including, engaging and uniting all stakeholders and employees of the Group in order to collectively achieve the objectives of the "Better places 2030" program;
- a dedicated CSR team: the new four-member team is responsible for overseeing and supporting the implementation of the new Group strategy. This team oversees and coordinates the CSR managers in the operations departments, develops tools and methodologies, supports and trains the regional teams, identifies and shares best practices, and measures CSR performance, reporting regularly on results and progress achieved. This team is led by Ludovic Flandin, CSR and UR Lab Managing Director, and managed by Christophe Garot, Group Head of CSR, who report to Astrid Panosyan[1], Member of the Management Board and Chief Resources Officer.

HOW DOES THE GROUP MANAGE ITS CSR POLICY?



(1) Including six Members of the Management Board.
(2) Including three Members of the Management Board.

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

Strategic management

The CSR Group Strategic Committee defines the strategy, sets objectives and oversees and monitors the implementation of the CSR program. Composed of eight members, including all the Management Board members, it meets four times a year and reports on progress and results to the Supervisory Board every quarter. This Committee is chaired by Christophe Cuvillier, Chairman of the Management Board.

The permanent members of the CSR Group Strategic Committee are:

- Christophe Cuvillier, Chairman of the Management Board; Chief Executive Officer;
- Astrid Panosyan[1], Member of the Management Board, Chief Resources Officer;
- Jaap L. Tonckens[1], Member of the Management Board, Chief Financial Officer;
- Fabrice Mouchel[1], Member of the Management Board, Deputy Chief Financial Officer;
- Jean-Marie Tritant[1], Member of the Management Board, Chief Operating Officer;
- Olivier Bossard[1], Member of the Management Board, Chief Development Officer;
- Roman Abreu[1], Group Director of Communication and Public Affairs;
- Ludovic Flandin, CSR and UR Lab Managing Director.

Operational management

The CSR Group Steering Committee oversees the implementation of the CSR program, defines the strategic directions and the high-priority objectives of the CSR program, and approves and prepares the decisions which require the endorsement of the Group CSR Strategic Committee. Composed of ten members, including three Members of the Management Board, it meets four times a year and reports to the Management Board every quarter on progress and results in the activities of the CSR Group Strategic Committee. This Committee is chaired by Astrid Panosyan, Member of the Management Board and Chief Resources Officer.

The permanent members of the CSR Group Steering Committee are:

- Astrid Panosyan[1], Member of the Management Board, Chief Resources Officer;
- Jean-Marie Tritant[1], Member of the Management Board, Chief Operating Officer;
- Olivier Bossard[1], Member of the Management Board, Chief Development Officer;
- Otto Ambagtsheer, Managing Director Benelux;
- Sylvain Montcouquiol, Group Director of Human Resources and Organisation;
- Eric Gerlach, Group Development Director;
- François Cantin, Group Property Management and Facility Management Director;
- Stéphane Schebat, Unibail-Rodamco Development Finance Director;
- Ludovic Flandin, CSR and UR Lab Managing Director;
- Christophe Garot, Group Head of CSR.

The invited members are:

- The Group's department directors who chair the four operations committees that steer the four strategic pillars of the "Better Places 2030" program: Human Resources, Regional Managing Director, Large Works, Operations, Leasing, Shopping Centre Management, Sourcing, Property and Facility Management, CSR liaisons, etc.

The Stream Committees, with the support of the Group CSR team, organise, coordinate and monitor the strategic actions associated with the four pillars of the "Better Places 2030" program:

- Pillar 1 Committee: "better buildings";
- Pillar 2 Committee: "better connectivity";
- Pillar 3 Committee: "better communities";
- Pillar 4 Committee: "better collective power".

These Committees are chaired by two directors of different Group departments and meet six times a year with the CSR managers and the project managers involved in the strategic initiatives undertaken for each pillar.

The invited members are:

- Group staff involved in a given project with the priority actions associated with the pillars;
- members of the **shadow committee,** comprising high-potential young talents who are responsible for creatively contributing to the Group's CSR initiatives by formalising proposals which can be submitted to the CSR Steering Committee and the CSR Group Strategic Committee.

CSR commitment of the whole organisation

From 2017, the Chairman and the Members of the Management Board will be assigned CSR objectives by the Supervisory Board on the recommendations of the Group's Governance, Nomination and Remuneration Committee. These CSR objectives will be based on the precise, quantified CSR criteria set out in the 2016 annual report. Strategic objectives of the "Better Places 2030" program will also be assigned in 2017 to members of the Group Management Team and the country management teams, and will then be progressively extended to all Group employees by January 2018.

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

The relevant Member of the Management Board is fully responsible for reaching the CSR objectives and delegates that responsibility to the Managing Director of each region, who in turn ensures the smooth integration of the tools and processes required for the operations of the regional teams. The Group has created financial incentives to support CSR performance; since 2011, part of the variable compensation of the Regional Managing Directors has depended on performance in this area.

Appropriate initiatives and objectives consistent with the new CSR program will be identified and implemented in close collaboration with each of the various departments within the Group: Investment, Development, Finance, Operations, Technical Management, Marketing, Leasing, Legal and Human Resources.

For each site, the asset management and shopping centre management teams play a major role in the Group's CSR strategy. They are responsible for developing close relationships with tenants and local communities and for cooperating with service providers to ensure that daily operations are as efficient and sustainable as possible.

When responsibility for obtaining results is shared with other partners, especially with the co-owners of the managed assets, the Group anticipates their input and cooperates with them in order to meet the set objectives. Finally, whenever results depend on factors that cannot be controlled, such as weather conditions, the Group is committed to identifying the associated risks and mitigating them.

CSR training and education

In order to ensure that the Group's CSR strategy and processes are properly implemented, training sessions are organised regularly for staff members and relevant managers. CSR training programs are detailed in section 3.5.3. UR Academy. In 2016, an online CSR training module was made available *via* the new Training Platform.

In 2017 a new program for training and for sharing information on best practices, based on the new strategic vision, will be set up, this will ensure that all Group employees fully understand the challenges, are actively involved in the process and can develop the technical skills needed to achieve certain objectives of the "Better Places 2030" program.

Since 2015, Viparis has been using an "eco best practices" charter with four subject areas and twenty commitments aimed at encouraging its staff to respect the environment in the workplace. This charter covers the sorting of waste, energy savings, the responsible use of paper and printers, and modes of business travel.

3.2. Corporate governance, ethical conduct and risk management

Unibail-Rodamco's Corporate Governance, ethical conduct and risk management policies provide the necessary stability and reliability required for sustainable growth and performance.

3.2.1. Corporate Governance

Unibail-Rodamco has a two-tier governance structure with a Management Board and a Supervisory Board. The Group applies and complies with the best practice recommendations of the French Afep-Medef Corporate Governance Code.

Please see the Legal Information chapter 6 for detailed information regarding:

- the composition and independence of the Supervisory Board and its Committees;
- the composition of the Management Board;
- the qualifications and professional experience of the members of the Management and Supervisory Boards;
- the remuneration policy for members of the Management and Supervisory Boards;
- the remuneration paid to the members of the Management and Supervisory Boards in 2016.

The Legal Information Chapter also contains information about the Group's Articles of Association, Corporate Governance structure, general meetings of shareholders, share capital and voting rights.

The Unibail-Rodamco Compliance Book for Governance, Organisation and Corporate Rules sets out the Group's operating and management rules. It systematically defines the responsibilities, accountability and reporting lines that are in place in all of the Group's divisions and regions, as well as for all core operational processes. The Compliance Book is published on the corporate intranet site, and the Group Internal Audit team runs regular assessments of the compliance and management standards in place across all business units.

3.2.2. Ethical conduct

The Unibail-Rodamco Code of Ethics describes the values and principles that every employee, manager and director of the Group must respect and comply with at all times.

It mainly deals with the following:

- respect for employees' dignity and work, including the Group's refusal of discrimination, harassment or intimidation in any form;
- loyalty, integrity and conflicts of interest;
- respect of applicable laws and regulations, respect of delegations of authority and signatures, the treatment of confidential and proprietary information, the protection of personal data, the use of Unibail-Rodamco's assets and services, and the incident handling procedure;
- operations on Unibail-Rodamco securities;
- ethical ways of doing business, notably with respect to the purchase of goods and services, anti-corruption, and environmental preservation.

The Code of Ethics is published on the corporation internet and intranet sites and is distributed to all employees, who confirm their acceptance of its terms. It applies to all employees and subsidiaries, and is available in English, French, German, Spanish, Polish, Czech and Swedish. The Group's performance appraisal system includes an assessment of each employee's respect of the Code of Ethics. This information is taken into account by the Group's Remuneration Committees. An e-learning course on the contents of the Code of Ethics has been developed and is continuously rolled out to ensure that all employees in all regions understand how the Code should be applied in day-to-day business operations.

Contracts signed with the Group's suppliers include a clause on ethical business behaviour. As well as explaining that suppliers are expected to uphold the standards described in the Group Code of Ethics, the clause describes the required steps to report the code's breaches, or possible breaches.

Employees and suppliers with concerns about compliance or ethics are invited to contact the Group Compliance Officer, who reports directly to the Chairmen of the Management and Supervisory Boards. The Code of Ethics guarantees the confidentiality of employees and suppliers reporting possible compliance breaches. The Group complies with national and European regulations on the reporting of compliance breaches to financial authorities. Any breach of the Group's compliance and ethical standards is met with the appropriate legal or disciplinary action.

Any material compliance breach is reported to the French Stock Market Authorities, *Autorité des marchés financiers* (AMF), who would then make this information public *via* its website. The Group did not report any material breaches in 2016.

Unibail-Rodamco's assets and operations are all located in continental European countries, where the legal environment and business practices regarding anti-corruption, labour and environment protection laws are more developed. According to the Corruption Perceptions Index (CPI) published by Transparency International for 2016, none of the overall Group's managed assets is located in a country with a perception score below 50/100: all countries where the Group operates are ranked in the top 50 out of 168 assessed countries.

In 2016 an anti-corruption program was devised (see pages 360-365), with the following features:

- definition of passive and active corruption and of influence-peddling;
- a risk mapping (activities affected and countries at risk);
- a whistleblowing procedure;
- a screening procedure for checking the integrity and reputation of customers, suppliers, retail partners and brokers ("know your partner");
- accounting controls;
- training sessions for employees and managers;
- disciplinary sanctions.

3.2.3. Risk and crisis management

In the "Risk factors and compliance program" section of the annual report on pages 350-361, detailed information is given on the Group's risk management system, including:

- the context in which risks are managed;
- the policy and organisation for managing these risks;
- the Group Risks Committee;
- the risk factors and their associated mitigations;
- insurable risks.

The Group's risk map brought out 19 critical risks, 12 of which are considered as primary risks. Each risk factor is tracked and assigned with an action plan to mitigate that risk.

As part of the materiality study, Unibail-Rodamco's long-term sustainability risks were determined through their potential impact on the Group's assets and value. The final prioritising of issues was reached after weighing potential material issues against their associated level of risk. The study identified the most important risks and the most relevant trends relating to sustainability and the property sector with clear indications of likelihood, magnitude and significance. With this ranking, the Group is in a better position to identify issues that carry the highest risk and the greatest impact on the value of the Group and its assets.

In 2012, a specific study was commissioned in order to assess the Group's exposure to flood and earthquake risks for the entire portfolio. It was concluded that very few assets are located in areas exposed to such risks.

3.3. Environment

Under the new "Better Places 2030" CSR strategy, the Group is committed to reducing between 2015 and 2030 by 50% the carbon footprint of all the assets developed and managed, which translates into reductions of:

- 35% in the carbon footprint from constructing new development projects;
- 70% in the carbon footprint from operating the existing assets which are owned and managed;
- 50% in the carbon footprint from visitors' transportation.

This new strategy will accelerate the development of a new generation of buildings more environmentally friendly and will further enhance the reputation of the Group, which is acknowledged to provide facilities and services of the highest quality in step with market demands.

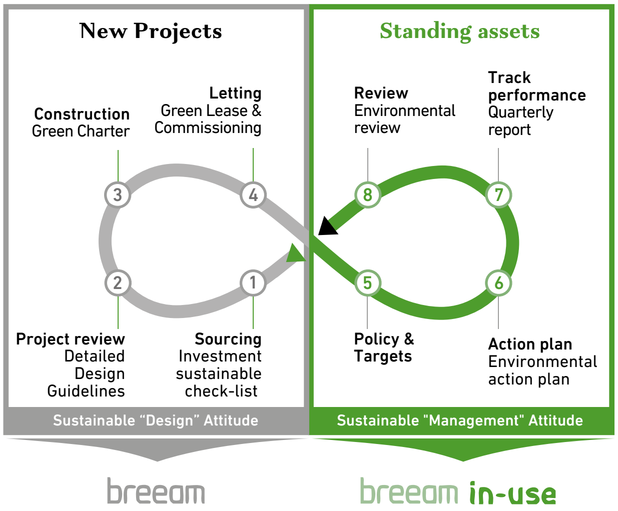
The Environmental Management Systems described below and the Group's contractual documentation will be aligned, as 2017, with the new ambitions goals of "Better Places 2030", in order to meet the carbon footprint reduction targets for the projects developed by the Group and the managed assets.

- with respect to construction (development projects): a "lean" approach to construction right from the design phase, the use of new building solutions and low-carbon materials, a procurement policy generating a gradual reduction in the carbon content of materials and a targeted partnership policy with construction and energy companies;
- with respect to operations (existing assets): a stepping up of the Group's energy efficiency policy, supported by the introduction of energy performance contracts and a systematic adoption of LED lighting solutions for common areas (functional and decorative lighting) and private areas, as well as the use of renewable electricity sources for common and private areas;
- with respect to transport: a Group selection and investment process more prioritized on connected sites and encouraging sustainable mobility, the development of sustainable transport solutions (carpooling, car sharing, infrastructure for recharging electric vehicles, etc.) and the use of pooled logistical solutions for deliveries to retailers in partnership with logistics companies.

3.3.1. Environmental Management Systems

The Group's environmental strategy is based on two complementary Environmental Management Systems (EMS), which reduce the impact of its assets at every stage in their life cycle, from initial design through to daily operation. Unibail-Rodamco's EMS for sustainable design and construction is called the "Sustainable Design Attitude" (SDA), while its EMS for sustainable management and operations is known as the "Sustainable Management Attitude" (SMA).

TWO COMBINED ENVIRONMENTAL MANAGEMENT SYSTEMS TO ENSURE THE HIGHEST PERFORMANCE AND CERTIFICATIONS



Best practices from the Sustainable Design Attitude are leveraged to improve the Sustainable Management Attitude and vice versa.

3.3.1.1. Sustainable Design Attitude: an EMS for development projects

The SDA ensures that all development projects, whatever their size or type, are designed in the most efficient way for long-term success in order to minimise environmental impact and ensure that each new project over 10,000 m^2 obtains at least a "BREEAM" rating of "Excellent" or higher.

For each pipeline project, the "Sustainable Design Attitude" covers all four stages in the development process:

- sourcing: sustainability and climate change risks are analysed and evaluated during the Group's due diligence process;
- project reviews: at the design stage, each project is assessed and challenged using the Group's in-house "Design Guidelines" to ensure that the building will be as sustainable as possible and in preparation for its "BREEAM" assessment;
- construction: the contractor agrees to abide by the Unibail-Rodamco Considerate Construction Charter, which is designed to reduce the social and environmental effects of the construction process;
- letting: a commissioning process is applied to ensure that operational requirements are met, building systems perform efficiently and that maintenance suppliers and shopping centre management staff are properly trained.

Since 2009 the Group's "Design Guidelines" have been applied to all new development, renovation and extension projects. The "Design Guidelines" aligned with "BREEAM" requirements ensure that the Group's projects, whatever their size or scope, will be designed to ensure attractiveness, flexibility and the most sustainable buildings with the lowest possible energy consumption and GHG emissions levels. Best practices from the "Design Guidelines" are also leveraged to improve the energy efficiency of existing assets during major renovation and extension projects.

"Design Guidelines" requirements for new developments include:

- close attention to structural elements that can affect energy requirements and the carbon footprint (*e.g.* orientation, prevailing winds, shell composition);
- architectural design that maximises natural lighting while minimising solar heat gains;
- the use of natural ventilation, along with a high-performance building envelope to reduce the loss of heated and cooled air;
- integrated systems to produce renewable energy when appropriate (*e.g.* wind turbines to ensure free-cooling, geothermal energy to cool and heat large shopping centres);
- energy efficient equipment, coupled with an effective Building Management System (BMS) that optimises operating hours and conditions of each piece of technical equipment.

The "Design Guidelines" are updated each year to take into account new assumptions, technologies and operational feedback from across the Group. New studies have been conducted to enrich the Retail Guidelines with innovative solutions such as geothermal systems, lighting, materials and a revolutionary approach regarding sound design. In 2017, the Group will update the design guidelines in line with the targets of the "Better Places 2030" program.

The SDA ensures that the Group's new retail and office assets achieve the highest possible "BREEAM" ratings and HQE certification. The SDA is central to the work carried out by several departments, including Development; PMPS (Property Maintenance, Purchasing and Sustainability); Operating; Leasing; and Shopping Centre Management.

Since 2011, the Group's Considerate Construction Charter is applied to all new development projects in France. The Worksite Charter describes the requirements and recommendations intended to optimise a worksite's environmental quality whilst minimising pollution both for the contractors working on site and the neighbouring area and the natural environment. In every respect, local or national planning regulations are met. Requirements related to the "BREEAM" certification are also readjusted accordingly. The constructor as well as its beneficiaries are required to comply with the environmental protection criteria and ensure the worksite has a low environmental impact. Since 2014, the constructors are obliged to adhere to the Group's Considerate Construction Charter prior to signing any contracts with Unibail-Rodamco in the regions.

Topics covered in the Considerate Construction Charter include:

- providing information to people living nearby and limiting traffic disruptions;
- training and informing staff;
- risk management and handling of hazardous products;
- ensuring 50% of waste recycling 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;
- limiting resource consumption *via* monitoring and setting up of reduction measures.

In 2017, the Group will adopt a systematic real-time approach to measuring the carbon footprint of its projects, based on a Life Cycle Analysis (LCA) coupled with a Dynamic Thermal Simulation (DTS). This comprehensive approach encompassing construction and operations will sustain the policy of reducing the carbon footprint of the Group's projects and result in the best choices in terms of construction, techniques and energy consumption based on multiple criteria (Capex, Opex, carbon, aesthetics and sustainability). Several development projects currently at the design stage have already been integrated into this approach.

When the "Better Places 2030" program was announced in September 2016, a partnership was signed with Engie. This agreement aims to identify and develop innovative low-carbon solutions for all shopping centres and offices in terms of renewable energy, decentralised production, energy efficiency, smart buildings and sustainable mobility. Other targeted partnerships (materials, construction and demolition waste, etc.) will be signed in order to achieve the ambitious objectives set by the Group.

3.3.1.2. Sustainable Management Attitude: an EMS for existing assets

The SMA is the in-house Environmental Management System (EMS) implemented across the whole 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's policy of continuous improvement for each area covered by the Group's CSR policy, including climate change, resource use and stakeholders.

The "Sustainable Management Attitude" covers four stages in the management process: target setting; action plan implementation; performance measurement; and performance review.

- Group policy and targets: targets are set each year for each managed asset in line with the Group's long-term targets and with the specific characteristics of each individual site;

- environmental action plan: an environmental action plan covering key topics such as energy, CO_2, water, waste, transport and stakeholders is implemented and challenged for each managed site;
- quarterly and yearly reports: performance is tracked and analysed on a quarterly basis at site, regional and Group level. A corrective action plan is implemented in case of deviation;
- sustainability review: the Corporate Sustainability team holds sustainability reviews at least once a year for each managed asset to check the status and progress and to prepare the environmental action plan for the year to come.

The SMA ensures that the Group's retail assets achieve the highest possible ratings under the "BREEAM In-Use" scheme which was chosen in 2011 for the main assets in order to promote the environmental performance of the Group's building policy towards visitors, tenants and local communities. The SMA is fully integrated into the daily operations of teams such as Operating; Leasing; Marketing; PMPS (Property, Maintenance, Purchasing and Sustainability); and Shopping Centre Management.

The effective implementation of this in-house EMS has been verified by an independent third party in each of the countries where the Group operates.

These two complementary EMSs help the Group to:

- deliver the most sustainable and flexible projects with the highest "BREEAM" scores;
- secure licenses to operate for the Group's development projects (new developments and extensions);
- ensure that managed assets are operated efficiently from a sustainable development and economic point of view;
- develop awareness and create a positive trend amongst Unibail-Rodamco's staff involved in the design, development, management and redevelopment of the Group's assets;
- ensure a high level of transparency and robustness in relation to the Group's shareholders and investors.

In 2017, the Group will align its environmental management system with the new CSR program objectives in order to guide and assist the efficient implementation of LED technology, and will also purchase electricity from renewable sources for the common and private (retail) areas of the portfolio it owns and manages. New indicators will be integrated into the Group's decision-making processes in order to guide and track the implementation of the CSR strategy.

3.3.2. Reporting methodology for environmental data

The Group uses a variety of tools, processes and indicators to monitor the performance of the assets owned and managed by the Group. They are used to structure the Group's environmental management approach, track results, and inform third parties about performance.

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

For three years, the Group has been developing a new reporting tool in order to gather and homogenise all tools, processes, and indicators for all regions at the Group level. This web platform has been selected and designed from one of the most renowned pieces of specialised software for CSR performance reporting available on the market. Since 2015, all sites have been reporting data using this unique tool within a workflow.

The tool is now an integral part of environmental performance management at sites owned and managed by the Group.

3.3.2.1. Description of Environmental Key Performance Indicators (KPIs) and adherence to external reporting frameworks

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

Since 2012, the Group has included additional information and KPIs to ensure compliance with the new French regulation Grenelle II, Article 225, regarding mandatory and transparent communication by companies on social and environmental concerns (42 items). A specific content table "Article 225" is published on pages 161-164.

In 2013, Unibail-Rodamco embraced the CNCC's sector-specific guidelines for reporting under the terms of "Article 225" in the Shopping Centre industry. The guide has been designed under the supervision of the audit firm EY.

The 2016 Annual and Sustainable Development Report fully complies with EPRA Best Practices Recommendations (BPR) on Sustainability Reporting. For the fifth time in a row, Unibail-Rodamco received the EPRA Gold Award in 2016 for performing its 2015 reporting in accordance with the EPRA Sustainability BPR.

The Group, which integrated the new GRI Guidelines as early as 2013, continues in 2016 to report in line with GRI G4 with a core approach. EPRA and GRI content indexes are published on pages 147-160 of this report.

For effective management of the new "Better Places 2030" CSR strategy, the Group will define and adopt new KPIs in 2017. These indicators will be detailed in the 2017 Annual and Sustainable Development Report.

3.3.2.2. Reporting values

Data is reported using absolute values (energy and water consumptions, CO_2 emissions, tonnes of waste) or normalised values (to show efficiency and a comparative trend).

In addition to the standard intensity that gives the ratio between environmental information and the corresponding floor space (energy, CO_2 emissions, water/m^2), Unibail-Rodamco promotes indicators that reflect the intensity of use relating to a building's specific activity.

For standard intensity indicators, denominators are related to surface (m^2) and defined as:

- for Shopping Centres, areas of mall and common parts accessible to public (including the shopping centre management offices) and total GLA delivered with common utilities such as energy or water depending on the indicator;
- for Offices, total floor area.

For intensity of use indicators, denominators are adapted to each business unit:

- for Shopping Centres, the annual number of visitors which is monitored by a footfall counting system (*i.e.* energy, CO_2 emissions, water/visitor);
- for Offices, the number of occupants during the period calculated by multiplying the occupation rate (sum of occupied rented areas divided by the total number of areas for rent in the building) with the maximum capacity and number of working stations in the building (*i.e.* energy, CO_2 emissions, water/occupant);
- for Convention & Exhibition centres, the annual sum of m^2 occupied during Days when the venues are opened to the Public (*i.e.* energy, CO_2 emissions/m^2 DOP).

3.3.2.3. Reporting scope

Environmental indicators cover Shopping Centres, Offices, and Convention & Exhibition venues managed by Unibail-Rodamco in 2016 that represent 90% of the total gross market value of the 2016 consolidated portfolio. The Group reports on the environmental performance of assets that are under its operational management, where data on energy efficiency and resources use can be measured and verified. In 2016, Unibail-Rodamco reported energy and water data for 100% of its managed assets (all sectors combined), and waste data for 100% of managed Shopping Centres.

Environmental KPIs are reported using two scopes:

- "All assets", used to report the value of an indicator for the year in question. This scope includes all assets that were managed by the Group for a whole year. Assets which enter the managed portfolio for a given year through acquisition, construction or the delivery of a management mandate are included in the scope the following year on a full-year basis, or in the current year if and only if all data for the whole rolling year is available;
- "Like-for-like", used to show the change in an indicator over time at a constant portfolio scope (notably in terms of the monitored assets). This scope includes assets that were managed by Unibail-Rodamco over a whole two-year comparison period. To assess the positive impact of its management policy at the earliest opportunity, Unibail-Rodamco ensures that the like-for-like scope for year (Y+1) includes all sites acquired in year Y and/or managed as from year (Y), if and only if a complete set of data is available for the whole year (Y).

3.3.2.4. Changes in reporting scope

Changes in reporting scope may 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.

The following rules are applied to reflect these situations:

- for property management mandates ending and for disposals occurring during the rolling year (Y), all corresponding data for the rolling year (Y) are excluded;
- for property management mandates starting and for acquisitions occurring during the rolling year (Y), the asset is included in the "all assets" scope for year (Y) and "like-for-like" scope for year (Y+1) only if all corresponding data for the full rolling year (Y) is available;
- property developments in progress are not included in the "all assets" reporting scope until the building goes into operation and this will take effect from the next full rolling year; the asset will be included in the "like-for-like" scope as from the second full rolling year;
- refurbished assets during the rolling year remain in the reporting scope for the year (Y);
- assets whose common floor space is being extended by more than 20% during the rolling year (Y) remain in the "all assets" scope, and will be excluded from the "like-for-like" scope from the end of works (opening of extension) until the full rolling year (Y+2), following completion of the works. Where it is possible to exclude data related to the extension, the asset will remain in the "like-for-like" scope.

The assessment of the evolution of the portfolio's performance includes assets under refurbishment and extension works, both integral to the Group's activities. The extended asset is excluded only at the opening of the extension (works ended, new rents) and for one rolling year period in order to manage the change in scope reported.

In 2016, the changes in portfolio listed below impacted the reporting scope:

- since the 2015 reporting, Germany has become a region in its own right (it was previously integrated into the Central Europe region). However, the centres not owned but managed by the Group for a third party are not included in the reporting;
- the management mandates for three shopping centres in France (Usine Channel Outlet Store, Usine Roubaix, Usine Mode et Maison) have been outsourced since 2015. They are excluded from the reporting;
- 2016 asset disposals are fully excluded from the reporting scope: Tour So Ouest office, 2-8, rue Ancelle (Offices), except 70-80 Wilson and Nouvel Air (Offices);
- new openings in 2015 are integrated into the total reporting scope in 2016: Minto, Polygone Riviera, Tour Majunga, except Mall of Scandinavia;
- new openings in 2016 will be integrated into the total reporting scope in 2017 when their consumption will be available over 12 rolling months: So Ouest Plaza.

ASSETS INCLUDED IN 2016 REPORTING SCOPE FOR ENVIRONMENTAL KPIS

Region	Number of assets	Assets	Reporting areas for standard intensity indicators(1)	Denominators for intensity of use indicators(3)
Austria	2	Donau Zentrum (including Dux), Shopping City Süd (including Mux)	310,589 m^2	35.1 million visits
Central Europe	6	Aupark, Centrum Cerný Most, Centrum Chodov, Galeria Mokotów, Arkadia, Wilenska,	377,594 m^2	83.3 million visits
France	19	Aéroville, Carré Sénart, Carrousel du Louvre, Cour Oxygène, Euralille, Gaîté Montparnasse, La Part-Dieu, Le Forum des Halles, Les Quatre Temps, Lyon Confluence, Parly 2, Polygone Riviera*, Rennes Alma, Rosny 2, So Ouest, Toison d'Or, Ulis 2, Vélizy 2, Villeneuve 2	1,031,843 m^2	265.6 million visits
Germany	8	Höfe am Brühl, Pasing Arcaden, Ruhr Park Bochum, Gera Arcaden, Paunsdorfcenter, Gropius Passagen, Minto*, Palais Vest	569,878 m^2	79.9 million visits
The Netherlands	4	Leidsenhage, Citymall Almere, Stadshart Amstelveen, Stadshart Zoetermeer	99,960 m^2	35.7 million visits
Nordic	7	Arninge Centrum, Eurostop Arlandastad, Eurostop Örebro, Fisketorvet, Nacka Forum, Solna Centrum, Täby Centrum	431,631 m^2	43.3 million visits
Spain	12	Los Arcos, El Faro, Bahía Sur, Barnasud, Bonaire, Equinoccio, Garbera, Glòries, La Maquinista, Parquesur, Splau, Vallsur	370,987m^2	105.3 million visits
Offices	13	7 Adenauer, 70-80 Wilson, Capital 8, Espace 21 (Villages 3, 4, 5, 6, 7, Village commerce), Issy Guynemer, Majunga*, Tour Ariane, Sextant	294,313 m^2(2)	18,000 occupants
Convention & Exhibition	9	CNIT, Espace Champerret, Espace Grande Arche, Carrousel du Louvre, Palais des Congrès de Paris, Palais des Congrès d'Issy, Paris Nord-Villepinte, Paris Nord-Le Bourget, Porte de Versailles	627,000 m^2(2)	29.9 million m^2 occupied per days opened to the public (m^2 DOP)

Added to the scope in 2016.
(1) See the definition of reporting area for Shopping Centres before in Reporting value – standard intensity indicators.
(2) Total spaces according to consolidation; see Portfolio pages 3-13.
(3) See the definition of denominators used for intensity of use calculation before in Reporting value – intensity of use indicators.

In Europe, some office buildings and hotels linked to a shopping centre are included in the reporting scope, reported under the shopping centre entity:

Region	Number of assets	Assets	Managed GLA
Austria	1	Shopping City Süd Office	8,938 m^2
Nordic	6	Arninge Office, Eurostop Arlandastad Office and hotel, Eurostop Örebro Offices and hotel, Nacka Forum Office, Solna Office and residentials, Täby Office	86,235 m^2
Denmark	1	Fisketorvet Office	857 m^2

3.3.2.5. Reporting system

Each region is responsible for collecting, checking and validating the data for its managed assets. At the corporate level, data is consolidated, analysed and reported:

- quarterly for the consumption of each energy source used, environmental certifications, occupation rate of Offices, and m^2 per days of opening of Convention & Exhibition venues to the public. Regular, detailed monitoring of these indicators ensures that performance issues are identified and corrected swiftly at asset level. Energy data is made available monthly as a minimum requirement and can be sometimes measured on a real-time basis. The quarterly frequency provides a regular assessment of the asset's performance in relation to the targets that have been set. It promotes the sharing of good practices between the various sites and enables corrective action plans to be implemented swiftly;
- annually for CO_2 emissions, water, waste, transport, Health & Safety, supplier assessments, purchase mapping, soil pollution and for supplementary data that is necessary for some calculations (*e.g.* conversion factors for CO_2 emissions; number of visits to Shopping Centres).

The Group's Annual and Sustainable Development Report discloses all KPIs together with their annual and cumulative changes by business segment (Shopping Centres, Office buildings and Convention & Exhibition venues), and by region.

Since 2015, Unibail-Rodamco's new reporting tool has been implemented and made available to end-users across the Group for the whole reporting scope. The tool has been totally integrated into the process on site and allows for efficient monitoring of environmental performance. In 2016, new contributors were trained.

The IT solution is composed of a predefined workflow including a mandatory validation step. It is a three-level process:

- the Contributor: the on-site Technical Managers fill in raw data related to their site into the online system; they manage the site's environmental action plan, they analyse and track their performance against their annual target;
- the Validator: the property managers, responsible at Regional level for several assets, validate the information sent by contributors and challenge their results;
- the Administrator: the Corporate Sustainability team at Group level consolidates the data previously validated and assesses the Group's performance against long-term objectives.

This IT solution homogenizes, automates and safeguards the reporting process and the indicator calculation for the Group's entire managed portfolio.

3.3.2.6. Reporting period

In order to integrate the Corporate Annual Report timeline, Unibail-Rodamco publishes environmental reporting KPIs consolidated over a 12-month rolling period (Q4 of previous year plus Q1, Q2 and Q3 of the reporting year) rather than over the financial year, as was the case prior to 2010.

The Group reports performance over the 2012-2020 period for the energy and carbon intensity indicators. Following the introduction of the new "Better Places 2030" CSR strategy in 2016, an adjustment of the indicators and reporting scopes will be carried out in 2017 in order to make the new CSR objectives consistent with the existing indicators.

3.3.2.7. Continuous improvement of definitions and data quality

Unibail-Rodamco continues to improve the quality and comparability of its environmental data, develop internal benchmarks, introduce sub-metering to collect information for data which is currently estimated, and fine-tune the accuracy of the data and scopes reported. As a consequence, adjustments may occur on data from the previous years whenever relevant.

Transparent presentation of KPI tables in the Financial Report

- In this report, indicators are identified at two levels: Material Performance Indicators (MPIs) and relevant Key Performance Indicators (KPIs). The MPIs have been selected on the basis of the Materiality survey conclusions (see page 69).
- For the main MPIs, the coverage is given in gross market value (GMV) of the Group's portfolio as being the division of values of reported assets by the Group's total gross market value.
- Following the resetting of the Group targets from the new 2012 baseline, the past evolution 2012/2006 is maintained for intensity MPI tables only for information. The Group measures its progress against 2012-2020 targets.
- According to EPRA's Best Practices Recommendations on Sustainability Reporting, Unibail-Rodamco provides the absolute values on the like-for-like scope for the MPIs.

Continuous updates in environmental reporting

- The Asset Booklets are the in-house reference documentation for each managed asset describing, among other things, technical characteristics and functioning, areas and scopes of collected data. In 2016, all 56 Assets Booklets of managed shopping centres were updated by the shopping centres' Technical Managers.

- On-site internal controls of environmental reporting are conducted every year. A sample of assets is audited each year by the Corporate Sustainability team to check the accuracy and compliance of their reporting with the Group's Reporting Guidelines. In 2016, Equinoccio and Stadshart Zoetermeer were audited internally.

Data quality improvement

Since 2015, the data quality has been reinforced by the implementation of the new environmental reporting tool. The tool architecture is set to identify precisely the building scope reported under the different business activities: Shopping Centres, Offices, Convention & Exhibition, various buildings such as Hotels, Housing… This last new category brings changes and more clarity in terms of the historical data that was not previously identified separately. A detailed review of the scope reported in the case of the German portfolio (which has recently been incorporated into the Group reporting process) was conducted. It resulted in historical adjustments of the energy consumption reported since 2013 in order to comply fully with the Group's Reporting Guidelines.

Since 2015, Unibail-Rodamco's environmental reporting tool has been used by technical managers to manage their site. To make the most of the tool's many features, two training sessions were held by the Sustainability corporate team.

In 2016, additional tool functions were introduced: a standard set of key indicators was created and made available to all the technical and safety directors to analyse their environmental performance in more detail and thereby make it easier to detect potential data-entry errors and significant disparities.

In 2017 a particular attention will be paid to standardise the CO_2 emissions factors related to energy usage across all regions, whether provided by suppliers or national data bases.

3.3.2.8. Third-party independent verification

Unibail-Rodamco has commissioned a third-party audit for its sustainability data since 2009. The Group has extended the scope of external verification through the years. Since 2012, in line with the Article 225 requirements (French Grenelle law), the EY audit firm has performed an in-depth review of the Group's disclosures in relation to Article 42 items and 38 key performance indicators (see reasonable assurance statement pages 165-167).

In 2016, this verification included a detailed on-site review of six of the Group's large assets: Carré Sénart, La Part Dieu, Polygone Riviera, Majunga, Fisketorvet, La Maquinista and Ruhr Park.

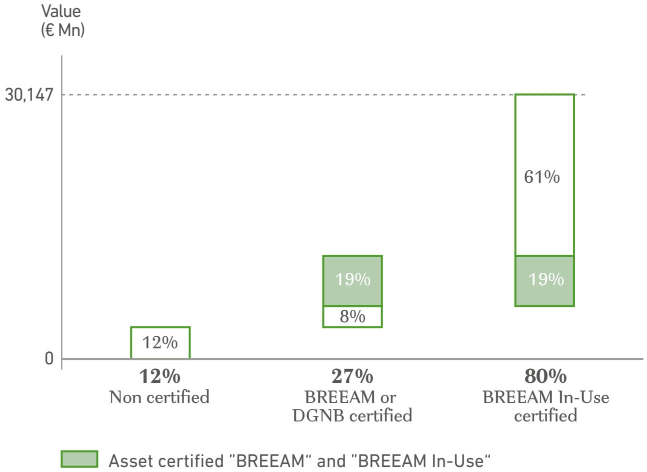
EY has also been commissioned to carry out the audit of the annual reporting for the "Green Bonds" issued in 2014 and 2015. This audit consists of checking compliance of funded assets with a set of eligibility criteria. It includes a yearly review of the documentary evidence in each domain and the criteria for each asset (for both construction and operation phases) as well as on-site audits of a sample of sites. In 2016, the audit covered: Aéroville, Lyon Confluence, So Ouest, Mall of Scandinavia, So Ouest Plaza, and the Carré Sénart extension and Majunga.

3.3.3. Product labelling: environmental certification

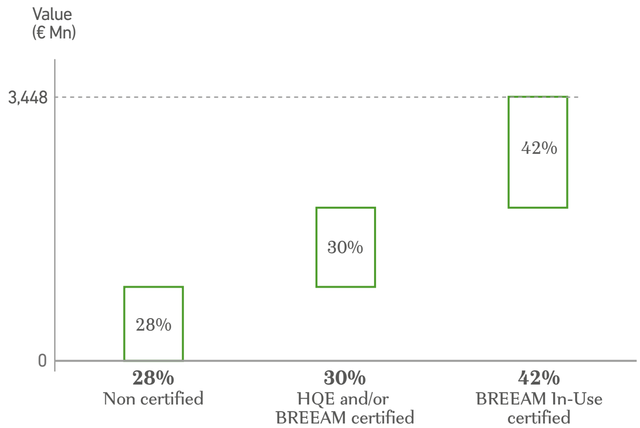
Unibail-Rodamco relies on external environmental and ISO certifications to validate the environmental performance of its assets. The Group deploys an active labelling policy for both new developments and standing assets thanks to its two in-house Environmental Management Systems. This serves as evidence to the Group's stakeholders that Unibail-Rodamco's assets and responsible management processes are already at the highest environmental standards available in the Real Estate sector.

ENVIRONMENTAL CERTIFICATION

Penetration rate (%) within the total standing Retail portfolio in value(1)



Penetration rate (%) within the total standing Office portfolio in value(1)



3.3.3.1. New development projects

Unibail-Rodamco targets a "BREEAM" certification for all of its new developments and extensions of more than 10,000 m^2. "BREEAM" is the most widely used sustainable construction certification framework in Europe.

Unibail-Rodamco aims to achieve a rating of "Excellent" or better for projects delivered from 2016 onwards. The Docks 76 project was the first shopping centre in Europe to receive the "BREEAM" certification. Since, the Group has achieved a number of strong market benchmarks across Europe:

- Donau Zentrum, extension, Vienna, Austria: 1st shopping centre certified "Very Good" in Austria (May 2010);
- Lyon Confluence, Lyon, France: 1st shopping centre certified "Very Good" in France (October 2010);
- So Ouest, Levallois-Perret, France: 1st shopping centre certified "Excellent" and best score in Europe (November 2010);
- Tour Majunga, La Défense, France: 1st high-rise building certified "Excellent" (February 2011), Majunga received a 2011 BREEAM Award at Ecobuild (highest score for a building in Europe in 2011);
- Nouvel Air, Issy-les-Moulineaux, France: office building certified "Excellent" (April 2012);
- Aéroville, Tremblay, France: 2nd shopping centre certified "Excellent" in France (April 2013);
- Mall of Scandinavia (MoS), Stockholm, Sweden: 1st Nordic shopping centre certified "Excellent" (April 2014);
- So Ouest, Levallois-Perret, France: 1st shopping centre certified "Excellent" (final certificate), best score in Europe and BREEAM award 2014 at Ecobuild.

In 2016, the Group confirmed its leading position by obtaining two final "Excellent" certificates for both the So Ouest Plaza office (final certificate) and Carré Sénart extension shopping centre (interim certificate).

Local certification, such as HQE certification in France (High Environmental Quality, the French standard certification scheme for sustainable constructions), is obtained when relevant for the leasing or investment markets.

(1) *In term of Gross Market Values as of December 31 2016, excluding values of shares in assets accounted for using the equity method.*

MPI: ENVIRONMENTAL CERTIFICATION OF NEW DEVELOPMENTS

BREEAM – Retail

In 2016, 100% of the projects delivered or in a construction phase were in a "BREEAM" certification process.

				Date		Performance rating		
Site name	City	Group's Region	Project type	Certification	Opening	Level	Total score (out of 100%)	Total GLA according to 2016 consolidation
Donau Zentrum	Vienna	Austria	Extension	2010	2010	Very Good	63.2%	123,900
Confluence	Lyon	France	New development	2010	2012	Very Good	59.9%	53,500
So Ouest	Levallois-Perret	France	New development	2010	2012	Excellent	73.1%	/
El Faro	Badajoz	Spain	New development	2012	2012	Very Good	57.4%	43,100
Centrum Cerny Most	Prague	Central Europe	Extension	2012	2013	Very Good	58.3%	106,700
Taby Centrum	Stockholm	Nordic	Extension	2013	2013	Very Good	55.5%	81,400
So Ouest[(1)]	Levallois-Perret	France	New development	2013	2012	Excellent	78.4%	54,300
Aéroville	Tremblay	France	New development	2013	2013	Excellent	72.9%	/
Toison d'Or	Dijon	France	Extension	2014	2013	Very Good	64.9%	46,100
Rennes Alma	Rennes	France	Extension	2014	2013	Very Good	57.1%	32,100
Mall of Scandinavia	Solna – Stockholm region	Nordic	New Development	2014	2015	Excellent	77.4%	103,200
Aéroville[(1)]	Tremblay	France	New Development	2015	2013	Excellent	70.5%	83,300
Polygone Riviera	Cagnes-sur-Mer – French Riviera	France	New Development	2015	2015	Very Good	57.1%	67,200
						GROUP'S AVERAGE SCORE		TOTAL M²
						Very Good	**63.6%**	**794,800**

(1) BREEAM final certificate.

BREEAM – Offices

In 2016, 100% of the projects delivered or in a construction phase were in a "BREEAM" and/or HQE certification process.

				Date		Performance rating		
Site name	City	Group's Region	Project type	Certification	Delivery	Level	Total score (out of 100%)	Total floor space according to 2016 consolidation *(m²)*
Majunga	La Défense-Paris region	France	New development	2011	2014	Excellent	77.4%	/
So Ouest Plaza	Levallois-Perret	France	Refurbishment	2014	2015	Excellent	72.3%	/
Majunga[(1)]	La Défense-Paris region	France	New development	2015	2014	Excellent	76.2%	65,600
So Ouest Plaza[(1)]	Levallois-Peret	France	Refurbishment	2016	2015	Excellent	71.2%	36,600
						GROUP'S AVERAGE SCORE		TOTAL M²
						Excellent	**73.7%**	**102,200**

(1) BREEAM final certificate.

HQE – Offices

				Date		Performance rating		
Site name	City	Group's Region	Project type	Certification	Delivery	Level	Energy label	Total floor space according to 2016 consolidation *(m²)*
Majunga	La Défense – Paris region	France	New development	2011	2014	Passport Excellent	BBC/HPE	65,600
So Ouest Plaza	Levallois	France	Refurbishment	2012	2015	Passport Outstanding	BBC	36,600
								TOTAL M²
								102,200

3.3.3.2. Standing assets

Unibail-Rodamco aims to obtain "BREEAM In-Use" certification for all its new assets owned and managed in Europe and "BREEAM-In-Use" certification for at least 80% of its shopping centres (number of assets managed) by 2020 with a minimum level of "Outstanding" for the "Building Management" component (part 2) of the scheme.

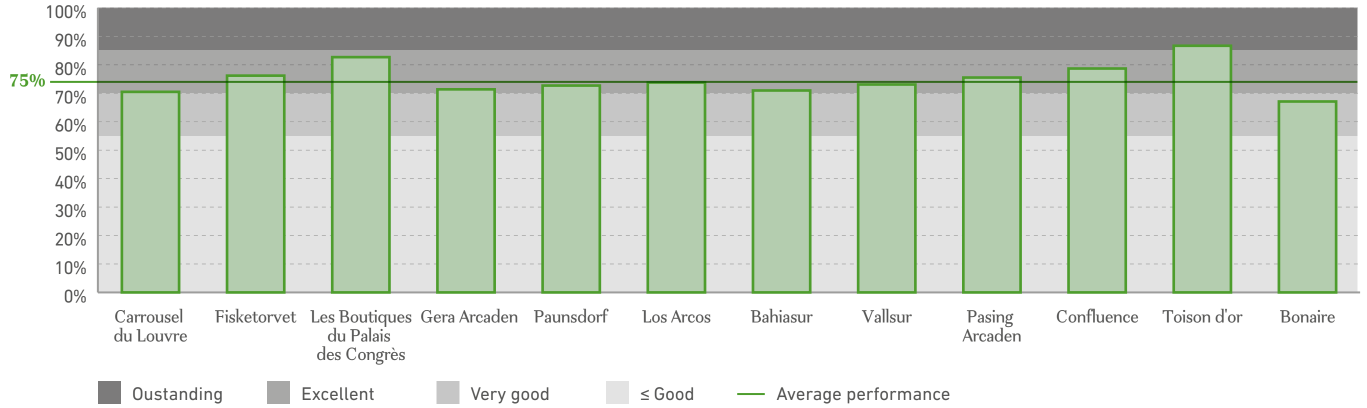
2016 was an especially active year in terms of "BREEAM In-Use", with 12 shopping centres being certified:

- two new certifications: Gera Arcaden and Paunsdorf, both certified "Excellent" for the "Asset" component (part 1) and "Outstanding" for the "Building Management" component (part 2);
- nine re-certifications (assets certified in 2013, whose certificates expired in 2016): the stores at the Palais des Congrès, the Carrousel du Louvre, Lyon Confluence and Toison d'Or, Los Arcos, Vallsur, Bonaire and Bahiasur and Fisketorvet; all these sites improved their certification performance compared to 2013;
- one re-certification (asset certified in 2015 and re-certified in 2016): Pasing Arcaden; this asset was promoted from "Excellent" to "Outstanding" for the "Building Management" component (part 2) when it was re-certified in 2016.

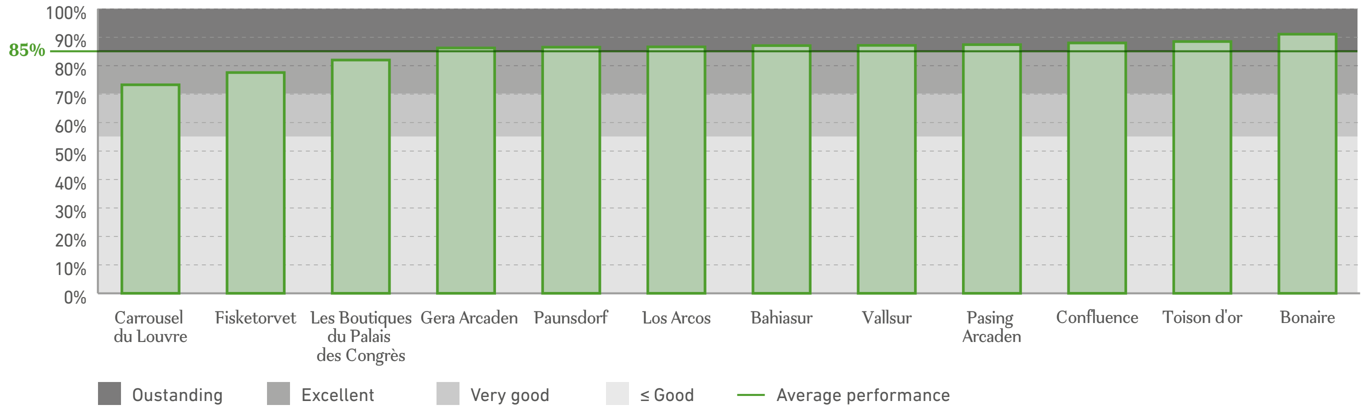
In 2016, the Group achieved strong performances establishing local market benchmarks in different countries (Germany, Spain and France). 9 out of the 12 shopping centres certified in 2016 were rated at "Outstanding" level for "Building Management" (part 2). With a double "Outstanding" rating for part 1 and part 2, Centrum Chodov, obtained the highest scores under the "BREEAM In-Use" International 2015" scheme across Europe for Unibail-Rodamco's standing retail portfolio. In 2016, the Toison d'Or shopping centre obtained double "Outstanding" certification when it was re-certified under the "BREEAM In-Use International 2015" criteria, obtaining the best score for the "Asset" component (part 1) by a shopping centre in France.

"BREEAM IN-USE": PERFORMANCE OF THE 12 CERTIFICATIONS OBTAINED IN 2016

Intrinsic Performance (Part 1)



Building Management (Part 2)



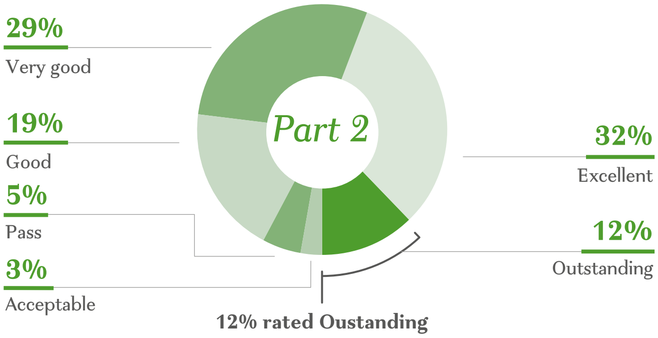
As at December 31, 2016, the Group had 48 managed shopping centres certified "BREEAM In-Use" in Europe, of which 71% were rated "Outstanding", accounting for 2.7 million m^2 consolidated GLA and to 80% of the managed Shopping Centres portfolio (up to €24 Bn in terms of gross market value).

71% of the "BREEAM In-Use" certificates delivered to the Group's retail assets achieved the "Outstanding" level for the "Building Management" (part 2) component, compared to 12% only for the European market's Real Estate[(1)], confirming the superior environmental performance of the Group's assets despite the diversity of the portfolio in terms of size, age and location.

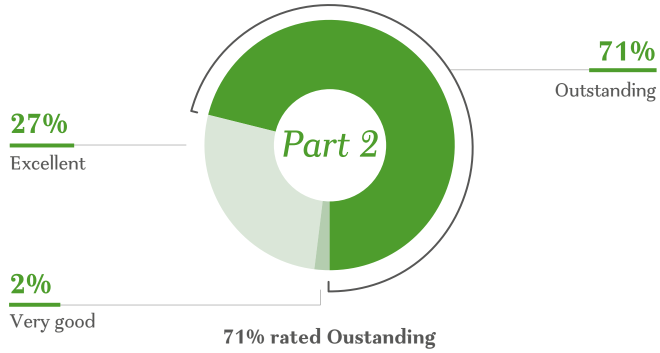
At the end of 2016, the Group had 53 assets under "BREEAM In-Use" certification (48 Shopping Centres and five Office buildings), accounting for 2.8 million m^2 GLA.

BREAKDOWN OF BREEAM IN-USE CERTIFICATIONS BY RATING[(2)] (in number)

European Real Estate sector[(1)]

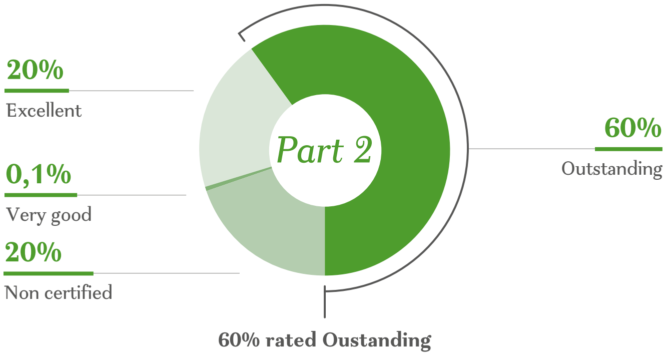


Unibail-Rodamco[(3)]



BREAKDOWN OF BREEAM IN-USE CERTIFICATIONS BY RATING[(2)] (in value)

Unibail-Rodamco[(3)]: 80% certified in value (up to €24 Bn)[(4)]



(1) *Source: BRE Global BREEAM In-Use Data, BREEAM ES and BREEAM NL data as at December 31, 2016 – 200 retail assets certified under BREEAM In-Use international 2015 (Part 2).*
(2) *Retail Asset's score in Building Management (Part 2).*
(3) *48 standing shopping centres certified as at December 31, 2016.*
(4) *In terms of Gross Market Values as at December 31, 2016, excluding values of shares in assets accounted for using the equity method.*

MPI: ENVIRONMENTAL CERTIFICATION OF STANDING ASSETS

BREEAM In-Use – Retail per region

Region	Managed portfolio	Total 2016 consolidated m² GLA[1]	Assets Certified[2]	Certification coverage % (in number)	Certification coverage % (in m² GLA)	Site name certified as at December 31, 2016
Austria	2	261,100	2	100%	100%	Donau Zentrum[3], Shopping City Sud[3]
Central Europe	6	384,600	6	100%	100%	Arkadia[3], Galeria Mokotov[3], Chodov[3], Wilenska[3], Černý Most[3], Aupark[3]
France	20	1,090,300	17	85%	86%	Carré Sénart[3], Part-Dieu[3], 4 Temps[3], Vélizy 2[3], CNIT[3], Toison d'Or[3], Confluence[3], Carrousel[3], Boutiques du Palais[3], Rosny 2[3], Ulis 2[3], So Ouest[3], Rennes Alma[3], Villeneuve 2[3], Euralille[3], Aéroville[3], Parly 2[3]
Germany	9	338,100	5	56%	56%	Pasing Arcaden[3], Höfe am Brühl[3], Palais Vest[3], Gera Arcaden, Paunsdorf
The Netherlands	4	264,600	3	75%	75%	Amstelveen[3], Almere[3], Zoetermeer[3]
Nordic	8	419,300	5	63%	67%	Fisketorvet[3], Solna[3], Nacka Forum[3], Täby[3], Arlanda[3]
Spain	12	542,000	10	83%	86%	Parquesur[3], La Maquinista[3], Splau[3], Bonaire[3], Bahia Sur[3], Vallsur[3], Los Arcos[3], Garbera[3], Barnasud[3], Faro[3]
TOTAL GROUP	**61**	**3,300,000**	**48**	**79%**	**82.3%**	

(1) Total GLA consolidated (managed assets).
(2) In number of managed assets.
(3) Assets certified in 2013, 2014 and 2015, for which renewed or new certificates were redelivered by BRE and National Scheme Operators (NSO's) in 2016.

BREEAM In-Use – Retail total Group

	2015	2016	Cumulated (as at December 31, 2016)
Number of managed assets certified	21	12	48
Surface certified *(m² GLA)*	1,463,600	415,100	2,716,300
Average score "Asset"	73.8% – Excellent	74.9% – Excellent	73.5% – Excellent
Average score "Building Management"	84.0% – Excellent	85.1% – Outstanding	83.7% – Excellent

BREEAM In-Use – Offices

7 Adenauer, the Group's headquarters in Paris, was the first Office building within continental Europe to be rated "Excellent" for both the "Asset" (part 1) and "Building Management" (part 2) of the "BREEAM In-Use" International pilot scheme in 2012. In 2016, three office buildings were re-certified under the "BREEAM In-Use International" 2015 scheme, the Villages, Ariane tower and the Sextant reaching the "Excellent" level for the "Building Management" (part 2). The Majunga tower occupied by Axa IM and Deloitte will be certified in 2017.

The Group's aim is to obtain "BREEAM In-Use" certification for at least 90% of its portfolio (number of assets owned and managed) by 2020 with a minimum level of "Excellent" for the "Building Management" component (part 2) of the scheme. As at December 31, 2016, five assets were certified, representing 62% (in number, according to the consolidation scope) and 42% (over €1.4 Bn in gross market value) of the office portfolio.

BREEAM In-Use – Office total Group

	2015	2016	Cumulated (as at December 31, 2016)
Number of assets certified	1	3	5
Total floor area according to consolidation *(m²)*	33,300	119,000	176,500
Average score "Asset"	71.6% – Excellent	61% – Excellent	66% – Very Good
Average score "Building Management"	76.5% – Excellent	74% – Excellent	78% – Excellent

ISO 20121 – Convention & Exhibition (Viparis Group)

Fully aware of its role in this sector, Viparis, which receives over 29.9 million visitors at its sites every year[1] has integrated sustainable development into its values and its strategy since its creation. Launched in 2013, Viparis' application for ISO 20121 certification reflected a pioneering and very active commitment to CSR.

In 2014, Viparis obtained the ISO 20121 certification and became the first global player in the events sector to obtain this demanding environmental certification for all its venues and business activities. This significant achievement constituted a distinctive competitive advantage, which has further improved its profile and its business practices.

In 2016, the ISO 20121 certification was confirmed by Bureau Veritas following an intensive audit process conducted in June 2016 of ten venues managed by the Group.

Viparis has a common, structured management system which is consistent with key international principles: due diligence, diversity and inclusion, integrity and transparency. Viparis has implemented a CSR policy revolving around three key challenges in its main business areas:

- property management: improving the energy efficiency of their buildings;
- space rental and operational event management: developing a responsible purchasing policy;
- visitor management: promoting responsible behaviour by all visitors.

3.3.4. Climate change

Low-carbon commitments

Unibail-Rodamco considers climate change to be one of the greatest global challenges nations will face in the coming decades. Thus, the Group fully supports the major and unprecedented agreement by all stakeholders to combat climate change – an agreement signed in Paris at the end of 2015 by 195 countries as part of COP 21. The commitments made to reduce greenhouse gas emissions represent a huge challenge that needs to be met collectively, since it will require significant changes in energy consumption and consumer behaviour. These low-carbon ambitions will prompt major transformations in numerous industries in the coming decades.

Unibail-Rodamco has decided to engage and take full responsibility by truly committing to a low-carbon program compatible with the objective of limiting global warming to +2°C between now and 2100. Through pillars 1 and 2 of its "Better Places 2030" program, the Group is the first real estate company to set out such ambitious commitments to reducing its carbon emissions across all activities and for all assets. Unibail-Rodamco has committed cutting its carbon emissions by half (-50%) by 2030 (2015 baseline) across a comprehensive range of activities, encompassing not only Scopes 1 and 2 but, also, Scope 3, which accounts for the majority part of carbon emissions. The Group's objective thus covers not only emissions related to the common energy it purchases in operating its assets (Scopes 1 and 2), but also, the carbon emissions of its stakeholders, when it believes it can influence, particularly in the following respects:

- carbon emissions generated in the construction of its development projects, which means emissions due to the energy required for the extraction, manufacturing, transport and use of construction materials;
- carbon emissions from the private energy consumption of its tenants;
- and finally, emissions due to travel by building occupants and, especially, visitors to shopping centres, regardless of the modes of transport used.

Achieving these low-carbon objectives will involve the active participation of all the Group's employees within their own scope of responsibility and the contribution of the Group's stakeholders, mainly the tenants and the suppliers. It will also rely on strong partnerships with manufacturers and start-ups in order to accelerate the pace of transformation, particularly as to low-carbon construction and new sustainable mobility solutions.

The first actions and initiatives taken under the "Better Places 2030" program have been included in the various parts of this CSR report (energy, transport, materials, etc.). The annual report will give an account of the achievements completed under this new program and the results as shown by new indicators. All CSR information published will be audited every year by an independent third party.

Risks associated with climate change

The effects of climate change on Unibail-Rodamco's portfolio will vary by region and by 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.

(1) *On a declaratory basis from companies that organised the events.*

Risks to the Group's activities are likely to include: higher insurance premiums; higher operating costs for energy, water and maintenance; higher risk of flooding; and higher risk of disruption to commercial activity from extreme weather events, including problems affecting local infrastructure that are outside the Group's control. However, thanks to Unibail-Rodamco's strategic focus on major cities in continental Europe, there is a low likelihood of significant changes to the Group's activities due to tidal flooding, extreme temperature variations, aridity, population displacement, etc. considering the low exposure of these locations to those risks.

Unibail-Rodamco's due diligence process for acquisitions and new 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 and safety performance. The potential financial impact of identified risks is taken into account during the due diligence phase. Issues covered include among these, asbestos, legionella, electromagnetic radiation and soil pollution.

As well as preparing its assets to face the potential effects of climate change, Unibail-Rodamco is working to limit the impact of its activities on the climate. The Group's CO_2 emissions reduction strategy is based on energy-efficient behaviour, lower energy consumption equipments and, when possible, the use of low-carbon and renewable energies.

The Group complies with regulatory requirements in each region with regard to flooding risks, water management, and drainage systems for exceptionally heavy rainfall.

3.3.4.1. Carbon footprint

Carbon footprint allows to better measure the entire scope of emissions and identify the roles of the different players to enhance the Group's carbon strategy. Under the new "Better Places 2030" strategic CSR program, Unibail-Rodamco has committed to reducing by 2030 its total carbon footprint by 50%, in particular by focusing also on the largest sources of Scope 3 emissions. This is why the Group will update its carbon assessment in 2017. Following the first two carbon assessments carried out by the consulting firm Carbone 4 in 2009 and 2012, the methodology below will be updated by the same firm in 2007 to reflect the new KPIs under the new CSR program.

Methodology

In order to define the calculation methodology of its total carbon footprint Unibail-Rodamco has chosen so far the so called "operational control" approach. This approach defines the scope of emissions taken into account in the calculation as the total emissions of facilities owned and managed by the Group. Considering energy for example, emissions related to energy consumption of technical equipment owned and managed by the Group are part of Scope 1 (under direct responsability of Unibail-Rodamco), while tenants' private electricity consumption does not come within Unibail-Rodamco's management scope and is consequently located within Scope 3. The breakdown of carbon emissions relating to energy is as follows:

- Scope 1: direct emissions from energy consumed on site in the common areas of Shopping Centres and Offices (gas and fuel combustion);
- Scope 2: indirect emissions from imported energy consumed (electricity consumption in common areas, common heating and cooling purchases through district networks);
- Scope 3: all other direct and indirect emissions, including electricity consumed in private areas (tenants).

The total consolidated scope for carbon emissions has been defined in relation to three separate entities:

- corporate support functions and employees (100% of head-quarter activities);
- asset portfolio (100% of managed Shopping Centres and Offices[1];
- the expenses (Opex/Capex).

The sources of emissions included in the Group's total carbon footprint are broken down per scope and entity. Please see below.

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's operational control;
- Scope 3 related, stakeholders' responsibility; where Unibail-Rodamco can have an influence.

To comply with the Decree of August 19, 2016 (2016-1138 amending Article L. 225-102-1 of the French Commercial Code) concerning application of the law on energy transition for green growth (Article 173, Law 2015-992 of August 17, 2015), Unibail-Rodamco calculates its carbon footprint on an expanded interpretation of Scope 3, which is defined in the table below and includes measures of significant indirect emissions along the entire value chain.

(1) *Except So Ouest Plaza (offices, France) and Centro (shopping centre, Germany).*

SCOPE 1 & 2 (SHOPPING CENTRES, OFFICES, HEADQUARTERS)

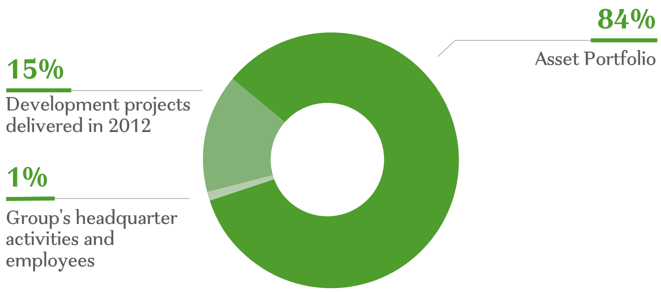
Scope 1	Direct emissions from stationary combustion: gas and fuel consumption in common areas
	Direct emissions from mobile combustion: fuel used for company cars
	Direct fugitive emissions: leaks of refrigerant gas
Scope 2	Indirect emissions linked to electricity consumption in common areas (transportation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

SCOPE 3

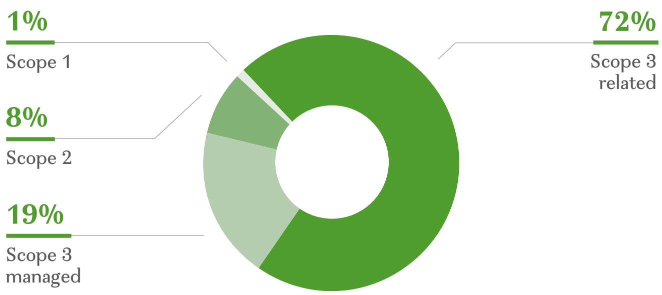
Scope 3 managed Unibail-Rodamco's operational control	Energy-related activities not included in Scope 1&2 emissions (extraction, production and transport of fuels, electricity, steam, heating and cooling): Upstream transportation and distribution of energy consumed by common parts
	Purchased products and services: services expenses for daily exploitation on site such as cleaning, maintenance, security, waste management, energies and fluid provision, marketing expenses (OPEX), Office supplies (headquarter)
	Capital equipment: IT equipment on site, company cars
	Waste: on-site waste management
	Employees commuting: Unibail-Rodamco employees' transportation from home to work
	Business travel: Unibail-Rodamco employees' business travel by plane, train and taxi
	New development projects/cost incurred during the current year: Brownfield/greenfield extension/refurbishment: emissions based on cost of works
Scope 3 related Stakeholders' responsibilities	Upstream commuting of visitors, customers and/or occupants to the Group's Shopping Centres and Office buildings (customer and visitor transportation)
	Downstream leased assets: electricity consumption of private areas (production, transportation and distribution)

GROUP CONSOLIDATED RESULTS, 2012

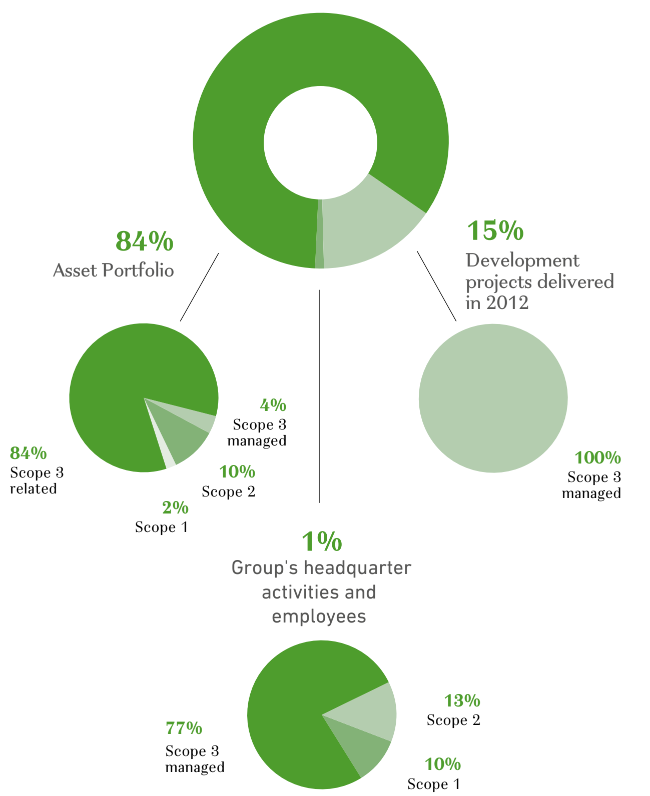
Split of the Group's carbon footprint per activity



Split of the Group's carbon footprint per Scope



Unibail-Rodamco's carbon footprint



The results of Unibail-Rodamco's carbon footprint have confirmed the relevance of the Group's strategy since 2007:

- location in major cities with high connectivity;
- continuous optimisation of energy consumption;
- enhancement of footfall and occupancy rate (intensity of use);
- shift to low carbon energies;
- roll-out of "green leases".

In addition, these results confirm the need to consider an expanded scope of emissions and to take action on the top priority carbon challenges (Scope 3) for the Group:

- visitors and on-site staff transportation;
- electricity consumptions of Shopping Centre tenants;
- construction activity.

This is why Unibail-Rodamco has decided to set very ambitious objectives in terms of reducing emissions under its new CSR strategy. As a major commercial real estate company, the Group has made commitments in relation to sources of high emissions under Scope 3, its aim being to involve all its stakeholders in the process of change management.

Under the "Better Places 2030" CSR policy, new carbon KPIs will be introduced in 2017.

3.3.4.2. CO_2 emissions

The Group's reporting covers greenhouse gas emissions (GHG) related to the energy consumption of buildings managed by the Group (*i.e.* operating as a property manager) converted into a CO_2 equivalent unit (CO_2e).

Because monitoring climate change is not just about reducing energy consumption and CO_2 emissions, Unibail-Rodamco developed the carbon intensity indicator CO_2/visit. It leverages the business activity, providing a clear picture of a building's overall carbon impact and efficiency. This material indicator (MPI) traces the combined performance of the following main components:

- energy efficiency of the building (*i.e.* less consumption) (kWh/m^2);
- carbon dependency of the primary energy mix (changes in carbon conversion rates or for low carbon energies) (CO_2/kWh);
- intensity of usage of a building (visit/m^2).

Between 2006 and 2012, the Group already achieved a cumulative reduction of -58% for the carbon intensity indicator in a like-for-like scope. This performance was driven by:

- an ambitious energy-saving program that operates across all of the Group's assets;
- the low-carbon energy procurement policy and general procurement policy;
- the capacity of the Group to drive its business successfully (continuous increase of footfall).

However, this reduction in carbon intensity has also benefitted from cyclical factors, such as favourable climate conditions and the continuation of green electricity purchase.

More than carbon savings, the primary purpose of signing certified "green" electricity contracts for the Group is to encourage producers to invest in low-carbon and renewable energy technologies by increasing market demand for these clean energies.

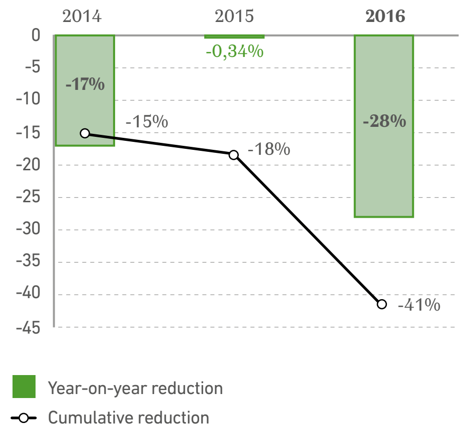
In 2012, Unibail-Rodamco set long-term objectives out to 2020. Between 2012 and 2015, the Group achieved a further reduction of 17% in its carbon intensity and of 13% in its energy consumption.

In 2016, the Group's carbon intensity of its Shopping Centres portfolio (CO_2/visit) saw a significant additional reduction of 28% from 2015 on a like-for-like basis. This strong performance was due to:

- an accelerated transition to using electricity from renewable sources under the "Better Places 2030" program, which accounted for half the decline; in Spain, all the managed shopping centres are now running entirely on green electricity since 2016;
- continued improvement in the energy efficiency of the managed assets: 4% less energy consumptions on a like-for-like basis from 2015 to 2016;
- improvement in the CO_2 emissions factors of various electricity providers from 2015 to 2016, reflecting the ongoing effort agreed to by energy producer companies to improve their energy mix; this accounted for 20% of the decline.

Visitors' footfall in the Shopping Centres stayed stable from 2015 to 2016 on a like-for-like basis, so visits did not have an impact on the carbon intensity indicator this year.

REDUCING CO_2 EMISSIONS AT MANAGED SHOPPING CENTRES (LIKE-FOR-LIKE)



The 2016 performance thus led to a cumulative decline in carbon intensity of 41% from 2012 to 2016 (in CO_2 per visit throughout the Shopping Centres portfolio on a like-for-like basis), which already exceeds the 30% reduction targeted by the Group from 2012 to 2020. Accordingly, in 2017 the Group will set a new objective for the reduction of its carbon intensity by 2020, in line with the new "Better Places 2030" commitments.

MPI: CO_2 EMISSIONS ($kgCO_2e$) [G4-EN15, EN16, EN19]

CO_2 emissions related to energy consumption are calculated from the absolute Energy Consumption KPI. The CO_2 figures are calculated with emission factors for each source of energy consumption. These factors depend on the source of energy (electricity, gas, etc.), the country and the energy supplier. The KPI highlights the split between direct CO_2 emissions (Scope 1: gas and fuel oil) and indirect CO_2 emissions (Scope 2: electricity, district heating network and district cooling network).

Portfolio coverage in gross market value: 89%.

	Shopping Centres									Offices		Convention & Exhibition	
	Scope	Total Retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain	Scope	France	Scope	France
2014 Total	59/59	64,506,864	2,305,134	34,201,288	5,718,925	6,705,969	1,124,459	947,104	13,503,985	13/14	2,756,334	9/9	14,834,458
2015 Total	56/56	65,671,089	3,136,232	32,820,353	5,902,818	7,002,730	749,913	1,246,826	14,812,217	14/14	2,406,507	9/9	9,273,320
2016 Total	58/58	50,731,487	3,755,972	27,283,606	5,108,987	5,791,469	625,347	1,990,163	6,175,943	13/13	2,366,972	9/9	7,552,200
of which direct emissions – Scope 1	*58/58*	*10,289,421*	*3,612,046*	*1,516,306*	*1,909,442*	*2,302,473*	*550,443*	*0*	*398,711*	*13/13*	*190,209*	*9/9*	*2,926,221*
of which indirect emissions – Scope 2	*58/58*	*40,442,067*	*143,926*	*25,767,301*	*3,199,545*	*3,488,996*	*74,904*	*1,990,163*	*5,777,233*	*13/13*	*2,176,763*	*9/9*	*4,625,979*
2015 Like-for-like	51/58	58,793,735	3,136,232	27,994,820	5,532,968	5,531,553	539,119	1,246,826	14,812,217	10/13	2,206,065	9/9	10,204,106
2016 Like-for-like	51/58	42,596,909	3,755,972	22,046,957	4,629,774	3,488,996	509,103	1,990,163	6,175,943	10/13	1,850,702	9/9	7,552,200
Evolution 2016/2015 *(%)*	51/58	-28%	20%	-21%	-16%	-37%	-6%	60%	-58%	10/13	-16%		-26%
CUMULATIVE EVOLUTION 2016/2012 *(%)*		**-41%**	**-94%**	**-36%**	**-30%**	**-60%**	**-20%**	**34%**	**-53%**		**-39%**		**-42%**

Depending on the availability and reliability, emissions factors are collected from the following sources, assessed in order of reliability: (i) final energy supplier; (ii) National decree applicable at consolidation date; (iii) International Energy Agency. In the same country, every asset uses the same source of CO_2 emission factors (supplier, national decree, or IEA) in order to avoid double counting of national renewable energy production. In the case of green electricity purchase, the supplier's emission factor is systematically preferred. When the supplier is unable to deliver a factor for green electricity provided under a certificate of origin, the zero value is used as the emission factor for this green electricity purchased. In 2016, assets based in Austria, Germany, the Netherlands, and the Czech Republic applied a zero emission factor to the share of green electricity purchased.

In 2017, a particular attention will be paid to ensure the reliability of supporting forms related to renewable sources, provided by the various renewable electricity suppliers.

KPI: REFRIGERANT LEAKS AND WASTE DISPOSAL CO_2 EMISSIONS ($kgCO_2e$) [G4-EN20]

	Shopping Centres							
2016	Total Retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain
Refrigerants' emissions	5,522,003	510,690	302,780	138,331	628,560	183,608	2,769,300	988,734
Waste disposal emissions	15,346,040	1,360,404	1,849,345	6,404,389	632,590	96,343	1,548,143	3,454,826

Focus on green electricity supply

KWH OF "GREEN" ELECTRICITY 2016

	Shopping Centres									Offices		Convention & Exhibition	
	Scope	Total Retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain	Scope	France	Scope	France
Total Electricity consumption 2014 *(kWh)*	59/59	273,898,460	28,253,895	67,766,980	81,729,587	23,256,316	4,536,129	32,704,594	35,650,960	13/14	20,831,742	9/9	89,342,747
of which green electricity purchase 2014 (%)	*23/59*	*42%*	*100%*	*54%*	*0%*		*100%*	*100%*	*0%*	*0/14*	*0%*	*0/9*	*0%*
Total Electricity consumption 2015 *(kWh)*	56/56	266,272,604	29,256,612	64,478,388	80,639,162	24,559,896	3,571,071	30,246,216	33,521,259	14/14	23,271,364	9/9	95,708,224
of which green electricity purchase 2015 (kWh)	*24/56*	*123,736,835*	*29,256,612*	*38,264,575*	*0*	*22,398,361*	*3,571,071*	*30,246,216*	*0*	*0/14*	*0*	*0/9*	*0*
of which green electricity purchase 2015 (%)	*24/56*	*46%*	*100%*	*59%*	*0%*	*91%*	*100%*	*100%*	*0%*	*0/14*	*0%*	*0/9*	*0%*
Total Electricity consumption 2016 *(kWh)*	58/58	269,330,966	28,109,422	64,451,305	78,458,932	30,968,619	3,573,269	33,506,032	30,263,387	13/13	21,778,113	9/9	85,434,924
of which green electricity purchase 2016 (kWh)	*37/58*	*150,966,661*	*28,109,422*	*33,388,084*	*0*	*29,560,452*	*3,573,269*	*33,506,031*	*22,829,404*	*0/13*	*0*	*0/9*	*0*
of which green electricity purchase 2016 (%)	*37/58*	*56%*	*100%*	*52%*	*0%*	*95%*	*100%*	*100%*	*75%*	*0/13*	*0%*	*0/9*	*0%*

MP1: Carbon intensity of use (gCO_2e/visit/year for Shopping Centres, gCO_2e/occupant/year for Offices, gCO_2e/m^2 DOP/year for Convention & Exhibition centres) [G4-EN18]

Numerator: CO_2 Emissions MPI related to energy consumption in absolute Energy Consumption MPI.

Denominator: usage indicator per business activity (see Reporting Methodology, Reporting values page 77).

Portfolio coverage in gross market value: 89%.

	Shopping Centres *(gCO_2e/visit)*									Offices *(gCO_2e/occupant)*		Convention & Exhibition *(gCO_2e/m^2DOP)*	
	Scope	Total Retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain	Scope	France	Scope	France
2014 Total	57/59	102	65	423	20	116	30	21	126	12/14	160,206	9/9	307
2015 Total	55/56	103	77	399	22	100	21	29	140	14/14	127,134	9/9	357
2016 Total	58/58	77	93	327	19	72	18	46	59	13/13	127,982	8/9	206
2015 Like-for-like	51/58	100	77	405	23	91	19	29	140	10/13	138,758	8/9	288
2016 Like-for-like	51/58	72	93	313	19	57	18	46	59	10/13	133,995	8/9	206
Evolution 2016/2015 *(%)*	51/58	-28%	21%	-23%	-17%	-37%	-5%	58%	-58%	10/13	-3%	8/9	-28%
CUMULATIVE EVOLUTION 2016/2012 *(%)*		**-40%**	**-95%**	**-33%**	**-30%**	**-64%**	**-22%**	**20%**	**-54%**		**-41%**		**-39%**
Past cumulated Evolution 2012/2006 *(%)*		-58%	-27%	-58%	-43%	/	-84%	-80%	-53%		-34%		/

CNIT, Shopping Parc Carré Sénart, DUX and MUX are excluded.

MPI: Carbon intensity per m² ($kgCO_2e/m^2$/year) [G4-EN18]

Numerator: CO_2 emissions MPI related to energy consumption considered in absolute Energy Consumption MPI.

Denominator: m² (see Reporting Methodology part Reporting values page 77).

Portfolio coverage in gross market value: 89%.

	Shopping Centres								(gCO$_2$e/visit)	Offices (gCO$_2$e/occupant)	
	Scope	Total Retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain	Scope	France
2014 Total	59/59	20	7	76	6	13	8	2	36	13/14	10
2015 Total	56/56	21	10	87	6	13	8	3	44	14/14	8
2016 Total	58/58	16	12	72	5	10	6	5	17	13/13	8
2015 Like-for-like	51/58	20	10	93	6	12	7	3	45	10/13	10
2016 Like-for-like	51/58	14	12	72	5	7	6	5	17	10/13	9
Evolution 2016/2015 *(%)*	51/58	-29%	18%	-22%	-18%	-36%	-17%	61%	-63%	10/13	-10%
CUMULATIVE EVOLUTION 2016/2012 *(%)*		**-41%**	**-94%**	**-22%**	**-36%**	**-54%**	**-24%**	**13%**	**-53%**		**-34%**

3.3.4.3. Energy consumption

Unibail-Rodamco had already reached a cumulative 23% decrease in energy efficiency (kWh/visit) between 2006 and 2012. The Group is now measuring its performance in energy efficiency against a long-term target and aiming to reduce kWh/visit by 25% by 2020, relative to the 2012 baseline for managed Shopping Centres. Dedicated long-term targets were set for Offices and Convention & Exhibition business units (see pages 145-146).

In 2016, the Group Shopping Centres achieved a -4% reduction of energy consumption in kWh on a like-for-like basis. This reduction has led to a cumulative reduction of -17% in kWh/visit since 2012.

One quarter of the Group's managed Shopping Centres have reduced their energy consumption by -20% or more since 2012, at no inconvenience to visitors.

In order to get the best ROI on energy efficiency solutions, the Group sets daily energy optimisation as its priority (see graph on page 95).

Energy efficiency actions are being undertaken in all the assets managed by the Group thanks to the strong commitment of the Group's on-site teams and maintenance suppliers. Standard practices include: identification of factors that affect energy consumption; systematic optimisation of the running hours for each piece of equipment; seasonal action plans to adjust temperatures in line with weather conditions; daily monitoring of each asset's energy consumption; strong focus on behavioural changes (turning out lights, using "free cooling" and natural ventilation when relevant); and regular checks to ensure that technical equipment is working properly.

The Group installs systematically Building Management Systems (BMS) in its assets, so on-site teams can easily monitor and manage performance through a single interface. Energy efficiency is also a crucial factor when it comes to choosing low consumption technical equipment, especially regular maintenance works related to lighting, heating, cooling and ventilation. The main improvements in the core building efficiency are synchronised with major developments and extension/renovation projects when the Group targets an environmental certification of the highest level.

An energy efficiency attitude is well embedded in all existing processes relating to the technical management of each asset by gradually ensuring (see graphic below):

- daily optimisation of technical equipment;
- technical improvements through non-recurring annual maintenance works;
- intrinsic building works synchronised with the Group's value creation (5-year business plan).

As at December 31, 2016, four assets owned and managed by the Group (Shopping Centres and Offices) were using Energy Performance Contracts. These contracts are signed with each site's maintenance company to encourage to commit to reducing energy consumption on site, promote its energy efficiency and manage the associated costs (Opex).

In line with the objectives of the new "Better Places 2030" CSR program, the Group will accelerate the implementation of LED lighting technology across its existing portfolio (common and private areas). Two actions have already been taken in 2016:

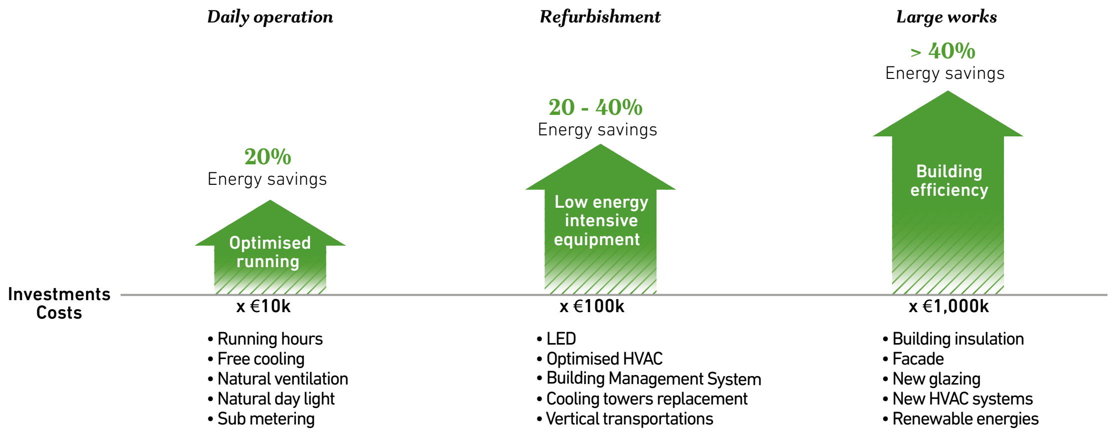
- budgets were increased in the Group assets' 2017 action plans to replace existing light sources with LEDs (common areas, including car parks);
- retailers were made aware of the LED installation program in Shopping Centres owned and managed by the Group when they refurbish a store or sign new leases.

The Group estimates that at year-end 2016 LEDs have been installed in the common areas of approximately 20% of its assets on the basis of an initial survey of almost all the shopping centres it owns and manages. This indicator will be consolidated more precisely in 2017 in order to monitor and manage the Group's commitment in this regard.

In September 2016, when the "Better Places 2030" program was announced, Sephora and Unibail-Rodamco signed a partnership: every new Sephora store opened from 2017 onwards in the shopping centres owned and managed by Unibail-Rodamco in Europe will be fully LED equipped. Other partnerships with international retailers will be signed in 2017 to accelerate the implementation of LED technology throughout in all the stores before the contractual requirement is enforced by the Group in 2020.

Through increased energy efficiency together with awareness of retailers, Unibail-Rodamco limits its exposure to rising, increasingly volatile energy prices and it builds protection against possible supply shocks in the future.

A GRADUAL AND PRAGMATIC APPROACH TO ENERGY SAVINGS



MP1: Energy consumption (kWh) [G4-EN3, EN4, EN6, EN7]

Energy consumption includes both direct and indirect energy. Direct energy refers to primary source energy which is purchased and consumed on site (*e.g.* gas and fuel oil). Indirect energy refers to energy produced by and purchased from a third party in the converted form of electricity or fluid (*e.g.* electricity, heating/cooling network or steam). For Shopping Centres, Offices and Convention & Exhibition venues, final energy purchased to be used in common areas includes car parks and common equipment (heating & cooling, distribution power, ventilation, vertical transportation and lighting) and energy provided to tenants for heating and/or cooling. Electricity purchased by tenants is not included.

Portfolio coverage in gross market value: 89%.

	Shopping Centres									Offices		Convention & Exhibition	
	Scope	Total Retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain	Scope	France	Scope	France
2014 Total	59/59	449,762,431	48,683,624	101,574,811	124,552,526	46,738,278	11,080,614	63,839,237	53,293,342	13/14	38,445,872	9/9	145,115,822
2015 Total	56/56	449,641,931	51,477,626	94,261,768	132,677,954	52,669,883	7,774,299	57,140,050	53,640,351	14/14	39,317,608	9/9	153,622,896
2016 Total	58/58	447,146,026	50,628,978	94,413,112	122,699,695	63,240,278	7,072,551	60,582,710	48,508,702	13/13	37,309,121	9/9	129,218,554
of which direct emissions – Scope 1	*58/58*	*49,564,902*	*15,317,513*	*8,202,796*	*10,329,559*	*10,839,164*	*2,757,648*	*0*	*2,118,222*	*13/13*	*1,028,977*	*9/9*	*15,830,052*
of which indirect emissions – Scope 2	*58/58*	*397,581,123*	*35,311,465*	*86,210,315*	*112,370,136*	*52,401,114*	*4,314,903*	*60,582,710*	*46,390,480*	*13/13*	*36,280,144*	*9/9*	*113,388,501*
2015 Like-for-like	51/58	414,335,470	51,477,626	81,421,081	120,950,110	43,373,196	6,333,056	57,140,050	53,640,351	10/13	32,662,888	9/9	153,622,896
2016 Like-for-like	51/58	397,386,869	50,628,978	80,570,537	106,360,318	44,445,336	6,290,288	60,582,710	48,508,702	10/13	28,698,535	9/9	129,218,554
Evolution 2016/2015 (%)	51/58	-4%	-2%	-1%	-12%	2%	-1%	6%	-10%	10/13	-12%	9/9	-16%
CUMULATIVE EVOLUTION 2016/2012 (%)		**-17%**	**-12%**	**-17%**	**-15%**	**-29%**	**-24%**	**-9%**	**-15%**		**-17%**		**-20%**

TENANTS' COLLECTED ELECTRICITY CONSUMPTION (kWh)

	5 Shopping centres			
2016	Shopping centres: common electricity managed	Tenants: private electricity consumptions (kWh)	Number of tenants	Total GLA
Split of electricity consumptions	58,195,701	77,036,809	1,632	460,200

KP1: Financial impact resulting from variations in energy consumption (€) [G4-EN6]

Total cost saved due to the reduction of energy consumption as measured by the Energy Consumption Indicator, estimated with an average energy cost per supplier.

Definition:

- Difference in energy consumption year-on-year, "like-for-like scope".
- Energy consumption difference multiplied by energy cost, per supplier, per asset and consolidated per region.

	Shopping Centres								
	Scope	Total Retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain
Energy consumptions evolution 2016/2015 (kWh)	51/58	(16,948,601)	(848,648)	(850,544)	(14,589,792)	1,072,140	(42,768)	3,442,660	(5,131,649)
Cost savings 2016/2015 (€)	51/58	(1,610,336)	(97,691)	(67,652)	(1,318,975)	63,720	6,234	389,524	(585,495)

MPI: Energy efficiency per building usage (kWh/visit/year for Shopping Centres, kWh/occupant/year for Offices, kWh/m² DOP/ year for Convention & Exhibition centres) [G4-EN5]

Numerator: Energy Consumption MPI.

Denominator: usage indicator per business activity (see Reporting Methodology, Reporting values page 77).

Portfolio coverage in gross market value: 89%.

	Shopping Centres (kWh/visit)									Offices (kWh/occupant)		Convention & Exhibition (kWh/m²DOP)	
	Scope	Total Retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain	Scope	France	Scope	France
2014 Total	57/59	0,69	1,11	1,25	0,44	0,81	0,30	1,42	0,50	12/14	2,248	9/9	4,80
2015 Total	55/56	0,69	1,16	1,15	0,50	0,75	0,21	1,33	0,51	14/14	2,028	9/9	5,37
2016 Total	57/58	0,67	1,15	1,13	0,45	0,79	0,20	1,40	0,46	13/13	2,040	8/9	3,55
2015 Like-for-like	50/58	0,68	1,16	1,18	0,49	0,71	0,22	1,33	0,51	10/13	2,065	8/9	4,45
2016 Like-for-like	50/58	0,66	1,15	1,14	0,43	0,73	0,22	1,40	0,46	10/13	2,102	8/9	3,55
Evolution 2016/2015 *(%)*	50/58	-3%	-1%	-3%	-12%	3%	0%	5%	-10%	10/13	2%	8/9	-20%
CUMULATIVE EVOLUTION 2016/2012 *(%)*		**-16%**	**-21%**	**-14%**	**-15%**	**-37%**	**-26%**	**-19%**	**-16%**		**-20%**	**0%**	**-17%**
Past cumulated Evolution 2012/2006 *(%)*		-23%	17%	-29%	-29%	/	-26%	-14%	-25%		-18%		/

CNIT, Shopping Carré Sénart, DUX and MUX are excluded.

MPI: Energy efficiency per m² (kWh/m²/year) [G4-EN5]

Numerator: Energy Consumption MPI.

Denominator: m² (see Reporting Methodology, Reporting values page 77).

Portfolio coverage in gross market value: 89%.

	Shopping Centres (gCO_2e/visit)									Offices (gCO_2e/occupant)	
	Scope	Total Retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain	Scope	France
2014 Total	59/59	141	157	225	121	90	82	160	143	13/14	138
2015 Total	56/56	146	168	250	133	100	82	131	161	14/14	133
2016 Total	58/58	139	163	250	119	107	71	140	131	13/13	127
2015 Like-for-like	51/58	143	168	269	125	91	74	131	161	10/13	141
2016 Like-for-like	51/58	135	163	262	110	94	69	140	131	10/13	133
Evolution 2016/2015 *(%)*	51/58	-6%	-3%	-3%	-12%	3%	-7%	7%	-19%	10/13	-6%
CUMULATIVE EVOLUTION 2016/2012 *(%)*		**-16%**	**-9%**	**0%**	**-19%**	**-21%**	**-23%**	**-24%**	**-13%**		**-10%**

3.3.4.4. Energy mix

Unibail-Rodamco works at reducing the environmental impact of the energy it consumes by purchasing low-carbon or renewable energy from suppliers and generating low-carbon/renewable energy on site. The energy mix is a key focus in regions with carbon-intensive national energy infrastructure, such as Central Europe or Spain. This is why the Spanish portfolio has been sourcing "green" electricity (entirely renewable sources) since January 2016.

The Group's policy of purchasing low-carbon energy from 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 the strong and growing market demand for low-carbon and renewable energies.

Since 2009, Unibail-Rodamco has progressively expanded its "green" electricity purchasing policy to 6 out of 7 regions, which have now shifted to a full or partial green electricity supply. In 2016, "green" electricity supply contracts were maintained as in 2015. As part of "Better Places 2030", the Group is committed to sourcing renewable electricity for 100% of the assets it manages between now and 2018. This measure extends to shopping centre tenants, who will also have to sign renewable electricity contracts for all leases signed from 2020 onwards.

Some assets are equipped with systems to generate low-carbon or renewable energy. For example, solar panels are installed in 9 assets in Spain, Austria, and the Netherlands and produce renewable electricity for sale to the national grid. In Spain, two shopping centres are also equipped with tri-generation systems. For its heating and cooling needs Aéroville in France also uses geothermal energy.

KPI: Carbon weight of energy mix (gCO_2e/kWh) [G4-EN15, EN16]

Numerator: CO_2 emissions MPI.

Denominator: Energy Consumption MPI.

	Shopping Centres									Offices		Convention & Exhibition	
	Scope	Total Retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain	Scope	France	Scope	France
2014 Total	59/59	144	47	337	46	144	102	15	254	13/14	72	9/9	64
2015 Total	56/56	146	61	348	45	133	97	22	276	14/14	61	9/9	66
2016 Total	58/58	114	74	289	42	92	88	33	127	13/13	63	9/9	58
Evolution 2016/2015 *(%)*	51/58	-36%	21%	-21%	-2%	-41%	-16%	50%	-54%	10/13	7%	9/9	-12%
CUMULATIVE EVOLUTION 2016/2012 *(%)*		**-39%**	**-93%**	**-24%**	**-18%**	**-45%**	**-6%**	**42%**	**-45%**		**-17%**		**-28%**

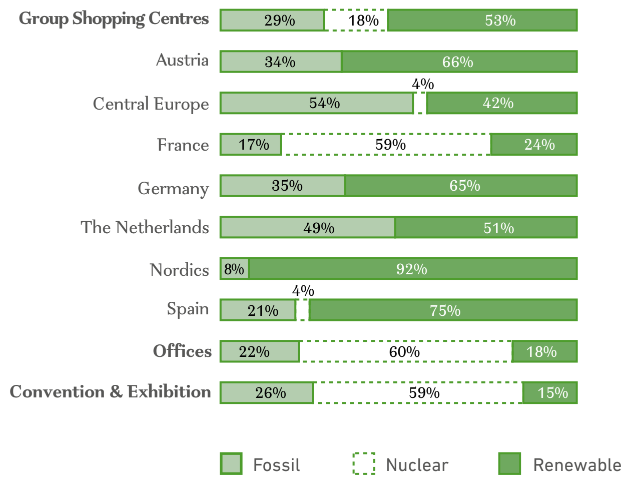
MPI: Direct and indirect final energy consumption by primary energy source (%) [G4-EN3, EN4]

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

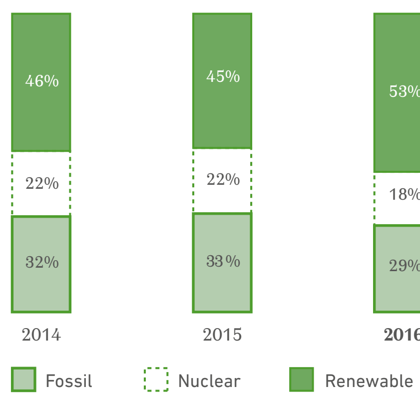
Portfolio coverage in gross market value: 89%.

	Shopping Centres								Offices	Convention & Exhibition
2016	Total Retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain	France	France
NUCLEAR	**18%**	**0%**	**4%**	**59%**	**0%**	**0%**	**0%**	**4%**	**60%**	**59%**
Direct natural gas	11%	33%	9%	8%	17%	39%	0%	4%	3%	12%
Indirect natural gas	6%	0%	2%	7%	9%	10%	2%	13%	16%	12%
Fuel oil	0%	0%	0%	0%	0%	0%	1%	0%	2%	1%
Coal	11%	0%	42%	1%	8%	0%	1%	3%	1%	1%
Other fossil fuels	1%	1%	1%	0%	0%	0%	5%	0%	0%	0%
SUB-TOTAL: FOSSIL	**29%**	**34%**	**54%**	**17%**	**35%**	**49%**	**8%**	**21%**	**22%**	**26%**
Hydo power	25%	49%	14%	18%	48%	51%	2%	42%	10%	9%
Wind power	12%	3%	1%	3%	2%	0%	59%	23%	3%	3%
Solar power	0%	0%	0%	1%	0%	0%	0%	0%	1%	1%
Geothermal power	1%	0%	0%	0%	0%	0%	5%	0%	0%	0%
Biomass based intermediate energy	11%	13%	26%	2%	12%	0%	10%	3%	1%	0%
Other renewable sources	4%	1%	1%	0%	2%	0%	15%	7%	3%	1%
SUB-TOTAL: RENEWABLE	**53%**	**66%**	**42%**	**24%**	**65%**	**51%**	**92%**	**75%**	**18%**	**15%**
TOTAL FINAL ENERGY *(KWH)*	**447,146,026**	**50,628,978**	**94,413,112**	**122,699,695**	**63,240,278**	**7,072,551**	**60,582,710**	**48,508,702**	**37,309,121**	**129,218,554**
of which direct energy	*49,564,902*	*15,317,513*	*8,202,796*	*10,329,559*	*10,839,164*	*2,757,648*	*0*	*2,118,222*	*1,028,977*	*15,830,052*
of which indirect energy	*397,581,124*	*35,311,465*	*86,210,315*	*112,370,136*	*52,401,114*	*4,314,903*	*60,582,710*	*46,390,480*	*36,280,144*	*113,388,501*

2016 DIRECT AND INDIRECT ENERGY MIX BY REGION (ALL MANAGED ASSETS)



DIRECT AND INDIRECT ENERGY BY PRIMARY SOURCE AT MANAGED SHOPPING CENTRES



The primary energy mix varies from country to country and is mainly influenced by national electricity generation industry. The voluntary low-carbon energy purchasing policy lowered the share of fossil energy from 42% in 2011 to 29% in 2016.

MP1: Renewable energy produced and CO_2 emissions saved [G4-EN3, EN4, EN7]

Energy output from photovoltaic plants installed at nine assets in Spain, Austria, and the Netherlands.

Renewable electricity produced on site is sold to the public network and not consumed on site. CO_2 emissions avoided due to this production represent the emissions that would have been generated by the production of the same amount of electricity in a non-renewable way. These assets permit the electricity supplier not to produce this quantity of electricity and therefore the equivalent CO_2 emissions are indirectly saved.

	2014	2015	2016
Renewable energy produced on site *(kWh)*	1,062,878	1,121,441	1,026,965
CO_2 emissions saved *(kgCO$_2$e)*	220,799	284,633	61,191

3.3.5. Transport and connectivity

The CO_2 emissions from visitor or tenant transport are significantly higher than CO_2 emissions from the operation of the buildings themselves. Buildings reached mainly by car have an indirect carbon footprint greater than those well connected to public transport networks. Moreover, the relative impact of visitors' modes of transport on total CO_2 emissions will continue to increase as the buildings become more energy-efficient.

The results of the Group's 2012 carbon assessment, published in this report, demonstrate the high level of CO_2 emissions due to visitors' travel to Unibail-Rodamco sites. It accounts for more than 50% of the total CO_2 footprint of the Group. These results are an endorsement of Unibail-Rodamco's strategy: single assets located in major European cities which are extremely well connected to the public transport network are more environmentally friendly and more resilient.

In the "Better Places 2030" CSR program, Unibail-Rodamco wants to initiate a new momentum regarding sustainable transport in the regions where the Group operates. The Group is thereby committing to sustainable transport solutions and to improving the accessibility of all of its assets. This involves working on each aspect of the Group's business, from designing to operating sites, and envisaging new partnerships with the various mobility and transport providers, including public authorities. This approach targets as a priority the major sources of transport-related emissions and breaks down into three main objectives:

- connect future development projects with their cities. 100% of new development projects integrated into the portfolio from 2020 will offer at least one mode of sustainable transport;
- for assets in operation, develop the broadest possible range of sustainable transport solutions;
- offer pooled logistical arrangements for deliveries to retailers.

3.3.5.1. Transport of visitors and occupants

The Group is focusing on assets that are especially well located within major European cities and have excellent connections to the public transport network. All of the Group's assets are connected to the public transport network. Surveys show that around 50% of customers travelled by foot or by public transport to the Group's shopping centres in 2016. 70% of the assets managed by the Group are connected to a cycle lane. The Offices portfolio is also quite well connected to the main transport networks.

Since 2006, in close conjunction with local authorities, a growing number of Unibail-Rodamco assets have benefited from being directly linked to tram services (Carré Sénart, Lyon Part-Dieu, Lyon Confluence, Toison d'Or, Vélizy 2, Porte de Versailles, Mall of Scandinavia). The Mall of Scandinavia, opened in November 2015 in Stockholm, received 92% of credits available in the transport category in its design-phase BREEAM certification, making it the first commercial development project in Sweden to be certified "Excellent". Mall of Scandinavia has excellent links to public transport (train: Solna station, bus, underground and tram). In 2016, 54% of visitors to Mall of Scandinavia walked or used public transport.

The Group is encouraging the use of electric vehicles by installing recharging stations at its shopping centres throughout Europe. As of the end of 2016, 62 assets (Shopping Centres, Offices, Conventions & Exhibition) were equipped with free electric-vehicle charging stations. A European partnership was signed at the end of 2016 with Tesla for installing "destination charging" stations at shopping centres managed by the Group. 20 shopping centres are planning to install this recharging infrastructure in 2017. In February 2017, the Group will open the first "supercharger" station at one of its shopping centres, Polygone Riviera.

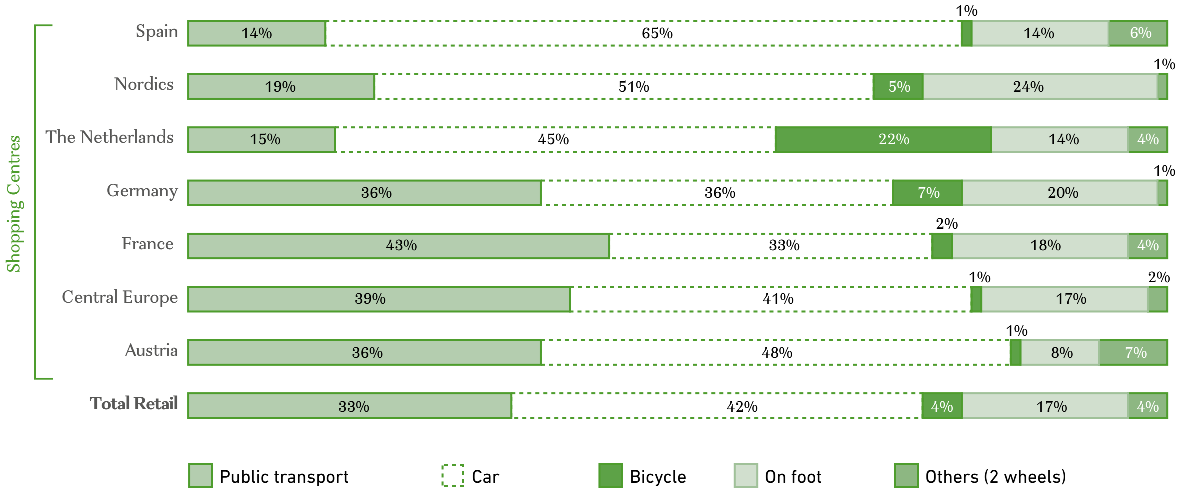
Since September 2016, the Confluence leisure and commerce hub in Lyon has been participating in the Navya Arma project. Navya Arma is a mass transit vehicle that is 100% electric and fully self-driving. This innovative smart driverless shuttle can transport up to 15 people and travel safely at up to 45 km/h.

Finally, the start-up Karos has been selected for the season two of the "UR Link" start-up accelerator program. A pioneer in short-distance carpooling which puts mobile technologies, big data and machine learning at the service of everyday mobility, Karos is testing a short-distance carpooling service aimed at visitors and employees of the Group's shopping centres.

MP1: Split of Shopping Centre visits by means of transport (%) [G4-EN17, EN30]

Visits split by means of transport in percentages. The split of transport modes is based on marketing surveys conducted in 2016. In 2016, the figures were updated for 100% of the total number of assets.

Portfolio coverage in gross market value: 89%.



KPI: Access to public transport (%) [G4-EN30]

Share of assets with excellent connections to public transport.

Definition:

- Assets located less than 200 metres from public transport.
- Assets with public transport connections, with intervals not exceeding 15 minutes, during weekdays and office hours.

	Shopping Centres									Offices		Convention & Exhibition	
2016	Scope	Total Retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain	Scope	All assets	Scope	All assets
Percentage of assets located less than 200 metres from a public transport connection	58/58	93%	100%	100%	95%	100%	100%	86%	83%	13/13	77%	9/9	89%
Percentage of assets served at least every 15 minutes during weekday office hours	58/58	82%	100%	83%	78%	100%	100%	57%	83%	13/13	100%	9/9	89%

3

3.3.5.2. Tenant logistics

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

In order to meet these challenges, the Group has launched the "UR Delivery" project, a pooled logistics service for the tenants of small stores in downtown shopping centres. Deliveries are pooled at a logistics base located outside the city centre; shared trucks then deliver from this remote logistics base to the shopping centre.

The ongoing Gaité redevelopment project in Paris has already integrated this ambition in its plans and has made a commitment to the city to roll-out this pooled logistics service for retailers.

To rapidly identify the best urban logistics arrangements, in December 2016 the Group signed a technical partnership with the logistics company Deret. This partnership will offer retailers in the shopping centres developed, owned and managed by Unibail-Rodamco, an efficient pooled logistics service that minimises the impact (traffic congestion, carbon footprint, noise disturbance, pollution, etc.).

3.3.5.3. Business travel of employees

The Group's policy regarding staff business travel aims to reduce the carbon footprint associated with transport. All employees are encouraged to travel by train when possible and give preference to videoconferencing rather than physical meetings involving travel. Unibail-Rodamco has not set a 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.).

Unibail-Rodamco gathers data on CO_2 emissions from the business travel of its employees by plane and by train for each region.

In November 2016, in line with the new "Better Places 2030" CSR program, Unibail-Rodamco tightened its guidelines for ensuring that its vehicle fleet is environmentally friendly:

- the Group's car fleet will consist only of vehicles whose rate of CO_2 emissions is lower than 120 g/km, compared to 150 g/km in 2015 (the former policy);
- whenever a new car is ordered, the model chosen will be hybrid or electric.

As at the end of 2016, 11% of the Group's vehicle fleet was hybrid or electric.

With the aim of educating the employees about the carbon impact of emissions from business travel and thus limiting that impact, the Group has decided to:

- use the Skype for Business application starting in January 2017, which will give all staff direct and efficient access to enhanced videoconferencing; and
- engage in a five-year program (starting in 2016) of carbon offsetting for business travel emissions, based on the emissions reported in the present CSR report for 2016. The Group has selected a mixed program of reforestation and forest conservation which has been certified REDD+ since 2014 and registered with UNESCO as a biosphere reserve.

Finally, a car sharing service with electric vehicles has been in operation since 2013 in the car park of the Group's headquarters. Any staff member can reserve and use one of these vehicles for his or her professional needs in and around Paris. This service will be extended in 2017.

KPI: CO_2 emissions from employees' business travel by train and plane (tonnes CO_2e) [G4-EN30]

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 2016. Data and methodology are provided by referenced travel agencies for each region.

2016	Total	Austria	Central Europe	Headquarters & France	Germany	The Netherlands	Nordics	Spain
TOTAL EMISSIONS *(TCO_2E)*	**2,815**	**90**	**377**	**1,054**	**565**	**148**	**165**	**415**
kg CO_2e/employee	1,414	1,604	3,168	1,032	1,211	2,173	1,574	2,714

Emissions due to business travel in Germany are estimated for the year (data unavailable); the country will use specific reporting software in 2017.

3.3.6. Use of resources

Unibail-Rodamco's resource use policy covers materials, water, waste and biodiversity. In-house Environmental Management Systems for new developments and existing assets provide clear, comprehensive guidelines on the use of resources. Third-party certification systems and audits are used to validate these guidelines and ensure that imposed standards are met.

3.3.6.1. Materials

With the launch of "Better Places 2030", Unibail-Rodamco is the first commercial real estate company to commit to making significant and wide-scale reductions in its carbon footprint related to construction. Its commitment to reducing its construction carbon footprint by 35% between 2015 and 2030 means that as from 2016 the Group will focus on the choice and use of the materials used in Group projects. Specifically, this will involve:

- adopting a "lean 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, bio-sourced materials, recycled materials, etc.);
- insisting that subcontractors put forward alternative solutions optimised in terms of their carbon content;
- adopting a purchasing policy which includes criteria for the carbon content of products and construction materials (requiring environmental and health and safety certification from public authorities) and energy mix in the countries where the materials are manufactured.

In 2017, the Group's Development teams will be trained to ensure that, right from the design phase, these new requirements are fully met by all general contractors and subcontractors. This policy will ensure that materials are matching the carbon goals, that reused of existing structures and materials will be examined, and that preference will be given to materials with low environmental impact and to recycled products.

The materials should not exceed the emission thresholds for volatile organic compounds set by the European Union.

In addition to the in-house Design Guidelines covering the choice of materials, a review of operations is systematically conducted at the end of each design phase (program, pre-project summary and contractor consultations) to monitor every one of the Group's real estate projects and ensure that it meets the desired levels of sustainability, maintainability, accessibility and safety. New guidelines for materials will be communicated within the Group in 2017 and the carbon criterion will be integrated into the process of reviewing project operations, in order to ensure that the trade-offs made are in keeping with the multiple-criteria approach. Pilot Life Cycle Analysis projects will be undertaken to determine the carbon impact of certain materials and equipment for which there is no Environmental Product Declaration (EPD).

In line with the "BREEAM" certification requirements, the Group's materials policy specifies that 80% of wood used in development, extension and renovation projects must be responsibly sourced (*i.e.* from certified, managed forests with FSC for example) and that 100% must be legally sourced. 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. Nevertheless, given the low volumes involved and the nature of the manufactured products purchased, it is not possible to monitor the weight, nor the origins of the wood used in all projects. The Group aims to obtain post-construction "BREEAM" final certification for projects assessed using the "BREEAM" referential; certification is in progress for a number of projects. As part of this certification process, the sourcing of wood used during construction is verified and validated.

In line with "BREEAM In-Use" certification requirements and for shopping centres being certified, the Group deploys a specific addendum regarding materials in the purchasing contracts signed with the main service providers.

3.3.6.2. Water

The materiality study pointed out that water is not a key environmental issue for Unibail-Rodamco. Indeed, the Group's portfolio is not considered as being a significant consumer of water. Moreover, its location in continental European countries means that water scarcity is not a risk, except for three shopping centres located in Spain. In 2012, with the support of the WBSCD Global Water Tool, the Group simulated its exposure to water scarcity for its entire portfolio. In 2015, the analysis was updated according to the "Mean Annual Relative Water Stress Index" and showed that 85% of the Group's assets are located in areas with no or limited water scarcity issues.

As a consequence, the Group has not maintained water in its new disclosed long-term targets. However, as part of monitoring policy of its resource use, reducing water consumption is still an operational target on sites and continues to be tracked and reported.

Based on environmental best practice, the Group is taking active steps to limit water consumption, reduce 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. Run-off water collected from car parks is treated before being disposed of through municipal networks. Closed-circuit systems are being favored to reuse water during the testing of sprinkler equipment.

At existing assets, the Group relies on a close cooperation with tenants to reduce water consumption of standing assets. "Green leases" and tenant sustainability committees are used to help raise awareness and assist with water management. At new developments and during renovations and upgrades, efficiency is a determining factor in the choice of technical equipment (toilets, urinals, taps, sprinkler systems, cooling systems, etc.). The Design Guidelines for new developments, renovation and extension projects provide clear steps on how to achieve water efficiency.

In 2016, water efficiency at managed Shopping Centres increased by 1% on a like-for-like basis compared with 2015. This accounts for a cumulative trend of -20% in litre/visit since 2012.

The variability of invoicing frequency and meter readings for billing adjustment by water suppliers, occurring mainly in France, introduces some uncertainty into the data reported.

Reused water

In 2016, the shopping centres Donau Zentrum, Centrum Cerny Most and Centrum Chodov, Stadshart Almere and La Maquinista collected 168,960 m^3 of rainwater and ground water on site, re-used for cleaning and watering of green spaces.

22 shopping centres across the Group reuse the water from the periodic regulatory sprinkler tests.

3

KPI: Water consumption (m^3) [G4-EN8]

Water purchased for common and private use (restrooms, cleaning, heating & cooling systems, sprinkler systems, watering of green spaces, etc.). Water consumption in tenants' premises is indicated as a percentage when consumption can be measured.

	Shopping Centres									Offices		Convention & Exhibition	
	Scope	Total Retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain	Scope	France	Scope	France
2014 Total	59/59	2,806,033	234,205	441,718	1,004,479	189,456	29,957	308,479	597,739	12/14	107,512	8/9	341,424
2015 Total	56/56	2,783,073	241,738	464,972	974,166	208,641	17,614	290,651	585,292	14/14	140,195	9/9	546,067
2016 Total(1)	57/58	2,870,132	255,600	474,049	919,939	261,075	20,764	288,793	649,911	13/13	121,689	9/9	414,961
of which tenants' consumptions 2016		*52*	*53*	*50*	*57*	*66*	*45*	*/*	*55*	13/13	*/*	9/9	*/*
2015 Like-for-like	51/58	2,587,944	241,738	383,722	917,280	154,793	14,469	290,651	585,292	10/13	112,246	9/9	546,067
2016 Like-for-like	51/58	2,641,941	255,600	396,057	872,848	162,852	15,880	288,793	649,911	10/13	116,012	9/9	414,961
Evolution 2016/2015 *(%)*	51/58	2%	6%	3%	-5%	5%	10%	-1%	11%	10/13	3%	9/9	-24%
CUMULATED EVOLUTION 2016/2015 *(%)*		**-19%**	**10%**	**-6%**	**-30%**	**-1%**	**-40%**	**-22%**	**-10%**		**18%**		**-36%**

(1) Polygone Riviera is excluded from total 2016 due to pending invoicing issue.

KPI: Financial impact resulting from variations in water consumption (K€) [G4-EN8]

Total cost saved thanks to the reduction of water consumption as measured by the Water Consumption indicator, estimated with an average water cost per supplier.

Definition:

- Difference in water consumption year-on-year, "like-for-like scope".
- Water consumption difference multiplied by water cost, per supplier, per asset and consolidated per region.

	Shopping Centres								
	Scope	Total Retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain
Water consumptions evolutions 2016/2015 *(m³)*	48/56	53,998	13,862	12,335	-44,432	8,059	1,411	-1,858	64,619
Costs savings 2016/2015 *(€)*	48/56	8	-15	28	-223	47	4	12	91

KPI: Intensity of water use (litre/visit/year for Shopping Centres, litre/occupant/year for Offices, litre/m² DOP/year for Convention & Exhibition centres) [G4-EN8]

Numerator: Water Consumption KPI.

Denominator: usage indicator per business activity (see Reporting Methodology, Reporting values page 77).

	Shopping Centres *(litre/visit)*									Offices *(litre/occupant)*		Convention & Exhibition *(litre/m²DOP)*	
	Scope	Total Retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain	Scope	France	Scope	France
2014 Total	57/59	4,44	6,74	5,46	3,71	3,28	0,80	6,88	5,59	12/14	6,320	8/9	11,30
2015 Total	55/56	4,27	4,78	5,66	3,71	2,99	0,48	6,76	5,52	14/14	7,216	9/9	19,10
2016 Total[(1)]	57/58	4,32	4,85	5,69	3,49	3,27	0,58	6,66	6,17	13/13	6,650	8/9	11,04
2015 Like-for-like	50/58	4,28	4,78	5,55	3,74	2,54	0,50	6,76	5,52	10/13	7,134	8/9	13,33
2016 Like-for-like	50/58	4,34	4,85	5,62	3,55	2,67	0,55	6,66	6,17	10/13	8,554	8/9	11,04
Evolution 2016/2015 *(%)*	50/58	1%	1%	1%	-5%	5%	10%	-1%	12%	10/13	20%	8/9	-17%
CUMULATED EVOLUTION 2016/2012 *(%)*		**-20%**	**-27%**	**-1%**	**-28%**	**/**	**-42%**	**-29%**	**-15%**		**14%**	**0%**	**-24%**
Past cumulated Evolution 2012/2006 *(%)*		-16%	9%	-22%	-29%	/	-35%	-1%	-14%		-14%		/

(1) Polygone Riviera is excluded from total 2016 due to pending invoicing issue. CNIT, Shopping Carré Sénart, DUX and MUX are excluded.

KPI: Water consumption per m² (litre/m²/year) [G4-EN8]

Numerator: Water Consumption KPI.

Denominator: m² (see Reporting Methodology, Reporting values page 77).

	Shopping Centres									Offices	
	Scope	Total Retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain	Scope	France
2014 Total	59/59	855	790	997	944	397	397	757	1,052	12/14	386
2015 Total	56/56	838	855	1,069	903	482	482	667	1,127	14/14	474
2016 Total[(1)]	57/58	823	858	1,093	848	415	438	669	1,152	13/13	413
2015 Like-for-like	51/58	824	965	1,064	874	320	617	667	1,127	10/13	484
2016 Like-for-like	51/58	822	975	1,090	827	339	463	669	1,152	10/13	538
Evolution 2016/2015 *(%)*	51/58	-0,2%	1%	2%	-5%	6%	-25%	0,2%	2%	10/13	11%
CUMULATED EVOLUTION 2016/2012 *(%)*		**-25%**	**-7%**	**-6%**	**-34%**	**/**	**-50%**	**-33%**	**-25%**		**27%**

(1) Polygone Riviera is excluded from total 2016 due to pending invoicing issue.

3.3.6.3. Waste

Unibail-Rodamco's waste management approach is designed to maximise recycling and minimise disposal to landfill.

In all existing assets, tenants are regularly informed and made aware of local on-site waste management policies and processes. Both supplier purchasing contracts and tenant "green leases" establish the minimum requirements to be met for waste-sorting and recycling. Suitable waste segregation facilities are in place in all assets. Unibail-Rodamco's waste management responsibilities and reporting scopes may vary by region. 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 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.

In 2016, 34% of waste was recycled and 38% recovered either by composting, methanation, or incineration with energy recovery. In total, 72% of the waste generated in the Group's managed Shopping Centres is recycled, compared to only 61% in 2012.

An increasing number of shopping centres are equipped with an advanced waste management system which consists of weighing the waste of each tenants separately in order to invoice them on the actual tonnes they generate. A better waste selection enables tenants to reduce the tons of residual waste for which the final disposal is more expensive. It offers them the opportunity to minimise their charges. This system contributes efficiently to improving the recycling rate.

The Group's development projects are built in line with in-house Design Guidelines and "BREEAM" certification, both of which require waste management plans and specific reduction/reuse/recycling targets as standard practice. The Unibail-Rodamco Considerate Construction Charter sets waste recycling targets and incentives for contractors. The Charter sets out the Group's requirements and recommendations for optimising the environmental quality of its construction sites in order to create a positive experience for the workforce, local communities, and the environment. It includes all applicable local regulations and is aligned with "BREEAM" requirements. Signing the Charter is a pre-requisite for companies signing construction contracts. It should be noted that Unibail-Rodamco works with large, reputable construction firms, which also apply their own certified construction waste management schemes.

In 2017, the Group will launch a pilot project to reinforce its waste management, demolition and dismantling policy. This pilot will make it possible to determine more accurately the waste due to demolition, in particular site preparation work on commercial spaces leased to retailers, and will contribute to an effort to recycle this waste in conjunction with the best companies available in a given geographic area. On a wider scale, future expansion, redevelopment and renovation projects will fit into a circular economy approach that aims to identify opportunities for recycling demolition waste right in the local area, in close cooperation with local stakeholders (local authorities, urban planners, industrial companies, local associations, etc.).

Offices and Convention & Exhibition business units are excluded from the scope of waste indicators. At Convention & Exhibition venues, waste is managed by exhibition planners and exhibitors rather than the Group's team. At Offices, a waste collection service, whether ensured by a private company or the local authority, is shared with other buildings and owners in order to optimise waste disposal truck routes. Consistent and separate data tracking for the Group is therefore not yet available.

KPI: Total waste (tonnes) and share of recycled waste (%) [G4-EN23]

Total waste collected on site. Recycled waste includes compost, incineration and landfill with energy recovery.

			Shopping Centres						
	Scope	Total Retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain
2014 Total	54/59	51,692	5,264	4,842	21,389	3,425	919	5,968	9,884
of which recycled waste 2014 (%)	54/59	*31%*	*42%*	*29%*	*27%*	*49%*	*32%*	*35%*	*27%*
of which valued waste 2014 (%)	54/59	*49%*	*58%*	*19%*	*63%*	*46%*	*30%*	*65%*	*23%*
2015 Total	56/56	58,388	5,561	5,144	23,256	4,261	829	6,895	12,441
of which recycled waste 2015 (%)	*52/56*	*32%*	*40%*	*20%*	*26%*	*53%*	*35%*	*37%*	*33%*
of which valued waste 2015 (%)	*52/56*	*50%*	*60%*	*28%*	*62%*	*42%*	*23%*	*63%*	*26%*
2016 Total	55/58	63,201	5,904	7,575	23,942	5,173	626	6,724	13,257
of which recycled waste 2016 (%)	*55/58*	*34%*	*42%*	*18%*	*28%*	*66%*	*63%*	*40%*	*34%*
of which valued waste 2016 (%)	*55/58*	*38%*	*58%*	*17%*	*51%*	*22%*	*37%*	*60%*	*14%*

Scope: 55 out of 58 Shopping Centres.

KPI: Split of total waste by manner of disposal route (%) [G4-EN23]

Hazardous and non-hazardous waste by disposal method.

Hazardous waste is disposed of by the waste management suppliers and treated.

		Shopping Centres						
2016	Total Retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain
TOTAL WASTE *(in tonnes)*	**63,201**	**5,904**	**7,575**	**23,942**	**5,173**	**626**	**6,724**	**13,257**
Recycling/Reuse/Compost	37%	42%	29%	31%	67%	63%	40%	34%
Incineration with Energy recovery	31%	33%	13%	39%	17%	37%	60%	14%
Incineration without Energy recovery	1%	0%	0%	0%	6%	0%	0%	3%
Landfill with Energy recovery	6%	25%	4%	9%	3%	0%	0%	0%
Landfill without Energy recovery	18%	0%	9%	20%	0%	0%	0%	45%
Managed by local authority*	5%	0%	37%	0%	0%	0%	0%	5%
Other	2%	0%	9%	0%	6%	0%	0%	0%

Scope: 55 out of 58 Shopping Centres.

* *Information on how local authorities manage the waste they collect in not available.*

KPI: Split of total waste by type (tonnes) [G4-EN23]

		Shopping Centres						
	Total Retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain
TOTAL WASTE *(in tonnes)*	**65,244**	**5,904**	**9,464**	**23,942**	**5,173**	**626**	**6,763**	**13,372**
Cardboard	15,439	1,618	1,240	5,710	1,717	296	1,671	3,186
Pallet & Wood	1,389	113	7	313	19	2	484	453
Plastic	1,179	176	64	225	121	0	54	539
Glass	989	149	39	165	108	12	117	399
Ordinary Industrial Waste/Mixed waste	35,200	1,938	6,576	14,960	1,986	314	1,081	8,344
Organic Bio Waste	4,492	1,469	161	1,747	608	0	246	261
Cooking oil	132	108	0	1	7	0	14	2
Green waste	33	0	0	19	14	0	0	0
Metals	253	35	3	79	28	0	77	32
Batteries	4	0	0	2	0	0	1	1
Electrical and electronic equipment	28	0	1	2	1	0	22	2
Bulky waste	629	36	22	381	15	0	114	61
Others	5,291	263	1,352	155	549	1	2,879	93

Scope: 58 out of 58 Shopping Centres.

3.3.6.4. Biodiversity

Unibail-Rodamco has developed a clear strategy and methodology for integrating biodiversity and ecology into its activities. The Group worked closely with a biodiversity expert to define and implement its approach to these issues and has integrated it into the Retail Design Guidelines. Unibail-Rodamco's corporate policy measures the potential biodiversity impact and the way it is addressed and managed through the "BREEAM" certification for all new development projects and is being extended to "BREEAM In-Use" for existing assets.

For all development projects involved in a "BREEAM" certification process (*i.e.* projects over 10,000 m^2), an ecologist is systematically appointed to the design team. The ecologist advises the architects and designers on the most appropriate 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 all other development projects, the site is checked to estimate its potential and ensure that all opportunities to foster biodiversity are explored. 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.

Under the supervision of the international landscape artist Jean Mus, more than 1,000 trees were planted at Polygone Riviera the first lifestyle open-air mall in France, located in the French Riviera (Cagnes-sur-Mer), which was inaugurated in October 2015. The 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 retail development in Sweden to obtain an overall "Excellent" rating (design stage). The development projects (new projects and extensions) to be delivered in 2017 have also adopted this approach.

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

In 2016 as part of the UR Link program, the Group selected the start-up "Sous les Fraises" as a way of testing urban farming solutions on its building roofs.

The "BREEAM In-Use" certification policy ensures that, biodiversity issues are well addressed and promoted to achieve high standards. Design and development teams at Unibail-Rodamco are responsible for ensuring that "BREEAM" biodiversity impact assessments are commissioned and that the biodiversity expert's recommendations are implemented (*e.g.* choice of plant species). Once the 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 Corporate Sustainability team monitors the application of the Group's biodiversity policy and is there to provide additional support to operating teams if necessary.

3.3.7. Health & safety and environmental risks and pollution

With a standing portfolio of over 4.64 million consolidated m^2 GLA, welcoming hundreds of millions of visitors each year and with a development pipeline of over 1.6 million m^2 of additional GLA, Unibail-Rodamco is fully aware and mobilised regarding the health and safety of its employees, customers, tenants, suppliers, contractors and local communities. The Group's main concern is to prevent potential risks to people and the environment. The Group complies of course with all applicable health and safety legislation and often exceeds minimum standards required by laws to ensure a higher standard of health and safety in its assets. On-site teams are trained in first aid techniques and maintain close relationships with local emergency services (fire brigade, paramedics and police). Defibrillators made available for security staff have been installed in all Shopping Centres across Europe.

The Group has drawn up an extensive, comprehensive in-house risk management policy to ensure that risks are mitigated and managed. The risk management process also provides a framework for responding to exceptional risks and crises. Unibail-Rodamco's due diligence process for acquisition includes a complete audit of technical, regulatory, environmental, and health and safety procedures and risks, including soil pollution and climate change.

As an example, in line with the Group's Health & Safety policy, the Group aims to replace evaporative cooling towers by "dry systems" allowing the eradication of the legionella risk on concerned sites. As at December 31, 2016, 19 managed shopping centres are equipped with evaporative cooling towers under the Group's responsibility.

In 2016, Unibail-Rodamco continued to perform Health & Safety audits conducted by an independent third party for all managed assets in each country where the Group operates. An auditor visits each asset undergoing an annual assessment of health and safety risks so as to ensure compliance with applicable regulations and the Group's policies. In addition to delivering a rating and an assessment report for each asset, a customised action plan is implemented to continuously improve the quality of the risk management for each managed asset. The main subjects covered by this risk management process are air quality, water quality, asbestos, ground water and air pollution, legionella, electromagnetic radiation, IPPC[1] installations, technical equipment such as elevators and escalators, and fire prevention. Monitoring is conducted by on-site teams and checked every year by external auditors.

This in-house Health & Safety management system enables the Group to monitor and assess the risk performance on a day-to-day basis, and maintains a high level of Health & Safety culture embedded within operating and shopping centre management teams. In 2016, 78% of audited sites (Shopping Centres, Offices, Convention & Exhibition) improved or maintained their annual score compared with 2015 and 75% obtained an "A" level (best rating). Only 3 sites out of 72 obtained a "C" rating. No D rating has been delivered for the last four years.

Health & Safety audits are rated from A to D, meaning:

A. Good overall management and monitoring of the H&S risks;

B. H&S approach is generally monitored, indicators of risk monitoring are satisfactory over the past year, however improvements are still needed to sustain the process;

C. Good management with the exception of some issues;

D. H&S management is insufficient and corrective actions are required before a new audit.

For new developments, the Group complies with all applicable regulation regarding health, safety and environmental matters. An Environmental Impact Assessment (EIA) is carried out at the earliest stage, a soil remediation is performed when necessary, and the Group ensures that the Health & Safety plan and rules are applied by contractors during the construction phase.

There is no provision for environmental risk in the Group's accounting in 2016.

(1) *European Directive for Integrated Pollution Prevention and Control.*

KPI: Annual risk management assessment [G4-PR1]

Total number of owned and managed assets that have carried out an annual risk assessment conducted by a third party and the coverage it represents regarding the total Group owned and managed portfolio.

	Shopping Centres								Offices	Convention & Exhibition
2016	Total Retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain	France	France
Total number of managed assets	59	2	6	18	9	4	8	12	9	7
Number of assets audited(1)	58	2	6	18	9	4	7	12	7	7
ASSESSMENT COVERAGE *(%)*	**98%**	**100%**	**100%**	**100%**	**100%**	**100%**	**88%**	**100%**	**78%**	**100%**
% of audited sites in improvement or stable regarding 2014	93%	100%	100%	88%	100%	75%	86%	100%	100%	100%
% of audited sites obtaining a A or B annual score	93%	100%	100%	94%	100%	50%	100%	100%	100%	100%

(1) Non-audited sites in 2016: Eurostop Örebro (disposal), Issy Guynemer (large works) and So Ouest Plaza (recent operation).

KPI: Soil pollution and site remediation [G4-EN27]

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

	2016
Monetary expenses in depollution *(€)*	306,000
Volumes concerned *(m³)*	5,024

KPI: Fines for environmental breaches [G4-EN29]

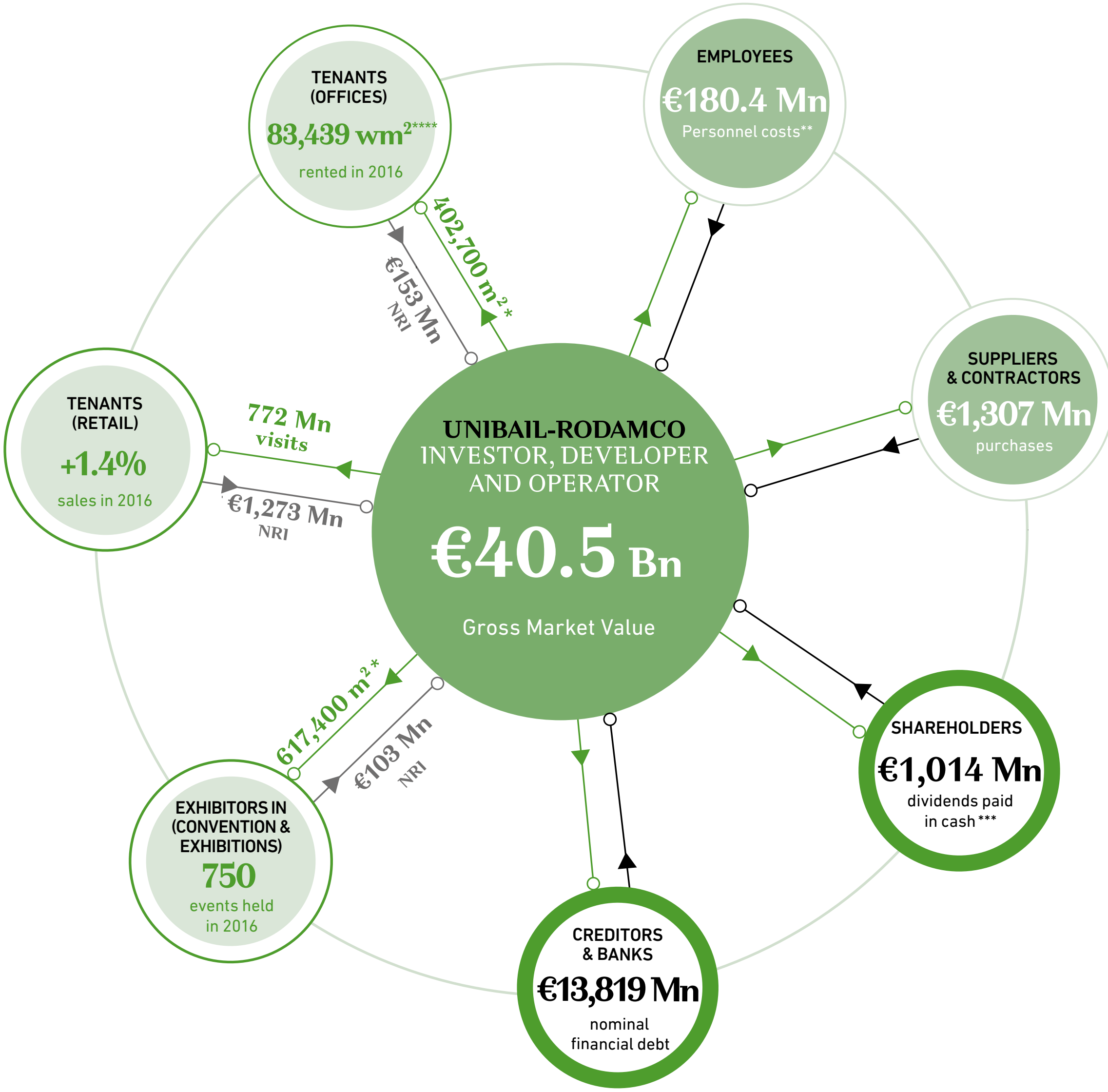
Annual monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.

	2014	2015	2016
Monetary value of significant fines *(€)*	1,341	3,720	2,012
Total number of non-monetary sanctions	0	6	10

3.4. Stakeholders

The Group's economic success is based on the strength of its relationships with stakeholders: tenants, customers, investors, local communities, suppliers and contractors, and employees. The need to develop and operate assets that meet stakeholders' expectations in terms of shopping experience, financial return and environmental performance is core to the Group's strategy. These areas are embedded in the Group's operating structure and product development process. They are regularly discussed at Supervisory Board and Management Board level, and are subject to careful analysis and monitoring. Relevant tools have been developed to identify and respond to the expectations of each stakeholder community and communicate this information to all teams, including on-site.

DRIVING VALUE FOR STAKEHOLDERS



Figures based on 2016 fiscal year.

* *Total space according to consolidation.*

** *Refer to personnel costs (page 215).*

*** *Subject to the approval of the Annual General Meeting.*

**** *Weighted Square meters.*

3.4.1. Communities and local authorities

With a €8 Bn prime quality development pipeline, and a total portfolio valued at €40.5 Bn as at December 31, 2016, Unibail-Rodamco as a leader in the real estate market plays an important social and economic role for local communities where the Group operates. The Group's activities generate economic and social growth through employees' salaries, payments to suppliers, infrastructure investments, taxes paid and social initiatives implemented by the Group. It contributes directly and indirectly to job creation and urban renewal and also more globally to the European economy in the countries where the Group operates.

Unibail-Rodamco's key roles in the local economy are as:

- an economic driver: direct employment through construction and operational spending, indirect employment by tenants' sales and activities, suppliers' activities, local taxes;
- a social integrator: services offered to visitors, charities, employment promotion initiatives, partnerships with local communities, places for a unique experience (events, entertainment, shopping, etc.);
- an urban planner: high connectivity, iconic architecture, brownfield requalification, provision of public facilities.

In order to ensure that neighbouring communities fully benefit from its investments, developments and operations and that their expectations are met, the Group works to build and maintain strong relationships with the territory's stakeholders (local residents, public authorities and associations). Extensive public consultations are held for all development and extension projects.

In 2016, the Group strengthened its commitment to job opportunities for young people by launching the "UR for Jobs" initiative. This program is based on strong partnerships with all stakeholders who contribute to the local development: elected officials and public bodies, the business world and the not-for-profit sector. Three pilot programs were launched at the Group's centres: Almere, Parquesur and Rosny 2. The objective of these pilots was to bring young jobseekers in contact with job opportunities provided by retailers and services providers within the Group's Shopping Centres. Various levers of employment were tested: a skills match platform was launched in Spain, a network bringing together various local stakeholders was created to help with recruitment in the Netherlands, and a training module was designed in France. In total, 126 Group employees were involved in running the program and in supporting and coaching young people. In 2016, "UR for Jobs" coached 137 young people and helped 35 people to be recruited and given fixed-term contracts of over six months or to be trained in order to gain a qualification degree.

In 2017, "UR for Jobs" will be deployed at 15 shopping centres with the objective of providing a job for 225 young people in 2017. The Group aims to support the recrutement of 1,000 young people per year by 2020 for the retailers and service providers in all shopping centres welcoming 6 million or more visits per year.

Many shopping centres managed by the Group are already organising events and launching awareness-raising campaigns to promote environmentally friendly behaviour on the part of visitors and to inform people about the Group's environmental commitments and achievements. As part of the commitments of the "Better Places 2030" program, 13 of the Group's shopping centres will organise in 2017 an event in partnership with an NGO or local association themed around youth issues.

The Group's Shopping Centres provide opportunities to socialise, relax and be entertained as well as an extensive, high-quality retail offering. In addition to their commercial leisure services (from pony clubs to cinemas), all assets regularly organise free events, such as fashion shows, concerts and programs for children. Shopping centre managers are committed to developing as many local cultural, charitable and environmental initiatives as possible with local or international associations.

Unibail-Rodamco works hard to ensure its assets are welcoming and accessible to all members of the community. Special provisions are made for customers with disabilities, as well as for elderly customers and families. In France, for example, the Group is building a close partnership with UNAPEI, a NGO dedicated to people with mental disabilities. In 2016, shopping centres staff working with the public (retail employees, security staff, cleaning contractors, etc.) received a special training program to welcome customers with mental disabilities in order to accommodate their special needs. These shopping centres display the "S3A" label as a permanent sign of their commitment to the 700,000 people and their families who are affected in France by mental disability.

3.4.1.1. Economic impact

In 2013, the Group decided to consult an independent external advisor, Beyond Financials, to perform a review of the economic contribution of its French-owned and managed Shopping Centres to the French economy, both directly through shopping centre operations and indirectly through tenants' business activities. The aim of the study was to design a comprehensive methodology to assess the economic impact generated locally (in the immediate vicinity and the local region) and at national level. The study estimated the total amount of salaries paid related to shopping centre activities, the number of jobs created within the area and the taxes paid through the activities of the shopping centres.

In 2014, the Group decided to update the 2013 French economic footprint by taking into account the 2014 disposal provisions (12 shopping centres); and extend the economic footprint assessment to Spanish and Swedish regions. The study is based on the 2013 fiscal year for France and the 2014 fiscal year for Spain and Sweden. It only focuses on the operation of shopping centres (previous construction phases have been excluded from the study).

The study takes into account the following financial flows: Unibail-Rodamco employees' salaries, the salaries of the tenants' employees, the salaries of suppliers' staff working on site, the shopping centre suppliers' salaries, the tax revenue generated locally by the shopping centres and potential local spending of shopping centres' employees.

All impacts are gross rather than net terms, meaning that the results are expressed in terms of created or maintained jobs excluding "non-additional" effects and that some jobs would have existed even in the absence of a shopping centre in the area.

In 2015, the previous studies were extended to the 21 shopping centres not measured yet with the aim of evaluating the total number of jobs hosted across the entire managed shopping centres portfolio. This mission focuses on the hosted jobs, including Unibail-Rodamco's employees, tenants' employees, and suppliers working on site, considered as full-time employees.

In 2016 an economic impact study was carried out at the Mall of Scandinavia (MoS) shopping centre and the results of this study have been included in the 2016 data published in the present report. The impact study was updated in 2016 by including the following sites:

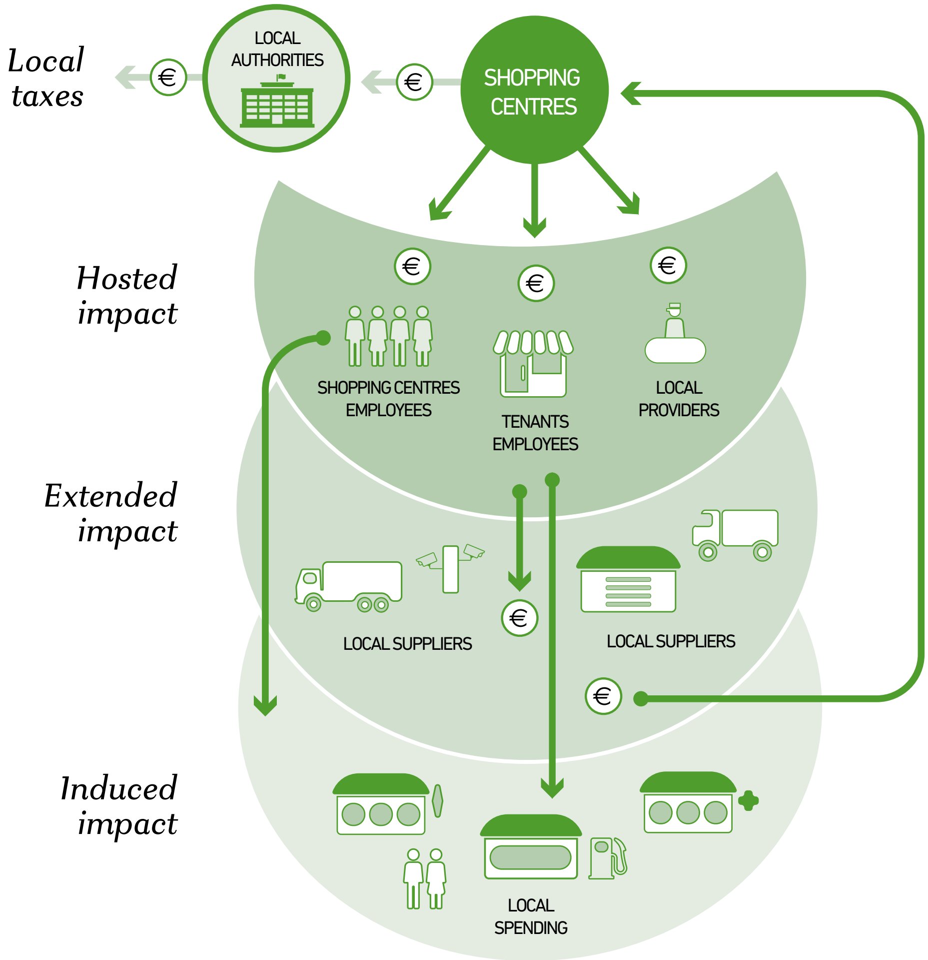
- Mall of Scandinavia;
- Polygone Riviera;
- CentrO.

Definition

Unibail-Rodamco's local economic footprint has been assessed as follows:

- hosted impact: the hosted impact analysis measures the economic flows to employees (salaried staff) working at the shopping centre (the management staff at the Unibail-Rodamco Shopping Centres, tenants and on-site suppliers' staff);
- extended impact: the extended impact analysis measures the economic flows generated by the shopping centre (Unibail-Rodamco and tenants) through purchases from their different suppliers (contracts converted into salaries; rank 1 suppliers only, not the entire supply chain, including goods and services) and the tenants' suppliers (jobs converted into salaries; generic services: security, cleaning and maintenance (not products for sale through the outlets) and Unibail-Rodamco's purchases as part of the shopping centre's daily operations;
- induced impact: the induced impact analysis estimates the potential local spending of all employees working within the shopping centre (Unibail-Rodamco shopping centre's management staff, tenants' staff and suppliers' staff);
- taxes: landlords' and tenants' local taxes paid to local authorities:
  - for the landlord: Land tax, Waste tax, Added-Value tax (Corporate tax), Office tax,
  - for the tenant: Commercial tax, Added-Value tax (Corporate tax).

3.4.1.2. The Group's local economic footprint



Methodology

- Overall economic impact at national level has been assessed using a bottom-up approach: the results of empirical shopping centre economic studies[1] for each region (local method) have been used to estimate the national economic impact of Unibail-Rodamco's Shopping Centre activities based on available data (accounting, surfaces, tenants, taxes).
- Extension to the total managed Shopping Centres portfolio: the 2016 and 2015's extrapolation applies 2014's ratios to evaluate hosted jobs for the others shopping centres.

Scope

2015: 57 shopping centres

- France: 18 managed shopping centres;
- Spain: 12 managed shopping centres;
- Sweden: 6 managed shopping centres;
- Austria, the Czech Republic, Germany, Poland, Slovakia, the Netherlands, Denmark: 21 managed shopping centres.

The economic footprint assessment performed in 2015 covers 71% of existing portfolio of shopping centres in value (consolidated gross market value as at December 31, 2015).

(1) *Economic impact of shopping centre Carré Sénart in 2013, So Ouest, Aéroville, Confluence, Taby and Maquinista in 2014.*

2016: 60 shopping centres

- France: 19 owned and managed shopping centres (including Polygone Riviera);
- Spain: 12 owned and managed shopping centres;
- Sweden: 7 owned and managed shopping centres (including Mall of Scandinavia);
- Austria, the Czech Republic, Denmark, Germany (including Centro), Poland, Slovakia, the Netherlands: 22 owned and managed shopping centres.

The economic impact study conducted in 2016 covers 95% of existing portfolio of Shopping Centres in value (consolidated gross market value as at December 31, 2016).

Results

Results are based on an analysis performed by Beyond Financials. Beyond Financials estimated employment, salaries and occupiers' tax contribution figures using modelling techniques, data provided by Unibail-Rodamco and assessment methods and simulation based upon the National statistical database. Unibail-Rodamco's total tax contribution was based on data provided by the Group.

2015

	Total Group hosted jobs (FTE)	Spain(1)	Sweden(1)	France(1)	Others (Austria, the Czech Republic, Germany, Poland, Slovakia, the Netherlands, Denmark)(2)
Unibail-Rodamco employees (FTE)	305	41	17	88	159
Tenants' employees (FTE)	57,387	9,899	3,305	21,106	23,078
Suppliers' employees	2,155	201	54	1,185	716
Total Hosted Jobs (FTE)	59,848	10,141	3,376	22,379	23,952

(1) 2014 Study.
(2) Extrapolation conducted in 2015 to the entire Group portfolio.

2016

	Total Group hosted jobs (FTE)	Spain(1)	Sweden(1)	France(1)(2)	Others (Austria, the Czech Republic, Germany, Poland, Slovakia, the Netherlands, Denmark)(2)
Unibail-Rodamco employees (FTE)	341	41	24	97	179
Tenants' employees (FTE)	62,594	9,899	4,944	22,140	25,611
Suppliers' employees	2,326	201	105	1,267	754
Total Hosted Jobs (FTE)	65,262	10,141	5,073	23,504	26,544

(1) From 2014 study, completed in 2016 with the economic footprint of Mall of Scandinavia.
(2) Extrapolation conducted in 2015 to the entire managed Group portfolio and extended in 2016 to Polygone Riviera and Centro

Conclusion

The analysis of Unibail-Rodamco's economic footprint confirms the significant economic contribution of the Group and its stakeholders (tenants, suppliers and local authorities) in the economy of each region both at local and national levels.

The survey has also allowed the Group to establish a transparent method to assess in detail the economic impact of its Shopping Centre operations, which helps the Group to address the material issues identified for the Company:

- supply chain: enhanced capability to assess more precisely the economic and social value of the Group's supply chain;
- operating license and local authorities: evaluate the current and future economic impact of development projects.

3.4.2. Tax authorities and taxation

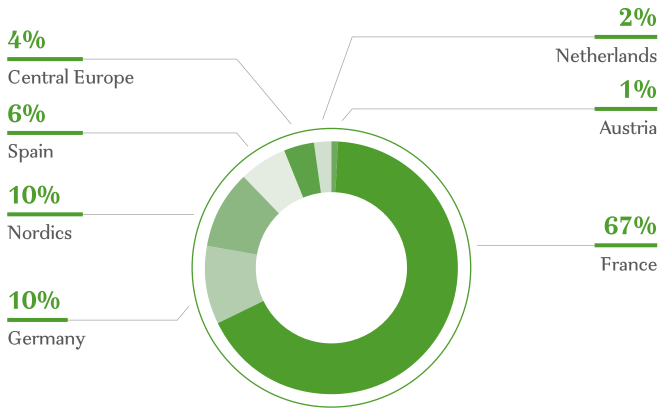
Unibail-Rodamco is a publicly traded company dedicated to investing in commercial real estate across Europe. Many countries in Europe have adopted laws on local tax transparency to encourage long-term investment in real estate. These regimes subject the Group to distribution obligations[(1)]. The Group distributed 93% of its 2015 recurring earning per share as a dividend in 2016. Based on these tax transparency regimes, the profits made are taxed at the shareholder level directly, instead of at the level of the Group. Unibail-Rodamco promotes the concept of a European 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 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 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)].

The Group's tax position mirrors the location of its investments across Europe. Considering its €40.5Bn portfolio and the fact that holding real estate assets triggers an obligation to pay property taxes, Unibail-Rodamco 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 and contribute significant amounts in taxes and social charges.

In 2016, Unibail-Rodamco paid €160 Mn of local taxes and social contributions.



Furthermore, the €963 Mn dividend payment made by Unibail-Rodamco in 2016 gave rise to an immediate payment of withholding tax, the cost of which is borne by shareholders, with an estimated amount of €120 Mn paid to French tax authorities.

The business strategy of Unibail-Rodamco consists in creating value with its real estate portfolio over the long term. On average, the Group has invested €1.3 Bn per year over the last 10 years in capital expenditure. 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 2016, the Group operated in 11 different countries in continental Europe. The Group does not use investment routes through non-cooperative[(3)] countries or territories. As a matter of principle, Unibail-Rodamco 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 Chief Executive Officer and the Chief Financial Officer, the Group's auditors, the Group's Audit Committee and Supervisory Board. Unibail-Rodamco complies with tax transparency regulations such as the United States FATCA (Foreign Account Tax Compliance Act) and CSR (Common Reporting Standard) and is preparing the filing of its first fiscal Country-By-Country-Report in 2017.

(1) *Refer to Note 8 to the consolidated financial information, section 8.1.3, page 211, for an overview on these regimes.*
(2) *Refer to Note 8 to the consolidated financial information, section 8.2, page 212, for the Group's income tax expense.*
(3) *Non-cooperative countries or territories are usually defined as countries or territories refusing to adhere to international tax good governance standards.*

3.4.3. Visitors & customers

The quality of the customer experience is central to the economic sustainability of Unibail-Rodamco's business as it attracts visitors and encourages loyalty. Innovation in this area results from the hard work of the Group's different teams and the diversity of their skills as well as their ability to work together towards a common goal, continuously striving for a better, and more distinctive customer experience. The variety of the Group's skills can be seen in its outstanding architecture and design (development), a distinctive tenant mix (leasing), the focus on comfort and safety (property management), roll-out of great events and innovative customers relationship management (marketing), an excellent welcome attitude and quality services to our visitors and customers (on-site teams).

The Group continuously improves its customer service strategy for retail assets, known as the Welcome Attitude. In 2012, the Group launched the "4 Star label" initiative to increase customer experience and ensure consistency of quality and services within the Group's managed centres. It is intended to provide customers with a unique shopping experience through a welcoming atmosphere, quality management and a set of "hotel-like" services: reception desk, valet parking, personal shopper, free Wi-Fi, free newspapers, etc. This label is based on a 684-point referential and an external audit conducted by the world leader in certification, SGS. At the end of 2016, 26 shopping centres complied with the "4 Star label". In 2016, Hofe am Brühl was added to the list, following a comprehensive quality audit performed by SGS. The new target is to audit successfully at least 31 managed shopping centres according to the "4 Star label" by the end of 2017, of which 25 will be new labels and 26 will be renewals.

To ensure customer satisfaction, improve their shopping experience and increase the lenght of their customer journey, the Group is introducing new offers and destinations in its centres, such as the Dining Experience™ or Designer Gallery™ concepts, and is investing in services such as rest areas and smart Traffic Management Systems (parking which guides cars in real-time towards free slots allowing time and fuel savings). By organising distinctive events across its shopping centres through exclusive partnerships, the Group is also able to enhance the attractiveness of these assets for visitors.

In addition, the promotion of loyalty cards, a booming "digital marketing" approach based on Facebook recruitment, smartphone apps and websites for individual shopping centres, contribute to the Group's permanent interactive dialogue with its customers and aims at enhancing in-store shopping. The Group is constantly consolidating its large and growing digital audience. As at December 2016, now that the German portfolio has been integrated, smartphone application downloads increased by 20% (to 4.2 M), website visits grew by 15% (to 51.9 M visits) and on Facebook, the Group's shopping centres now have 6.4 M fans (+23% compared to the same period in 2015). Lastly, the number of loyalty cardholders rose by 41% to 2.4 M.

To continuously improve the quality of service to its customers and measure progress in this area, the Group conducts annual customer satisfaction surveys and two internal quality audits per year for each of its shopping centres. Customer satisfaction surveys were conducted in 65 assets in 2016 with 29,700 interviews; the average score across the Group was 8.0/10. Internal quality audits were used to assess 224 services and comfort criteria for each centre, with 94/100 as the average score across the Group. These audits help to ensure that the Group's assets maintain their prime position on the market.

KPI: CUSTOMER SATISFACTION

	2014	2015	2016
Average score in internal quality audit	93/100	92/100	94/100

Finally, the critical risk of terrorist attacks faced by several European countries has prompted the Group to develop a resolute, responsible policy for providing protection and preventing the risk of attacks, with the chief aim of reassuring 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. Such plans help maintain the appeal of shopping centres for their customers.

3.4.4. Tenants & retailers

Strong, mutually beneficial relationships with tenants are crucial to the Group's long-term success and sustainability. Unibail-Rodamco devotes considerable energy to attracting premium retailers and supporting their national and international expansion *via* its extensive network of well-located, prime shopping centres. The prime and relevant tenant mix offer is a key driver for attractiveness, differentiation from competitors, and therefore customer retention for the Group. With a strong focus on differentiating and exclusive retail concepts, generating traffic and customer preference, 196 leases were signed with international premium retailers in 2016. "Retailer open house" events are regularly held in different regions to present the Group's portfolio of existing assets and new developments to current and potential tenants. The Group is also committed to leasing space and providing support to entrepreneurs and smaller national and local retailers.

To strengthen the dialogue with tenants, the Group 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. In 2016, 5,989 tenants responded to the Group's satisfaction survey which represents a global response rate of 67%.

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

Since 2010, ahead of all existing regulations, all new leases and renewals signed with retail and office tenants have been containing environmental clauses. These "green leases" cover the issues that are most relevant to improving environmental awareness and performance among tenants, such as the sharing of energy consumption data, technical specifications for fitting -out projects (especially maximum power for private lighting), and measures to save energy, water and the waste recycling. 1,755 of these "green leases" were signed in 2016 for the existing or development portfolio as well as for the Retail and Office portfolio. As of the end of 2016, 77% of the Group's active leases include "green lease" clauses. Unibail-Rodamco should reach in 2018 the ambitious target set of 90% of contracts with "green lease" clauses for the total active Retail and Office portfolio.

As part of the "Better Places 2030" commitments, the environmental appendix on leases will be strengthened in 2017 to reflect the Group's new ambitions in terms of environmental performance and contributions to the community. These include in particular the obligation to install LED lighting solutions in any new private tenant space from 2020 onwards and to sign a supply contract guaranteeing that electricity is procured from renewable sources, again from 2020, as well as voluntary participation in the "UR for Jobs" program as soon as it is introduced in a shopping centre.

Finally, Unibail-Rodamco builds upon technology and digital resources as a means of working with the community of staff and of retailers at each of its centres. A smartphone application called Connect, which was tested at three shopping centres in Spain in 2016, is currently being rapidly deployed at all the Group's centres. It will be introduced in 27 additional shopping centres in 2017. The objectives of this roll-out are to facilitate communication and interaction between the centre management team and the retailers, to encourage employment by communicating in real time job offers from the retailers and service providers in the centre, and lastly to strengthen the sense of a community of employees working at the same site by improving the quality of life and the services provided to customers.

MPI: "GREEN LEASES"

	2014	2015	2016
Number of "green leases" signed	1.982	1.664	1.755
Share of "green leases" signed among office/ retail leases (including renewals)	92%	92%	91%
Share of "green leases" within Group's total active leases (cumulated)	62%	72%	77%

3

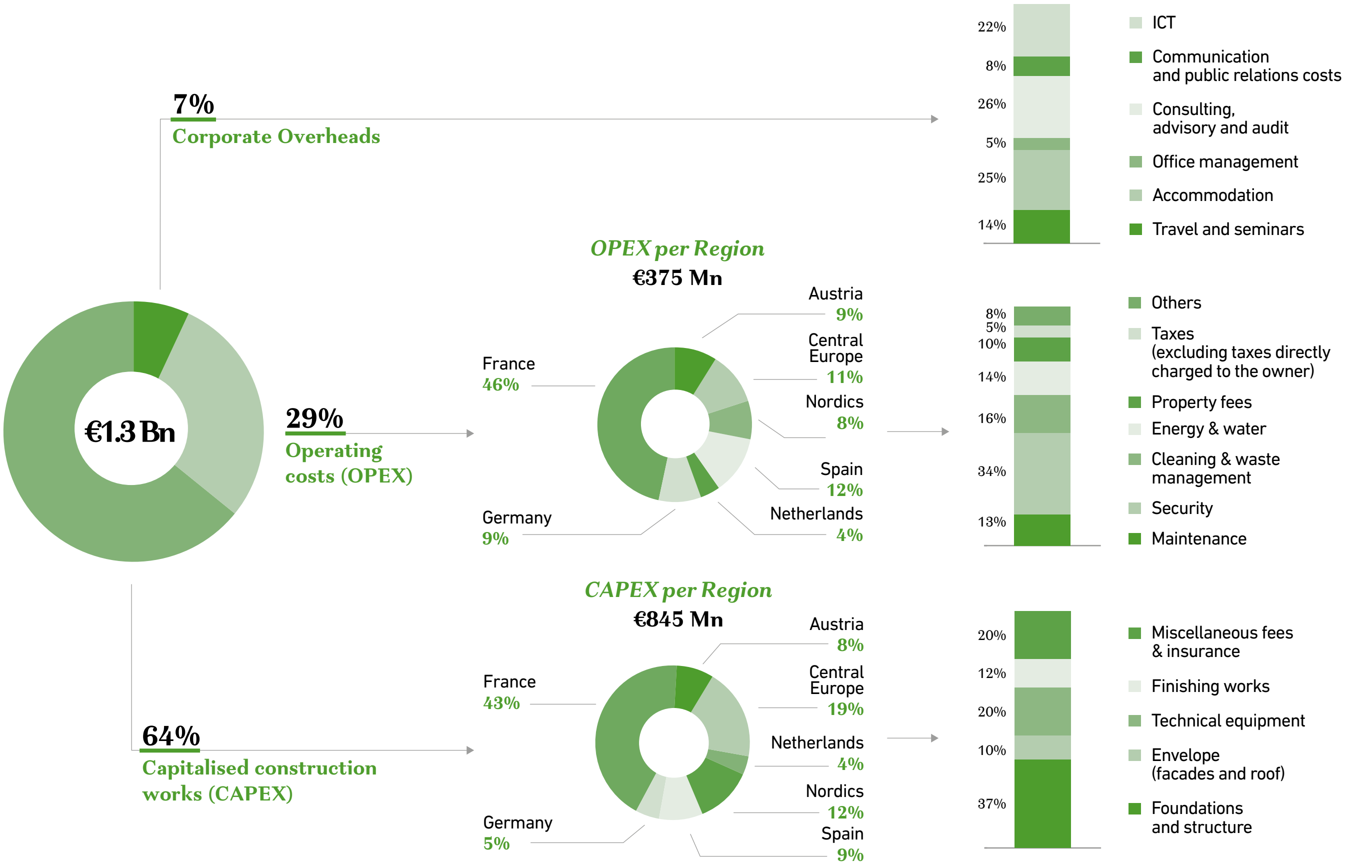
3.4.5. Suppliers and contractors: Supply Chain Management

With a procurement volume of €1.3 Bn for the entire Group in 2016, Unibail-Rodamco plays a substantial buyer role at the European market level. Given the size of its portfolio, the varied nature of procurements and the diverse locations of its properties, Unibail-Rodamco works with a large number of suppliers and contractors, most of them being local companies or subsidiaries that support the local economy where the Group operates.

Purchasing Mapping

Purchases at Unibail-Rodamco can be split into three categories:

- corporate overheads, including office management, business travel and seminars, accommodation, consultancy and audit fees, corporate communication and public relations costs, ICT – for the entire Group's 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.



Overheads being a small part of the overall expenses, purchases are mainly made up of OPEX and CAPEX for the operation and development of properties. Therefore, 93% of the purchases are services on assets provided by the local workforce. These expenses are locally labour-intensive and to that extent are purchases that cannot be relocated.

Capitalised construction works are non-recurring expenses depending on development activity. The Group also measures the breakdown of its construction costs (CAPEX) using the following five components: foundations and structure, envelope (facades and roof), technical equipment, finishing works for decoration, and fees related to the project. This confirms that the largest share of purchases relates to labour-intensive works.

In total, purchases are split between a very large number of suppliers ensuring the Group is not exposed to the risk of depending on only a few main strategic suppliers. 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.

Procurement Policy

The procurement strategy of the Group is designed to comply with the following rules: fairness, focus on quality, long-term partnerships, reduced risk and the respect for both applicable regulations and the trust given to Unibail-Rodamco through property management contracts which aim to be transparent and cost-efficient.

In 2014, the Group voluntarily signed the "Responsible Procurement Charter" in France, which is 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.

Unibail-Rodamco chooses its contractors with great care and ensures they comply with the Group's procurement policy. This is why the Group has started implementing since 2010 a Group-wide Purchasing Procedure in order to guarantee an optimised price for the best level of service, to encourage equal treatment among providers/suppliers (transparency), to protect owners' interests, and to respect the approved budget per property. The tender process and the use of standard contracts ensure fairness. General Purchasing Conditions apply for all the countries in which the Group operates and also includes social and environmental requirements.

In addition to the principles and rules detailed in this procedure, all purchases must respect the Group's Compliance Book, the applicable country laws and regulations, especially labour laws, and the use of standard contracts, in particular in terms of sustainability clauses. The Group-wide purchasing policy and processes in place enable a better identification of supply chain risks. Each purchasing step is duly documented for traceability. Internal compliance rules state 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. In the event of a complaint against the Group, the supplier can contact the Group's Compliance Officer to discuss and resolve the issue. Unibail-Rodamco's Corporate Internal Audit carries out regular audits across the Group to validate the thorough application of the Group's procurement policy and Compliance Book.

A solution for online management of procurement will be introduced in 2017. The use of this purchasing platform, which fully integrates service providers and suppliers, will make Group procedures more robust and also facilitate new and direct collaboration between all stakeholders. The transparency required for all purchasing decisions will also be improved and the sharing of best practices and risks mitigations will be facilitated. The solution will also generate productivity gains in administrative management for the whole purchasing cycle.

Responsible supply chain

The CSR approach is fully integrated at each step of the procurement process and for all procurement staff (project managers for construction works, and on-site technical managers), who have been trained to respect the Group's rules and purchasing procedures. When referencing a new supplier, a detailed list of information is required, which includes the main environmental and social policies that they identify as a priority. CSR issues are part of the selection criteria, both for tenders and for appointments.

To encourage existing suppliers and contractors to adopt sustainable operating practices and use environmentally sustainable materials, Unibail-Rodamco communicates with key suppliers about its environmental and social targets and asks them to share their CSR policies and practices. Service providers in existing assets, primarily cleaning, facilities management and security providers, are also asked to sign a contract addendum. The addendum covers a range of issues, including energy efficiency, waste, use of environmentally sound products and materials, and social and ethical behaviour, notably an engagement to comply with International Labour Organization (ILO) conventions and local labour laws and regulations.

Initiatives are also in place 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.

Measuring performance:

- in 2016, an annual supplier assessment was performed for 318 contracts on key services (multi-technical, health and safety, mechanical transport, cleaning, and waste management) in 76 Shopping Centres, Offices and Convention & Exhibition venues for a total contractual purchased amount of €147 Mn;
- in 2016, as part of the Group's "4 Star" criteria, Unibail-Rodamco continued to deliver trainings in "customer-service" skills to supplier staff involved in the roles of security and cleaning across all shopping centre's labelled "4 Star". In France, maintenance suppliers are trained in the Group's Environmental and Health & Safety processes, free of charge.

KPI: ASSESSMENT OF SERVICE PROVIDERS [G4-HR1-SO9]

Assessment of compliance with environmental rules, modes of management and quality of service associated with contracts for maintenance services covering a range of techniques, security, mechanical transportation, cleaning and waste management.

	2014	2015	2016
Total number of contracts in force in the area managed*	347	311	324
Number of contracts assessed	315	293	318
COVERAGE OF THE ASSESSMENT *(%)*	**91%**	**94%**	**98%**
Value of contract, equals expenditures measured *(€)*	128,067,611	117,939,265	147,036,033

* *Contracts for maintenance services covering a range of techniques, security, mechanical transportation, cleaning and waste management at 76 managed assets (Shopping Centres, Offices, Conventions & Exhibition).*

3.4.6. Professional organisations

As the leading European listed commercial real estate company, Unibail-Rodamco has the responsibility to encourage the industry as a whole to adopt more sustainable operating practices.

Within the European Public Real Estate Association (EPRA), Unibail-Rodamco has made a significant contribution to the definition of consistent, shared KPIs for the industry. The indicators reported in this 2016 Annual and Sustainable Development Report complies with the 2nd edition of the Best Practice Recommendations on sustainability reporting (sBPR), published by EPRA in September 2014 (see pages 147-150). Christophe Cuvillier, Chairman of the Management Board has chaired the EPRA since September 2016. The Group is an active member in the EU Public Affairs Committee (EPAC) and the sustainability group of the International Council of Shopping Centres (ICSC). In France, the Group chairs the Sustainability Committee of the French Council of Shopping Centres (CNCC) and is a member of the Sustainability Committee of the Property Real Estate Association (FSIF).

3.4.7. Investor and shareholder transparency

3.4.7.1. Investor Relations

Unibail-Rodamco is listed on a number of famous SRI indexes (see pages 120-121 for details). The Group shares its CSR strategy and achievements with investors in dedicated sessions. In 2016, the Board Members and the team in charge of investor relations met 57.4% of its shareholders in 352 meetings, events and site visits. 18 investors were met specifically on the subject of sustainable development, representing 6.7% of shares outstanding. These meetings also enable Unibail-Rodamco to learn more about the vision of sustainability in the real estate sector on the part of mainstream and SRI investors and to improve its yearly ratings in the different SRI indexes.

The CSR policy and vision for sustainable development is regularly communicated to corporate and SRI investors in the Group (annual results, periodic publications and newsletters).

The aim of the UN Global Compact is to promote ethical practices and basic moral values in business enterprises. As a signatory to the Compact since 2004, Unibail-Rodamco is committed to adopting, promoting and applying within its scope the ten fundamental values relating to human rights, labour laws, environmental protection and anti-corruption.

3.4.7.2. ESG (Environmental, Social and Governance) ratings and awards

ESG Profiles: the Group's ESG Profiles have been updated by the following agencies:

- Oekom research AG is one of the world's leading rating agencies and provides the crucial head start in the segment of sustainable investments. In 2016 (as at January 13 2017), the Group was ranked 3rd out of 226 real estate companies rated by Oekom research. It achieved a C+ (Prime status);
- Sustainalytics is a global leader in sustainability research and analysis, serving investors and financial institutions around the world. The Group was ranked 3rd out of 283 companies and named "industry leader" at the end of 2016;
- Vigeo is a European expert in the assessment of companies and organisations with regard to their practices and performance on environmental, social and governance ("ESG") issues. In 2016, the Group was ranked 3rd out of 33 companies within the financial services – real estate sector.

ESG Indexes: in 2016, Unibail-Rodamco's ESG accomplishments were recognised by its continued inclusion in a number of prestigious SRI (Socially Responsible Investment) indexes:

- FTSE4Good (since 2005): the FTSE4Good Index series is made up of companies that meet globally recognised corporate responsibility standards. In 2016, Unibail-Rodamco was confirmed as a member of the FTSE4Good Index series;
- Euronext Vigeo indices (since 2013): Vigeo's indices are composed of the highest-ranking listed companies as evaluated by the agency in terms of their performance in corporate responsibility. In 2016, the Group was confirmed in the Euronext Vigeo World 120, Euronext Vigeo Eurozone 120 and Euronext Vigeo France 20;
- Ethibel Sustainability Index (Excellence since 2011, Pioneer since 2013): the ESI Excellence Europe includes companies that show a better than average performance in terms of corporate sustainability and responsibility in their respective sector. Unibail-Rodamco has been reconfirmed as a member of the Ethibel Sustainability Index (ESI) Excellence Europe and the Ethibel Sustainability Index (ESI) Excellence Global since March 23, 2015;
- STOXX® Global ESG Leaders Index (since 2011): the STOXX Global ESG Leaders index is composed of the leading global companies in terms of environmental, social and governance (ESG) criteria. Unibail-Rodamco is included in all STOXX ESG Leaders indexes and also in three specific sub-indexes STOXX ESG Social Leaders, Governance Leaders and Leaders. In 2016, Unibail-Rodamco remained a member of the STOXX® Global ESG Leaders indices for the fifth consecutive year and was named sector leader;
- ECPI Index (since 2007): ECPI is a leading rating and index company dedicated to ESG Research (Environmental, Social and Governance). Unibail-Rodamco has been confirmed for inclusion in the following ECPI® Indices: ECPI Ethical EMU Equity, ECPI Global Eco Real Estate and Building Equity and ECPI Global Megatrend Equity;

- Dow Jones Sustainability (DJSI): since the Group had not responded since 2015, it was excluded from the World and Europe indexes in September 2016.

ESG benchmarks: the Group's sustainability commitment has been recognised through different benchmarks:

- Global Real Estate Sustainability Benchmark (GRESB) is an industry-driven organisation committed to assessing the sustainability performance of real estate portfolios (public, private and direct) around the globe. In 2016, Unibail-Rodamco was accorded the "Green Star" for the sixth consecutive year;
- Universum: Unibail-Rodamco was confirmed in 2016 as one of the most attractive employers in France;
- Happy at Work: In 2016, Unibail-Rodamco obtained the "Happy Trainees 2016-2017" label;
- Absolventa Graduate Trainee: this award recognises the quality of the Group European Graduate Programme (EGP), included among the 135 certified programmes in Germany.

In 2017 Unibail-Rodamco will exclusively contribute to ESG analysis and ratings based on the Group's public documentation. The Group will concentrate its efforts on dedicated SRI roadshows and Investor Days. For more detailed information about Unibail-Rodamco's ESG scores, contact the Investor Relations team: investors@unibail-rodamco.com.

Sustainability and CSR Awards: Unibail-Rodamco's assets also received awards demonstrating their successful role in their respective local communities:

- "BREEAM In-Use" celebration at Mapic (November 2016, Cannes): Centrum Chodov located in Prague achieved an "Outstanding" rating for both Parts 1 & 2 of "BREEAM In-Use International 2015", establishing a new benchmark for retail real estate across Europe.

3.4.7.3. Green Bonds Framework and Reporting

With its clear sustainability policy and its recognised ESG performance within the real estate sector over many years, the Group has decided to develop the framework of a "Unibail-Rodamco Green Bond" to finance brownfield and/or existing assets which meet strong and selective criteria in social, environmental and sustainable areas both during the construction and the operating phases of these eligible assets. As part of its innovative and diversified funding sources, Unibail-Rodamco issued the 1st Green Bond for a real estate company on the Euro market in February 2014 and the 1st Green Bond on the SEK market in May 2014 for a non-Swedish corporate. In April 2015, the Group issued its second Green Bond on the Euro market. These issues demonstrate the successful team work between Unibail-Rodamco's sustainability, legal, finance and communication departments and the capacity for the Group to turn individual strengths into collective power.

Use of Proceeds of the "Unibail-Rodamco Green Bond"

- Strict limitation of proceeds to the "best-in-class" sustainable assets: the net proceeds from issuing the Unibail-Rodamco "Green Bond" is used to finance (through loans or equity) the construction and/or the development of Eligible Assets as defined below:

  1) new or ongoing projects (including brownfield, greenfield and/or extension/renovation projects),

  2) and/or existing assets under management by Unibail-Rodamco SE or any of its subsidiaries, which:

  – (a) have received a BREEAM[1] Certificate Design Stage (or any equivalent certification) of at least (and including) "Very Good" (*i.e.* a minimum score of 55/100),

  – (b) and which have obtained or will obtain a BREEAM[1] In-Use Certificate (or any equivalent certification) in respect of the asset and building management under Part 1 (Asset) and Part 2 (Building Management) respectively, the BREEAM[1] assessment (www.breeam.org) of at least (and including) "Very Good" as soon as reasonably possible after the commencement of operations.

  Eligible Assets will also meet the additional social and environmental criteria developed with and validated by Vigeo (or any other third party appointed by the Issuer as a successor to Vigeo in the future), to be published on the Issuer's website (the "Additional Criteria") (www.unibail-rodamco.com).

- Third-party auditor: EY (or any other third party appointed by the Issuer as a successor to EY in the future) is expected to issue a report each year in the Issuer's Annual & Sustainable Development Report on the compliance, in all material respects, of the Eligible Assets with the eligibility criteria described above.
- Annual release: Unibail-Rodamco SE is also expected to indicate each year in its Annual & Sustainable Development Report the list of Eligible Assets financed by the net proceeds of the issuing of the Notes with indicators on these Eligible Assets regarding environmental impact, energy performance and impact on the local area and the well-being of visitors and tenants, to be published on the Issuer's website (the "Indicators") at www.unibail-rodamco.com.

(1) 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).

Relevant and ambitious social and environmental criteria

The social and environmental criteria developed with and validated by Vigeo. Criteria are aligned with (i) the "Green Bond Principles" (GBP) updated in March 2015 and (ii) relevant to the Group's sustainability strategy, which has been in force for several years and has structured long-term targets.

	BREEAM certifications	
Prerequisite	**Construction**	**Operation**
New development: BREEAM certification with a minimum "Very Good" score	√	N/A
Existing: BREEAM In-Use with a minimum "Very Good" score for both Asset (Part 1) and Building Management (Part 2)	N/A	√

	Sub criteria to meet	
Criteria in five additional domains	**Construction**	**Operation**
I - Select the countries in which Eligible assets are located based on human rights and governance	2	/
II - Contribution of the Eligible assets to the development and well-being of the communities in which they are located	4	1
III - Monitoring the environmental impacts of the Eligible assets	6	3
IV - Promoting sustainable and enduring relationships with tenants and visitors	1	5
V - Promoting social and environmental factors with suppliers	4	4
TOTAL OF SUB CRITERIA	**17**	**13**

Green bonds issued by Unibail-Rodamco[1]

Unibail-Rodamco has issued three "green bonds" as at December 31 2016:

- February 19, 2014, 1st real estate company to issue a "green bond" on the Euro market;
- May 23, 2014, 1st international non-Swedish corporate to issue a "green bond" on the SEK market;
- April 8, 2015, third "green bond", (and second on the Euro market).

	Euro	SEK	Euro
	GB I	**GB II**	**GB III**
Issuer (legal entity name)	Unibail-Rodamco SE	Rodamco Sverige	Unibail-Rodamco SE
Date	February 19, 2014	May 23, 2014	April 8, 2015
Size	750 Mn	1.5 Bn	500 Mn
Maturity	10 years	5 years	10 years
Coupon	2.5%	3 – month STIBOR +78 bps	1.0%

(1) *Issuing of Green Bonds and allocation of funds are validated by the ALM Committee (see page 357 for details) following a specific procedure that has been formalized internally.*

Current allocation of Unibail-Rodamco's Green Bond proceeds

	GB I €750 Mn			GB II SEK 1.5 Bn	GB III €500 Mn		
	Lyon Confluence	So Ouest	Aéroville	Mall of Scandinavia	Majunga	So Ouest Plaza	Carré Sénart ext
Business	Shopping Centre	Shopping Centre	Shopping Centre	Shopping Centre	Office	Office	Shopping Centre
Funds allocated to projects *(%)*[1]	20%	40%	40%	100%	68%	24%	8%
2016 GLA scope of consolidation *(m²)*	53,500	54,300	83,300	103,200	65,600	36,600	31,448
2016 Visit *(Mn)*	9.3	8.3	8.9	13.2	N/A	N/A	Under construction
Opening date to public	April 4, 2012	October 16, 2012	October 16, 2013	November 11, 2015	Delivered in July 2014	Delivered in May 2015	H2-2017[2]

(1) Allocation done through internal loans, except for So Ouest Plaza.
(2) Under construction, expected opening in H2-2017, €238 Mn expected cost (scope of consolidation, excluding financial costs and internal costs capitalised; the costs are discounted as at December 31, 2016).

Annual report on the "Unibail-Rodamco Green Bond" and Use of Proceeds (for GB 1 and GB 11 issued in 2014)

CONSTRUCTION PHASE

BREEAM prerequisite

			GBI €750 Mn			GB II SEK 1.5 Bn
Prerequisite	Criteria	Commitment	Lyon Confluence	So Ouest	Aéroville	Mall of Scandinavia
Environmental certification	BREEAM	BREEAM score minimum "Very Good"	Very Good[3]	Excellent[4]	Excellent[5]	Excellent[6]

(3) Has achieved an interim overall score of 59.92% and a BREEAM rating of "Very Good" under the 2008 version of BREEAM international.
(4) Has achieved a final overall score of 78.4% and a BREEAM rating of "Excellent" under the 2009 version of BREEAM Europe commercial retail.
(5) Has achieved a final overall score of 70.5% and a BREEAM rating of "Excellent" under the 2009 version of BREEAM Europe commercial retail.
(6) Has achieved an interim overall score of 77.4% and a BREEAM rating of "Excellent" under the 2008 version of BREEAM Europe commercial retail.

17 sub criteria

			GB I €750 Mn			GB II SEK 1.5 Bn
Domains	Criteria	Sub criteria	Lyon Confluence	So Ouest	Aéroville	Mall of Scandinavia
I – Select the countries in which Eligible assets are located based on human rights and governance	Respect, protection and promotion of freedom and human rights	Integration, signature or ratification of conventions related to (i) Human Rights, and (ii) Labour Rights **KPI: country score Vigeo (out of 100)**		97.22/100[1]		97.22/100[1]
	Democratic institutions	Performance indicators on: Political Freedom and Stability; Prevention of corruption; Press freedom; Independence of the judicial system; Legal certainty **KPI: country score Vigeo (out of 100)**		88.64/100[1]		99.09/100[1]
II – Contribution of the Eligible assets to the development and well-being of the communities in which they are located	Sustainable insertion and local consultation	Existence of information on projects to neighbours	√	√	√	√
		Absence of material public recourse on the project preventing the completion of the project	√	√	√	√
	Development of sustainable transport and connectivity	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	**120 m** train
		Promote the potential use of alternative transport solution and sustainable mobility	√	√	√	√
III – Monitoring the environmental impacts of the Eligible assets	Environmental Management Systems ("Sustainable Design Attitude")	Involvement of an external environmental consultant	√	√	√	√
		Commissioning Report	√	√	√	Ongoing[2]
	Pollution prevention and control	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	√	√	√	√
	Carbon intensity management	Optimise intrinsic energy performance of the asset in view of applicable regulatory constraints **KPI: Percentage improvement over national standard building energy performance** *(%)*	**-34%[3]**	**-57.7%[3]**	**-55%[3]**	**-32%[4]**
	Biodiversity conservation and landscape integration	Involvement of an ecologist during the Project Phase	√	√	√	√
IV – Promoting sustainable and enduring relationships with tenants and visitors	Sustainable relations with tenants	Promote "Green Leases" signature before opening **KPI: Percentage of "green lease" signed** *(%)*	**91%**	**86%**	**98%**	**100%**
V – Promoting social and environmental factors with suppliers	Social responsibility towards suppliers' workers	Promote if possible health & safety coordinator contract (or equivalent)	√	√	√	√
		Promote access control to building site	√	√	√	√
	Integration of environmental and social factor in the supply chain	Promote considerate construction charter to minimise environmental impact of building sites	√	√	√	√
	Sustainable relations with suppliers	E-learning for Unibail-Rodamco's employees on its Code of Ethics	√	√	√	√

(1) Source: Country score Vigeo – February 2017.
(2) Commissioning report expected to be completed in 2017.
(3) According to dynamic thermal simulation aligned with RT 2005 requirements.
(4) According to Swedish building regulation (BBR 17).

OPERATION PHASE

BREEAM In-Use prerequisite

Prerequisite	Criteria	Commitments/ supporting elements	GB I €750 Mn Lyon Confluence	GB I €750 Mn So Ouest	GB I €750 Mn Aéroville	GB II SEK 1.5 Bn Mall of Scandinavia
Environmental certification	BREEAM In-Use	BREEAM In-Use scores minimum "Very Good" for Asset (P1) and Building Management (P2)[1]	(P1): Excellent (P2): Outstanding Obtained on Dec. 19, 2013 Recertified: Dec 22, 2016[2]	(P1): Excellent (P2): Outstanding Obtained on Dec. 11, 2014	(P1): Excellent (P2): Outstanding Obtained on July. 28, 2015	Expected in 2017 Annual Report

(1) According to "BREEAM In-Use International" schemes.
(2) According to "BREEAM In-Use International 2015", scores maintained

13 sub criteria

Domains	Criteria	Evidences	GB I €750 Mn Lyon Confluence	GB I €750 Mn So Ouest	GB I €750 Mn Aéroville	GB II SEK 1.5 Bn Mall of Scandinavia
II – Contribution of the Eligible assets to the development and wellbeing of the communities in which they are located	Assess the local social and economic development	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[3]**	**735[3]**	**1,387[3]**	**1,639[3]**
III – Monitoring the environmental impacts of the Eligible assets	Environmental Management Systems ("Sustainable Management Attitude")	Environmental action plan and follow-up with regular reporting (from 1 year after opening)	√	√	√	√
	Pollution prevention and control	Annual audit of health and safety risks (from 2 year after opening) **KPI: Annual health & safety audit (rating from A to D)**	**A[4]**	**A[4]**	**A[4]**	**B[4]**
	Carbon intensity management	Assess energy consumption and CO_2 emissions with potential action plan if needed **KPI: Carbon intensity trend** *(in CO_2/visit)* **since measured baseline**	**-40.9% kWh/visit -64.8% CO_2/visit** (2016/2013)	**-18.4% kWh/visit -20.4% CO_2/visit** (2016/2014)	**-22.8% kWh/visit -27.5% CO_2/visit** (2016/2015)	Expected in 2018 Annual Report[5]
IV – Promoting sustainable and enduring relationships with tenants and visitors	Sustainable relations with tenants	Organise on site Sustainability Committee	√	√	√	√
		Conduct satisfaction survey with retailers **KPI: Overall satisfaction score (out of 100)**	**67/100**	**61/100**	**64/100**	**73/100**
	Sustainable relations with visitors	4-Star Labelling or equivalent if applicable	√	√	√	√
		Conduct satisfaction survey **KPI: Overall satisfaction score (out of 100)**	**89/100**	**84/100**	**83/100**	**87/100**
		Relevant safety management (*e.g.* video protection plan)	√	√	√	√
V – Promoting social and environmental factors with suppliers	Social responsibility towards suppliers' workers	Promote labour rights to suppliers *via* contractual documentation	√	√	√	√
	Integration of Environmental and social factor in the supply chain	Promote environmental and social factors to suppliers *via* contractual documentation	√	√	√	√
	Sustainable relations with suppliers	Promote ethics to suppliers *via* contractual documentation	√	√	√	√
		Assess regularly compliance with contractual clause by the main suppliers	√	√	√	√

(3) Source: shopping centre economic footprint study performed by Beyond Financial firm.
(4) In-house Health & Safety audit – methodology and rating detailed in the Financial Report pages 108-109.
(5) No data available due to an opening to public in November 2015, energy consumption and CO_2 emissions have been tracked since the opening and the evolution of these indicators will be published in the 2018 Annual Report.

Annual report on the "Unibail-Rodamco Green Bond" and the Use of Proceeds (for GB III issued in 2015)

CONSTRUCTION PHASE

BREEAM prerequisite

Prerequisite	Criteria	Commitment	GB III €500 Mn Majunga	GB III €500 Mn So Ouest Plaza	GB III €500 Mn Carré Sénart Ext
Environmental certification	BREEAM	BREEAM score minimum "Very Good"	Excellent(1)	Excellent(2)	Excellent(3)

(1) Has achieved a final overall score of 76.2% and a BREEAM rating of "Excellent" under the BREEAM 2009 Europe commercial office.
(2) Has achieved a final overall score of 71.2% and a BREEAM rating of "Excellent" under the BREEAM 2009 Europe commercial office.
(3) Has achieved an interim overall score of 78.1% and a BREEAM rating of "Excellent" under the 2009 version of BREEAM Europe commercial retail.

17 sub criteria

Domains	Criteria	Sub criteria	GB III €500 Mn Majunga	GB III €500 Mn So Ouest Plaza	GB III €500 Mn Carré Sénart Ext
I – Select the countries in which Eligible assets are located based on human rights and governance	Respect, protection and promotion of freedom and human rights	Integration, signature or ratification of conventions related to (i) Human Rights, and (ii) Labour Rights **KPI: country score Vigeo (out of 100)**		97.22/100(1)	
	Democratic institutions	Performance indicators on: Political Freedom and Stability; Prevention of corruption; Press freedom; Independence of the judicial system; Legal certainty **KPI: country score Vigeo (out of 100)**		88.64/100(1)	
II – Contribution of the Eligible assets to the development and well-being of the communities in which they are located	Sustainable insertion and local consultation	Existence of information on projects to neighbours	√	√	√
		Absence of material public recourse on the project preventing the completion of the project	√	√	√
	Development of sustainable transport and connectivity	Accessibility of the asset by public transports (within500 metres) **KPI: Distance to a public transport mode** *(m)*	**440 m** Defense Hub	**300 m** bus line	**150 m** bus line
		Promote the potential use of alternative transport solution and sustainable mobility	√	√	√
III – Monitoring the environmental impacts of the Eligible assets	Environmental Management Systems ("Sustainable Design Attitude")	Involvement of an external environmental consultant	√	√	√
		Commissioning Report	√	Ongoing(2)	Ongoing(2)
	Pollution prevention and control	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	√	√	√
	Carbon intensity management	Optimise intrinsic energy performance of the asset in view of applicable regulatory constraints **KPI: Percentage improvement over national standard building energy performance** *(%)*	**-58.7%(3)**	**-53.8%(3)**	**-53.1%(4)**
	Biodiversity conservation and landscape integration	Involvement of an ecologist during the Project Phase	√	√	√
IV – Promoting sustainable and enduring relationships with tenants and visitors	Sustainable relations with tenants	Promote "Green Leases" signature before opening **KPI: Percentage of "green lease" signed** *(%)*	**100%**	**100%**	**100%(5)**
V – Promoting social and environmental factors with suppliers	Social responsibility towards suppliers' workers	Promote if possible health & safety coordinator contract (or equivalent)	√	√	√
		Promote access control to building site	√	√	√
	Integration of environmental and social factor in the supply chain	Promote considerate construction charter to minimise environmental impact of building sites	√	√	√
	Sustainable relations with suppliers	E-learning for Unibail-Rodamco's employees on its Code of Ethics	√	√	√

(1) Source: Country score Vigeo – February 2017.
(2) Commissioning report expected to be completed in 2017 for So Ouest Plaza and 2018 for Carré Sénart extension.
(3) According to RT 2005 modelling.
(4) According to dynamic thermal simulation aligned with RT 2012 requirements.
(5) As at December 31 2016.

OPERATION PHASE

BREEAM In-Use prerequisite

Prerequisite	Criteria	Commitments/supporting elements	Majunga	GB III €500 Mn So Ouest Plaza	Carré Sénart Ext
Environmental certification	BREEAM In-Use	BREEAM In-Use scores minimum "Very Good" for Asset (P1) and Building Management (P2)[1]	Expected in 2017 Annual Report	Expected in 2017 Annual Report	Expected in 2019 Annual Report

(1) According to "BREEAM In-Use International" schemes.

13 sub criteria

Domains	Criteria	Evidences	Majunga	GB III €500 Mn So Ouest Plaza	Carré Sénart Ext
II – Contribution of the Eligible assets to the development and well-being of the communities in which they are located	Assess the local social and economic development	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)**	**Not concerned**	**Not concerned**	Expected in 2019 Annual Report
III – Monitoring the environmental impacts of the Eligible assets	Environmental Management Systems ("Sustainable Management Attitude")	Environmental action plan and follow-up with regular reporting (from 1 year after opening)	√	√	Expected in 2018 Annual Report
	Pollution prevention and control	Annual audit of health and safety risks (from 2 years after opening) **KPI: Annual health & safety audit (rating from A to D)**	**A[2]**	Expected in 2017 Annual Report	Expected in 2019 Annual Report
	Carbon intensity management	Assess energy consumption and CO_2 emissions with potential action plan if needed **KPI: Carbon intensity trend** *(in CO_2/visit)* **since measured baseline**	Expected in 2017 Annual Report[3]	Expected in 2017 Annual Report[3]	Expected in 2019 Annual Report[3]
IV – Promoting sustainable and enduring relationships with tenants and visitors	Sustainable relations with tenants	Organise on-site Sustainability Committee	Expected in 2017 Annual Report	Expected in 2017 Annual Report	Expected in 2018 Annual Report
		Conduct satisfaction survey with retailers **KPI: Overall satisfaction score (out of 100)**	**Not concerned**	**Not concerned**	Expected in 2018 Annual Report
	Sustainable relations with visitors	4-Star Labelling or equivalent if applicable	**Not concerned**	**Not concerned**	Expected in 2018 Annual Report
		Conduct satisfaction survey **KPI: Overall satisfaction score (out of 100)**	**Not concerned**	**Not concerned**	Expected in 2018 Annual Report
		Relevant safety management (*e.g.* video protection plan)	**Not concerned**	**Not concerned**	Expected in 2018 Annual Report
V – Promoting social and environmental factors with suppliers	Social responsibility towards suppliers' workers	Promote labour rights to suppliers *via* contractual documentation	√	√	Expected in 2018 Annual Report
	Integration of Environmental and social factor in the supply chain	Promote environmental and social factor to suppliers *via* contractual documentation	√	√	Expected in 2018 Annual Report
	Sustainable relations with suppliers	Promote ethics to suppliers *via* contractual documentation	√	√	Expected in 2018 Annual Report
		Assess regularly compliance with contractual clause by the main suppliers	√	√	Expected in 2018 Annual Report

(2) In-house Health & Safety audit – methodology and rating detailed in the Financial Report pages 108-109.
(3) No data available for Majunga and So Ouest Plaza due to a tenant's ongoing fitting works and ongoing works on Carré Sénart extension.

Independent verifier's report on Green Bond criteria and indicators

Unibail-Rodamco has commissioned the EY firm as a third-party auditor to check the compliance of the financed assets with the eligibility criteria set and reported above. This verification included an in-depth review of the documentary evidence for each domain and criteria (for each phase) and detailed on-site audits including Carré Sénart and Tour Majunga. The EY reasonable assurance report is available below (pages 128-129).

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, 2016

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 2016.

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 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 2016 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 2016.

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. Eric Duvaud, Partner.

I. 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 2016 and March 2017:

- 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"[2];
- 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 seven assets monitored in the framework of bonds issued during the previous financial years (Lyon Confluence, So Ouest, Aéroville, Mall of Scandinavia, Majunga, So Ouest Plaza and Carré Sénart Extension.

(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.unbail-rodamco.fr.*
(2) *The Green Bonds Principles (updated version ofJune 2016) are available on the website of the ICMA (International Capital Market Association) http://www.icmagroup.org.*

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 "3.4.7.3 Green Bonds Framework and Reporting" 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 BREAM-In-Use). For assets still under construction (e.g. Carré Sénart extension) or recently delivered (e.g. Majunga, So Ouest Plaza), the expected date of compliance with these criteria is specified in the detailed table by asset in the chapter 3.4.7.3 of the Management Report.

Conclusion

In our opinion, the assets selected for Green Bonds in effect on December 31st, 2016 comply, in all material aspects, with the Selection and Monitoring Criteria.

II. 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 2016.

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, we conducted jointly with the co-statutory auditor, the audit of the consolidated financial statements of the company for the year ended December 31st, 2016. Our audit 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.

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 "3.4.7.3 Green Bonds Framework and Reporting" in the 2016 Management Report;
- verify that the internal loans or financing contracts signed with the subsidiaries owning Lyon Confluence, So Ouest, Aéroville, Mall of Scandinavia, Majunga, So Ouest Plaza and Carré Sénart extension are still running on 31 December 2016, knowing that in date of the issuance of our report on 16 march 2016, 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;
- verify the consistency between the information provided in the introduction of chapter "3.4.7.3 Green Bonds Framework and Reporting" of the 2016 Management Report for the year ended December 31st, 2016 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 2016.

Paris-La Défense, the 20th of March 2017,

One of the Statutory Auditors

French original signed by:

ERNST & YOUNG Audit

Christian Mouillon

Éric Duvaud
Sustainability Expert

3.5. People @ Unibail-Rodamco

Unibail-Rodamco's recruitment and career development policies are designed to attract and retain the best talent on the market. The Group is committed to offering employees a working environment that fosters equal opportunities and talent diversity to enable each individual to acquire the skills and opportunities needed to build exciting careers that also create value for the Company.

3.5.1. Reporting methodology

Throughout the year, Unibail-Rodamco uses Key Performance Indicators (KPI) to collect and analyse the main human resources data and help implement Group policies in this regard.

Reporting scope

Human Resources KPI are based on specific data references for each country where the Group is present. The reporting is based on data provided by all the countries and addresses its three asset types, namely Shopping Centres, Offices and Convention & Exhibition venues over the period from January 1 to December 31, 2016. Many of these KPI are outlined in the tables below, preceded by a short definition.

Each region controls and collects data relevant to its own operations, which are integrated into a common database – the Human Resources Information System (HRIS), accessible by head office HR teams, in accordance with Data Protection laws and authorities. The HRIS installed in 2016 includes an HR administrative database, a training platform (Learning Management System) and a new payroll tool for France. A recruitment management module will be added in 2017.

3.5.2. Talent management and engagement

Employees receive regular support and advice on career development. They meet with their managers at least twice a year for mid-year and year-end appraisals, which gives them the opportunity to discuss their performance, objectives, career advancement and possible training needs. A 360° review each year provides employees and managers with comprehensive feedback on their strengths, development areas, training needs and career planning. Employees also have the opportunity to discuss contributions they have 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 staff, a number of managers and often members of the Management Board.

Unibail-Rodamco's competency model was updated in 2014 to include the six values and expected behaviours outlined in the UR Experience in the appraisal methodology. This gave all employees the opportunity to understand the mindset and skills expected in the UR Experience. The internal Job Grading system enhances communication, consistency and transparency in managing mobility across the Group. 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 at each stage in the lifecycle of its assets. Internal mobility also helps employees to build and consolidate networks and share best practices among the various regions. The international mobility policy has been re-designed to cover all mobility schemes, increase awareness of the related benefits and provide full support to expatriate employees and their families. In 2016, 240 employees made a lateral or geographical career move within the Group, 291 employees (14.62% on average) were promoted and 44 conducted an international mobility (compared with 46 in 2015).

Several talent development initiatives took place in 2016:

- a two-day Summer Campus (initiated in 2015), attended by 50 young talents who were provided with various leadership training sessions and the opportunity to attend seminars led by Group senior managers and external speakers;
- a "Next Leaders" programme targeting experienced managers with a view to ensuring ongoing skills development and preparing them to become the future leaders of Unibail-Rodamco;
- finally, to harness collective intelligence and innovation, the Group also continued to develop its Innovation Champions network, which in 2015 became the "Innovation Champion Graduate Programme". There are several ways to participate in this programme, with most Innovation Champions remaining in their operational role and dedicating up to 20% of their time to innovation projects for which they receive specific training and coaching in areas such as brainstorming and design thinking. Their role is to complete one phase of an innovation project and support innovation within their teams and the Group at large. Other Innovation Champions work on a full time basis for six- to nine-month for the UR Lab, the Group's dedicated R&D team of 12 employees (as at December 31, 2016). This program aims to increase the Group's overall innovation capacity, open new career perspectives and promote diversity within teams.

To encourage employees's mobility, a new procedure for making public internal vacancies was implemented in 2015.

2016 saw the second edition of the UR Experience Survey which, like the first survey in 2014, was aimed at monitoring the implementation of UR Experience pillars for the Group's employees, it was also the first survey on employee engagement for Unibail-Rodamco. The 2016 edition received a particularly high 81% response rate. It led to over 50 interactive sessions to discuss the results across the Group. Action plan roll-outs were announced early 2017, including homeworking and improved tools and processes.

3.5.3. UR Academy – Developing people

In 2016, talent development is at the heart of the Academy's action, with a particular focus on innovation and increased internationalisation.

The training platform was rolled out across the Group's regions in early 2016. Employees take ownership of their training, moving from a top-down approach to a more participative approach at their own initiative. This has enabled the Group to set up online training initiatives, simplify the follow-up process and centralise the training offered.

To ensure that the needs identified are quickly met *via* PC, iPad and iPhone, the Academy has brought the production of online training modules in-house. Four new soft skills modules were designed over the course of several days.

To promote a more interactive approach, the Academy has also put its classroom-based training sessions online, with more than 20 sessions available. This acts as a real ice-breaker for employees, allowing them to swap ideas and even take part in quizzes *via* their smartphone.

In 2016, Business training represented almost 63% of training delivered and 83% of trainees. It shows the importance of Unibail-Rodamco expertise and is linked to its capacity to deliver internal training led by experts of the Group.

Internationalisation and the promotion of diversity are two of Unibail-Rodamco's key objectives. In this respect, the Academy has organised international training sessions and launched the Gender Balanced Leadership training programme to raise awareness of diversity issues among the top 100 managers.

In figures:

1,893
number
of employees
trained

21.8
average number
of training hours
per employee

International focus
Barcelona, Dusseldorf,
Paris and Amsterdam
on a map of training locations

Unibail-Rodamco values authentic leadership and supports future managers by developing an international training path tailored to their particular management environment. A total of 9,900 personal development training hours were provided in 2016, including 2,000 hours dedicated to leadership.

Similarly, to ensure the best possible preparation for future Group leaders, UR Academy held several major international events in 2016:

	Number of people trained in 2016	Total hours in 2016
Summer Campus	80	1,214
Gender Balanced Leadership	41	184
Unlocking Potential of Leaders/Women @ UR	45	353

The UR Academy received four awards in 2016

UR Academy also provided dedicated corporate social responsibility training sessions during the year. Specific training was developed for shopping centre employees, to prepare them for potentially challenging situations. In France, first aid training was offered in conjunction with the Red Cross and was taken up by 54 employees.

KPI: TRAINING [G4-LA9]

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

	2014(2)	2015	2016
Total hours attended	30,978	41,023	43,404
Average number of hours per employee(1)	14.8	20.6	21.8

(1) Based on average headcount for the year.
(2) 2014 includes mfi integration.

3.5.4. Attracting the best

The Group consolidated its partnership with the CEMS Global Alliance in 2016, by organising twice as many activities for students as during the previous academic year.

Within the scope of the European Graduate Programme (EGP), the Group recruited 60 young graduates from among Europe's most prestigious universities and business schools, 9% more than in 2015. In all, 15 of these graduates hold a CEMS Master's degree, ranked by the Financial Times as the fourth best Master's degree in Management in the world. The Group led a total of 157 EGP assignments during the year, with new policy in terms of international mobility.

The *urMall* business game was held for the third time in 2016, and attracted 360 candidates. As in 2015, 60 students were chosen during a regional selection phase held in eight European capital cities. In all, 31 finalists were given the opportunity to travel to Paris to perform a business case study and present it to the Management Board. They also got the chance to visit to the newly-renovated Forum des Halles shopping centre. Almost a third of the finalists accepted a permanent contract to join the EGP in 2016 or 2017.

The Human Resources teams launched a major project to formalise and harmonise the Group's employer brand, notably through the preparation of a new corporate website, to which an integrated recruitment module will be added in 2017.

Unibail-Rodamco reiterated its commitment to training young talent when it was selected from among 1,500 companies to receive the Happy Trainees prize for the second year in a row. This prize recognises companies in which trainees or apprentices feel happiest. Some 88% of our trainees responded, giving us an overall score of 4.17/5 as regards their experience with the Group.

In 2016, Unibail-Rodamco once again ranked as one of the most attractive companies for students from French business schools (Universum survey 2016). For the first year the Group was also awarded in the category of experienced professionals in Austria, France and Sweden.

In Germany, the European Graduate Programme won the 2016 graduate trainee award in recognition of its status as one of the best programmes of this type.

While maintaining the focus on internal mobility, several key management-level hires were made in 2016, bringing the Group new experience and a more international profile. At Group level, 18 people were hired with the grade of Principal or above.

To continue expanding its international scope, the Group paid special attention to the recruitment of candidates in countries other than their country of origin. For example, 17% of candidates hired in France in 2016 on corporate positions had another nationality than French[1].

To speed up recruitment, the Group launched a referral programme called *coopt @ ur* among employees. Vacant positions are published on the Company's social networking site (UR World) and employees can each put forward one professional acquaintance. If the recommended person is hired, the referring employee receives €1,000, with an additional €1,000 given to a charity of their choice. Over the last quarter of 2016, more than 15% of eligible hires were carried out through this programme.

Finally, Unibail-Rodamco strengthened its presence on professional social networks such as LinkedIn, where it now has almost 30,000 followers, representing a jump of 38% compared to 2015.

Employee turnover in 2016, 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 2015, stood at 17.1% (compared with 19.3% in 2015).

KPI: RECRUITMENT [G4-10, G4-LA1]

Total new employees (excluding trainees)

Employees by contract type	2015	2016
Permanent contracts	325	357
Fixed-term contracts	62	55
Apprenticeships[1]	15	19
TOTAL	**402**	**431**

(1) Excluding traineeships.

KPI: DEPARTURES [G4-LA1]

Total number of departures (excluding trainees)

Reasons for departure	2015	2016
Resignations	190	163
Dismissals	103	66
Mutual agreements	55	57
Retirements	23	14
Departures during trial period	15	25
Expiry of fixed-term contracts	56	46
Outsourcing	46	26
Death	1	2
TOTAL	**489**	**399**

(1) Excluding EGP.

3.5.5. Equal opportunity and inclusion

Average headcount for the Group in 2016 was 1,990 employees. Unibail-Rodamco maintained its positive track record for gender and age diversity with an almost equal split between men and women and a well-balanced age pyramid.

Diversity in all forms in the workplace is of prime importance for Unibail-Rodamco. The Group strongly advocates trust, professionalism, efficiency, integrity, transparency, team work and mutual respect, regardless of gender, age, disability, sexual orientation or religion.

In 2014, the Group developed the UR Experience with the aim of:

- reasserting the fundamental values at the heart of Unibail-Rodamco's success and culture;
- enhancing the Group's performance.

The Management Board captured the essence of Unibail-Rodamco's culture in six specific, unique and guiding pillars, referred to as the UR Experience. These pillars are:

- We work harder, we deliver faster;
- We create unique opportunities;
- We only play to win;
- We never compromise on ethics;
- We turn individual strengths into collective power;
- We trust our people, we empower them to dare.

These were then classified into expected behaviours. The UR Experience has been part of the competency model used in the Group bi-yearly evaluation since 2014 and is now firmly embedded in the mindset and day-to-day activities of all employees.

These principles are also highlighted in the Group's Code of Ethics and in its Compliance Book. In 2012, a European Diversity Charter was promoted throughout the Group to fight all discrimination and harassment. Candidates are encouraged to submit anonymous CVs through the Group's corporate website. In 2013, the Group signed the parenthood charter.

Since 2015, the Group has been developing its Equal Opportunities project to promote diversity in its Talent Management policy. Actions plans involving KPI monitoring have been launched on a region-by-region basis under the sponsorship of the Human Resources department.

In 2016, 28.4% of positions at Principal grade and above were held by women, compared with 27.3% in 2015. The Women@UR network continues to expand at local and Group level. It includes a mentoring programme, events with well known guest speakers. A two-day leadership development course designed in conjunction with McKinsey was held for the fifth consecutive year and led by three female executive employees from Unibail-Rodamco.

In November 2016, Unibail-Rodamco France once again signed the charter for diversity and inclusion of disabled persons in the workplace. The Group ensures that the standards set out in these charters are enforced in all countries in which it has operations. Each year, the team responsible for recruitment in France participates in forums on the employment of people with disabilities. All job offers are opened to people with disabilities and feature a special logo on websites offering this possibility. The Group (including Viparis) had 23 disabled employees in 2016. An action plan entitled "Handicap and Performance" was put in place in France, which included a conference on this topic in November 2016 given by a racing driver with ankylosing spondylitis, a chronic spine inflammation. In several countries, the Group also purchases office supplies from companies that employ disabled people and works with companies with sheltered workshop status.

KPI: EMPLOYMENT BY COUNTRY [G4-10, G4-LA12]

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

	2015	%	2016	%
Austria	55	2.8%	56	2.8%
Czech Republic	44	2.2%	47	2.4%
Denmark	8	0.4%	8	0.4%
France(1)	1,017	51.0%	1,022	51.3%
Germany	500	25.0%	467	23.5%
Netherlands	66	3.3%	68	3.4%
Poland	53	2.6%	62	3.1%
Slovakia	12	0.6%	10	0.5%
Spain	148	7.4%	153	7.7%
Sweden	93	4.7%	97	4.9%
TOTAL	**1,996**	**100.0%**	**1,990**	**100.0%**

(1) Including all Viparis employees (383 in 2015 and 379 in 2016)/employees seconded to CAML (1 in 2015 and 1 in 2016). Since January 1, 2015, members of the Management Board are not included in Group headcount.

KPI: EMPLOYMENT BY ACTIVITY [G4-10, G4-LA12]

Workforce as at December 31

	2015	2016
Offices	0.8%	1.1%
Shopping Centres	32.1%	23.3%
Convention & Exhibition venues(1)	19.3%	19.0%
Development(2)	7.9%	7.7%
Shared services	25.1%	28.2%
Headquarters	14.8%	20.7%

(1) Including all Viparis employees.
(2) Offices and shopping centres.

KPI: EMPLOYMENT BY AGE [G4-10, G4-LA12]

Workforce as at December 31

	2015	2016
< 30 years old	26.8%	29.5%
30-40 years old	32.2%	32.7%
40-50 years old	23.6%	20.7%
> 50 years old	17.4%	17.1%

KPI: EMPLOYMENT BY GENDER [G4-10, G4-LA12]

Workforce as at December 31

	2015	2016
Women	49.6%	50.1%
Men	50.4%	49.9%

3.5.6. Corporate citizenship

"Better Places 2030" strategy

The Unibail-Rodamco Group participates in the creation of cities and has a major influence on how cities residents live, work, shop and are entertained. Because of this, the Group has a clear social responsability towards the local communities in which it operates. On September 22, 2016, Christophe Cuvillier, Chairman of the Management Board, unveiled the Group's new corporate social responsibility (CSR) strategy, "Better Places 2030". This ambitious strategy commits the Group to a series of challenges in the commercial real estate sector, with the aim of playing a pioneering role in helping to transform the Group's businesses and industry for the next 15 years.

"Better Places 2030" reaffirms the Group's determination to support the development of the communities with two focuses: local economic development and youth employment. Given the average age of its employees, young people are the lifeblood of the Company, with around 50% of staff aged 35 or under. Youth unemployment is a major challenge within the European Union, standing at 20.4% in 2015 (source: OECD). The commerce, catering and retail industries are among the biggest recruiters of young people, and the Group has chosen to step up its commitment to helping young people train and find work. Specific initiatives were rolled out in this field in 2015, with the creation of the *UR for Jobs* programme. In 2016, a total of 35 young people were recruited under this programme and given fixed-term contracts of over six months with our tenants and service providers in three pilot shopping centres, or were able to return to training in order to gain a qualification. In France, the *École de la Deuxième Chance* was also a key partner of this initiative.

"Better Places 2030" aims by 2020, to help each year 1,000 young people find jobs among our tenants and service providers in our shopping centres or integrate a graduating training program each year.

Partnerships with local non-profit organisations will also be strengthened thanks to solidarity events with a charity supporting youth. In 2017, each of the Group's regions, representing 13 shopping centres, will test a new event pilot in partnership with local non-profit organisations (such as the *Szkola na widelcu* Foundation in Poland or *Passeport Avenir* in France), in order to engage visitors and employees in solving some of the difficulties faced by local youth.

The UR for Jobs and Solidarity Events initiatives will be supported by volunteering Group employees, who will be given the opportunity to use their worktime to support the Group's corporate citizenship initiatives. All employees will hence be given the chance to take concrete action through one of Unibail-Rodamco's social initiatives and therefore support the young people of today build the world of tomorrow.

UR for jobs initiatives

The goal is to match up young job seekers with job opportunities in shopping centres and the surrounding environment

*In 2016, **3** of the Group's shopping centres met the youth employment challenge*

Spain | Netherlands | France

By putting in place…

Training	***Coaching and mentoring***	***With exposure to recruiters*** *(job dating, matching platform)*
137 young people trained	***126*** employees involved	***70*** retailers ***19*** service providers and partners involved

… first results are encouraging

2016

35 job matched*

2020

In 2020, this initiative will be rolled out by **100%** of shopping centres with over 6 million visitors per year. By 2020, the aim is to have

1,000 job matched*/year

* job matched: permanent contract, fixed-term contract of over six months, integration within a training course leading to a diploma at 31 December 2016.

Philanthropy

The Group gave a total of €3.7 million in cash and in kind to a variety of charities in 2016. €1.6 million of these donations were made by shopping centres, which meet local needs through charitable donations or by making a facility or employees available for a given project. The Group also took a direct role through donations or top-up contributions totalling €0.7 million. The Group donated a total of €1.35 million to the *Grand Prix des Jeunes Créateurs du Commerce* (Grand Prize for Young Retail Entrepreneurs) to fund the development of three new local businesses.

In 2016, the Group's employees organised 322 charitable and awareness-raising initiatives in the Group's shopping centres.

Entrepreneurship and business creation

Unibail-Rodamco continued to support the local economy and business creation through two flagship initiatives in 2016.

In September 2016, the *Grand Prix des Jeunes Créateurs du Commerce* celebrated its 10^{th} anniversary. Launched by Unibail-Rodamco in 2007, this competition aims to showcase the creativity and innovative acumen of tomorrow's retail talents by providing them with the financial and operational support they need to start up their business. The 10^{th} anniversary edition rewarded the three most innovative ideas of 2016. The Grand Prix was awarded to *Lunettes pour Tous*, a store where customers can purchase high-quality vision glasses for €10 in ten minutes. *Lunettes pour Tous* won the €1 million award which will help it pay for the lease of premises within one of the Group's commercial buildings. The two other prize-winners were *Déclic et des Trucs* which offers an innovative learning experience for children through recreational manual activities, and *Tediber*, France's leading purely-digital supplier of mattresses, which each picked up €175,000 to launch their business model with a pop-up store in one of the Group's shopping centres.

These awards are the largest initiative in France supporting the creation of new businesses, with financial support totalling €1.35 million.

UR Link, the Group's start-up accelerator programme was launched in 2016 and also works to promote entrepreneurship.

The first UR Link' season led to a partnership with Dress in the City. This start-up sells second-hand branded clothes and increase customers' purchasing power. It was given the opportunity to launch two flagship events in the Quatre Temps shopping centre and to access a product storage warehouse.

For its second season launched in November 2016 and in line with the Group's CSR goals, three of the five start-ups selected address social or environmental concerns: *Merito* has developed an application to meet retailers' recruitment needs by putting them in touch with local job seekers, *Sous les fraises* develops urban farming, and *Karos* provides car-sharing solutions for short journeys.

UR Link has also started to identify start-ups for its third season in 2017.

Education and promotion of the real estate sector

As industry leader, Unibail-Rodamco also wishes to promote and drive forward education and research in the fields of real estate and urban planning.

Unibail-Rodamco is a founding member of the Palladio Foundation which together with the biggest players in the French real estate industry is striving to help build the city of the future by answering the major challenges facing contemporary societies.

In 2016, the Group took part in the Palladio Institute's annual cycle of conferences sponsored by the Mayor of Paris and on the topic "looking at future cities in the age of corporate social responsibility". In 2017, the Group also hosted the Real Estate Career Forum organised by the Foundation which attracted over 2,000 visitors.

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 2016, the Foundation granted 11 scholarships and organised the ninth consecutive *Prix Junior de l'Immobilier* (Junior Prize for Real Estate).

In parallel, the Group organised a series of lectures on architecture, inviting well-known architects such as Philippe Chiambaretta and Denis Valode as guest speakers. These conferences are open to a broad public audience and look to encourage debate among students, architects and the Group's employees on the future of towns and cities and urban planning.

3.5.7. Well-being at work

Launched in 2014, the *WorkSmarter* initiative aims to improve the day-to-day life of the Group's employees. Along the lines of WorkSmarter, in 2015 several of the countries in which the Group operates provided their employees with "Ureka!" rooms to encourage creativity. Fitted out in an unconventional style (post-it walls, digital tablets), the rooms encourage teamwork and brainstorming. Some of the countries concerned have also relocated or refurbished their offices, offering their employees modern work spaces featuring company restaurants, cafés and multi-purpose rooms, as well as easier access on foot, by bike or public transportation.

The Mixer was unveiled at the Group's head office in 2016 and is a 900 m^2 space dedicated to innovation, where Unibail-Rodamco teams, start-ups and partners work together to create the shopping centres and offices of tomorrow. Each week, meetings and conferences are organised on architecture, retail, digital revolution, co-working and sustainable development.

As part of its ongoing drive to improve working environments, the Group also pursued its efforts to provide its employees with the latest technological innovations such as multi-function printers, Single Sign-On connections for all sites and internal apps, Apple TV, UR Services and so on. Skype for Business was set up in January 2017 to facilitate online meetings and communication in real time, either internally or with parties outside the Group.

In 2016, various countries also endeavoured to put one of the components of the *WorkSmarter* programme into practice, promoting a host of initiatives focused on sport and vitality. In France for example, a local football team trains once a week, and in the Czech Republic, employees can choose from a broad spectrum of leisure activities including punch-ball, table football and golf.

Local initiatives in all regions encourage sports activities and development. In Poland for example, weekly beach volleyball sessions are offered to employees during the summer months. Similarly, all employees can choose to participate in Warsaw's Business Run. In France, 58 employees took part in the *Foulées de l'Immobilier* sports event in aid of the Abbé Pierre Foundation, where Unibail-Rodamco finished in first place for the third year running.

In France, a new "vitality room" was opened in 2016 at the head office premises, offering sports classes and relaxation sessions including yoga, free balance, pilates and cross-training. Around 70 employees signed up for this new service.

In the Netherlands, a workshop was held for all employees on work-life balance, as well as a reduced-price subscription to two sports organisations.

Most countries in which the Group operates offer their employees fresh fruit or complimentary drinks. The Group organises Christmas parties for its employees and also invites them to openings of new shopping centres such as Forum des Halles or Mall of Scandinavia.

In France, the Health, Safety and Working Conditions Committee ("CHSCT") helps promote good working conditions.

The Group continued its risk prevention training strategy in 2016, through "HR toolbox" sessions to raise new managers' awareness of fundamental working rights in France (paid leave, working hours, etc.) and of internal HR processes, or through training on psychosocial risks, first launched in 2013.

A homeworking pilot initiative was tested in 2016 with 37 employees of support functions in France. The results were very encouraging and the Group has decided to sign in France an agreement with trade unions on this subject. Furthermore, in 2017, the Group will offer the possibility for other countries to conduct homeworking pilots for support functions and to propose a flexwork pilot initiative for some core functions in France.

KPI: EMPLOYMENT CONTRACTS [G4-10]

Headcount as at December 31

Employees by contract type	2015	2016
Permanent contract	96.7%	96.9%
Fixed-term contract	3.3%	3.1%

Employees by contracted hours	2015	2016
Full-time contract	95.2%	96.9%
Part-time contract	4.8%	3.1%

In 2016, sick leave represented 12,925 working days (3% of total working days) and days of absence for work-related accidents or illness represented 629 working days (0.1% 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 2016 were 3.34% and 0.03%, respectively[(1)].

KPI: ABSENTEEISM [G4-LA6]

Accident type	2015 Number of incidents	2016 Number of incidents
Work-related accidents causing injury	21	11
Commuting accidents causing injury	12	13
Work-related/commuting accidents causing death	0	0

	2015 Number of working days[(1)]	2015 Ratio[(1)]	2016 Number of working days	2016 Ratio[(2)]
Lost days for work-related/commuting accidents	252	0.06%	629	0.1%
Lost days for work-related illness	0	0.00%	0	0.0%
Lost days for sick leave	15,393	3.50%	12,925	3%
Lost days for personal/family events	1,124	0.26%	1,263	0.3%
TOTAL	**16,769**	**3.82%**	**14,817**	**3.4%**

(1) 2015 includes Unibail-Rodamco Germany GmbH.
(2) The absenteeism ratio is calculated in working days: total number of days absent in 2016 divided by the average number of working days in 2016 multiplied by average headcount in 2016.
The absenteeism ratio does not include absence for maternity/paternity/parental leave, representing 15,410 working days (3.52% of total working days).
The absenteeism ratio does not include other absences such as sabbatical leave, which represents 1,069 working days (0.24% of total working days).

(1) *The frequency rate is the number of work-related accidents in 2016 multiplied by 1,000,000 and divided by the number of hours worked. The injury severity rate is the number of days lost due to work-related accidents in 2016 multiplied by 1,000 and then divided by the number of hours worked.*

3.5.8. Rewards & recognition

Unibail-Rodamco's 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.

The remuneration policy aims to attract, motivate, reward and retain the best talent on the market, with strong drive, engagement and loyalty.

The founding principles of Unibail-Rodamco's remuneration policy are:

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

A differentiated and selective rewarding
approach based on merit and individual performance

A non-discrimination policy
(race, gender, nationality or any other personal criteria)

A structured validation process
common to all Regions to ensure fairness and accurate comparisons

In 2016, 73.2% of the Group's employees were awarded a short-term incentive (STI). On a like-for-like headcount basis, total remuneration (including STI) increased by 3.85% on average between 2015 and 2016.

KPI: BREAKDOWN OF REMUNERATION [G4-LA13, G4-EC1]

	Women		Men	
Comparison of remuneration for similar positions across the Group in 2016[1] *(€)*	**% per category**	**Average gross monthly salary[2]**	**% per category**	**Average gross monthly salary[2]**
Accountants	70%	3,410	30%	3,328
Analysts[3]	58%	3,526	42%	3,608
Controllers	50%	4,204	50%	5,315
Development/Investment	29%	6,120	71%	9,758
Leasing	62%	6,990	38%	7,317
Operating managers	50%	4,822	50%	5,488
Property maintenance and purchasing (PMP)	18%	3,685	82%	4,076
Shopping centre managers	38%	5,659	62%	6,010

(1) Positions concerning at least 12 of the Group's employees, excluding Viparis.
(2) The gross average monthly salary equals annual fixed salary plus the individual STI, divided by 12.
(3) The "Analysts" category includes all employees graded "Analyst".

Total remuneration[1]	**2013/2014**	**2014/2015**	**2015/2016**
Annual increase in average salary, including STI	4.7%	3.20%	3.85%

(1) Based on like-for-like headcount.

Variable remuneration	**2014**	**2015**	**2016**
STI beneficiaries[1]	67.3%	66.4%	73.2%
Stock option and Perfomance Shares beneficiaries	17.9%	15.2%	16.3%

(1) STI paid in year Y to employees on the payroll at December 31 of year Y-1.

In 2016, 611,608 options and 36,745 Performance Shares were awarded to 16.3% of employees and members of the Management Board, with no discount on the share price at the grant date. These options and performance shares were all subject to conditions based on Unibail-Rodamco share price performance compared with that of the EPRA *Eurozone* index, being the benchmark for the sector's performance.

The Group employer contribution to the employee savings plan in 2016 was € 658,000.

As at December 31, 2016, 73.9% of eligible employees (excluding Viparis) were Unibail-Rodamco shareholders through the Group's Savings Plan.

3.5.9. Labour relations

Unibail-Rodamco complies with the labour standards set by the International Labour Organization (ILO). Unibail-Rodamco only operates in the European Union where social regulations are well developed through democratic frameworks. Internally, specific frameworks set up by Unibail-Rodamco 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 has been a member of the UN's Global Compact, which promotes ethical conduct and fundamental moral values in businesses. Unibail-Rodamco 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 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 each year is informed of issues relating to the market at large and to the Group's economic situation (presentation of the Group's earnings, development and investment projects, etc.). This Committee also discusses all issues concerning the Group's employees with resonance at EU level. Through workshops, it regularly contributes to the exchange of best practices or Group projects concerning employment issues. For example, the Committee helped define the Group's CSR strategy. It is also consulted when a given measure is likely to significantly impact two or more countries. EEC members were renewed in June 2016.

The Group also organises various meetings on different topics with works councils, the CHSCT (in France), and the trade union organisations representing each region.

A total of 52 agreements are currently signed or in force with trade unions in France (including Viparis). These agreements cover a variety of topics such as equal opportunities for men and women, senior and youth employment, working time flexibility and the mandatory annual collective bargaining round.

As at December 31, 2016, 68.48% of employees were covered by a collective agreement.

KPI: COLLECTIVE AGREEMENTS [G4-11]

Labour relations	2015	2016
Employees covered by a collective agreement	66.30%	68.48%

3.6. 2016 Achievements & "Better Places 2030" objectives

3.6.1. 2016 Achievements

2016 Achievements	Material issue	Target/engagement	Scope[1]	Target date	Progress	Comments
Cooperating with cities and communities	**Transport connectivity & accessibility**	Promote alternative transport means to reduce the share of visitors coming by individual car to 35% by 2020 for managed Retail portfolio (like-for-like)	R	2020	See new target "Better Places 2030" (Pillar 2)	In 2016, 42% of visitors came to the Group's managed shopping centres by car
	Community well-being	Deploy the Group's "UR for Jobs" program on 10 managed Shopping Centres by 2016	R	2016	33%	The "UR for Jobs" program was launched in 3 managed Shopping Centres in 2016: Rosny 2, Parquesur and Almere. In 2016, UR for Jobs enabled 35 young people cut of the job market to find a long term job or to integrate a graduating training program. In addition, 137 young persons were trained, 70 tenants engaged for local employment and 126 Unibail-Rodamco employees coached or mentored young person with disadvantaged background
		Maintain the Group's commitments in supporting its main philanthropic causes towards entrepreneurship, social and young talents (with special focus on impact)	G	2016	100%	In 2016, with a total of €4 Mn donated in cash and in kind, the Group enabled more than 340 local charity fundraising and awareness events in its shopping centres
	Local economic development	Define the Group's circular economy policy	R	2016	0 %	This target was postponed due to the new CSR strategy "Better Places 2030" annouced in September 2016
	Crime & Safety	Implement an awareness program towards tenants & providers' staff in order to improve security of people in case of serious incident (fire safety, security, attack)	R+O	2016 France	100%	In the context of terrorist threat in France, an information/awareness program for the retailers' staff was implemented in the French portfolio of managed shopping centres, in order to better prevent and react in case of attacks
	Sustainable procurement	Carry out a life-cycle assessment (LCA) for a development project in order to identify the most relevant levers for reducing the embodied carbon (materials and construction)	R/O	2017	See new target "Better Places 2030" (Pillar 1)	See the specific "Better Places 2030" target set

(1) Scope – R = Retail; O = Offices; C = Convention & Exhibition; G = the whole Group.

2016 Achievements	Material issue	Target/engagement	Scope(1)	Target date	Progress	Comments
INTEGRATING building & users	Energy and carbon	Reduce carbon intensity *(CO_2 emissions/visit)* at managed Shopping Centres down to 30% in 2020 relative to 2012	R	2020	100%	Carbon intensity decreased by 40% in 2016 compared with 2012. The Group will determine a new long-term target in 2017 aligned with the "Better Places 2030" plan
		Increase energy efficiency *(kWh/visit)* at managed Shopping Centres by 25% in 2020 relative to 2012	R	2020	64%	Energy intensity decreased by 16% in 2016 compared with 2012
		Increase energy efficiency *(kWh/occupant)* at managed Offices by 35% in 2020 relative to 2012	O	2020	57%	Energy intensity decreased by 20% in 2016 compared with 2012
		Increase energy efficiency *(kWh/m^2 JOCC)* at managed Viparis sites by 25% in 2020 relative to 2014	C	2020	13%	Energy intensity decreased by 3,2% in 2016 compared with 2014
		Define the Group's low carbon vision and action plan for new development project	R	2018	100%	"Better Places 2030": The Group has set its vision and priorities with a -35% reduction of the carbon footprint from the construction of new development projects in 2030 (relative to 2015)
	Product labelling	Obtain a "BREEAM In-Use" certification for at least 80% of the managed Retail portfolio with a minimum of "Oustanding" for "Building Management" (part 2) by 2020 *(in number assets)*	R	2020	98%	As at December 31, 2016, 48 shopping centres were "BREEAM In-Use" certified in Europe, corresponding to 79% of the total managed portfolio (in number) with 71% were certified "Outstanding" for "Building Management"
		Obtain a "BREEAM In-Use" certification for at least 90% of the French Offices portfolio with a minimum of "Excellent" for Building Management (Part 2) by 2020 *(in number of assets)*	O	2020	68%	As at December 31, 2016, 5 Offices were "BREEAM In-Use" certified in Europe, corresponding to 62% of the total managed portfolio (in number) and 80% were certtified "Excellent" for Building Management"
		Complete a BREEAM certification of minimum "Very Good" for extension and an "Excellent" rating for all new developments (over 10,000 m^2)	R/O	Ongoing	100%	100% of 2016 major projects underwent BREEAM assessments. In 2016, Carré Sénart project was certified BREEAM "Excellent" at design stage. So Ouest Plaza obtained its final BREEAM "Excellent" certificate

(1) Scope – R = Retail; O = Offices; C = Convention & Exhibition; G = the whole Group.

2016 Achievements	Material issue	Target/engagement	Scope[1]	Target date	Progress	Comments
INTEGRATING building & users	Waste	Aim to send zero waste to landfill by 2020	R	2020	82%	In 2016 18% of waste were sent to landfill without any valorization
		Reach a waste recycling rate of at least 80% by 2020, thanks to individual tenants sorting and invoicing	R	2020	43%	In 2016 the waste recycling rate reached 34%
	Visitors & Customers	Extend the service quality program within the Group and achieve at least 48 managed Shopping Centres successfully audited according to the "4 Star" label by 2016	R	2016	85%	End of 2016, 41 shopping centres complied the "4 Star label". In 2016, Forum des Halles, Centro and Hofe am Brühl were added to the list, following a comprehensive quality audit performed by SGS.
		Obtain minimum B score for all managed asset in "health & safety risks" assessment measured through the annual third-party audits	G	2016	95%	In 2016, an annual health and safety risk audit was performed by a third-party on 96% of the managed portfolio in Europe, corresponding to 72 assets audited. 78% of audited sites improved or maintained their annual score compared with 2015, and 95% reached a minimum B
	Suppliers	Assess suppliers' compliance with environmental clauses at each shopping centre (target relates to security, cleaning and maintenance contracts)	R	2016	100%	In 2016, 318 assessments of key maintenance, security, cleaning, waste and mechanical transports suppliers were performed corresponding to 98% of services provided in total managed assets in Europe (Retail, Offices and Convention & Exhibition)
		Carry out a pilot for a web-solution supporting the Group's purchasing processes and policy	G	2016	50%	A web solution for purchasing management was developed, set up and initialized in 2016. One pilot per region was launched in January 2017 and this tendering management solution will be deployed in all regions in 2017

(1) Scope – R = Retail; O = Offices; C = Convention & Exhibition; G = the whole Group.

2016 Achievements	Material issue	Target/engagement	Scope[1]	Target date	Progress	Comments
	Technology/ digital	Launch the new incubator program UR>Link with the selection and active support of 6 innovative start-ups	G	2016	100%	UR Link was officially launched on March 14, 2016 with the selection of 5 startups that joined the first season of the program. 5 pilots have been implemented in UR Shopping Centres during the 4 months program and an active support have been provided by UR teams and its partners. The second season, welcoming 6 new startups within the incubator, have been launched on November 7, 2016.
		Design and roll-out an employee engagement survey on all employees in the Group	G	2016	100%	The enggement survey was deployed in 2016 on all Group's employees. The participation rate reached 81%.
		Launch an enterprise social network to strengthen links and communication between teams	G	2016	100%	The Enterprise social network "UR World" has been opened to all Unibail-Rodamco employees in Europe since January 2016
ENGAGING business & people	**Employees attraction, retention & engagement**	Increase and nurture our innovative culture and community of innovative champions	G	2017	100%	In 2016, 28 employees took part in the ICGP program, the Group organised in each region the "innovation days" to raise employees' awareness of innovation
		Take advantage of our new Learning Management System to reach everyone in the Group with: on-site trainings, e-learnings and videos (partnership with TED Talks)	G	2016	86%	The official launch of the new training platform in the last Region (Germany) will be deployed during the 3rd quarter of 2017
	Tenants attraction, retention & engagement	Exceed 90% of "green lease" for total active Retail and Offices portfolio by 2016	R/O	2016	85%	1,755 of these "green leases" were signed in 2016 for both existing or development portfolio and for both the Retail and Office portfolio, representing 91% of the total signed leases. At the end of 2016, 77% of Group's active leases includes "green lease" clauses.

(1) Scope – R = Retail; O = Offices; C = Convention & Exhibition; G = the whole Group.

3.6.2. Long term objectives: "Better Places 2030" a 2030 vision

Since 2013, the Group has decided to concentrate its efforts and resources on the issues that count, based on the material survey performed in 2012 and updated in 2015, revealing a list of top priorities named "material issues". At the end of 2016, the Group announced its new strategy named "Better Places 2030". The Group has therefore revised and aligned its CSR long-term targets in line with these top material issues. The Group will continue to address and manage internal targets for each operational core function (such as water, biodiversity, bribery and corruption, land pollution).

Pillars	Priority theme for the Group	Objective/Commitment	Scope[1]	Deadline
1 Less carbon emissions, better buildings	Construction and carbon	Reduce by 35% the construction carbon footprint *(CO_2/m^2)* by 2030 compared to the 2015 level	R + O	2030
		Implement low-carbon solutions in all new projects	R + O	2020
		Define the Group methodology for measuring the carbon footprint of a construction project and train the development teams	R + O	2017
		Perform a Life Cycle Analysis (LCA) at design stage for all extension and new projects (over 10,000 m^2) in order to identify the levers for reducing their carbon footprint[2]	R + O	2017
		Systematically select LED lighting for the common areas of construction projects	R	2017
		Define and integrate carbon performance indicators into Group and decision-making processes (6A, BP)	R + O	2017
		Obtain minimum "Very Good" "BREEAM" certification for extension projects and minimum "Excellent" for new projects (over 10,000 m^2)	R/O	Permanent
	Energy, carbon and certifications	Reduce by 70% the carbon footprint associated with operations by 2030 compared with the 2015 level	R + O	2030
		Improve the energy efficiency *(kWh/visit)* at managed shopping centres by 25% by 2020 compared to the 2012 level (managed scope)	R	2020
		Improve the energy efficiency *(kWh/occupant)* at managed office buildings by 35% by 2020 compared to the 2012 level (managed scope)	O	2020
		Improve the energy efficiency *(kWh/m² JOOC)* at managed Viparis sites by 25% by 2020 compared to the 2014 level (managed scope)	C	2020
		Promote the installation of 100% LED lighting systems by retailers and the purchase of electricity from renewable sources *via* the rolling out of the Group's new green lease from 2017 (LED and Green electricity mandatory from 2020)	R	2020
		Obtain the "BREEAM In-Use" certification for at least 80% of the managed shopping centre portfolio with a minimum level of "Outstanding" for the "management" part by 2020 *(in number of assets)*	R	2020
		Obtain the "BREEAM In-Use" certification for at least 90% of the managed office portfolio with a minimum level of "Excellent" for the "management" part by 2020 *(in number of assets)*	O	2020
		Purchase 100% of electricity from renewable sources for all assets owned and managed by the Group (common energy)	G	2018
		Systematically use LED lighting solutions for the common areas of shopping centres owned and managed by the Group	R	2017
		Roll-out the new version of the "green lease" incorporating mandatory use of LED lighting and electricity from renewable sources	R	2017
		Sign 30 LED partnerships with international retailers	R	2017
2 Less polluting transport, better connectivity	Sustainable mobility and transport	Reduce by 50% the transport carbon footprint by 2030 compared to the 2015 level	R	2030
		Increase to 75% the proportion of visitors travelling to managed shopping centres by a sustainable means of transport (like-for-like scope)	R	2030
		Ensure that all new development projects include at least one sustainable transport solution	R	2020
		Create an action plan for each centre which encourages the deployment of "soft" transport solutions (carsharing, bicycle access, electric shuttles, etc.)	R	2020
		Deploy a recharging infrastructure specifically designed for electric vehicles in 100% of shopping centre car parks owned and managed by the Group	R	2020
		Develop partnerships with sustainable mobility and transport operators	R + O	2020
		Test at one site a pilot shared urban logistics solution for deliveries to retailers ("UR Delivery")	R	2017

(1) Scope: R = Retail; O = Offices; C = Convention & Exhibition; G = Whole Group.
(2) Excluding projects whose design is completed or whose work is in progress.

Pillars	Priority theme for the Group	Objective/Commitment	Scope[1]	Deadline
3 Less local unemployment, better communities	Support for employment and local economic initiatives	Enable 1,000 young people every year to integrate a long-term job or a graduating training program through the "UR for Jobs" program for 100% of shopping centres which welcome 6 million visits	R	2020
		Organise an annual event in partnership with local and national associations at 100% of owned and managed shopping centres	R	2018
		Roll-out the "UR for Jobs" program in 15 shopping centres with the objective of providing a job or a course leading to a qualification for 225 young people in 2017	R	2017
		Deploy DEX in 12 owned and managed shopping centres	R	2019
	Development of services	Equip 100% of owned and managed shopping centres with the "Connect" application	R	2019
		Roll-out the "Connect" application in 30 owned and managed shopping centres in 2017	R	2017
4 Less top down, better collective power	Governance and performance	Define an individual contribution or CSR objectives for all Group employees	G	2018
		Implement the new Group CSR Governance (Committees and CSR referents)	G	2017
		Define CSR quantitative objectives for the Management Board, the Group Management Team and Country Management teams in all the regions where the Group operates	G	2017
	Involving and raising awareness of staff	Reduce staff paper consumption (annual processes digitalised)	G	2020
		100% of the Group's company car fleet hybrid or electric	G	2020
		100% of staff take part in the Annual Day of Solidarity	G	2018
		Involve 40% of Group staff in the Annual Solidarity Day, which will be inaugurated in 2017	G	2017
		Offset 100% of staff business travel (plane and train) through a carbon offset program	G	2017
	Partnerships	Develop partnerships with our stakeholders (large companies, start-ups and research centres)	G	Permanent
	Innovation	Continue the start-up incubation program (UR-Link) and incubate at least 10 start-ups a year	G	2017

(1) Scope: R = Retail; O = Offices; C = Convention & Exhibition; G = Whole Group.
(2) Excluding projects whose design is completed or whose work is in progress.

3.7. Content indexes

3.7.1. EPRA Sustainability Performance Measures

In 2016, Unibail-Rodamco received the EPRA Gold Award, for its exceptional compliance in its sustainability reporting 2015 with the EPRA Best Practice Recommendations on sustainability reporting (EPRA sBPR).

The indicators reported in the 2016 Annual and Sustainable Development Report complies with the 2nd edition of the EPRA (sBPR) published in September 2014. The table below shows the cross-check results between the EPRA guidelines and Unibail-Rodamco report.

Code	Indicator	Type	Definition	Reported	Cross reference	Pages	External assurance
PERFORMANCE MEASURES							
Elec-Abs	Total electricity consumption *(annual kWh)*	Core	Total amount of electricity consumed from renewable and non-renewables sources, whether imported and generated onsite	Reported	**MPI:** Energy consumption *(kWh)*	96	✓
				Reported	kWh of green electricity 2016	93	✓
				Reported	**MPI:** Direct and indirect final energy consumption by primary energy source *(%)*	98	✓
				Reported	**MPI:** Renewable energy produced and CO_2 emissions saved	99	✓
Elec Lfl	Like-for-like total electricity consumption *(annual kWh)*	Core	Total electricity consumed	Reported	**MPI:** Energy consumption *(kWh)*	96	✓
DH&C-Abs	Total district heating & cooling consumption *(annual kWh)*	Core	Total amount of indirect energy consumed from district heating & cooling systems	Reported	**MPI:** Energy consumption *(kWh)*	96	✓
DH&C-Lfl	Like-for-like total district heating & cooling consumption *(annual kWh)*	Core	Total amount of district heating &r cooling consumed	Reported	**MPI:** Energy consumption *(kWh)*	96	✓
Fuel-Abs	Total fuel consumption *(annual kWh)*	Core	Total amount of fuel used from direct (renewable and non-renewable) sources	Not Reported	Not applicable		
Fuel-Lfl	Like-for-like total fuel consumption *(annual kWh)*	Core	Total amount of fuels consumed	Not Reported	Not applicable		
Energy-Int	Building energy intensity *(kWh/person/year or kWh/m²/year or kWh/revenue/year)*	Core	Total amount of direct and indirect energy used by renewable and non-renewable sources in a building	Reported	**MPI:** Energy efficiency per building usage *(kWh/visit/year for Shopping Centres, kWh/occupant/year for Offices, kWh/m² DOP/year for Convention & Exhibition Centres)*	97	✓
				Reported	**MPI:** Energy efficiency per m^2 *(kWh/m²/year)*	97	✓
GHG-Dir-Abs	Total direct greenhouse gas (GHG) emissions *(annual metric tonnes CO_2e)*	Core	Total amount of direct greenhouse gas emissions	Reported	**MPI:** CO_2 emissions *($kgCO_2e$)*	92	✓
		Additional	Fugitive emissions	Reported	**MPI:** Refrigerant leaks and waste disposal CO_2 emission *($kgCO_2e$)*	92	✓

■ *Reported* ■ *Not Reported*

Code	Indicator	Type	Definition	Reported	Cross reference	Pages	External assurance
GHG-Indir-Abs	Total indirect greenhouse gas (GHG) emissions *(annual metric tonnes CO_2e)*	Core	Total amount of indirect greenhouse gas emissions		**MPI:** CO_2 emissions *($kgCO_2e$)*	92	✓
GHG-Dir-Lfl	Like-for-like total direct greenhouse gas (GHG) emissions *(annual metric tonnes CO_2e)*	Core	Total amount of direct greenhouse gas emissions emitted		**MPI:** CO_2 emissions *($kgCO_2e$)*	92	✓
GHG-Indir-Lfl	Like-for-like total indirect greenhouse gas (GHG) emissions *(annual metric tonnes CO_2e)*	Core	Total amount of indirect greenhouse gas emissions produced		**MPI:** CO_2 emissions *($kgCO_2e$)*	92	✓
GHG-Int	Greenhouse gas (GHG) intensity from building energy consumption *(kg CO_2e/m^2/year, kg CO_2e/person/year, kg CO_2e/revenue/year)*	Core	Total amount of direct and indirect GHG emissions generated from energy consumption		**MPI:** Carbon intensity of use *(gCO_2e/visit/year for Shopping Centres, gCO_2e/occupant/year for Offices, gCO_2e/m^2 DOP/year for Convention & Exhibition Centres)*	93	✓
					MPI: Carbon intensity per m^2 *($kgCO_2e/m^2$/year)*	94	✓
Water-Abs	Total water consumption *(annual m^3)*	Core	Total amount of water consumed		**KPI:** Water consumption *(m^3)*	103	✓
		Additional	Water sources (surface, ground, grey, black, *etc.*)		**3.3.6.2. Water** > Reused water	103	✓
Water-Lfl	Like-for-like total water consumption *(annual m^3)*	Core	Total amount of water consumed		**KPI:** Water consumption *(m^3)*	103	✓
Water-Int	Building water intensity *(litres/person/day or m^3/m^2/year)* or *(litres/m^3/revenue/year)*	Core	Total amount of water consumed normalised by an appropriate denominator		**KPI:** Water intensity of use *(litre/visit/year for Shopping Centres, litre/occupant/year for Offices, litre/m^2 DOP/year for Convention & Exhibition centres)*	104	✓
					KPI: Water consumption per m^2 *(litre/m^2/year)*	103	✓
Waste-Abs	Total weight of waste by disposal route *(annual metric tonnes and proportion by disposal route)*	Core	Total amount of waste produced and disposed of *via* various disposal methods routes		**KPI:** Total waste (tonnes) and percentages of recycled and valued waste *(%)*	106	✓
					KPI: Split of total waste by disposal route *(%)*	106	✓
Waste-Lfl	Like-for-like total weight of waste by disposal route *(annual metric tonnes and proportion by disposal route)*	Core	Total amount of waste created				

■ *Reported* ■ *Not Reported*

Code	Indicator	Type	Definition	Reported	Cross reference	Pages	External assurance
Cert-Tot	Type and number of sustainability certified assets *(Total number by certification/ rating/labelling scheme)*	Core	Total number of assets within a portfolio that have formally obtained sustainability certification, rating or labelling		Penetration rate *(%)* within the total standing Retail portfolio in value	82	✓
					Penetration rate *(%)* within the total standing Office portfolio in value	82	✓
		Additional	Total number of assets certified and level of certification obtained, as well as percentage of assets certified within the portfolio		**MPI:** Environmental certification of new developments	83	✓
					MPI: Environnemental certification of standing assets	86	✓
OVERARCHING RECOMMENDATIONS							
5.1	Organisational boundaries	Core	Organisational structure by type of asset (subsidiaries, associates, *etc.*) and financial/ operational leases		**I. Portfolio**	3-13	✓
5.2	Coverage	Core	Percentage of assets within the organisational boundary included in data disclosed for each sustainability performance measure		Coverage given in every KPI and MPI tables	92-109	✓
5.3	Estimation of Landlord-obtained utility consumption	Core	Methodology used to estimate utility consumption		**3.3.2. Reporting methodology for environmental data**	77-81	✓
5.4	Third Party Assurance	Core	Level of third party assurance according to AA1000 or ISAE3000		**3.3.2.8. Third-party Independent verification**	81	✓
					3.8. Independent verifier's report on consolidated social, environmental and societal information in the management report	165-167	✓
5.5	Boundaries reporting on landlord and tenant consumption	Core	Absolute consumption (only Landlord-obtained energy/water)		**3.3.2.3. Reporting scope**	78	✓
					MPI: Energy consumption *(kWh)*	96	✓
					KPI: Water consumption *(m³)*	103	✓
		Additional	Private consumption (tenant-obtained consumption) collected by the Landlord		Tenants' collected electricity consumption *(kWh)*	96	✓
					KPI: Water consumption *(m³)*	103	✓
5.6	Normalisation	Core	Intensity sustainability performance measures (denominators: managed floor area or occupancy)		**3.3.2.2. Reporting values**	78	✓
					3.3.2.4. Changes in reporting scope	78	✓
5.7	Analysis –Segmental analysis *(by property type, geography)*	Core	Concordance with property typology adopted in financial reporting		**I. Portfolio**	3-13	✓
5.8	Disclosure on own offices	Core	Own office performance measure		Unibail-Rodamco's headquarters is reported within the Offices portfolio – France	77-81	✓
5.9	Narrative on performance	Core	Commentaries/ explanations on environmental performance		**3.3. Environment**	75-109	✓
5.10	Location of EPRA Sustainability Performance Measures in companies' report	Core	Epra and environmental measures included in the annual report		**3.7. Content indexes > 3.7.1. EPRA Sustainability Performance Measures**	147-150	✓

■ *Reported* ■ *Not Reported*

Code	Indicator	Type	Definition	Reported	Cross reference	Pages	External assurance
OTHER ISSUES TO CONSIDER							
6.1	Materiality	/	External materiality survey and GRI G4 adherence	Reported	**3.1.6. Integration of "Better Places 2030" within the Group's activities and core processes**	68-70	✓
					3.7. Content indexes > 3.7.2. GRI G4	151-160	✓
6.2	Return on Carbon Emissions (ROCE)	/	Financial return on each tones of carbon emitted	Not Reported			
6.3	Socio-Economic Indicators related to Sustainability Performance	/	Local economic contribution of the Company's operations and surrounding communities	Reported	**3.4.1.1. Economic Impact**	112-114	✓
6.4	Transport	/	Emissions from employees commuting and business travel and from the end users of assets	Reported	**KPI:** CO_2 emissions from employees' business travel by train and plane *(tonnes CO_2e)*	102	✓
6.5	Refrigerant gases	/	Fugitive emissions arising from the Company's activities	Reported	**KPI:** Refrigerant leaks and waste disposal CO_2 emissions *($kgCO_2e$)*	92	✓

Reported *Not Reported*

3.7.2. GRI G4

In its 2013 annual report, the Group made the transition from the Application level B+ of the Global Reporting Initiative Construction & Real Estate Sector Supplement reporting framework (GRI 3.1 CRESS published in 2011) to the G4 new Guidelines, deeply modified and published in May 2013.

The Core Approach has been maintained for the third year, reporting under G4 guidelines. The concordance table below shows where the information has been disclosed in this 2016 Annual and sustainable development report. The "Reported" column indicates the level of reporting for each indicator.

Unibail-Rodamco fully reports all Profile (53) disclosures and selected 18 topics as being material to its sector's activity.

36 material performance indicators and four additional indicators (not related to material topics) are reported.

Items	Description	Reported	Cross-reference	Pages	External assurance
1. Profile					
STRATEGY AND ANALYSIS					
G4-1	Statement by the organisation's decision-maker organisation with the highest seniority	Reported	**Annual and sustainable development report/** Message from the CEO & Chairman of the Management Board	8-9	
G4-2	Key impacts, risks, and opportunities	Reported	**Annual and sustainable development report/** Corporate	8-25	
			3.1.6. Integration of "Better Places 2030" within the Group's activities and core process	68	✓
			3.6. 2016 Achievements and "Better Places 2030" objectives	141	✓
			8. Risk factors and Compliance Programme	351-365	✓
			6. Corporate Governance/Internal control system	288-291	✓
ORGANISATIONAL PROFILE					
G4-3	Name of the organisation	Reported	**Annual and sustainable development report**	2-3	
			7. Information on the company, share capital and shareholding/General information	333-334	✓
G4-4	Primary brands, products, and services	Reported	**Annual and sustainable development report/** Message from the CEO & Chairman of the Management Board	8-9	
			Annual and sustainable development report/ Strategy	6-7	
			Annual and sustainable development report/Across the portfolio	46-65	
			Annual and sustainable development report/ Building unique destinations	26-31	
G4-5	Location of the organisation's headquarters	Reported	**7. Information on the company, share capital and shareholding/**General information	333-334	✓
G4-6	Number of countries where the organisation operates, and countries names where either the organisation has significant operations or operations that are specifically relevant to the sustainability topics covered in the report	Reported	**Annual and sustainable development report/**Profile	2-3	
			3.3.2. Reporting methodology for environmental data	77-81	✓
G4-7	Nature of ownership and legal form	Reported	**7. Information on the company, share capital and shareholding/**General information	333-334	✓
G4-8	Markets served	Reported	**Annual and sustainable development report/**Profile	2-3	
			Annual and sustainable development report/ Strategy	6-7	
			1. Portfolio	3-13	✓
			3.4. Stakeholders	110-129	✓
G4-9	Scale of the organisation	Reported	**2. Business review and 2016 Results**	15-60	✓
			3.5. People @ Unibail-Rodamco	130-160	✓
			4.1. Consolidated financial statements	169-173	✓

Reported *Partially Reported*

Items	Description	Reported	Cross-reference	Pages	External assurance
G4-10	Total number of employees by employment contract and gender		**KPI:** Employment by country	134	✓
			KPI: Employment by activity	135	✓
			KPI: Employment by age	135	✓
			KPI: Employment by gender	135	✓
			KPI: Recruitment	133	✓
			KPI: Labour contracts	138	✓
G4-11	Share of total employees covered by collective bargaining agreements		**KPI:** Collective bargaining	140	✓
G4-12	Description of the organisation's supply chain		**3.4.5. Suppliers and contractors: Supply Chain Management –** Purchasing mapping	117-119	✓
G4-13	Significant changes during the reporting period in terms of size of the organisation's, structure, ownership, or supply chain		**1. Portfolio**	3-13	✓
			2. Business review and 2016 Results	15-60	✓
			4. Consolidated financial statements as at Dec. 31, 2016	169-173	✓
G4-14	How the precautionary approach or principle is addressed by the organisation		**8. Risk factors and Compliance Programme**	350-365	✓
			3.3.1. Environmental Management Systems (EMS)	75-76	✓
			3.3.4. Climate change	87-88	✓
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses		A comprehensive strategy (signatory of the UN Global Compact)	120	
			3.1.7. Governance and Corporate Social Responsibility	70-72	✓
			3.4.7.2. ESG (Environmental, Social and Governance) ratings and awards	120-121	✓
			6. Corporate Governance	267-329	✓
			3.7. Content indexes	147-164	
G4-16	Memberships of associations (such as industry associations) and national or international advocacy organisations in which the organisation: ● holds a position on the governance body; ● participates in projects or committees; ● provides substantive funding beyond routine membership dues; ● views membership as strategic		**3.4.6. Professional organisations**	120	
IDENTIFIED MATERIAL ASPECTS AND BOUDARIES					
G4-17	List all entities included in the organisation's consolidated financial statements or equivalent documents Report whether any entity included in the organisation's consolidated financial statements or equivalent documents is not covered by the report		**Annual and sustainable development report**	2-3	
			1. Portfolio	3-13	✓
			2. Business review and 2016 Results	15-60	✓
			3.3.2. Reporting methodology for environmental data	77-81	✓
			4. Consolidated financial statements as at Dec 31, 2016	169-231	✓
G4-18	Process for defining the report content and the Aspect Boundaries		**3.1. "Better Places 2030": a new frontier**	63-72	✓
			3.3.2. Reporting methodology for environmental data	77-81	✓
			3.4. Stakeholders	110-129	✓
G4-19	Material Aspects identified in the process defining report content		**3.1.6. Integration with business & strategy > Material issues to create sustainable value**	65-70	✓
G4-20	Aspect materiality for all entities within the organisation		**3.1.6. Integration with business & strategy > Material issues to create sustainable value**	68-70	✓
			3.6. 2016 Achievements and "Better Places 2030" objectives	141-146	✓
G4-21	Aspect materiality outside of the organisation		**3.1.6. Integration with business & strategy > Material issues to create sustainable value**	68-70	✓

Reported *Partially Reported*

Items	Description	Reported	Cross-reference	Pages	External assurance
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements		**2. Business review and 2016 Results**	15-60	✓
			3.3.2. Reporting methodology for environmental data	77-81	✓
			4.1. Consolidated financial statements	169-173	✓
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries		**2. Business review and 2016 Results**	15-60	✓
			3.3.2. Reporting methodology for environmental data	77-81	✓
			4.1. Consolidated financial statements	169-173	✓
STAKEHOLDERS ENGAGEMENT					
G4-24	List of stakeholder groups engaged by the organisation		**3.4. Stakeholders**	110-129	✓
G4-25	Basis for identification and selection of stakeholders with whom to engage		**Annual and sustainable development report/** Message from the CEO & Chairman of the Management Board	8-9	
			3.1.6. Integration with business & strategy > Material issues to create sustainable value	68-70	✓
			3.4. Stakeholders	110-129	✓
G4-26	Organisation's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process		**3.1.7. Governance and Corporate Social Responsibility**	70-72	✓
			3.4. Stakeholders	110-129	✓
			3.6. 2016 Achievements and "Better Places 2030" objectives	141-146	✓
			No stakeholder consultation during the preparation of the report		
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting. Stakeholder groups that raised each of the key topics and concerns		**Annual and sustainable development report**	34-35	
			3.4. Stakeholders	110-129	✓
			3.6. 2016 Achievements and "Better Places 2030" objectives	141-146	✓
REPORT PROFILE					
G4-28	Reporting period (such as fiscal or calendar year) for information provided		**1. Portfolio**	3-13	✓
			2. Business review and 2016 Results	15-60	✓
			3.3.2. Reporting methodology for environmental data	77-81	✓
			4.1. Consolidated financial statements	169-173	✓
G4-29	Date of the most recent report, prior to the current one		**3.3.2. Reporting methodology for environmental data**	77-81	✓
G4-30	Reporting cycle (annual, biennial, etc.)		**3.3.2. Reporting methodology for environmental data**	77-81	✓
G4-31	Contact point for questions regarding the report or its contents		Persons responsible for this document, for the financial information and auditing the accounts	367-371	✓
G4-32	"In accordance" option chosen by the organisation GRI Content Index for the chosen option Reference to the External Assurance Report		**3.3.2. Reporting methodology for environmental data**	77-81	✓
			3.7.2. GRI G4	151-160	
			3.3.2.8. Third-party independent verification	81	✓
G4-33	Organisation's policy and current practice with regard to seeking external assurance for the report Scope and basis of any external assurance provided Relationship between the organisation and the assurance providers Highest governance body or senior executives involved in seeking assurance for the organisation's sustainability report		**3.3.2.8. Third-party independent verification**	81	✓
			4.1. Consolidated financial statements	169-173	✓
			6.2. Report of the Chairman of the Supervisory Board	279-291	✓

Reported *Partially Reported*

Items	Description	Reported	Cross-reference	Pages	External assurance
GOVERNANCE					
G4-34	Governance structure of the organisation, including committees of the highest governance body. Identify committees responsible for decision-making on economic, environmental and social impacts	Reported	**Annual and sustainable development report/** Message from the Chairman of the Supervisory Board	14-15	
			3.1. "Better Places 2030": a new frontier	63-72	✓
			3.2. Corporate Governance, ethical conduct and risk management	73-74	✓
			6.1. Corporate Governance/Management Board and Supervisory Board	269-278	✓
			6.2. Report of the Chairman of the Supervisory Board	279-291	✓
G4-35	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	Reported	**3.1.7. Governance and Corporate Social Responsibility**	70-72	✓
G4-36	Top managers appointed by the organisation with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body	Reported	**3.1.6. Integration of "Better Places 2030" within the Group's activities and core processes**	68-70	✓
G4-38	Composition of the highest governance body and its committees	Reported	**Annual and sustainable development report/** Message from the Chairman of the Management Board	8-9	
			3.1. "Better Places 2030": a new frontier	63-72	✓
			3.2. Corporate Governance, ethical conduct and risk management	73-74	✓
			3.1.7. Governance and Corporate Social Responsibility	70-72	✓
			6.1. Corporate Governance/Management Board and Supervisory Board	269-278	✓
			6.2. Report of the Chairman of the Supervisory Board	279-291	✓
G4-39	Is the Chair of the highest governance body also an executive officer	Reported	**6.1. Corporate Governance/**Management Board and Supervisory Board	269-278	✓
G4-40	Nomination and selection of processes for the highest governance body and its committees, criteria used for nominating and selecting highest governance body members	Reported	**6.1. Corporate Governance/**Management Board and Supervisory Board	269-278	✓
			6.2. Report of the Chairman of the Supervisory Board	279-291	✓
G4-41	Processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report on whether conflicts of interest are disclosed to stakeholders	Reported	**6. Corporate Governance**	269-331	✓
G4-42	Highest governance body's and senior executives' roles in the development, approval, and updating of the organisation's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts	Reported	**3.1.7. Governance and Corporate Social Responsibility** **3.1.6. Integration of "Better Places 2030" within the Group's activities and core process**	70-72 68-70	✓
G4-44	Evaluation Processes of the highest governance body's performance with respect to governance of economic, environmental and social topics. Self-assessment, or independent evaluation, and frequency. Actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics	Reported	**6. Corporate Governance**	269-331	✓
			6.2. Report of the Chairman of the Supervisory Board	279-291	✓

Reported *Partially Reported*

Items	Description	Reported	Cross-reference	Pages	External assurance
G4-45	Highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes Stakeholder consultation used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities		**6. Corporate Governance**	269-331	✓
			6.2. Report of the Chairman of the Supervisory Board	279-291	✓
G4-46	Highest governance body's role in reviewing the effectiveness of the organisation's risk management processes for economic, environmental and social topics		**3.1.7. Governance and Corporate Social Responsibility**	70-72	✓
			6. Corporate Governance	269-331	✓
			6.1. Corporate Governance/Management Board and Supervisory Board	269-278	✓
G4-47	Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities		**3.1.7. Governance and Corporate Social Responsibility**	70-72	✓
G4-48	Highest committee or position that formally reviews and approves the organisation's sustainability report and ensures that all material aspects are covered		**3.1.7. Governance and Corporate Social Responsibility**	70-72	✓
G4-49	Process for communicating critical concerns to the highest governance body		**6. Corporate Governance**	269-331	✓
G4-51	Remuneration policies for the highest governance body and senior executives. Performance criteria in the remuneration policy related to the highest governance body's and senior executives' economic environmental and social targets		**3.5.8. Rewards & recognition**	139-140	✓
			6.3. Supervisory Board Report on the Remuneration Policy/Remuneration of Management Board and Supervisory Board members	292-328	✓
			6.2.2. Report of the Chairman of the Supervisory Board/Remuneration of the Management Board	287	✓
G4-52	Process for determining remuneration		**6.3. Supervisory Board Report on the Remuneration Policy/**Remuneration of Management Board and Supervisory Board members	292-328	✓
			6.2.2. Report of the Chairman of the Supervisory Board/Remuneration of the Management Board	287	✓
G4-53	How stakeholders' views are sought and taken into account regarding remuneration		**7.2. Share capital – General Information/**Share capital and voting rights	335-346	✓
			6.3. Supervisory Board Report on the Remuneration Policy/Remuneration of Management Board and Supervisory Board members	292-328	✓
ETHICS AND INTEGRITY					
G4-56	Organisation's values, principles, standards and behaviour standards such as codes of conduct and codes of ethics		**3.2. Corporate Governance, ethical conduct and risk management**	73-74	✓
			6. Corporate Governance	269-331	✓
			6.2. Report of the Chairman of the Supervisory Board	279-291	✓
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behaviour, and matters related to organisational integrity		**6. Corporate Governance**	269-331	✓
			3.2. Corporate Governance, ethical conduct and risk management	73-74	✓
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behaviour, and matters related to organisational integrity		**6. Corporate Governance**	269-331	✓
			3.2. Corporate Governance, ethical conduct and risk management	73-74	✓

Reported *Partially Reported*

Items	Description	Reported	Cross-reference	Pages	External assurance
II. Management approach					
ECONOMIC					
EC	Economic performance	Reported	**Annual and sustainable development report/** Corporate	8-25	
			2. Business review and 2016 Results	15-60	✓
			4.1. Consolidated financial statements	169-173	✓
EC	Market presence	Reported	**Annual and sustainable development report**	2-3	
			Annual and sustainable development report/ Strategy	6-7	
			1. Portfolio	3-13	✓
EC	Indirect economic impacts	Reported	**3.4.1. Communities and local authorities**	111	✓
			3.4.1.1. Economic impact	111-114	✓
			3.4.1.2. The Group's local economic footprint	113-114	✓
ENVIRONMENTAL					
EN	Energy	Reported	**3.3.4.3. Energy consumption**	94-95	✓
EN	Emissions	Reported	**3.3.4. Climate Change**	87-88	✓
			3.3.4.1. Carbon footprint	88-90	✓
			3.3.4.2. CO_2 emissions	90-91	✓
EN	Products and services	Reported	**Annual and sustainable development report/** Building unique destinations	26-31	
			3.3.3. Product labelling: Environmental certification	81-87	✓
EN	Compliance	Reported	**3.3.2.8. Third-party independent verification**	81	✓
			3.8. Independent verifier's report on consolated social, environmental and societal information presented in the management report	165-167	✓
EN	Transport	Reported	**3.3.5. Transport and connectivity**	99	✓
SOCIAL					
	LABOUR AND DECENT WORK PRACTICES				
LA	Employment	Reported	**3.5.5. Equal opportunity and inclusion**	134-135	✓
LA	Occupational health and safety	Reported	**3.3.7. Health & Safety and environmental risks and pollution**	108-109	✓
			3.5.7. Well-being at work	137-138	✓
LA	Training and education	Reported	**3.1.7. Governance and Corporate Social Responsability**	70-72	✓
			3.5.3. UR Academy-Developing people	131-132	✓
LA	Diversity and equal opportunity	Reported	**3.5.5. Equal opportunity and inclusion**	134-136	✓
LA	Equal remuneration for women and men	Reported	**3.5.8. Rewards & recognition**	139	✓
	SOCIETY				
SO	Local communities	Reported	**3.4.1. Communities and local authorities**	111	✓
SO	Anti-corruption	Reported	**3.2.2. Ethical conduct**	73-74	✓
			3.2.2. Ethical conduct/Group Compliance Book and Code of Ethics	73-74	✓
SO	Supplier assessment for impacts on society	Partially Reported	**3.4.5. Suppliers and contractors: Supply Chain Management**	117	✓
SO	Grievance mechanisms for impacts on society	Partially Reported	**3.3.1.1. Sustainable Design Attitude : an EMS for development projects**	75-76	✓
	PRODUCT RESPONSIBILITY				
PR	Customer health and safety	Reported	**3.3.7. Health & Safety and environmental risks and pollution**	108	✓
			3.4.3. Visitors & Customers	116	✓
PR	Product and service labelling	Reported	**Annual and sustainable development report/** Building unique destinations	26-31	
			3.3.3. Product labelling: Environmental certification	81-87	✓

Reported *Partially Reported*

Items	Description	Reported	Cross-reference	Pages	External assurance
III. Material key performance indicators					
ECONOMIC					
	ECONOMIC PERFORMANCE				
G4-EC1	Direct economic value generated and distributed		**3.4. Stakeholders**	110-129	✓
			3.5.6. Corporate citizenship	135-136	✓
			KPI: Recruitment	133	✓
			KPI: Remuneration breakdown	139	✓
			4. Consolidated Financial Statements/ Consolidated financial KPIs	169-230	✓
			4. Consolidated Financial Statements/ Employee remuneration and benefits	214-218	✓
G4-EC2	Financial implications and other risks and opportunities for the organisation due to climate change		**3.3.4. Climate change**	87-88	✓
			8. Risk factors and Compliance Programme/ Risk factors	351-362	✓
G4-EC3	Coverage of the organisation's defined benefit plan obligations		**3.5.8. Rewards & recognition**	139	✓
			4. Consolidated Financial Statements/ Employee remuneration and benefits	214-218	✓
			4. Consolidated Financial Statements	168-231	✓
	MARKET PRESENCE				
G4-EC6	Senior management members hired locally at significant locations of operation		**KPI:** Employment by country	134	✓
			KPI: Employment by age	135	✓
			3.4.1. Communities and local authorities	111	✓
			3.4.1.1. Economic impact	112-114	✓
			3.4.1.2. The Group's local economic footprint	113-114	✓
			3.4.5. Suppliers and contractors: Supply Chain Management – Purchases mapping	117-119	✓
	INDIRECT ECONOMIC IMPACTS				
G4-EC7	Development and impact of infrastructure investments and services supported		**3.4.1.1. Economic impact**	112-114	✓
			3.4.1.2. The Group's local economic footprint	113-114	✓
			3.3.5. Transport and connectivity	99-101	✓
			3.4.1. Communities and local authorities	111	✓
G4-EC8	Significant indirect economic impacts, including the extent of impacts		**Annual and sustainable development report/** Fostering local communities	37	
			3.4.1.1. Economic impact	112-114	✓
			3.4.1.2. The Group's local economic footprint	113-114	✓
ENVIRONMENTAL					
	ENERGY				
G4-EN3	Energy consumption within the organisation		**MPI:** Energy consumption *(kWh)*	96	✓
			MPI: Direct and indirect final energy consumption by primary energy source *(%)*	98	✓
			MPI: Renewable energy produced and CO_2 emissions saved	99	✓
G4-EN4	Energy consumption outside of the organisation		**3.3.4.3. Energy consumption –** Tenants' electricity consumption collected *(kWh)*	94	✓
			MPI: Energy consumption *(kWh)*	96	✓
			MPI: Direct and indirect final energy consumption by primary energy source *(%)*	98	✓
			MPI: Renewable energy produced and CO_2 emissions saved	99	✓
G4-EN5	Energy intensity		**MPI:** Energy efficiency per building usage *(kWh/visit/year for Shopping Centres, kWh/occupant/year for Offices, kWh/m² DOP/year for Convention & Exhibition centres)*	97	✓
			MPI: Energy efficiency per m² *(kWh/m²/year)*	97	✓

Reported *Partially Reported*

Items	Description	Reported	Cross-reference	Pages	External assurance
G4-EN6	Reduction of energy consumption	Reported	**MPI:** Energy consumption *(kWh)*	96	✓
			KPI: Financial impact resulting from variation in energy consumption *(€)*	96	✓
			3.3.4.3. Energy consumption	94-95	✓
G4-EN7	Reductions in energy requirements of products and services	Reported	**3.3.4.3. Energy consumption**	94-95	✓
			MPI: Energy consumption *(kWh)*	96	✓
			MPI: Renewable energy produced and CO_2 emissions saved	99	✓
	EMISSIONS				
G4-EN15	Direct greenhouse gas (ghg) emissions (scope 1)	Reported	**MPI:** CO_2 emissions *(kgCO_2e)*	92	✓
			KPI: Carbon weight of energy mix *(gCO_2e/kWh)*	98	✓
G4-EN16	Energy indirect greenhouse gas (ghg) emissions (scope 2)	Reported	**MPI:** CO_2 emissions *(kgCO_2e)*	92	✓
			KPI: Carbon weight of energy mix *(gCO_2e/kWh)*	98	✓
G4-EN17	Other indirect greenhouse gas (ghg) emissions (scope 3)	Reported	**MPI:** Split of Shopping Centres' visits by transportation means *(%)*	100	✓
G4-EN18	Greenhouse gas (ghg) emissions intensity	Reported	**MPI:** Carbon intensity of use *(gCO_2e/visit/year for Shopping Centres, gCO_2e/occupant/year for Offices, gCO_2e/m² DOP/year for Convention & Exhibition centres)*	93	✓
			MPI: Carbon intensity per m² *(kgCO_2e/m²/year)*	94	✓
G4-EN19	Reduction of greenhouse gas (ghg) emissions	Reported	**3.3.4.2. CO_2 emissions**	90-93	✓
			MPI: CO_2 emissions *(kgCO_2e)*	92	✓
G4-EN20	Emissions of ozone-depleting substances (ods)	Partially Reported	**KPI:** Refrigerants leaks and waste disposal CO_2 emissions *(kgCO_2e)*	92	✓
	PRODUCTS AND SERVICES				
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	Reported	**3.3.1. Environmental Management Systems**	75-76	✓
			3.3.3. Product labelling: Environmental certification	81-86	✓
			3.3.7. Health & Safety and environmental risks and pollution	108-109	✓
			KPI: Soil pollution and site remediation	109	✓
	COMPLIANCE				
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations	Reported	**KPI:** Fines for environmental breaches	109	
	TRANSPORT				
G4-EN30	Significant environmental impacts of products and other goods and materials as well as members of the workforce transport required for the organisation's operations	Partially Reported	**KPI:** Access to public transport *(%)*	101	✓
			MPI: Split of Shopping Centres' visits by transport means *(%)*	100	✓
			KPI: CO_2 emissions from employees' business travel by train and plane *(tonnes CO_2e)*	102	✓
SOCIAL					
	LABOUR PRACTICES AND DECENT WORK				
	Employment				
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Reported	**KPI:** Recruitment	133	✓
			KPI: Departures	133	✓
			3.5.4. Attracting the best - Turnover	132-134	✓
G4-LA2	Benefits provided to full-time employees only and not provided to temporary or part-time employees, by significant locations of operation	Reported	**3.5.8. Rewards & recognition**	139	✓
			4. Consolidated Financial Statements/ Employee remuneration and benefits	214-218	✓
	Occupational health and safety				
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Partially Reported	**KPI:** Absenteeism	138	✓

Reported *Partially Reported*

Items	Description	Reported	Cross-reference	Pages	External assurance
	Training and education				
G4-LA9	Average hours of training per year per employee by gender, and by employee category		**3.5.3. UR Academy-Developing people**	131-132	✓
			KPI: Training	132	✓
G4-LA10	Programmes for skills management and lifelong learning that support the continued employability of staff and assist them in managing career endings		**3.5.3. UR Academy-Developing people**	131-132	✓
			3.5.2. Talent Management and engagement	130-131	✓
G4-LA11	Share of employees receiving regular performance and career development reviews, by gender and by employee category		**3.5.2. Talent Management and engagement**	130-131	✓
	Diversity and equal opportunity				
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other diversity indicators		**KPI:** Employment by country	134	✓
			KPI: Employment by activity	135	✓
			KPI: Employment by age	135	✓
			KPI: Employment by gender	135	✓
			3.5.5. Equal opportunity and inclusion/% of women in management position	134	✓
			6.1. Corporate Governance/Composition of the Management Board and the Supervisory Board	269-278	✓
	Equal remuneration for women and men				
G4-LA13	Ratio of basic salary and remuneration for women and men by employee category, by significant locations of operation		**KPI:** Remuneration breakdown	139	✓
	SOCIETY				
	Local communities				
G4-SO1	Share of operations with implemented local community engagement, impact assessments, and development programmes		**3.3.3.1. New development projects**	82-83	✓
			3.4.1. Communities and local authorities	111	✓
			3.5.6. Corporate citizenship – Social	130-140	✓
G4-SO2	Operations with significant actual and potential negative impacts on local communities		**3.4.1. Communities and local authorities**	111	✓
			3.4.1.1. Economic impact	112-114	✓
			3.4.1.2. The Group's local economic footprint	113-114	✓
	Anti-corruption				
G4-SO3	Total number and share of operations assessed for risks related to corruption and identified significant risks		**3.2.2. Ethical conduct/**Group Compliance Book and Code of Ethics	73-74	✓
			6.2. Report of the Chairman of the Supervisory Board/Internal control system	279-291	✓
G4-SO4	Communication and training on anti-corruption policies and procedures		**3.2.2. Ethical conduct**	73	✓
			3.2.2. Ethical conduct/Group Compliance Book and Code of Ethics	73	✓
	Supplier assessment for impacts on society				
G4-SO9	Share of new suppliers that were screened using criteria for impacts on society		**3.4.5. Suppliers and contractors: Supply Chain Management**	116	✓
			KPI: Suppliers assessment	119	✓
	PRODUCT RESPONSABILITY				
	Customer health and safety				
G4-PR1	Share of significant product and service categories for which health and safety impacts are assessed for improvement		**3.2.3. Risk and crisis management**	74	✓
			3.3.7. Health & Safety and environmental risks and pollution	108	✓
			KPI: Annual risk management assessment	109	✓

Reported *Partially Reported*

Items	Description	Reported	Cross-reference	Pages	External assurance
	Product and service labelling				
G4-PR3	Type of product and service information required by the organisation's procedures for product and service information and labelling, and share of significant product and service categories subject to such information requirements	Reported	**3.3.1. Environmental Management Systems (EMS)**	75-76	✓
			3.3.3. Product labelling: Environmental certification	81-82	✓
			MPI: Environmental certification of new developments	83	✓
			MPI: Environmental certification of standing assets	86	✓
			3.3.7. Health & Safety and environmental risks and pollution	108	✓
			3.3.6.1. Materials	102	
G4-PR5	Results of surveys measuring customer satisfaction	Reported	**3.4.3. Visitors & Customers**	116	✓
			3.4.4. Tenants and retailers	116	✓

IV. Additional key performance indicators reported

Items	Description	Reported	Cross-reference	Pages	External assurance
ENVIRONMENTAL					
	WATER				
G4-EN8	Total water withdrawal by source	Reported	**KPI:** Water consumption *(m³)*	103	✓
			KPI: Water intensity of use *(litre/visit/year for Shopping Centres, litre/occupant/year for Offices, litre/m² DOP/year for Convention & Exhibition centres)*	104	✓
			KPI: Financial impact resulting from variation in water consumption *(€)*	104	✓
			KPI: Water consumption per m² *(litre/m²/year)*	104	✓
G4-EN10	Share and total volume of recycled and reused water	Reported	**3.3.6.2. Water**	103	✓
	EFFLUENTS AND WASTE				
G4-EN23	Total weight of waste by type and disposal method	Reported	**KPI:** Total waste *(tonnes)* and shares of recycled and valued waste *(%)*	106	✓
			KPI: Split of total waste by disposal route *(%)*	106	✓
			KPI: Split of total waste by type *(tonnes)*	107	✓
HUMAN RIGHTS					
	INVESTMENT				
G4-HR1	Total number and share of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Reported	**3.2.2. Ethical conduct**	73	
			3.4.5. Suppliers and contractors: Supply Chain Management	117-119	✓
			KPI: Suppliers assessment	119	✓

Reported *Partially Reported*

3.7.3. Grenelle II, Article 225

Decree No. 2012-557 of April 24, 2012 relative to companies' transparency obligations on Corporate social and environmental matters.

Unibail-Rodamco has commissioned a third-party audit for its sustainability data since 2009. The Group has extended the scope of external verification through the years. In 2016, and according to Article 225 requirements (French Grenelle law), EY audit firm performed an in-depth review of the Group's disclosures regarding Article, 42 items and 38 key performance indicators for which an independent verifier's attestation and assurance report has been delivered (see assurance statement pages 165-167). The table below shows the concordance between legal requirements and Unibail-Rodamco's audited disclosures.

In order to comply with the Decree of August 19, 2016 (No 2016-1138 amending Article L. 225-102-1 of the Commercial Code) adopted pursuant to the Energy Growth Transition Law for Green Growth (Article 173, Law No. 2015-992 of August 17, 2015) Unibail-Rodamco calculates its carbon footprint on an extended Scope 3, measuring significant indirect emissions over the entire value chain (see chapter 3.3.4.1. Carbon footprint). However, the Group is not directly concerned with the theme of "action to fight against food waste".

Nomenclature Grenelle Article 225	Description	References	Pages	Materiality[1]
I. SOCIAL INFORMATION				
I.A – Employment	Total number and breakdown of employees by gender, age, and geographical zone	**KPI:** Employment by gender	135	M
		KPI: Employment by age	135	
		KPI: Employment by country	134	
I.A – Employment	New hires and dismissals	**KPI:** Recruitment	133	P
		KPI: Departures	133	
		3.5.4. Attracting the best - Turnover	132	
I.A – Employment	Salaries and their evolution	**3.5.8. Rewards & recognition**	139	P
		KPI: Remuneration – Total remuneration	139	
		KPI: Remuneration – Variable remuneration	139	
I.B – Labour organisation	Working time organisation	**3.5.7. Well-being at work**	137	P
I.B – Labour organisation	Absenteeism	**KPI:** Absenteeism	138	M
I.C – Social Relations	Organisation of social dialogue (procedures for consultation and negotiation)	**3.5.9. Labour relations –** Core principles and presentation of the European Employees' Committee	140	P
		3.5.9. Labour relations – Number of social relation meetings conducted with representative employee committees and Unions on various subjects	140	
I.C – Social Relations	Review of collective agreements	**KPI:** Collective bargaining	140	P
I.D – Health & Safety	Health and safety conditions at work	**3.5.7. Well-being at work**	137	P
I.D – Health & Safety	Review of the agreements signed with trade unions or staff representatives on health and safety at work	No agreement has been signed with trade unions. However a 40 actions plan dedicated to psycho-social risks and well being at work has been implemented in France since July 2013		P
I.D – Health & Safety	Occupational accidents, including the frequency and severity rates, and occupational diseases	**KPI:** Absenteeism	138	P
I.E – Training	Implemented training policies	**3.5.3. UR Academy-Developing people**	131	P
I.E – Training	Total number of hours trained	**KPI:** Training	132	M
I.F – Equality of treatment	Implemented policies and measures in favour of equality between women and men	**3.5.5. Equal opportunity and inclusion**	134	P
		KPI: Breakdown of remuneration	139	
I.F – Equality of treatment	Implemented policies and measures for employment and integration of disabled people	**3.5.5. Equal opportunity and inclusion**	134	P
I.F – Equality of treatment	Implemented policies and measures to fight discrimination	**3.1. "Better Places 2030": a new frontier**	63	P
		3.2. Corporate Governance, ethical conduct and risk management	73-74	
		3.5.5. Equal opportunity and inclusion	134	
I.G – Respect/Promotion of ILO Principles	For freedom of association respect and right to collective bargaining	**N/A**		**N/A**

(1) "Annual and sustainable development report": please refer to this section of the annual report.
M = *Material;* **P** = *Potentially material;* **N/A** = *Non applicable.*

3

Nomenclature Grenelle Article 225	Description	References	Pages	Materiality[1]
I.G – Respect/Promotion of ILO Principles	To the elimination of discrimination in matters of employment and profession	**3.4.5. Suppliers and contractors:** Supply Chain Management – Promotion of ILO's core principles	117	**P**
		3.5.9. Labour relations – Compliance by the labour standards outlined by the ILO	140	
I.G – Respect/Promotion of ILO Principles	To the elimination of forced or compulsory labour	**N/A**		**N/A**
I.G – Respect/Promotion of ILO Principles	To the effective abolition of child labour	**N/A**		**N/A**
II. ENVIRONMENTAL INFORMATION				
II.A – Overall environmental policy	Group's organisation to take into account environmental matters and environmental assessment approaches or certification	**3.1. "Better Places 2030": a new frontier**	63-72	**M**
		3.3.1. Environmental Management Systems (EMS)	75-76	
		3.3.2. Reporting methodology for environmental data	77-80	
		3.3.3. Product labelling: Environmental certification	81-87	
		MPI: Environmental certification of new developments	83	
		MPI: Environmental certification of standing assets	86	
		3.6. 2016 Achievements and "Better Places 2030" objectives	141-146	
II.A – Overall environmental policy	Training and informing activities conducted on employees for the protection of the environment	**3.5.3. UR Academy-Developing people** Training indicator	131	**P**
		3.5.3. UR Academy-Developing people Training indicator	131	
II.A – Overall environmental policy	Resources devoted to the prevention of environmental risks and pollution	**3.3.7. Health & Safety and environmental risks and pollution**	108	**P**
		KPI: Annual risk management assessment	109	
II.A – Overall environmental policy	Amount of provisions and guarantees for environmental risks (if the information is not likely to cause serious harm to society in a pending litigation)	**3.3.7. Health & Safety and environmental risks and pollution** "No amount of provisions for environmental risks"	108	**P**
II.B – Pollution	Prevention, reduction or compensation measures for air rejections, water and soil discharge that seriously harm the environment	**3.3.4. Climate change**	87	**P**
		3.3.6.3. Waste	105	
		3.4.5. Suppliers and contractors: Supply Chain Management – Compulsory contract addendum on environmental and social matters	117	
II.B – Pollution	Consideration of noise pollution and any other form of pollution specific to an activity	**3.3.6.3. Waste –** Considerate Construction Charter	105	**P**
		3.3.7. Health & Safety and environmental risks and pollution	108	
II.C – Circular economy	Actions taken in support for the prevention, recycling and waste disposal	**3.3.6.3. Waste**	105-107	**P**
		KPI: Total waste *(tonnes)* and shares of recycled and valued waste *(%)*	106	
		KPI: Split of total waste by disposal route *(%)*	106	
		KPI: Split of total waste by type *(tonnes)*	107	
II.C – Circular economy	Actions to combat food waste	**Not disclosed – not under the direct responsibility of the Group**		**N/A**
II.C – Circular economy	Water consumption and supply according to local regulations	**3.3.6.2. Water**	103	**P**
		KPI: Water consumption *(m^3)*	103	
		KPI: Water intensity of use *(litre/visit/year for shopping centres, litre/occupant/year for Offices, litre/m² DOP/year for Convention & Exhibition centres)*	104	
		KPI: Water consumption per m^2 *(litre/m²/year)*	103	
II.C – Circular economy	Consumption of raw material and measures taken to improve their use efficiency	**3.3.6.1. Materials**	102	**P**

(1) "Annual and sustainable development report": please refer to this section of the annual report.
M = *Material;* **P** = *Potentially material;* **N/A** = *Non applicable.*

Nomenclature Grenelle Article 225	Description	References	Pages	Materiality[1]
II.C – Circular economy	Energy consumption	**MPI:** Energy consumption *(kWh)*	96	M
		MPI: Energy efficiency per building usage *(kWh/visit/year for Shopping Centres, kWh/occupant/year for Offices, kWh/m² DOP/year for Convention & Exhibition centres)*	97	
		MPI: Energy efficiency per m² *(kWh/m²/year)*	97	
		MPI: Direct and indirect final energy consumption by primary energy source *(%)*	98	
		3.3.4.3. Energy consumption – Tenants' collected electricity consumption *(kWh)*	96	
	Use of renewable energies	**3.3.4.2. CO_2 emissions –** Focus on green electricity supply	96	
		MPI: Renewable energy produced and CO_2 emissions saved	99	
	Measures taken to improve energy efficiency	**3.3.4.3. Energy consumption**	94-95	
		3.6. 2016 Achievements and "Better Places 2030" objectives	141-146	
II.C – Circular economy	Land use	**3.3.7. Health & Safety and environmental risks and pollution –** Pollution prevention policy on existing sites and acquisitions (due diligence)	108	P
		KPI: Soil pollution and site remediation	109	
II.D – Climate change	Significant items of Green House Gases emissions (GHG) generated as a result of the Company's activity, in particular the goods and services it produces	**3.3.4. Climate change**	87-98	M
		3.3.4.1. Carbon footprint	88-91	
		3.3.4.2. CO_2 emissions	90-91	
		MPI: CO_2 emissions *($kgCO_2e$)*	92	
		MPI: Carbon intensity of use *(gCO_2e/visit/year for Shopping Centres, gCO_2e/occupant/year for Offices, gCO_2e/m² DOP/year for Convention & Exhibition centres)*	93	
		MPI: Renewable energy produced and CO_2 emissions saved	99	
		MPI: Carbon intensity per m² *($kgCO_2e$/m²/year)*	93	
		MPI: Split of Shopping Centres' visits by means of transport *(%)*	100	
II.D – Climate change	Adaptation to climate change impacts	**3.3.4. Climate Change –** Due diligence taking potential climate change impacts into account	87-88	P
		3.3.4. Climate Change – Analysis of possible impacts of climate change on existing assets	87-88	
II.E – Biodiversity protection	Measures taken to preserve or develop biodiversity	**3.3.6.4. Biodiversity**	107-108	P
III. SOCIETAL INFORMATION				
III.A – Territorial, economic and social impact of the Company	In terms of employment and regional development	**3.4.1. Communities and local authorities**	111	M
		3.4.1.1. Economic impact	112-114	
		3.4.1.2. The Group's local economic footprint	113-114	
III.A – Territorial, economic and social impact of the Company	On local population	**3.5.6. Corporate citizenship**	135-136	P
III.B – Relationships with persons or organisations interested in the Company's business	Dialogue conditions with said persons or organisations	**3.4. Stakeholders**	110-129	M
		3.4.3. Visitors & Customers	116	
		KPI: Customer satisfaction	116	
		3.4.4. Tenants and retailers	116	
		KPI: Green leases	117	
		3.6. 2016 Achievements and "Better Places 2030" objectives – Green lease	141-146	

(1) "Annual and sustainable development report": please refer to this section of the annual report.
M = *Material;* **P** = *Potentially material;* **N/A** = *Non applicable.*

Nomenclature Grenelle Article 225	Description	References	Pages	Materiality(1)
III.B – Relationships with persons or organisations interested in the Company's business	Partnerships or sponsorships	**3.5.6. Corporate citizenship –** Total donations amount	135-137	P
		3.5.6. Corporate citizenship – Education through Architecture	137	
		3.5.6. Corporate citizenship – Social	135-136	
III.C – Subcontractors and suppliers	Consideration of social and environmental issues in the procurement policy of the Company	**3.4.5. Suppliers and contractors: Supply Chain Management –** Purchasing policy	117-119	M
		3.4.5. Suppliers and contractors: Supply Chain Management – Purchases mapping	119	
		KPI: Suppliers assessment	119	
III.C – Subcontractors and suppliers	The importance of subcontracting and addressing suppliers' social and environmental responsibility	**3.4.5. Suppliers and contractors: Supply Chain Management**	117	M
		3.6. 2016 Achievements and "Better Places 2030" objectives	141-146	
III.D – Fair practices	Actions taken against corruption	**3.2.2. Ethical conduct**	73	M
		3.1.7. Governance and Corporate Social Responsibility	72	
		3.4.5. Suppliers and contractors: Supply Chain Management	118-119	
III.D – Fair practices	Actions taken in favour of customers' health and safety	**3.6. 2016 Achievements and "Better Places 2030" objectives**	141-146	M
		3.3.7. Health & Safety and environmental risks and pollution	108	
		KPI: Annual risk management assessment	109	
III.E – Human Rights	Other actions taken in favour of Human Rights	As a signatory of the UN Global Compact, Unibail-Rodamco promotes the application of fundamental values with respect to human rights, labour, environment and the fight against corruption.	120	P

(1) "Annual and sustainable development report": please refer to this section of the annual report.
M = *Material;* **P** = *Potentially material;* **N/A** = *Non applicable.*

Disclaimer

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

The 2006-2008 data that is provided in this report was collected and consolidated for the first time in 2008. The data provided since 2009 was collected on a quarterly and/or annual basis, using internal management tools. The accuracy of this data may be affected by a number of variables, including but not limited to, the heterogeneity of the assets in Unibail-Rodamco's portfolio, the specific characteristics of certain assets, and the differences in data collection systems and perimeters at different assets. Since the 2014 annual and sustainable development report, the environmental data, KPIs and measured performances are consolidated by the Corporate Sustainability team through the Enablon reporting software, in-house named "Unism@rt".

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

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.

3.8. Independent verifier's report on consolidated social, environmental and societal information presented in the management report

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 December 31, 2016

To the Shareholders,

In our quality as an independent verifier accredited by the COFRAC[1], under the number n° 3-1050, and as a member of the network of one of the Statutory Auditors of the company Unibail-Rodamco SE, we present our report on the consolidated social, environmental and societal information established for the year ended on the December 31st 2016, presented in the "Sustainable Development" section of the management report, hereafter referred to as the "CSR Information," pursuant to the provisions of the article L. 225-102-1 of the French Commercial code *(Code de commerce)*.

Responsibility of the Company

It is the responsibility of the management board to establish a management report including CSR Information referred to in the article R. 225-105 of the French Commercial code *(Code de commerce)*, in accordance with the environmental and social protocols in their versions updated in 2013 for environmental data and in 2015 for social data (hereafter referred to as the "Criteria"), of which a summary is included in introduction to chapter 3.3.2 and 3.5.1 of the management report (the "Methodological note") and available on request at the Company's headquarters.

Independence and quality control

Our independence is defined by regulatory requirements, the Code of Ethics of our profession as well as the provisions in the article L. 822-11 of the French Commercial code *(Code de commerce)*. In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

Responsibility of the independent verifier

It is our role, based on our work:

- to attest whether the required CSR Information is present in the management report or, in the case of its omission, that an appropriate explanation has been provided, in accordance with the third paragraph of R. 225-105 of the French Commercial code *(Code de commerce)* (Attestation of presence of CSR Information);
- to express a limited assurance conclusion, that the CSR Information, overall, is fairly presented, in all material aspects, in according with the Criteria;

Our verification work was undertaken by a team of six people between September 2016 and March 2017 for an estimated duration of ten weeks.

We conducted the work described below in accordance with the professional standards applicables in France and the Order of May 13, 2013 determining the conditions under which an independent third-party verifier conducts its mission, and in relation to the opinion of fairness, in accordance with the international standard ISAE 3000[2].

(1) *Scope available at www.cofrac.fr*
(2) *ISAE 3000 – Assurance engagements other than audits or reviews of historical information.*

1. Attestation of presence of CSR Information

Nature and scope of the work

We obtained an understanding of the Company's CSR issues, based on interviews with the management of relevant departments, a presentation of the Company's strategy on sustainable development based on the social and environmental consequences linked to the activities of the Company and its societal commitments, as well as, where appropriate, resulting actions or programmes.

We compared the information presented in the management report with the list provided in the Article R. 225-105-1 of the French Commercial code *(Code de commerce)*.

In the absence of certain consolidated information, we verified that the explanations were provided in accordance with the provisions in Article R. 225-105-1, paragraph 3, of the French Commercial code *(Code de commerce)*.

We verified that the information covers the consolidated perimeter, namely the entity and its subsidiaries, as aligned with the meaning of the Article L. 233-1 and the entities which it controls, as aligned with the meaning of the Article L. 233-3 of the French Commercial code *(Code de commerce)*, with the limitations specified in the Methodological Note in chapter 3.3.2 and 3.5.1 of the management report.

Conclusion

Based on this work, and given the limitations mentioned above, we confirm the presence in the management report of the required CSR information.

2. Limited assurance on CSR Information

Nature and scope of the work

We undertook about ten interviews with people responsible for the preparation of the CSR Information in the PMPS (Property Maintenance, Purchasing and Sustainability), Sustainable Development, UR Lab and Human Resources departments, in charge of the data collection process and, if applicable, the people responsible for internal control processes and risk management, in order to:

- Assess the suitability of the Criteria for reporting, in relation to their relevance, completeness, reliability, neutrality, and legibility, taking into consideration industry standards, especially the sectorial recommendation of the EPRA (European Real Estate Association) as well as the environmental and societal Guidelines of the National Council of Shopping Centres (CNCC) issued in July 2013;
- Verify the implementation of the process for the collection, compilation, processing and control for completeness and consistency of the CSR Information and identify the procedures for internal control and risk management related to the preparation of the CSR Information.

We determined the nature and extent of our tests and inspections based on the nature and importance of the CSR Information, in relation to the characteristics of the Company, its social and environmental issues, its strategy in relation to sustainable development and industry best practices.

For the CSR Information which we considered the most important[(3)]:

- At the level of the consolidated entity and of the controlled entities, we consulted documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions, etc.), we implemented analytical procedures on the quantitative information and verified, on a test basis, the calculations and the compilation of the information, and also verified their coherence and consistency with the other information presented in the management report;
- At the level of the representative selection of sites that we selected[(4)], based on their activity, their contribution to the consolidated indicators, their location and a risk analysis, we undertook interviews to verify the correct application of the procedures and undertook detailed tests on the basis of samples, consisting in verifying the calculations made and linking them with supporting documentation. The sample selected therefore represents 14% of the gross market value of the Group's assets, 12% of the total surface and 10% of the energy consumption of the 2016 reporting scope (assets owned and managed as of the December 31st, 2016).

For the other consolidated CSR information, we assessed their consistency in relation to our knowledge of the Company.

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(3) ***KPIs (Environmental, societal and social):*** *environmental certifications of new developments and standing assets, waste disposal and recycling, energy consumption and greenhouse gases emissions per m^2 and per visit, water consumption, economic footprint (direct and indirect jobs), share of "green" leases among tenants signed leases, accessibility by public transportation, 4 Star label, total number and breakdown of employees by geographical zone, absenteeism, total number of hours of training.*
Qualitative information: *Company's organisation to take into account environmental matters and environmental assessment approaches or certification, measures taken to improve energy efficiency and reduce greenhouse gas emissions, territorial, economic and social impact of the Company in terms of employment and regional development, mapping of purchases, measures taken in favor of customers health and safety, HR and training policy.*

(4) *Ruhr Park (Shopping Center – Germany), La Maquinista (Shopping Center – Spain), Fisketorvet (Shopping Center – Denmark), Carré Sénart (Shopping Center – France), La Part Dieu (Shopping Center – France), Polygone Riviera (Shopping Center – France), Majunga (Offices – France).*

Finally, we assessed the relevance of the explanations provided, if appropriate, in the partial or total absence of certain information taking into account, if relevant, professional best practices formalised in the CSR reporting sectorial Guide of the National Council of Shopping Centre. According to this Guide, the environmental impacts (energy, water and waste) of shopping centres are monitored for the volumes that are managed and procured (*i.e.* volumes used for common areas and private areas connected to the common network), except those procured directly by tenants.

We consider that the sample methods and sizes of the samples that we considered by exercising our professional judgment allow us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work. Due to the necessary use of sampling techniques and other limitations inherent in the functioning of any information and internal control system, the risk of non-detection of a significant anomaly in the CSR Information cannot be entirely eliminated.

Conclusion

Based on our work, we have not identified any significant misstatement that causes us to believe that the CSR Information, taken together, has not been fairly presented, in compliance with the Criteria.

Paris-La Défense, the March 1st, 2017

French original signed by:

Independent Verifier

ERNST & YOUNG et Associés

Partner, Sustainable Development Éric Duvaud	Partner Bruno Perrin

4 CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2016

On January 30, 2017, the Management Board approved the consolidated financial statements of Unibail-Rodamco SE for the year ended December 31, 2016 and authorised their publication.

These consolidated financial statements will be submitted to the approval of the Annual General Meeting scheduled on April 25, 2017.

4.1. 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.

4.1.1. Consolidated statement of comprehensive income

Presented under IFRS format *(€Mn)*	Notes	2016	2015
Gross rental income	4.3.1	1,770.3	1,685.0
Ground rents paid	4.3.2	(17.4)	(17.5)
Net service charge expenses	4.3.2	(29.2)	(29.1)
Property operating expenses	4.3.2	(195.2)	(185.6)
NET RENTAL INCOME		**1,528.5**	**1,452.8**
Corporate expenses		(116.8)	(104.0)
Development expenses		(5.9)	(4.5)
Depreciation of other tangible assets		(2.2)	(2.2)
ADMINISTRATIVE EXPENSES	**4.3.4**	**(124.9)**	**(110.7)**
ACQUISITION AND RELATED COSTS	**3.3**	**(1.3)**	**(1.6)**
Revenues from other activities		261.3	293.4
Other expenses		(175.1)	(219.7)
NET OTHER INCOME	**4.3.3**	**86.2**	**73.7**
Proceeds from disposal of investment properties		973.9	342.4
Carrying value of investment properties sold		(882.7)	(341.0)
RESULT ON DISPOSAL OF INVESTMENT PROPERTIES	**5.1**	**91.2**	**1.4**
Proceeds from disposal of shares		25.9	114,4
Carrying value of disposed shares		(20.9)	(100.7)
RESULT ON DISPOSAL OF SHARES	**3.3.1**	**5.0**	**13,7**
Valuation gains on assets		2,244.0	2,137.4
Valuation losses on assets		(238.2)	(318.6)
VALUATION MOVEMENTS ON ASSETS	**5.5**	**2,005.8**	**1,818.8**
NET OPERATING RESULT BEFORE FINANCING COST		**3,590.5**	**3,248.2**
Result from non-consolidated companies		0.4	-
Financial income		*88.8*	*86,3*
Financial expenses		*(343.7)*	*(385.8)*
Net financing costs	7.2.1	(254.9)	(299.5)
Fair value adjustment of net share settled bonds convertible into new and/or existing shares (ORNANE)	7.2.2/7.3.4	37,0	(183,4)
Fair value adjustments of derivatives and debt	7.2.2/7.4.2	(276.8)	(178.0)
Debt discounting	7.2.2	(0.6)	(0.7)
Profit on disposal of associates		-	69.6
Share of the result of companies under the equity method	6.3	(13.3)	243.3
Income on financial assets	6.3	18.3	22.1
RESULT BEFORE TAX		**3,100.6**	**2,921.6**
Income tax expenses	8.2	(283.2)	(288,3)
NET RESULT FOR THE PERIOD		**2,817.4**	**2,633.3**
Non-controlling interests	3.4.2	408.4	299.3
NET RESULT (OWNERS OF THE PARENT)		**2,409.0**	**2,334.0**
Average number of shares (undiluted)	11.2	99,153,052	98,488,530
Net result for the period (Owners of the parent)		2,409.0	2,334.0
NET RESULT FOR THE PERIOD PER SHARE (OWNERS OF THE PARENT) *(€)*		**24.3**	**23.7**
Net result for the period restated (Owners of the parent)		2,372.0	2,346.2
Average number of shares (diluted)	11.2	102,762,477	100,311,426
DILUTED NET RESULT PER SHARE (OWNERS OF THE PARENT) *(€)*		**23.1**	**23.4**

Net Comprehensive Income (€Mn)	Notes	2016	2015
NET RESULT FOR THE PERIOD		**2,817.4**	**2,633.3**
Foreign currency differences on translation of financial statements of subsidiaries and net investments in these subsidiaries		(130.0)	6.5
Cash flow hedge		0.7	1.3
Revaluation of shares available for sale		(0.4)	-
OTHER COMPREHENSIVE INCOME WHICH CAN BE RECLASSIFIED TO PROFIT OR LOSS		**(129.7)**	**7.8**
EMPLOYEE BENEFITS – WILL NOT BE RECLASSIFIED INTO PROFIT OR LOSS		**-**	**14.8**
OTHER COMPREHENSIVE INCOME		**(129.7)**	**22.6**
NET COMPREHENSIVE INCOME		**2,687.7**	**2,655.9**
Non-controlling interests		408.4	299.3
NET COMPREHENSIVE INCOME (OWNERS OF THE PARENT)		**2,279.3**	**2,356.6**

4.1.2. Consolidated statement of financial position

(€Mn)	Notes	31/12/2016	31/12/2015
NON CURRENT ASSETS		**39,509.3**	**36,634.2**
Investment properties	**5.1**	**36,380.9**	**33,710.0**
Investment properties at fair value		*35,426.9*	*33,001.8*
Investment properties at cost		*954.0*	*708.2*
Other tangible assets	5.2	219.8	216.3
Goodwill	5.4	539.9	542.8
Intangible assets	5.3	229.4	242.1
Loans and receivables	7.3.1	113.3	41.1
Financial assets		25.1	17.1
Deferred tax assets	8.3	24.0	31.6
Derivatives at fair value	7.4.2	268.8	297.2
Shares and investments in companies under the equity method	6.2	1,708.2	1,536.0
CURRENT ASSETS		**1,235.8**	**1,475.7**
Properties or shares held for sale		**-**	**268.8**
Trade receivables from activity		**369.0**	**393.6**
Other trade receivables		**466.6**	**470.6**
Tax receivables		217.7	159.6
Other receivables		136.4	218.3
Prepaid expenses		112.5	92.7
Cash and cash equivalents	**7.3.9**	**400.1**	**342.6**
Available for sale investments		38.2	98.4
Cash		362.0	244.2
TOTAL ASSETS		**40,745.0**	**38,109.8**
Shareholders' equity (Owners of the parent)		**17,465.3**	**16,042.1**
Share capital		497.0	493.5
Additional paid-in capital		6,402.3	6,310.2
Bonds redeemable for shares		1.2	1.2
Consolidated reserves		8,349.3	6,967.3
Hedging and foreign currency translation reserves		(193.4)	(64.1)
Consolidated result		2,409.0	2,334.0
Non-controlling interests		**3,554.4**	**3,196.5**
TOTAL SHAREHOLDERS' EQUITY		**21,019.7**	**19,238.6**
NON CURRENT LIABILITIES		**16,209.9**	**15,127.8**
Long-term commitment to purchase non-controlling interests	3.4.1	40.9	45.4
Net share settled bonds convertible into new and/or existing shares (ORNANE)	7.3.3	1,049.4	1,087.8
Long-term bonds and borrowings	7.3.3	12,223.7	11,522.9
Long-term financial leases	7.3.3	355.4	361.4
Derivatives at fair value	7.4.2	327.9	263.9
Deferred tax liabilities	8.3	1,690.2	1,465.6
Long-term provisions	9	33.6	35.3
Employee benefits	10.3.1	9.2	8.7
Guarantee deposits		208.1	201.4
Tax liabilities		0.1	0.0
Amounts due on investments	5.6	271.4	135.4
CURRENT LIABILITIES		**3,515.4**	**3,743.4**
Amounts due to suppliers and other current debt		**1,314.3**	**1,117.8**
Amounts due to suppliers		150.4	162.2
Amounts due on investments		326.5	415.0
Sundry creditors		625.0	337.7
Other liabilities		212.3	202.9
Current borrowings and amounts due to credit institutions	**7.3.3**	**2,005.6**	**2,447.7**
Current financial leases	**7.3.3**	**6.1**	**6.0**
Tax and social security liabilities		**179.1**	**153.8**
Short-term provisions	**9**	**10.3**	**18.1**
TOTAL LIABILITIES AND EQUITY		**40,745.0**	**38,109.8**

4.1.3. Consolidated statement of cash flows

(€Mn)	Notes	2016	2015
OPERATING ACTIVITIES			
NET RESULT		**2,817.4**	**2,633.3**
Depreciation & provisions[1]		(0.1)	(12.2)
Changes in value of property assets		(2,005.8)	(1,818.8)
Changes in value of financial instruments		239.8	361.4
Discounting income/charges		0.6	0.7
Charges and income relating to stock options and similar items		9.8	7.8
Net capital gains/losses on disposal of shares		(5.0)	(13.7)
Net capital gains/losses on disposal of shares of associates		-	(69.6)
Net capital gains/losses on sales of properties[2]		(91.2)	(0.2)
Share of the result of companies under the equity method		13.3	(243.3)
Income on financial assets		(18.3)	(22.1)
Dividend income from non-consolidated companies		(0.4)	(0.1)
Net financing costs	7.2.1	254.9	299.5
Income tax charge		283.2	288.3
CASH FLOW BEFORE NET FINANCING COSTS AND TAX		**1,498.2**	**1,411.1**
Income on financial assets		18.3	22.1
Dividend income and result from companies under equity method or non consolidated		7.4	7.9
Income tax paid		(12.6)	(38.9)
Change in working capital requirement[1]		46.7	13.4
TOTAL CASH FLOW FROM OPERATING ACTIVITIES		**1,558.0**	**1,415.6**
INVESTMENT ACTIVITIES			
PROPERTY ACTIVITIES		**(377.5)**	**(518.0)**
Acquisition of consolidated shares	3.3.1	(13.6)	(226.5)
Amounts paid for works and acquisition of property assets	5.6	(1,343.7)	(1,276.2)
Exit tax payment		(0.1)	(1.4)
Repayment of property financing		54.4	98.5
Increase of property financing		(29.4)	(30.4)
Disposal of shares/consolidated subsidiaries	3.3.1	31.6	166.6
Disposal of shares of associates/non consolidated subsidiaries	3.3.2	-	409.0
Disposal of investment properties	5.6	923.3	342.4
FINANCIAL ACTIVITIES		**(9.5)**	**(3.4)**
Acquisition of financial assets		(11.3)	(6.5)
Disposal of financial assets		1.7	2.3
Change in financial assets		0.1	0.7
TOTAL CASH FLOW FROM INVESTMENT ACTIVITIES		**(386.9)**	**(521.4)**
FINANCING ACTIVITIES			
Capital increase of parent company		95.4	83.1
Change in capital from company with non-controlling shareholders		0.1	3.0
Distribution paid to parent company shareholders	11.3	(963.1)	(946.5)
Dividends paid to non-controlling shareholders of consolidated companies		(54.8)	(40.9)
Disposal of interests in subsidiaries not resulting in a loss of control	3.3.1	-	690.8
New borrowings and financial liabilities		2,519.0	3,458.8
Repayment of borrowings and financial liabilities		(2,311.9)	(3,843.8)
Financial income	7.2.1	82.3	84.4
Financial expenses	7.2.1	(336.3)	(397.4)
Other financing activities	7.3.7	(114.1)	(503.5)
TOTAL CASH FLOW FROM FINANCING ACTIVITIES		**(1,083.4)**	**(1,411.9)**
CHANGE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD		**87.8**	**(517.7)**
CASH AT THE BEGINNING OF THE YEAR		**320.1**	**827.6**
EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD		**(11.9)**	**10.1**
CASH AT PERIOD-END	**7.3.9**	**396.0**	**320.1**

(1) The spread of lease incentives & key moneys have been reallocated from "Change in working capital requirement" to "Depreciation & provisions".
(2) Includes capital gains/losses on property sales, disposals of short term investment properties, disposals of finance leasing and disposals of operating assets.

4.1.4. Consolidated statement of changes in equity

(€Mn)	Share capital	Additional paid-in capital	Bonds Redeemable for Shares	Consolidated reserves	Consolidated net result	Hedging & foreign currency translation reserves [1]	Total Owners of the parent	Non-controlling interests	Total Shareholders' equity
EQUITY AS AT 31/12/2014	**490.3**	**6,229.8**	**1.3**	**6,199.9**	**1,670.5**	**(71.9)**	**14,519.9**	**2,413.3**	**16,933.2**
Profit or loss of the period	-	-	-	-	2,334.0	-	2,334.0	299.3	2,633.3
Other comprehensive income	-	-	-	14.8	-	7.8	22.6	-	22.6
Net comprehensive income	**-**	**-**	**-**	**14.8**	**2,334.0**	**7.8**	**2,356.6**	**299.3**	**2,655.9**
Earnings appropriation	-	-	-	1,670.5	(1,670.5)	-	-	-	-
Dividends related to 2014	-	-	-	(946.5)	-	-	(946.5)	(63.1)	(1,009.6)
Stock options and Company Savings Plan	3.1	80.3	-	-	-	-	83.4	-	83.4
Conversion of Bonds Redeemable for Shares	0.0	0.2	(0.1)	0.0	-	-	0.2	-	0.2
Share based payment	-	-	-	8.8	-	-	8.8	-	8.8
Transactions with non-controlling interests	-	-	-	20.4	-	-	20.4	543.7	564.1
Changes in scope of consolidation and other movements	-	-	-	(0.5)	-	-	(0.5)	3.3	2.8
EQUITY AS AT 31/12/2015	**493.5**	**6,310.2**	**1.2**	**6,967.3**	**2,334.0**	**(64.1)**	**16,042.1**	**3,196.5**	**19,238.6**
Profit or loss of the period	-	-	-	-	2,409.0	-	2,409.0	408.4	2,817.4
Other comprehensive income	-	-	-	(0.4)	-	(129.3)	(129.7)	-	(129.7)
Net comprehensive income	**-**	**-**	**-**	**(0.4)**	**2,409.0**	**(129.3)**	**2,279.3**	**408.4**	**2,687.7**
Earnings appropriation	-	-	-	2,334.0	(2,334.0)	-	-	-	-
Dividends related to 2015	-	-	-	(963.1)	-	-	(963.1)	(54.8)	(1,017.9)
Stock options and Company Savings Plan	3.5	92.0	-	-	-	-	95.5	-	95.5
Conversion of Bonds Redeemable for Shares	0.0	0.1	(0.0)	-	-	-	0.0	-	0.0
Share based payment	-	-	-	9.8	-	-	9.8	-	9.8
Transactions with non-controlling interests	-	-	-	(3.6)	-	-	(3.6)	10.0	6.4
Changes in scope of consolidation and other movements	-	-	-	5.2	-	-	5.2	(5.8)	(0.6)
EQUITY AS AT 31/12/2016	**497.0**	**6,402.3**	**1.2**	**8,349.3**	**2,409.0**	**(193.4)**	**17,465.3**	**3,554.4**	**21,019.7**

(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.

4

4.2. Notes to the Consolidated Financial Statements

Detailed summary of the notes to the financial statements

Note 1 - Significant events of the year

The activity of the Group is not significantly affected by seasonality.

Disposals

The main asset disposals since December 31, 2015 were:

- on March 24, 2016, the office building located 2-8 rue Ancelle in Neuilly-sur-Seine to a joint venture between ACM Vie SA and funds managed by Amundi Immobilier;
- on July 12, 2016, the So Ouest office building, located in Levallois, to an institutional investor;
- on October 18, 2016, the 70-80 Wilson office building located in La Défense;
- on October 19, 2016, the Nouvel Air office building located in Issy-les-Moulineaux;
- on December 15, 2016, the hypermarket of Sant Cugat in Barcelona; and
- a number of small assets, including a 26,159 m^2 shopping centre in Budapest, Europark.

Shopping Centres share deals amounted to €25.9 Mn (net disposal price).

Merger Rodamco Europe BV and Unibail-Rodamco SE

On December 20, 2016, Unibail-Rodamco SE absorbed its Dutch wholly-owned subsidiary Rodamco Europe BV. The merger had a retroactive effect as from January 1, 2016. Neither the consolidated statement of comprehensive income nor the consolidated statement of financial position is impacted by this merger.

Note 2 - Accounting policies

In accordance with EC regulation no. 1606/2002 of July 19, 2002, on the application of international accounting standards, Unibail-Rodamco has prepared its consolidated financial statements for the financial year ending December 31, 2016 under International Financial Reporting Standards (IFRS) as adopted in the European Union and applicable at this date.

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

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, 2015, except for the application of the new obligatory standards and interpretations described below.

Standards, amendments and interpretations effective as of January 1, 2016

- IAS 19 A: Defined Benefit Plans – Employee contributions;
- Improvements to IFRS (2010-2012 and 2012-2014 cycles);
- IFRS 11 A: Accounting for acquisition of interests in Joint operation;
- IAS 16 A and IAS 38 A: Clarification of acceptable methods of depreciation and amortisation;
- IAS 1 A: Disclosure initiative;
- IFRS 10 A, IFRS 12 A and IAS 28 A: Investment entities: applying the consolidation exception.

These standards and amendments do not have a significant impact on the Group's accounts as at December 31, 2016.

Standards, amendments and interpretations not mandatorily applicable as of January 1, 2016

The following norms and amendments have been adopted by the European Union as at December 31, 2016 but not applied in advance by the Group:

- IFRS 9: Financial instruments;
- IFRS 15: Revenue from contracts with customers.

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

- IFRS 16: Leases;
- IAS 12 A: Recognition of Deferred Tax Assets for Unrealised Losses;
- IAS 7 A: Disclosure Initiative;
- IFRS 2 A: Classification and Measurement of share-based Payment Transactions;
- IFRS 4 A: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts;
- Improvements to IFRS (2014-2016 cycle);
- IFRIC 22: Foreign Currency Transactions and Advance Consideration;
- IAS 40 A: Transfers of Investment Property.

The measurement of the potential impacts of these texts on the consolidated accounts of Unibail-Rodamco is on-going. On IFRS 9, IFRS 15 & IFRS 16, the Group does not expect significant impacts on the financial statements.

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 most significant estimates are set out in the following sections: for the valuation of investment properties in § 5.1 "Investment properties", for the intangible assets and goodwill, respectively in § 5.3 "Intangible assets" and § 5.4 "Goodwill" and for fair value of financial instruments in § 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 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 Unibail-Rodamco 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 above mentioned.

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

- Control: the companies are fully consolidated.
- Joint control: it 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: accounting 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 euro at foreign exchange rates ruling at the accounting date;
- income and expenses are translated into euro 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's 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 decide 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 twelve 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 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 income statement.

Under IFRS 3 Revised, acquisition of additional shares from non-controlling shareholders is regarded as equity transactions 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 – Owners of the parent. Any subsequent change in debt is also accounted for as equity – Owners of the parent. Income from non-controlling interests and dividends are booked in equity – Owners of the parent.

3.2. Description of significant controlled partnerships

The significant controlled partnerships are presented below.

Viparis and Propexpo

The Viparis' entities are equally held by Unibail-Rodamco 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 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 tie 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 the 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 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 Germany GmbH

Until June 30, 2015, Unibail-Rodamco held 91.15% of Unibail-Rodamco Germany GmbH which was fully consolidated.

Since July 1, 2015, Unibail-Rodamco Germany GmbH is jointly held by the Group (48%) and by Canada Pension Plan Investment Board (CPPIB) (46.1%).

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 Germany GmbH's Supervisory Board and CPPIB two members. According to the governance, the Group has the control on Unibail-Rodamco Germany GmbH which remains fully consolidated.

Parly 2 shopping centre

The Parly 2 shopping centre (Paris region) is held by the Group and 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 Unibail-Rodamco 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.

Forum des Halles shopping centre & parking

The 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 Unibail-Rodamco 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.

Les Quatre Temps shopping centre

The asset is held at 53.3% by the Group and at 46.7% by two insurance companies.

The Managing Director is a Unibail-Rodamco 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.

3.3. Share deals: acquisitions and disposals

3.3.1. Acquisitions and disposals of consolidated shares (Consolidated statement of cash flows)

Acquisition of consolidated shares

(€Mn)	2016	2015
Acquisition price of shares	(13.1)	(110.0)(2)
Cash and current accounts	(0.5)	(116.5)(3)
ACQUISITION OF CONSOLIDATED SHARES	**(13.6)(1)**	**(226.5)**

(1) This item refers mainly to the acquisition of Le Blériot, an office building located in Paris region.
(2) Refers mainly to the acquisition of an additional stake in Unibail-Rodamco Germany GmbH for €22.7 Mn and a 15% additional stake in Ruhr Park shopping centre (Bochum) for €61.5 Mn.
(3) Corresponds mainly to the financing by current accounts in the Ruhr Park shopping centre (Bochum).

Disposal of shares/consolidated subsidiaries

(€Mn)	2016	2015
Net price of shares sold	25.9	123.2
Cash and current accounts	5.7	43.4
DISPOSAL OF SHARES/CONSOLIDATED SUBSIDIARIES(1)	**31.6**	**166.6**

(1) In 2016, corresponds mainly to the disposal of Europark shopping centre in Budapest.
In 2015, corresponds to the share deal's disposal of Nova Lund shopping centre (Lund).

Disposal of interests in subsidiaries not resulting in a loss of control

On July 1, 2015, the Group completed the sale of a 46.1% stake in Unibail-Rodamco Germany GmbH to the Canada Pension Plan Investment Board's wholly-owned subsidiary, CPP Investment Board Europe S.à r.l. (CPPIB).

Since the Company remains fully consolidated, the transaction was treated as a transaction with non-controlling interests. As a result, the impact of this operation was recognised in the shareholder's equity, for a positive amount of €56.8 Mn, net of the transaction costs.

(€Mn)	2016	2015
Net price of shares sold	-	408.9
Current accounts	-	281.9
DISPOSAL OF INTERESTS IN SUBSIDIARIES NOT RESULTING IN A LOSS OF CONTROL	**-**	**690.8**

3.3.2. Acquisitions and disposal of shares of associates/non-consolidated subsidiaries

In 2016

None.

In 2015

Disposal of shares of associates

Refers mainly to the disposal of the Group's 75% stake in Arkady Pankrac (Prague) and to the disposal of the 50% stake in Comexposium.

Acquisition of shares of associates

Following the acquisition of an additional stake of 15% and the change of control, Ruhr Park (Bochum) is fully consolidated by the Group since July 24, 2015.

The acquisition was therefore treated as a business combination in stages.

The impact, at the acquisition date, of the fair value adjustment of the equity interest in Ruhr Park held by the Group immediately before acquisition date amounted to €24.5 Mn, which is recognised on the line "Valuation movements on assets" of the Consolidated statement of income.

The total consideration of €265.5 Mn booked for the shares consists of €61.5 Mn for the acquisition of the additional 15% stake in the company and €204.0 Mn is the current value of the 50% stake acquired previously.

At acquisition date, the external borrowing (€201.7 Mn) was fully refinanced with shareholders' loans.

From the date of acquisition and the corresponding take over, the full consolidation of Ruhr Park has contributed €10.3 Mn to the gross rental income and €6.7 Mn to the recurring result of the Group in 2015.

The goodwill of €14.2 Mn was justified by tax optimisation expected on the asset.

3.4. Non-controlling interests and related liabilities

3.4.1. Commitment to purchase non-controlling interests

Unibail-Rodamco has given long-term commitments to purchase some non-controlling interests.

These commitments are accounted for in debts and are revalued at the present value of the exercise price.

3.4.2. Non-controlling interests

In 2016, this item comprised mainly non-controlling interests in the following entities:

- several shopping centres in France (€187.8 Mn, mainly Les Quatre Temps for €83.9 Mn, Parly 2 for €60.3 Mn and Forum des Halles for €40.4 Mn);
- Convention & Exhibition entities (€106.7 Mn);
- several shopping centres in Germany (€71.5 Mn) and in Spain (€42.8 Mn).

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 to IFRS 8.

Contributions of affiliates are also presented according to the Group's divisions and geographical segments.

Business segments

The Group presents its result by segment: Shopping Centres, Offices, Convention & Exhibition and Property services.

The Convention & Exhibition segment comprises management of exhibition venues (Viparis) and hotels (Pullman-Montparnasse and Cnit-Hilton hotels, operated under an operational lease agreement, and Novotel Confluence in Lyon operated under a management contract).

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

4.2. 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 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).

The 3% contribution levied on cash dividends paid by the French entities of the Group is accounted for in the non-recurring result. This contribution has been calculated on the amount of distribution paid in cash above the legal distribution obligation related to the French SIIC status.

4.3. Consolidated income statement by segment

(€Mn)		2016 Recurring activities	2016 Non-recurring activities [(1)]	2016 Result	2015 Recurring activities	2015 Non-recurring activities [(1)]	2015 Result
SHOPPING CENTRES							
FRANCE	Gross rental income	651.2	-	651.2	606.4	-	606.4
	Operating expenses & net service charges	(70.7)	-	(70.7)	(57.3)	-	(57.3)
	Net rental income	**580.5**	**-**	**580.5**	**549.1**	**-**	**549.1**
	Contribution of affiliates	7.0	8.8	15.8	9.0	(2.9)	6.1
	Gains/losses on sales of properties	-	6.1	6.1	-	6.9	6.9
	Valuation movements	-	520.2	520.2	-	307.7	307.7
	Result Shopping Centres France	**587.5**	**535.2**	**1,122.6**	**558.1**	**311.6**	**869.8**
CENTRAL EUROPE	Gross rental income	159.6	-	159.6	153.6	-	153.6
	Operating expenses & net service charges	(3.4)	-	(3.4)	(5.4)	-	(5.4)
	Net rental income	**156.2**	**-**	**156.2**	**148.2**	**-**	**148.2**
	Contribution of affiliates	30.7	(74.2)	(43.5)	36.0	102.3	138.3
	Gains/losses on sales of properties	-	3.1	3.1	-	23.7	23.7
	Valuation movements	-	410.9	410.9	-	266.9	266.9
	Result Shopping Centres Central Europe	**186.9**	**339.8**	**526.7**	**184.2**	**392.9**	**577.1**
SPAIN	Gross rental income	163.3	-	163.3	164.0	-	164.0
	Operating expenses & net service charges	(17.3)	-	(17.3)	(16.5)	-	(16.5)
	Net rental income	**146.0**	**-**	**146.0**	**147.5**	**-**	**147.5**
	Contribution of affiliates	0.5	(0.1)	0.5	1.1	(2.1)	(1.0)
	Gains/losses on sales of properties	-	20.8	20.8	-	(3.0)	(3.0)
	Valuation movements	-	370.1	370.1	-	385.5	385.5
	Result Shopping Centres Spain	**146.5**	**390.8**	**537.3**	**148.6**	**380.4**	**529.0**
NORDIC	Gross rental income	158.4	-	158.4	126.4	-	126.4
	Operating expenses & net service charges	(18.5)	-	(18.5)	(20.4)	-	(20.4)
	Net rental income	**139.9**	**-**	**139.9**	**106.1**	**-**	**106.1**
	Gains/losses on sales of properties	-	(0.5)	(0.5)	-	2.2	2.2
	Valuation movements	-	161.6	161.6	-	354.0	354.0
	Result Shopping Centres Nordic	**139.9**	**161.1**	**301.0**	**106.1**	**356.2**	**462.3**
AUSTRIA	Gross rental income	102.1	-	102.1	99.7	-	99.7
	Operating expenses & net service charges	(3.5)	-	(3.5)	(7.6)	-	(7.6)
	Net rental income	**98.6**	**-**	**98.6**	**92.1**	**-**	**92.1**
	Valuation movements	-	141.0	141.0	-	138.7	138.7
	Result Shopping Centres Austria	**98.6**	**141.0**	**239.6**	**92.1**	**138.7**	**230.8**
GERMANY	Gross rental income	96.6	-	96.6	73.2	-	73.2
	Operating expenses & net service charges	(6.7)	-	(6.7)	(6.1)	-	(6.1)
	Net rental income	**89.9**	**-**	**89.9**	**67.1**	**-**	**67.1**
	Contribution of affiliates	28.5	3.9	32.4	32.9	82.7	115.6
	Gains/losses on sales of properties	-	-	-	-	3.1	3.1
	Valuation movements	-	124.4	124.4	-	38.4	38.4
	Result Shopping Centres Germany	**118.4**	**128.3**	**246.7**	**100.0**	**124.2**	**224.2**
THE NETHERLANDS	Gross rental income	73.3	-	73.3	76.2	-	76.2
	Operating expenses & net service charges	(11.8)	-	(11.8)	(9.2)	-	(9.2)
	Net rental income	**61.5**	**-**	**61.5**	**67.0**	**-**	**67.0**
	Gains/losses on sales of properties	-	0.1	0.1	-	0.5	0.5
	Valuation movements	-	1.3	1.3	-	7.4	7.4
	Result Shopping Centres The Netherlands	**61.5**	**1.4**	**62.9**	**67.0**	**7.9**	**74.9**
TOTAL RESULT SHOPPING CENTRES		**1,339.4**	**1,697.6**	**3,037.0**	**1,256.1**	**1,711.9**	**2,968.0**

(1) Non-recurring activities include valuation movements, disposals, mark-to-market and termination costs of financial instruments, bond tender premiums, and impairment of goodwill or recognition of negative goodwill as well as costs directly incurred during a business combination and other non-recurring items.

(€Mn)		2016 Recurring activities	2016 Non-recurring activities (1)	2016 Result	2015 Recurring activities	2015 Non-recurring activities (1)	2015 Result
OFFICES							
FRANCE	Gross rental income	140.9	-	140.9	156.7	-	156.7
	Operating expenses & net service charges	(5.2)	-	(5.2)	(5.3)	-	(5.3)
	Net rental income	**135.7**	**-**	**135.7**	**151.4**	**-**	**151.4**
	Gains/losses on sales of properties	-	61.4	61.4	-	4.4	4.4
	Valuation movements	-	219.8	219.8	-	221.7	221.7
	Result Offices France	**135.7**	**281.2**	**416.9**	**151.4**	**226.1**	**377.5**
OTHER COUNTRIES	Gross rental income	21.7	-	21.7	22.7	-	22.7
	Operating expenses & net service charges	(4.1)	-	(4.1)	(3.7)	-	(3.7)
	Net rental income	**17.6**	**-**	**17.6**	**19.0**	**-**	**19.0**
	Gains/losses on sales of properties	-	5.2	5.2	-	-	-
	Valuation movements	-	15.0	15.0	-	16.8	16.8
	Result Offices other countries	**17.6**	**20.2**	**37.8**	**19.0**	**16.8**	**35.8**
TOTAL RESULT OFFICES		**153.3**	**301.4**	**454.7**	**170.4**	**242,9**	**413,3**
CONVENTION & EXHIBITION							
FRANCE	Gross rental income	186.0	-	186.0	188.0	-	188.0
	Operating expenses & net service charges	(96.4)	-	(96.4)	(96.8)	-	(96.8)
	Net rental income	**89.6**	**-**	**89.6**	**91.2**	**-**	**91.2**
	Contribution of affiliates	0.7	(0.7)	(0.1)	0.5	0.2	0.7
	On site property services	**61.8**	**-**	**61.8**	**51.4**	**-**	**51.4**
	Hotels net rental income	**13.0**	**-**	**13.0**	**14.2**	**-**	**14.2**
	Exhibitions organising	**-**	**-**	**-**	**8.0**	**43.6**	**51.6**
	Valuation movements, depreciation, capital gains	(11.4)	43.8	32.4	(11.1)	85.1	73.9
TOTAL RESULT CONVENTION & EXHIBITION		**153.6**	**43.0**	**196.7**	**154.1**	**128,9**	**283,0**
Other property services net operating result		35.8	(2.4)	33.4	33.4	(2.4)	31.0
Other net income		0.4	-	0.4	-	-	-
TOTAL OPERATING RESULT AND OTHER INCOME		**1,682.5**	**2,039.6**	**3,722.2**	**1,614.0**	**2,081.3**	**3,695.4**
General expenses		(119.0)	(1.3)	(120.4)	(106.1)	(1.6)	(107.7)
Development expenses		(5.9)	-	(5.9)	(4.5)	-	(4.5)
Financing result		(254.9)	(240.4)	(495.3)	(299.5)	(362.1)	(661.6)
RESULT BEFORE TAX		**1,302.7**	**1,797.9**	**3,100.6**	**1,203.9**	**1,717.7**	**2,921.6**
Income tax expenses		(11.1)	(272.1)	(283.2)	(24.8)	(263.5)	(288.3)
NET RESULT FOR THE PERIOD		**1,291.6**	**1,525.8**	**2,817.4**	**1,179.1**	**1,454.2**	**2,633.3**
Non-controlling interests		177.4	231.0	408.4	148.7	150.6	299.3
NET RESULT – OWNERS OF THE PARENT		**1,114.2**	**1,294.8**	**2,409.0**	**1,030.4**	**1,303.6**	**2,334.0**
Average number of shares and ORA		99,160,738			98,496,508		
RECURRING EARNINGS PER SHARE *(€)*		**11.24**			**10.46**		
RECURRING EARNINGS PER SHARE GROWTH		**7,5%**			**-4.2%**		

(1) Non-recurring activities include valuation movements, disposals, mark-to-market and termination costs of financial instruments, bond tender premiums, and impairment of goodwill or recognition of negative goodwill as well as costs directly incurred during a business combination and other non-recurring items.

4.3.1. Gross rental income

Revenue recognition

Accounting treatment of investment properties leases

Assets leased as operating leases are recorded on 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 properties over the period.

Under IAS 17 and SIC 15, the effects of rent-free periods, step rents and key monies are spread over the fixed term of the lease.

The property management fees re-invoiced to the tenants are classified in gross rental income.

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.

Charges invoiced to tenants are not included in rental income but deducted from net service charge expenses.

Gross rental income by segments

(€Mn excluding taxes)	2016	2015
SHOPPING CENTRES	**1,404.6**	**1,299.5**
France	651.2	606.4
Central Europe	159.6	153.6
Spain	163.3	164.0
Nordic	158.4	126.4
Austria	102.1	99.7
Germany	96.6	73.2
The Netherlands	73.3	76.2
OFFICES	**162.6**	**179.4**
France	140.9	156.7
Other countries	21.7	22.7
CONVENTION & EXHIBITION	**203.2**	**206.1**
TOTAL	**1,770.3**	**1,685.0**

Minimum guaranteed rents under leases

As at December 31, 2016, 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	Total
2017	1,185.1	163.6	1,348.7
2018	943.3	153.2	1,096.5
2019	697.9	114.1	812.0
2020	448.7	86.8	535.5
2021	306.3	80.1	386.4
2022	218.4	81.6	300.0
2023	159.1	62.1	221.2
2024	128.9	58.1	187.1
2025	89.6	65.8	155.4
2026	67.6	20.5	88.1
2027	56.4	15.6	72.1
Beyond	30.6	14.9	45.5
TOTAL	**4,331.9**	**916.6**	**5,248.5**

4.3.2. Operating expenses & net service charges

The operating expenses & net service charges are composed of ground rents paid, net service charge expenses and property operating expenses.

Ground rents paid

Ground leaseholds

Based on the analysis of existing contracts, IAS 17 and IAS 40, a leasehold may be classified as either an operating lease or a finance lease. The classification is made on a contract-by-contract basis and depends on the risks and rewards transferred to the Group.

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

For the leaseholds recognised as financial leases, future cash flows are discounted. An asset and a financial liability are recognised for the same amount.

Buildings constructed on land under a lease agreement are recognised in accordance with the accounting principles described in note 5.

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 French conventions and exhibitions venue of Le Bourget in Paris and to some shopping centres, in particular in France and in Austria.

Net service charge expenses

These expenses are net of charges re-invoiced to tenants and relate 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 on Convention & Exhibition segment.

4.3.3. Net other income

The Net other income consists of on-site property service and other property services net operating result.

Revenues from other activities mainly cover:

- fees for property management and maintenance services provided to Offices and Shopping Centres. These fees are invoiced by property service companies for their property management activities on behalf of owners outside the Group;
- fees invoiced for leasing activity and for project development and consulting services. These fees are capitalised by the company owning the asset. The internal margins generated on these leasing, construction and renovation operations are eliminated;
- 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)	2016	2015
NET OTHER INCOME	**86.2**	**73.7**
Convention & Exhibition	50.4	40.3
Other property services	35.8	33.4

4.3.4. 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 Unibail-Rodamco's headquarters in Paris and Schiphol.

The increase in 2016 is mainly due to:

- the impact of less recharges to the pipeline due to deliveries of projects in 2015;
- higher staff costs, including some one-off charges; and
- increased IT spending to modernise and upgrade the Group's information systems.

4.4. Other information by segment

4.4.1. Reconciliation between the results by segment and the income statement of the period (IFRS format)

For 2016

(€Mn)	Net rental income	Administrative expenses, acquisition and related costs	Net other income	Result on disposal of investment properties and shares	Valuation movements on assets	Net operating result before financing cost	Profit on disposal of associates	Share of the result of companies under equity method & income on financial assets	Total
SHOPPING CENTRES									
France	580.5	-	-	6.1	520.2	1,106.9	-	15.8	1,122.6
Central Europe	156.2	-	-	3.1	410.9	570.2	-	(43.5)	526.7
Spain	146.0	-	-	20.8	370.1	536.8	-	0.5	537.3
Nordic	139.9	-	-	(0.5)	161.6	301.0	-	-	301.0
Austria	98.6	-	-	-	141.0	239.6	-	-	239.6
Germany	89.9	-	-	-	124.4	214.4	-	32.4	246.7
The Netherlands	61.5	-	-	0.1	1.3	62.9	-	-	62.9
TOTAL SHOPPING CENTRES	**1,272.6**	**-**	**-**	**29.6**	**1,729.7**	**3,031.9**	**-**	**5.1**	**3,037.0**
OFFICES									
France	135.7	-	-	61.4	219.8	416.9	-	-	416.9
Others	17.6	-	-	5.2	15.0	37.8	-	-	37.8
TOTAL OFFICES	**153.3**	**-**	**-**	**66.6**	**234.8**	**454.7**	**-**	**-**	**454.7**
C. & E. [(1)]									
France	102.6	-	50.4	-	43.7	196.7	-	(0.1)	196.6
TOTAL C. & E.	**102.6**	**-**	**50.4**	**-**	**43.7**	**196.7**	**-**	**(0.1)**	**196.6**
NOT ALLOCATED									
TOTAL NOT ALLOCATED	**-**	**(126.2)**	**35.8**	**-**	**(2.4)**	**(92.8)**	**-**	**-**	**(92.8)**
TOTAL 2016	**1,528.5**	**(126.2)**	**86.2**	**96.2**	**2,005.8**	**3,590.5**	**-**	**5.0**	**3,595.5**

(1) Convention & Exhibition segment.

For 2015

(€Mn)	Net rental income	Administrative expenses, acquisition and related costs	Net other income	Result on disposal of investment properties and shares	Valuation movements on assets	Net operating result before financing cost	Profit on disposal of associates	Share of the result of companies under equity method & income on financial assets	Total
SHOPPING CENTRES									
France	549.1	-	-	6.9	307.7	863.7	-	6.1	869.8
Central Europe	148.2	-	-	-	266.9	415.1	23.7	138.3	577.1
Spain	147.5	-	-	(3.0)	385.5	530.0	-	(1.0)	529.0
Nordic	106.1	-	-	2.2	354.0	462.3	-	-	462.3
Austria	92.1	-	-	-	138.7	230.8	-	-	230.8
Germany	67.1	-	-	3.1	38.4	108.6	-	115.6	224.2
The Netherlands	67.0	-	-	0.5	7.4	74.9	-	-	74.9
TOTAL SHOPPING CENTRES	**1,177.0**	**-**	**-**	**9.6**	**1,498.7**	**2,685.3**	**23.7**	**259.1**	**2,968.0**
OFFICES									
France	151.4	-	-	4.4	221.7	377.5	-	-	377.5
Others	19.0	-	-	-	16.8	35.8	-	-	35.8
TOTAL OFFICES	**170.4**	**-**	**-**	**4.4**	**238.5**	**413.3**	**-**	**-**	**413.3**
C. & E. [(1)]									
France	105.4	-	40.3	1.1	84.0	230.8	45.9	6.3	283.0
TOTAL C. & E.	**105.4**	**-**	**40.3**	**1.1**	**84.0**	**230.8**	**45.9**	**6.3**	**283.0**
NOT ALLOCATED									
TOTAL NOT ALLOCATED	**-**	**(112.2)**	**33.4**	**-**	**(2.4)**	**(81.2)**	**-**	**-**	**(81.2)**
TOTAL 2015	**1,452.8**	**(112.2)**	**73.7**	**15.1**	**1,818.8**	**3,248.2**	**69.6**	**265.4**	**3,583.2**

(1) Convention & Exhibition segment.

4.4.2. Statement of financial position by segment

For 2016

(€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	13,960.4	2.9	185.3	12.3	-	249.1	14,410.1	713.9
Central Europe	3,607.8	110.5	831.3	13.0	-	31.1	4,593.6	796.3
Spain	3,484.2	-	1.8	75.8	-	24.5	3,586.3	368.2
Nordic	3,337.3	49.8	-	0.0	-	39.0	3,426.0	588.2
Austria	2,278.5	72.9	-	0.0	-	31.2	2,382.5	477.1
Germany	2,099.1	256.7	686.2	36.5	-	86.1	3,164.5	240.3
The Netherlands	1,498.7	-	-	0.0	-	23.7	1,522.4	27.8
TOTAL SHOPPING CENTRES	**30,265.9**	**492.8**	**1,704.5**	**137.6**	**-**	**484.7**	**33,085.6**	**3,211.8**
OFFICES								
France	3,162.8	-	-	150.5 (2)	-	139.5	3,452.8	142.1
Others	280.4	-	-	-	-	6.9	287.3	0.5
TOTAL OFFICES	**3,443.3**	**-**	**-**	**150.5**	**-**	**146.4**	**3,740.1**	**142.7**
C. & E. (1)								
France	2,671.7	36.9	3.6	254.4 (3)	-	124.4	3,091.0	222.5
TOTAL C. & E.	**2,671.7**	**36.9**	**3.6**	**254.4 (3)**	**-**	**124.4**	**3,091.0**	**222.5**
NOT ALLOCATED								
TOTAL NOT ALLOCATED	**-**	**10.3**	**-**	**337.7 (4)**	**-**	**480.4 (5)**	**828.4**	**16,148.3**
TOTAL 31/12/2016	**36,380.9**	**539.9**	**1,708.2**	**880.3**	**-**	**1,235.8**	**40,745.0**	**19,725.3**

(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.
(5) Includes mainly cash and cash equivalents.

For 2015

(€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	12,904.7	3.1	170.8	2.5	3.6	295.7	13,380.3	683.6
Central Europe	3,072.1	112.0	680.5	11.9	-	20.6	3,897.2	471.6
Spain	3,017.4	-	16.6	25.1	-	15.8	3,074.9	315.4
Nordic	3,238.3	49.9	-	-	-	35.8	3,324.0	549.0
Austria	2,029.8	72.9	-	-	-	39.7	2,142.4	363.3
Germany	1,895.5	256.7	663.9	22.8	-	68.6	2,907.6	181.2
The Netherlands	1,432.2	-	-	0.3	-	33.8	1,466.3	32.9
TOTAL SHOPPING CENTRES	**27,590.1**	**494.5**	**1,531.9**	**62.7**	**3.6**	**510.1**	**30,192.8**	**2,597.1**
OFFICES								
France	3,358.7	-	-	151.7 (2)	248.5	131.1	3,890.0	149.3
Others	306.3	-	0.4	-	16.7	3.1	326.5	6.8
TOTAL OFFICES	**3,665.0**	**-**	**0.4**	**151.7**	**265.2**	**134.2**	**4,216.5**	**156.1**
C. & E. (1)								
France	2,454.9	38.0	3.7	263.3 (3)	-	106.1	2,866.0	208.9
TOTAL C. & E.	**2,454.9**	**38.0**	**3.7**	**263.3 (3)**	**-**	**106.1**	**2,866.0**	**208.9**
NOT ALLOCATED								
TOTAL NOT ALLOCATED	**-**	**10.3**	**-**	**367.8 (4)**	**-**	**456.5 (5)**	**834.5**	**15,909.0**
TOTAL 31/12/2015	**33,710.0**	**542.8**	**1,536.0**	**845.4**	**268.8**	**1,206.9**	**38,109.8**	**18,871.2**

(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.
(5) Includes mainly cash and cash equivalents.

4.4.3. Investments by segment

(€Mn)	2016			2015		
	Investments in investment properties at fair value	Investments in investment properties at cost(2)	Total investments	Investments in investment properties at fair value	Investments in investment properties at cost(2)	Total investments
SHOPPING CENTRES						
France	408.8	130.4	539.2	466.4	66.2	532.6
Central Europe	39.5	120.2	159.7	33.8	49.6	83.4
Spain	82.0	19.0	101.0	49.8	8.1	58.0
Nordic	98.9	-	98.9	225.0	-	225.0
Austria	72.0	-	72.0	33.8	-	33.8
Germany	22.7	25.1	47.9	76.4	8.4	84.8
The Netherlands	31.4	22.3	53.7	83.9	-	83.9
TOTAL SHOPPING CENTRES	**755.4**	**317.0**	**1,072.4**	**969.2**	**132.3**	**1,101.5**
OFFICES						
France	47.9	59.0	106.9	64.0	84.1	148.1
Others	5.3	9.4	14.7	10.8	-	10.8
TOTAL OFFICES	**53.2**	**68.4**	**121.6**	**74.8**	**84.1**	**158.9**
C. & E.(1)						
France	153.7	5.1	158.8	69.9	1.8	71.7
TOTAL C. & E.	**153.7**	**5.1**	**158.8**	**69.9**	**1.8**	**71.7**
TOTAL	**962.3**	**390.5**	**1,352.7**	**1,113.9**	**218.2**	**1,332.1**

(1) Convention & Exhibition segment.
(2) Before transfer between category of investment property.

4

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.

Unibail-Rodamco 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.

Investment Properties Under Construction (IPUC) are covered by IAS 40 and are eligible to be measured at fair value. In accordance with the Group's investment properties valuation method, they are valued at fair value by an external appraiser twice a year. Projects for which the fair value is not reliably determinable are valued at cost until such time that a fair value valuation 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 has to be taken at fair value.

(1) EPRA position paper on IFRS 13 – Fair value measurement and illustrative disclosures, February 2013.

For properties measured at fair value, the market value adopted by Unibail-Rodamco is determined on the basis of appraisals by independent external experts, who value the Group's portfolio as at June 30 and December 31 of each year. The gross value is reduced by disposal costs and transfer taxes[(1)], 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 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 m^2 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 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, incentives) or in the applied required returns or discount rates.

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 10-year period, with an estimation of the asset's value at the end of the given time period, based either on the residual contractual value for concessions or on capitalised cash flows over the last year. The valuations carried out by the 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 fair value of the project. The fair value of a project is assessed by the Development & Investment teams through a market exit capitalisation rate and the targeted net rents at completion. When the fair value is lower than net book value, an impairment provision is booked.

Properties held for sale are identified separately in the statement of financial position.

5.1.2. Investment properties at fair value

(€Mn)	31/12/2016	31/12/2015
Shopping Centres	**29,580.8**	**27,062.8**
France	13,724.1	12,629.1
Central Europe	3,576.5	2,937.4
Spain	3,359.3	2,942.3
Nordic	3,337.3	3,238.3
Austria	2,278.5	2,029.8
Germany	2,032.0	1,853.6
The Netherlands	1,273.1	1,432.2
Offices	**3,182.8**	**3,487.4**
France	2,902.4	3,181.1
Other countries	280.4	306.3
Convention & Exhibition	**2,663.4**	**2,451.7**
TOTAL	**35,426.9**	**33,001.8**

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

(€Mn)	Shopping Centres	Offices	Convention & Exhibition	Total investment properties	Properties held for sale	Total
31/12/2014	**23,959.2**	**3,498.3**	**2,324.1**	**29,781.5**	**475.7**	**30,257.2**
Acquisitions	135.1	2.5	0.1	137.7	-	137.7
Entry into scope of consolidation	620.8	-	-	620.8	-	620.8
Capitalised expenses	833.2	72.3	69.8	975.3	0.9	976.2
Disposals/exits from the scope of consolidation	(17.0)	(20.4)	(0.3)	(37.7)	(472.1)	(509.8)
Reclassification and transfer of category	17.0	(294.7)	(17.1)	(294.7)	264.9	(29.9)
Discounting impact	1.9	-	-	1.9	-	1.9
Valuation movements	1,493.2	228.0	75.1	1,796.4	1.0	1,797.4
Currency translation	19.2	1.3	-	20.5	(1.5)	19.0
31/12/2015	**27,062.8**	**3,487.4**	**2,451.7**	**33,001.8**	**268.8**	**33,270.6**
Acquisitions[1]	135.2	2.3	-	137.5	-	137.5
Entry into scope of consolidation	9.2	-	-	9.2	-	9.2
Capitalised expenses[2]	611.1	50.7	153.7	815.4	0.1	815.6
Disposals/exits from the scope of consolidation[3]	(64.3)	(526.7)	0.0	(591.0)	(268.9)	(860.0)
Reclassification and transfer of category[4]	266.0	(53.7)	(0.0)	212.2	-	212.2
Discounting impact	(6.4)	-	-	(6.4)	-	(6.4)
Valuation movements	1,734.4	234.8	58.0	2,027.2	-	2,027.2
Currency translation	(167.0)	(12.0)	-	(179.0)	-	(179.0)
31/12/2016	**29,580.8**	**3,182.8**	**2,663.4**	**35,426.9[4]**	**-**	**35,426.9**

(1) The acquisitions refer mainly to Forum des Halles, Rosny 2 and La Part Dieu.
(2) Capitalised expenses mainly include:
- shopping centres in France, Sweden, Spain and Austria;
- offices in France;
- convention & exhibition site such as Parc des Expositions de la Porte de Versailles.
(3) Disposals are mainly office buildings in France: 2-8 Ancelle, So Ouest Office, Nouvel Air and 70-80 Wilson (see Note 1)
(4) Refers mainly to the transfer from IPUC at cost of Parly 2, Carré Sénart, Centrum Chodov extension and renovation projects as well as Wroclavia project which are assessed at fair value as at December 31, 2016. It is partly offset by the transfer to IPUC at cost of part of Leidsenhage due to extension/renovation project for The Mall of The Netherlands.

Acquisitions of investment properties and entry into scope of consolidation

The main acquisitions include:

- Retail units in Rosny 2 (Paris region), La Part Dieu (Lyon) and Les Quatre Temps (La Défense);
- Additional plots acquired in France such as Forum des Halles (Paris) and Vélizy 2 (Paris region).

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, Unibail-Rodamco believes it appropriate to classify its assets under Level 3. In addition, unobservable inputs, including appraisers' assumption on growth rates and exit yields, are used by appraisers to determine the fair values of Unibail-Rodamco's assets.

As at December 31, 2016, independent experts have appraised 97% of Unibail-Rodamco's portfolio.

The outstanding balances of deferred lease incentives and key monies amortised over the firm term of the lease, which corrected the appraisal value, represented -€51.3 Mn.

The following tables provide a number of quantitative elements used by the appraisers to assess the fair valuation of the Group's assets.

4

Shopping Centres

All Shopping Centres are valued using the discounted cash flow and/or yield methodologies.

Shopping Centres – December 31, 2016		Net initial yield	Rent in € per sqm [(1)]	Discount Rate [(2)]	Exit yield [(3)]	CAGR of NRI [(4)]
France	Max	7.5%	853	13.0%	9.5%	10.4%
	Min	3.5%	110	5.3%	3.7%	1.3%
	Weighted average	4.1%	491	5.8%	4.2%	4.1%
Central Europe	Max	6.6%	554	7.9%	7.5%	2.8%
	Min	4.7%	188	6.5%	4.7%	2.2%
	Weighted average	4.9%	389	6.8%	5.1%	2.6%
Nordic	Max	12.1%	513	9.5%	8.3%	4.3%
	Min	3.9%	100	6.5%	4.1%	1.1%
	Weighted average	4.4%	356	7.0%	4.4%	3.5%
Spain	Max	7.8%	785	11.0%	7.8%	4.1%
	Min	4.0%	95	7.2%	4.2%	1.6%
	Weighted average	4.8%	288	7.8%	4.8%	3.3%
Germany	Max	7.2%	453	8.0%	6.6%	4.7%
	Min	4.0%	244	6.2%	4.0%	2.3%
	Weighted average	4.5%	303	6.5%	4.6%	3.4%
Austria	Max	4.4%	382	6.2%	4.1%	3.0%
	Min	4.1%	359	6.2%	4.1%	2.6%
	Weighted average	4.3%	370	6.2%	4.1%	2.8%
The Netherlands	Max	9.3%	404	8.8%	8.9%	5.5%
	Min	4.5%	113	5.8%	4.2%	n.m
	Weighted average	5.0%	247	6.2%	4.9%	3.4%

Net initial yield, discount rate and exit yield weighted by GMV.

(1) Average annual rent (minimum guaranteed rent + sales based rent) per asset per m^2.

(2) Rate used to calculate the net present value of future cash flows.

(3) Rate used to capitalise the exit rent to determine the exit value of an asset.

(4) Compounded Annual Growth Rate of Net Rental Income determined by the appraiser (between 6 and 10 years depending on duration of DCF model used).

Based on an asset value excluding estimated transfer taxes and transaction costs, the shopping centre division's net initial yield as at December 31, 2016, decreased to 4.4% from 4.6% as at December 31, 2015.

A change of +25 basis points of the net initial yield would result in a downward adjustment of -€1.630 Mn (-5.4%) of the total shopping centres portfolio value (excluding assets under development or accounted for using the equity method), including transfer taxes and transaction costs.

Offices

Appraisers value the Group's Offices using the discounted cash flow and yield methodologies.

Offices – December 31, 2016		Net initial yield on occupied space	Rent in € per sqm (1)	Discount Rate (2)	Exit yield (3)	CAGR of NRI (4)
France	Max	11.2%	536	9.5%	8.2%	15.3%
	Min	3.9%	105	5.0%	3.8%	-4.1%
	Weighted average	5.7%	439	5.8%	4.8%	3.6%
Nordic	Max	10.7%	218	9.4%	7.8%	3.0%
	Min	6.2%	104	7.1%	5.2%	2.3%
	Weighted average	7.5%	183	7.8%	6.4%	2.6%
The Netherlands	Max	18.3%	48	13.8%	9.8%	11.2%
	Min	n.m	n.m	6.3%	4.6%	n.m
	Weighted average	17.3%	40	9.7%	7.0%	11.0%
Germany	Max	7.9%	152	8.4%	7.5%	12.2%
	Min	4.8%	48	6.5%	4.5%	1.7%
	Weighted average	5.5%	114	6.8%	4.9%	2.8%
Austria	Max	6.8%	130	7.6%	7.0%	5.0%
	Min	6.6%	118	7.5%	6.5%	2.0%
	Weighted average	6.7%	124	7.6%	6.8%	3.7%

Net initial yield, discount rate and exit yield weighted by GMV. Central Europe region only encompasses one asset (excluding shares in Zlote Tarasy offices, Lumen and Skylight) and is therefore not displayed. Vacant assets, assets considered at bid value and assets under restructuring are not included in this table.
(1) Average annual rent (minimum guaranteed rent) per asset per m^2. The computation takes into account the areas allocated to company restaurants.
(2) Rate used to calculate the net present value of future cash flows.
(3) Rate used to capitalise the exit rent to determine the exit value of an asset.
(4) Compounded Annual Growth Rate of NRI determined by the appraiser (between 3 and 10 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 office division's net initial yield as at December 31, 2016 fell by -15 bps to 5.8%.

A change of +25 basis points of the net initial yield would result in a downward adjustment of -€168 Mn (-4.9%) of the total Office portfolio value (occupied and vacant spaces, excluding assets under development or accounted for using the equity method), including transfer taxes and transaction costs.

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) as at December 31, 2016 decreased by -96 basis points from December 31, 2015 to 5.4%.

A change of +25 basis points of the yield and WACC as determined at the end of the year would result in an adjustment of -€120.4 Mn (-5.1%).

5.1.3. Investment properties under construction at cost

(€Mn)	31/12/2016	31/12/2015
Shopping Centres	**685.2**	**527.3**
France	236.3	275.6
Central Europe	31.3	134.7
Spain	124.9	75.1
Nordic	-	-
Austria	-	-
Germany	67.1	41.9
The Netherlands	225.6	-
Offices	**260.5**	**177.7**
France	260.5	177.7
Other countries	-	-
Convention & Exhibition	**8.3**	**3.2**
TOTAL	**954.0**	**708.2**

As at December 31, 2016, assets under construction valued at cost are notably:

- offices developments such as Trinity and Phare-Sisters in La Défense;
- shopping centres extension and renovation projects such as Mall of The Netherlands (Leidsenhage)

Assets still stated at cost were subject to impairment tests as at December 31, 2016. Allowances were booked for a total amount of €4.7 Mn.

(€Mn)	Gross value	Impairment	Total investment properties at cost
31/12/2014	**530.1**	**(58.1)**	**472.1**
Acquisitions	72.4	-	72.4
Capitalised expenses	145.9	-	145.9
Disposals/exits from the scope of consolidation	(0.5)	-	(0.5)
Reclassification and transfer of category	30.5	-	30.5
Discounting impact	(2.0)	-	(2.0)
Impairment/reversal	-	(8.7)	(8.7)
Currency translation	(1.4)	-	(1.4)
31/12/2015	**775.0**	**(66.8)**	**708.2**
Acquisitions(1)	41.3	-	41.3
Entry into scope of consolidation(2)	32.0	-	32.0
Capitalised expenses(3)	349.2	-	349.2
Disposals/exits from the scope of consolidation	(0.1)	-	(0.1)
Reclassification and transfer of category(4)	(170.9)	-	(170.9)
Discounting impact	0.6	-	0.6
Impairment/reversal	-	(4.7)	(4.7)
Currency translation	(1.6)	-	(1.6)
31/12/2016	**1,025.4**	**(71.5)**	**954.0**

(1) Mostly relates to acquisitions in Spain, The Netherlands and one office building in Paris region.
(2) Relates to an asset previously accounted for using the equity method and fully consolidated as at December 31, 2016.
(3) Capitalised expenses mainly refer to investments in Carré Sénart and Centrum Chodov extension and renovation projects before their transfers to IPUC at fair value, and to Trinity, Uberseequartier and Wroclavia new development projects.
(4) Refers mainly to the transfer to investment properties at fair value of Parly 2, Carré Sénart, Centrum Chodov extension and renovation projects as well as Wroclavia project which are assessed at fair value as at December 31, 2016. It is partly offset by the transfer to IPUC at cost of part of Leidsenhage due to extension/renovation project for The Mall of The Netherlands.

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 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	Total
31/12/2014	**153.5**	**62.2**	**215.7**
Acquisitions and capitalised expenses	-	15.6	15.6
Depreciation	(2.2)	(15.5)	(17.7)
Impairment/reversal	-	3.7	3.7
Other movements	-	(1.0)	(1.0)
31/12/2015	**151.3**	**65.0**	**216.3**
Acquisitions and capitalised expenses	0.9	23.6 [2]	24.5
Depreciation	(2.2)	(14.8)	(17.0)
Impairment/reversal [3]	-	(3.8)	(3.8)
Other movements	-	(0.2)	(0.2)
31/12/2016	**150.1**	**69.7**	**219.8**

(1) Related to the headquarters of the Group located at 7 Place Adenauer (Paris).
(2) Increase on Viparis assets and property services entities.
(3) Impairment on Viparis assets according to the external appraisals.

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 qualified as "Rights and exhibitions" relate mainly to the Viparis' entities and are valued by external appraisers. If the appraisal value of an intangible asset is lower than net book value, an impairment provision is booked.

5.3.2. Changes in intangible assets

Net value *(€Mn)*	Rights and exhibitions	Other intangible assets	Total
31/12/2014	**233.3**	**4.2**	**237.5**
Acquisitions	-	6.4	6.4
Amortisation	(2.3)	(2.3)	(4.6)
Impairment/reversal	2.8	-	2.8
31/12/2015	**233.8**	**8.3**	**242.1**
Acquisitions	-	4.4	4.4
Amortisation	(2.4)	(1.9)	(4.2)
Impairment/reversal [1]	(12.8)	-	(12.8)
31/12/2016	**218.5**	**10.9**	**229.4**

(1) The amount of impairment relates mainly to impairment on the Convention & Exhibition's intangible assets according to the external appraisals.

A change of +25 basis points of the yield and WACC of Viparis' intangible assets as determined at December 31, 2016 would result in a negative adjustment of -€25 Mn (-6.4%).

5.4 Goodwill

5.4.1. Accounting principles

Goodwill only arises upon a business combination and is initially measured as the residual cost of the business combination after recognising the acquiree's identifiable assets, liabilities, and contingent liabilities. Subsequently the goodwill is carried at cost and is subject to regular reviews by the Group and impairment tests at least once per year or whenever there is an indication of impairment. At the date of acquisition, goodwill is allocated to one or more cash-generating units expected to benefit from the acquisition. The recoverable amount of a cash-generating unit is determined using the most appropriate method, most commonly the discounted cash flows method, and is applied to the full cash-generating unit rather than each legal entity.

Goodwill may arise on acquiring an asset *via* a share deal, where the Group inherits the fiscal basis of the assets. As IFRS require recognition of deferred taxes on a nominal basis, while share transactions are based on market value of these taxes, a difference may appear that is reflected in the goodwill. 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.

5.4.2. Changes in goodwill

(€Mn)	Gross value	Impairment	Total
31/12/2014	**2,185.3**	**(1,644.1)**	**541.2**
Entry in the scope of consolidation	14.2	-	14.2
Decrease	(12.6)	-	(12.6)
31/12/2015	**2,186.9**	**(1,644.1)**	**542.8**
Decrease	(1.7)[1]	(1.2)	(2.9)
31/12/2016	**2,185.2**	**(1,645.3)[2]**	**539.9**

(1) Corresponds to the exit of the goodwill following the disposal of some assets.
(2) Relates mainly to the write off of part of the Rodamco Europe goodwill in 2007.

Goodwill amounts to €539.9 Mn and breaks down as follows:

- €287.2 Mn correspond to the potential tax optimisation existing at the date of acquisition on the assets;
- €252.7 Mn mainly related to the goodwill recognised on Unibail-Rodamco Germany in 2014 and represent the value of the fee business and the ability to generate and develop projects.

An impairment test was carried out on the goodwill which represents the potential tax optimisation existing on the assets. An allowance of €1.2 Mn was recognised as at December 31, 2016.

The goodwill corresponds to the value of the fee business and the ability to generate development projects. The impairment test of the goodwill is based on an external appraisal.

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)	2016	2015
Investment properties at fair value	2,027.2	1,797.4
• *Shopping centres*	*1,734.4*	*1,494.2*
• *Offices*	*234.8*	*228.0*
• *Convention & Exhibition*	*58.0*	*75.1*
Investment properties at cost	(4.7)	(8.7)
Tangible and intangible assets	(16.6)	6.5
Other	-	23.7
TOTAL	**2,005.8**	**1,818.8**

5.6. Amounts paid for works and acquisition/ disposal of property assets (Consolidated statement of cash flows)

In 2016, payments for works and acquisition of property assets amounted to €1,343.7 Mn. This includes acquisitions, transactions capitalised costs, works and capitalised expenses and is adjusted taking into account the changes on amounts due on investments of the period.

The increase in debt on investments, with a maturity above 1 year, is mainly due to acquisitions, with deferred payments, of several plots in the shopping centre Forum des Halles (Paris).

In 2016, asset disposals amounted to €908.8 Mn (total net disposal price) of Offices and €65.1 Mn of Shopping Centres. One of these disposals was made with a deferred payment, accounted for in the loans and receivables, which was deducted from the amount of "Disposals of investment properties" in the consolidated statement of cash flows.

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".

6.2. Changes in shares and investments in companies accounted for using the equity method

These shares and investments are those in the 22 companies accounted for using the equity method, of which 11 are under significant influence and 11 are jointly controlled. The list of these companies is given in note 14 "List of consolidated companies".

(€Mn)	31/12/2016	31/12/2015
Shares in Shopping Centres and Convention & Exhibition companies	992.7	982.4
Loans granted to Shopping Centres and Convention & Exhibition companies	715.5	553.6
TOTAL SHARES AND INVESTMENTS IN COMPANIES UNDER THE EQUITY METHOD	**1,708.2**	**1,536.0**

The increase of the loans granted to shopping centres corresponds to the financing of the repayment of a participating loan in the Zlote Tarasy complex. This payment will take place early in 2017 and as a result an equivalent amount has been accounted for in sundry creditors. (see Note 12 "Off balance sheet commitments and contingent liabilities" § 12.1).

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:

	2016			2015[2]		
(€Mn)	Recurring activities	Non-recurring activities	Result	Recurring activities	Non-recurring activities	Result
Result from stake in Shopping Centres and Convention & Exhibition companies	49.1	(62.4)[1]	(13.3)	59.0	180.2	239.1
Result from stake in Comexposium group	-	-	-	6.5	(2.3)	4.2
TOTAL SHARE OF THE RESULT OF COMPANIES UNDER THE EQUITY METHOD	**49.1**	**(62.4)**	**(13.3)**	**65.4**	**177.9**	**243.3**
Interests on the loans granted to Shopping Centres companies	18.3	-	18.3	20.6	-	20.6
Interests on the loan granted to Comexposium group	-	-	-	1.5	-	1.5
TOTAL INTERESTS ON LOANS GRANTED TO COMPANIES UNDER THE EQUITY METHOD	**18.3**	**-**	**18.3**	**22.1**	**-**	**22.1**

(1) Correspond mainly to the fair value adjustment on the underlying investment properties and to the recognition of a deferred tax liability in Poland due to a change on tax regime.

(2) Comprise:
- Arkady Pankrac (Prague) sold on June 30, 2015;
- companies owning Ruhr Park accounted for using the equity method until July 24, 2015;
- Comexposium sold on July 31, 2015.

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

CentrO

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 Unibail-Rodamco 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 required 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 jointly controlled assets accounted for using the equity method are:

- CentrO in Oberhausen;
- Paunsdorf in Leipzig;
- Rosny 2 in Paris region;
- Palais des Sports in Paris.

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)	31/12/2016 (1)	31/12/2015
Investment properties	1,239.8	1,215.9
Other non-current assets	25.8	26.6
Current assets	51.5	38.9
TOTAL ASSETS	**1,317.1**	**1,281.4**
Restated shareholders' equity	644.9	564.7
Deferred tax liabilities	122.7	121.3
Internal borrowings	118.1	170.9
External borrowings	392.9	397.8
Other non-current liabilities	3.0	2.7
Current liabilities	35.5	24.0
TOTAL LIABILITIES	**1,317.1**	**1,281.4**

(€Mn)	2016 (1)	2015 (2)
Net rental income	52.5	58.4
Change in fair value of investment properties	20.9	102.2
Net result	55.5	119.9

(1) Unibail-Rodamco Benidorm SL was accounted for using the equity method from January 1, 2016 to June 24, 2016.
(2) Ruhr Park shopping centre was accounted for using the equity method from January 1, 2015 to July 24, 2015.

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

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 Unibail-Rodamco by the Polish competition authorities in connection with the acquisition by the Group of the shopping centres Arkadia and Wilenska in July of 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 associates are the following assets:

- Zlote Tarasy complex (Warsaw);
- Ring-Center (Berlin);
- Gropius Passagen (Berlin).

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

(€Mn)	31/12/2016	31/12/2015
Investment properties	1,009.5	945.8
Other non-current assets	15.9	7.0
Current assets	292.5	76.7
TOTAL ASSETS	**1,317.9**	**1,029.6**
Restated shareholders' equity	257.4	326.4
Deferred tax liabilities	120.1	4.5
Internal borrowings	597.5	382.9
External borrowings	320.1	307.5
Other non-current liabilities	3.7	3.7
Current liabilities	19.1	4.5
TOTAL LIABILITIES	**1,317.9**	**1,029.6**

(€Mn)	2016	2015[(1)]
Net rental income	50.2	53.9
Change in fair value of investment properties	54.6	70.0
Net result	(68.7)[(2)]	119.2

(1) Comprise Arkady Pankrac (Prague) which was accounted for using the equity method through June 30, 2015, the effective disposal date.
(2) This amount includes the recognition of a deferred tax liability in Poland due to a change on tax regime.

6.6. Transactions with related-parties (joint ventures and associates)

The consolidated financial statements include all companies in the Group's scope of consolidation (see note 14 "List of consolidated companies").

The Parent Company is Unibail-Rodamco 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 refer to transactions with companies accounted for using the equity method.

(€Mn)	31/12/2016	31/12/2015
Comexposium[1]		
Loan	N/A	-
Recognised interest	N/A	1.5
Rents and fees invoiced[2]	N/A	42.4
Shopping Centres and Convention & Exhibition companies		
Loans[3] [4]	722.1	553.6
Recognised interest[3]	18.3	20.6
Current account in debit	1.3	1.0
Current account in credit[4]	(240.9)	(7.7)
Asset management fees invoiced and other fees[5]	16.0	35.5

(1) On July 31, 2015, the Group completed the disposal of its 50% stake in Comexposium to Charterhouse.
(2) Correspond mainly to rents and fees invoiced by Viparis entities to Comexposium and to rent invoiced by the SCI Wilson for the head office of Comexposium until July 31, 2015.
(3) Correspond to 100% of the financing in the shopping centres investment.
(4) The change is mainly explained by the loan granted by Unibail Rodamco SE for the reimbursement of a participative loan in the Zlote Tarasy complex. Its payment will take place early in 2017. An equivalent amount has been accounted for in sundry creditors. (see Note 6."Changes in shares and investments in companies accounted for using the equity method" § 6.2 & Note 12 "Off balance sheet commitments and contingent liabilities" § 12.1).
(5) The decrease is mainly justified by the change of consolidation method of Ruhr Park (Germany), from the equity method to the full consolidation in July 2015.

All of these transactions are based on market prices.

No transactions with related parties had a material impact on the Group consolidated financial statements.

Note 7 - Financing and financial instruments

7.1. Accounting principles

7.1.1. Financial instruments (IAS 32/IAS 39/IFRS 7/IFRS 13)

Classification and measurement of non-derivative financial assets and liabilities

Loans and receivables

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

Financial assets

They comprise shares of non-consolidated companies and bonds held to maturity. After initial recording, they are measured at amortised cost. They may be subject to impairment when necessary.

Financial assets available for sale

These are non-derivative financial assets held for an undetermined period that may be sold by the Group at any time. They are measured at their fair value at the accounting date and recorded as available for sale investments. Interest accrued or received on fixed-income securities is recorded as income based on the effective interest rate. Changes in market value other than income are recorded in other comprehensive income. Fair value variations are recorded in the income statement if the asset is sold or significantly impaired.

Non-derivative financial liabilities

Non-derivative financial liabilities are measured after initial booking at amortised cost using the effective interest rate.

Being a financial debt with an embedded derivative, and based on the option provided by IAS 39, the ORNANE convertible bond, net of the issuance costs' write off, 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. 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".

Classification and measurement of financial derivatives and hedge accounting

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

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

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

Regarding the currency derivatives, they aim at hedging the investments made in countries outside the euro-zone. 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, as fair value adjustments of derivative and debt.

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.

7.1.2. Discounting of deferred payments

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

- Deferred payments on assets deals, share deals, acquisitions of lands and ground leases 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.

7.1.3. 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 interests costs of the project are capitalised.

Capitalisation of borrowing costs starts when an Investment Property Under Construction is recognised as an asset 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.

4

7.2. Financing result

7.2.1. Net financing costs

(€Mn)	2016	2015
Security transactions	2.1	0.9
Other financial interest	3.4	7.7
Interest income on derivatives	83.3	77.6
SUBTOTAL FINANCIAL INCOME	**88.8**	**86.3**
Security transactions	-	-
Interest on bonds and EMTNs	(257.4)	(265.3)
Interest and expenses on borrowings	(47.5)	(64.4)
Interest on partners' advances	(29.5)	(22.7)
Other financial interest	(1.8)	(2.5)
Interest expenses on derivatives	(22.3)	(61.1)
Financial expenses before capitalisation of financial expenses	**(358.6)**	**(416.1)**
Capitalised financial expenses	14.9	30.3
SUBTOTAL NET FINANCIAL EXPENSES	**(343.7)**	**(385.8)**
TOTAL NET FINANCIAL COSTS	**(254.9)**	**(299.5)**

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.

7.2.2. Fair value adjustment of debts and derivatives

(€Mn)	2016	2015
Premium and costs paid on the repurchased bonds and ORNANEs and on repayments of borrowings	(74.3)	(214.3)
Mark-to-market of the ORNANEs	37.0	(75.9)
Currency impact	4.2	(64.8)
Restructuring of hedges and mark-to-market of derivatives	(205.1)	(13.4)
Debt discounting and other items	(2.2)	6.3
TOTAL NON-RECURRING FINANCIAL RESULT	**(240.4)**	**(362.1)**

7.3. Financial assets and liabilities

7.3.1. Loans and receivables

As at December 31, 2016, loans and receivables from the consolidated statement of financial position include a receivable on disposal of asset with a deferred payment.

7.3.2. Main financing transactions in 2016

In total, medium- to long-term financing transactions completed in 2016 amounted to €3,686 Mn and include:

- the signing of €1,450 Mn medium- to long-term bank loan and credit facilities with an average maturity of 5.2 years. This amount includes the refinancing of a mortgage loan in Poland and of a corporate loan in France for a total amount of €400 Mn.

  Certain of these lines (€325 Mn) were signed with new banks, allowing the Group to further diversify its financing sources.

  In addition to the €1,450 Mn of bank loans raised, Unibail-Rodamco extended existing bilateral and syndicated lines for a total of €2,325 Mn by an additional year;
- four public EMTN bonds were issued in March, April and November 2016, respectively, for a total amount of € 2,000 Mn with the following features:
  - €500 Mn with a 10-year maturity,
  - €500 Mn with a 20-year maturity,
  - €500 Mn with an 11-year maturity,
  - €500 Mn with an 8-year and 3 month maturity;
- the issue of three private placements under Unibail-Rodamco's EMTN program for a total equivalent amount of €236 Mn:
  - a SEK 1,500 Mn fixed rate private placement swapped to floating with a 5-year maturity kept in local currency to refinance a Swedish asset,
  - a €20 Mn, 11-year private placement,
  - a HKD 500 Mn, corresponding to ca. €61 Mn, 10-year private placement with an Asian investor that was swapped back into Euro.

  These last two transactions were completed at discounts to secondary levels.

  In total, these bonds were issued for an average duration of ca. 12 years;
- the Group also completed two tender offers:
  - in April 2016, €282 Mn encompassing eight bonds (including seven bonds subject to a prior buy back) maturing between 2017 and 2023,
  - in November 2016, €565 Mn encompassing six bonds (including five bonds subject to a prior buy back) maturing between 2017 and 2023.

In addition, Unibail-Rodamco accessed the money market by issuing BMTN and commercial paper under its "*billets de trésorerie*" program.

The Group also put in place a *"US Commercial Paper"* (USCP) program in H1-2016. The average outstanding amount was $105 Mn over the period the USCP program was used.

The average amount of commercial paper, USCP, and BMTN outstanding in 2016 was equivalent to €1,252 Mn (€1,192 Mn on average in 2015) with a remaining maturity of up to 17 months. *Billets de trésorerie* were raised in 2016 at an average margin of 8 bps above Eonia.

As at December 31, 2016, the total amount of undrawn credit lines came to €5,995 Mn following the signing of new lines and cash on-hand came to €400 Mn.

7.3.3. Financial debt breakdown and outstanding duration to maturity

	Current	Non-current		Total	Total
Outstanding duration to maturity *(€Mn)*	Less than 1 year	1 year to 5 years	More than 5 years	31/12/2016	31/12/2015
NET SHARE SETTLED BONDS CONVERTIBLE INTO NEW AND/OR EXISTING SHARES (ORNANE)	**0.0**	**557.9**	**491.5**	**1,049.4**	**1,087.8**
Principal debt	-	507.8	500.0	1,007.8	1,009.2
Mark-to-market of debt	-	50.1	(8.5)	41.6	78.6
Accrued interest	0.0	-	-	0.0	0.0
BONDS AND EMTNs	**743.0**	**3,218.4**	**6,381.5**	**10,342.9**	**9,602.2**
Principal debt(1)	688.0	3,218.4	6,381.5	10,287.9(1)	9,538.0
Accrued interest	113.2	-	-	113.2	112.1
Issuance costs	(15.5)	-	-	(15.5)	(12.9)
Bonds redemption premium	(42.7)	-	-	(42.7)	(35.0)
BANK BORROWINGS	**104.2**	**597.2**	**690.0**	**1,391.3**	**1,546.3**
Principal debt	110.8	597.2	690.0	1,398.0	1,535.5
Accrued interest	5.2	-	-	5.2	4.5
Borrowings issue fees	(16.1)	-	-	(16.1)	(16.7)
Bank overdrafts & current accounts to balance out cash flow	4.1	-	-	4.1	22.5
Mark-to-market of debt	0.2	-	-	0.2	0.5
OTHER FINANCIAL LIABILITIES	**1,158.4**	**1,104.9**	**231.7**	**2,495.1**	**2,822.0**
Interbank market instruments and negotiable instruments	1,158.5	62.3	-	1,220.8	1,595.0
Accrued interest on interbank market instruments and negotiable instruments	(0.1)	-	-	(0.1)	-
Current accounts with non-controlling interests(2)	-	1,042.6	231.7	1,274.3	1,227.0
FINANCIAL LEASES	**6.1**	**12.0**	**343.4**	**361.6**	**367.4**
TOTAL	**2,011.7**	**5,490.4**	**8,138.1**	**15,640.3**	**15,425.7**

(1) Include currency impacts on debt raised in foreign currency for an amount of +€99.5 Mn as at December 31, 2016 (+€99.9 Mn as at December 31, 2015). The amount shown in the Financial Resources note (€10,188 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.

Maturity of current principal debt

	Current			Total
(€Mn)	Less than 1 month	1 month to 3 months	More than 3 months	31/12/2016
Bonds and EMTNs	-	-	688.0	688.0
Bank borrowings	0.4	-	110.5	110.8
Other financial liabilities	225.0	696.5	237.0	1,158.5
Financial leases	-	-	6.1	6.1
TOTAL	**225.4**	**696.5**	**1,041.6**	**1,963.4**

7.3.4. Net share settled bonds convertible into new and/or existing shares (ORNANE)

As at December 31, 2016, the ORNANEs are presented in the table below.

(€Mn)	Debt at fair value	Fair value recognised in the profit and loss
ORNANE issued in 2012	9.4	0.5
ORNANE issued in 2014	548.4	15.7
ORNANE issued in 2015	491.5	20.7
TOTAL	**1,049.4**	**37.0**

4

7.3.5. Characteristics of bonds and EMTNs (excluding ORNANE)

Issue date	Rate	Amount at 31/12/2016 (€Mn)	Maturity
July 2009	Fixed rate 4.22% during 2 years then linked to inflation	70.0	July 2019
August 2009	Fixed rate 5% during 3 years then Constant Maturity Swap 10 years (floored at 5%. capped at 7.5%)	50.0	August 2019
August 2009	Fixed rate 5% during 3 years then Constant Maturity Swap 10 years (floored at 5%. capped at 7.5%)	50.0	August 2019
September 2009	Fixed rate 4.8%	150.0	November 2017
May 2010	Structured coupon linked to CMS 10 year	50.0	May 2020
June 2010	Structured coupon linked to CMS 10 year	50.0	June 2020
September 2010	Fixed rate 3.35%	50.0	September 2018
September 2010	Fixed rate 3.35%	60.0	September 2018
November 2010	Fixed rate 4.17%	41.0	November 2030
November 2010	Fixed rate 3.875%	616.7	November 2020
June 2011	Float rate (Erb3M + 78 bps)	50.0	June 2017
October 2011	Fixed rate 4.08%	27.0	October 2031
November 2011	Fixed rate 4.05%	20.0	November 2031
December 2011	Fixed rate 3.875%	270.9	December 2017
March 2012	Fixed rate 3.000%	428.9	March 2019
May 2012	Fixed rate 3.196%	425.0	May 2022
August 2012	Fixed rate 2.250%	431.4	August 2018
October 2012	Fixed rate 1.625%	217.1	June 2017
February 2013	Fixed rate 2.375%	418.4	February 2021
February 2013	Fixed rate HKD swapped back into EUR	85.1	February 2025
March 2013	Fixed rate HKD swapped back into EUR	71.1	March 2025
June 2013	Fixed rate 2.500%	498.7	June 2023
October 2013	Fixed rate HKD swapped back into EUR	48.6	October 2025
October 2013	Fixed rate 1.875%	194.4	October 2018
November 2013	Fixed rate CHF swapped back into EUR	124.1	November 2023
December 2013	Fixed rate 3.000% SEK	81.6	December 2018
December 2013	Float rate SEK (Stib3M + 100 bps)	142.9	December 2018
February 2014	Float rate (Erb3M + 70 bps)	30.0	February 2019
February 2014	Fixed rate 2.50%	750.0	February 2024
March 2014	Fixed rate 3.08%	20.0	March 2034
April 2014	Fixed rate 3.08%	30.0	April 2034
April 2014	Float rate USD swapped back into EUR	188.5	April 2019
June 2014	Fixed rate 2.250% SEK	86.7	June 2019
June 2014	Float rate SEK (Stib3M + 78 bps)	66.3	June 2019
June 2014	Fixed rate 2.50%	600.0	June 2026
October 2014	Fixed rate 1.375%	318.5	October 2022
April 2015	Fixed rate 1.00%	500.0	March 2025
April 2015	Fixed rate 1.375%	500.0	April 2030
October 2015	Float rate (Erb3M + 81 bps)	50.0	October 2024
November 2015	Fixed rate 2.066%	30.0	November 2030
November 2015	Fixed rate HKD swapped back into EUR	91.2	November 2025
December 2015	Fixed rate 2.1% during 3 years then Constant Maturity Swap 10 years (floored at 0% capped at 4%)	70.0	December 2030
March 2016	Fixed rate 1.375%	500.0	March 2026
March 2016	Float rate (Erb6M+0%, floored at 0.95%, capped at 3%)	20.0	March 2027
April 2016	Fixed rate 1.125%	500.0	April 2027
April 2016	Fixed rate 2%	500.0	April 2036
October 2016	Fixed rate 0.850% SEK swapped to STIBOR3M+87.5 bps	153.1	October 2021
November 2016	Fixed rate 0.875%	500.0	February 2025
November 2016	Fixed rate 2.74% HKD swapped into Erb3M	60.8	November 2026
TOTAL		**10,287.9**	

7.3.6. Covenants

No bank loans are subject to prepayment clauses linked to the Group's ratings, barring exceptional circumstances such as change in control.

There are no financial covenants (such as Loan-to-Value (LTV)(1) or Interest Coverage Ratio (ICR)(2)) in the EMTN and the Commercial Paper programs.

Bonds issued are not restricted by any covenant based on financial ratios which could lead to early repayment of the debt. Green bonds must be used to finance projects or assets that meet certain criteria.

The majority of bank loans and credit facilities contain financial covenants such as LTV and ICR ratios, as well as a prepayment clause in case of occurrence of a material adverse change.

As at December 31, 2016, the LTV ratio calculated for Unibail-Rodamco amounted to 33% compared to 35% as at December 31, 2015.

The ICR ratio further improved to 5.9x for 2016 as a result of strong rental level growth including the impact of assets delivery and the lower cost of debt.

Those ratios show ample headroom *vis-à-vis* bank covenants usually set at a maximum of 60% LTV and a minimum of ICR of 2x, which the Group reports to the banks twice a year.

As at December 31, 2016, 97% of the Group's credit facilities and bank loans allowed indebtedness up to 60% of the Group's total asset value or of the value of the asset of the borrowing entity, as the case may be.

7.3.7. Other financing activities

In the consolidated statement of cash flows, "Other financing activities" comprise mainly costs paid on the hedging restructuring operations which occurred in H2-2016.

7.3.8. Debt's market value

The market value of Unibail-Rodamco's fixed-rate and index-linked debt is presented in the table below.

	31/12/2016		31/12/2015	
(€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	12,036.5(1)	12,691.8	11,077.4	11,546.7

(1) ORNANE included, at market value (see § 7.3.4 "ORNANE").

Financial debt is valued at market value based on market rates and on spreads issuers at such closing date.

7.3.9. Net financial debt

Net financial debt is determined as below:

Net financial debt

(€Mn)	31/12/2016	31/12/2015
Amounts accounted for in B/S		
Net share settled bonds convertible into new and/or existing shares (ORNANE)	1,049.4	1,087.8
Long-term bonds and borrowings	12,223.7	11,522.9
Current borrowings and amounts due to credit institutions	2,005.6	2,447.7
TOTAL FINANCIAL LIABILITIES	**15,278.7**	**15,058.3**
Adjustments		
Mark-to-market of debt	(41.8)	(79.1)
Current accounts with non-controlling interests	(1,274.3)	(1,227.0)
Impact of derivatives instruments on debt raised in foreign currency	(99.5)	(99.9)
Accrued interests/issuance fees	(44.0)	(52.0)
TOTAL FINANCIAL LIABILITIES (NOMINAL VALUE)	**13,819.1(1)**	**13,600.3**
Cash & cash equivalents	**(400.1)(1)**	**(342.6)**
NET FINANCIAL DEBT	**13,418.9**	**13,257.7**

(1) Bank overdrafts & current accounts to balance out cash flow are included in the total financial liabilities, in 2016 for €4.1 Mn and in 2015 for €22.5 Mn.

(1) See definition in note 11.1.
(2) Interest Cover Ratio (ICR) = 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.

Net cash at period-end

(€Mn)	31/12/2016	31/12/2015
Available for sale investments[1]	38.2	98.4
Cash	362.0	244.2
TOTAL ASSET	**400.1**	**342.6**
Bank overdrafts & current accounts to balance out cash flow	(4.1)	(22.5)
TOTAL LIABILITIES	**(4.1)**	**(22.5)**
NET CASH AT PERIOD-END	**396.0**	**320.1**

(1) This item includes investments in money-market SICAV (marketable securities).

7.4. Hedging instruments

7.4.1. Accounting principles

Exposure to the credit risk of a particular counterparty

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 has to take 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 set at 60% following market standard.

DVA based on Unibail-Rodamco'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 Unibail-Rodamco and taken from Bloomberg model;
- and the loss given default set at 60% following market standard.

7.4.2. Change on hedging instruments

		Amounts recognised in the Statement of Comprehensive Income				
(€Mn)	31/12/2015	Net financing costs	Fair value adjustments of derivatives	Other comprehensive income	Acquisitions/ Disposals	31/12/2016
ASSETS						
Derivatives at fair value	**297.2**	**(1.6)**	**(38.9)**	**0.2**	**12.0**	**268.8**
• Cash-flow hedge	1.0	(1.6)	-	0.7	-	-
• Without a hedging relationship	281.7	-	(47.8)	(0.5)	12.0	245.4
• Other derivatives	14.5	-	8.8	-	-	23.3
LIABILITIES						
Derivatives at fair value	**263.9**	**-**	**166.2**	**(0.1)**	**(102.1)**	**327.9**
• Without a hedging relationship	263.9	-	166.2	(0.1)	(102.1)	327.9
NET	**33.3**	**(1.6)**	**(205.1)**	**0.3**	**114.1**	**(59.1)**

7.5. Risk management policy

7.5.1. Market risk

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 interests rates published on December 31, 2016. Lines drawn as at December 31, 2016 are considered as drawn until maturity.

Billets de trésorerie and 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.

	Carrying amount[1]	Less than 1 year		1 year to 5 years		More than 5 years	
(€Mn)	31/12/2016	Interest	Redemption	Interest	Redemption	Interest	Redemption
BONDS, BORROWINGS AND AMOUNTS DUE TO CREDIT INSTITUTIONS							
Bonds and EMTNs	(11,295.7)	(230.2)	(688.0)	(670.9)	(3,726.2)	(547.7)	(6,881.5)
Bank borrowings and other financial liabilities[2]	(2,618.8)	(11.5)	(1,269.3)	(33.9)	(659.5)	(16.2)	(690.0)
FINANCIAL DERIVATIVES							
Derivative financial liabilities							
Interest rate derivatives without a hedging relationship	(327.9)	9.4	-	(228.3)	43.0	(85.4)	55.6
Derivative financial assets							
Interest rate derivatives without a hedging relationship	245.4	57.8	-	126.9	-	53.9	0.9

(1) Corresponds to the amount of principal debt (see section 7.3.3).
(2) Excludes current accounts with non-controlling interests.

The average maturity of the Group's debt as at December 31, 2016, taking into account the unused credit lines improved to 7.0 years (*versus* 6.5 years as at December 2015).

Unibail-Rodamco's debt repayment needs[1] for the next 12 months are covered by the available undrawn credit lines. The amount of bonds and bank loans outstanding as at December 31, 2016 and maturing or amortising in 2017 is €799 Mn (including a total of €688 Mn bonds maturing in June, November and December 2017), compared with €5,995 Mn of undrawn committed credit lines and €400 Mn of cash on-hand as at December 31, 2016.

Unibail-Rodamco's long-term refinancing policy consists of diversifying the Group's expiry schedules and financial resources. Accordingly, bonds & EMTN issues represented 74% of financial nominal debt at December 31, 2016, bank loans and overdrafts 10%, convertible bonds 7% and commercial paper & *billets de trésorerie* 9%.

The commercial paper programs are backed by confirmed credit lines. These credit lines protect Unibail-Rodamco against the risk of a temporary or more sustained absence of lenders in the short- or medium-term debt markets and were provided by leading international banks.

Counterparty risk

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

In case of derivatives terminations, netting can apply as a result of existing agreements between the Group and the banks. The related amounts of derivatives instruments, including accrued interests, would be €78.6 Mn as assets and €140.8 Mn as liabilities.

Interest rate risk

Unibail-Rodamco is exposed to interest rate fluctuations on its existing or future variable rate borrowings. Unibail-Rodamco's strategy regarding interest rate risk is to minimise the impact that changes in rates could have on earnings and cash flow and optimise the overall cost of financing in the medium-term. In order to implement this strategy, Unibail-Rodamco 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.

(1) Excluding Commercial Papers and BMTN maturing in 2017 amounting to €1,159 Mn.

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".

Unibail-Rodamco's average cost of debt in 2016 decreased to 1.6% compared to 2.2% for 2015. This record low average cost of debt results from:

- low coupon levels the Group achieved during the last years on its fixed rate debt;
- the tender offer transactions realised in April 2015, April 2016 and November 2016;
- the level of margins on existing borrowings;
- the cost of carry of the undrawn credit lines and;
- the Group's hedging instruments in place, including the caps put in place in 2015 which allowed the Group to take advantage of the low interest rate environment in 2016.

Interest rate hedging transactions

The Group took advantage of historically low long term interest rates in 2016 on the back of the supportive monetary measures implemented by the ECB to issue longer maturities and lock-in attractive coupons kept at fixed rate:

- €500 Mn 20-year bond with a 2% coupon;
- €500 Mn 10-year bond with a 1.375% coupon.

The other bonds issued by the Group in 2016 were swapped into floating-rate bonds in accordance with the Group's position on hedging.

The Group also put in place a €200 Mn fixed rate loan in view of rates levels in H2-2016.

With the Brexit, the US elections, the rate hike expected by the U.S. Federal reserve and the rumours around QE tapering in Europe, the market was very volatile in H2-2016. The rate curve steepened with an increase of long-term rates while short-term rates remained low.

In view of this market context and the Group's hedging position, Unibail-Rodamco restructured part of its hedging position to (i) be protected through caps in the short-term and (ii) extend the maturity of its long-term hedges. To achieve this objective, Unibail-Rodamco proceeded with the following operations in H2-2016:

- the restructuring of existing swaps for €2.5 Bn to extend the hedging by 3 to 5 years up to 2024;
- the implementation of a total of €3 Bn of new forward swaps and caps over 2017 and up to 2020, taking advantage of rate levels over these maturities;
- cancellation of €1 Bn of swaps because the Group issued fixed rate debt in 2016 and this debt was kept at a fixed rate.

Following these restructurings:

- the debt the Group expects to raise over the next three years is fully hedged;
- the debt the Group expects to raise in 2020 and 2021 is hedged at 90% and 70%, respectively;
- the hedging of the Group is more balanced now with an increased proportion of hedging by way of caps on more than 32% of the future 2020-2021 debt, allowing it to benefit from lower rates.

The cost of adjustment of the hedging position in 2016 (including cancellation, restructuring and implementation of new instruments) was €114 Mn.

Measuring interest rate risk

As at December 31, 2016, 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	362.0	38.2	1,538.5	422.9	1,176.5	384.7
1 year to 2 years	-		845.2	252.4	845.2	252.4
2 years to 3 years	-	-	685.6	544.3	685.6	544.3
3 years to 4 years	-	-	641.7	110.0	641.7	110.0
4 years to 5 years	-	-	1,096.5	210.0	1,096.5	210.0
More than 5 years	-	-	7,091.5	480.0	7,091.5	480.0
TOTAL	**362.0**	**38.2**	**11,899.0**	**2,019.5**	**11,537.1**	**1,981.3**

(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 outstanding debt was fully hedged against an increase in variable rates, based on debt outstanding as at December 31, 2016, through both:

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

The hedging balance as at December 31, 2016 breaks down as follows:

	Outstanding total at 31/12/2016	
(€Mn)	**Fixed rate**	**Variable rate[1]**
Financial liabilities	(11,899.0)	(2,019.5)
Financial assets	362.0	38.2
Net financial liabilities before hedging program	**(11,537.1)**	**(1,981.3)**
Micro-hedging	3,347.1	(3,247.7)
Net financial liabilities after micro-hedging[2]	**(8,190.0)**	**(5,229.0)**
Swap rate hedging[3]		-
Net debt not covered by swaps		**(5,229.0)**
Cap and floor hedging		6,450.0
HEDGING BALANCE	**-**	**1,221.0**

(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 debt position of Unibail-Rodamco in 2017, if interest rates (Euribor, Stibor or Pribor) were to rise by an average of +0.5%[1] (50 bps) during 2017, the estimated impact on financial expenses would be -€4.5 Mn, reducing the 2017 recurring net profit by a broadly similar amount. A further rise of +0.5% (50 bps) would reduce financial expenses by +€3.8 Mn. In total, a +1.0% (100 bps) increase in interest rates during 2017 would have a net negative impact on the financial expenses of less than -€1 Mn. A -0.5% (50 bps) drop in interest rates (leading to negative interest rates) would reduce the financial expenses by +€31.2 Mn and would increase the 2017 recurring net profit by a broadly equivalent amount.

Management of other 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 has activities and investments in countries outside the euro zone (*e.g.*, the Czech Republic, Poland and Sweden). When converted into euros, the income and value of the Group's net investment may be influenced by fluctuations in exchange rates against the euro. Wherever possible, the Group aims to match foreign currency income with expenses in the same currency, reducing the exchange effects on earnings volatility and net valuation of the investment. Translation risks can be hedged by either matching cash investments in a specific currency with debt in the same currency, or using derivatives to achieve the same risk management-driven goal. Currency risk during the building period of pipeline investments is covered as early as possible after signing of the actual building contract. Other monetary assets and liabilities held in currencies other than the euro are managed by ensuring that net exposure is kept to an acceptable level by buying or selling foreign currencies at spot or forward rates where necessary to address short term balances.

The Group, through its activities, is 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 participations 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.

(1) The eventual impact on exchange rates due to this theoretical increase of 0.5% in interest rates is not taken into account; theoretical impacts of rise or decrease in interest rates are calculated above the 3-month Euribor as of December 31, 2016 of -0.319%.

Measure of the exposure to other risks as at December 31, 2016 (€Mn)

Currency	Assets	Liabilities	Net Exposure	Hedging instruments	Exposure net of hedges
DKK	433.9	(58.0)	375.8	-	375.8
PLN	177.6	(0.2)	177.4	-	177.4
SEK	2,645.0	(849.3)	1,795.7	-	1,795.7
Other	7.3	(661.9)	(654.6)	669.1	14.5
TOTAL	**3,263.8**	**(1,569.5)**	**1,694.3**	**669.1**	**2,363.4**

Exposure sensitivity to currency exchange rate

The main exposure kept is in Swedish Krona (SEK).

	31/12/2016		31/12/2015	
(€Mn)	Recurring result Gain/(Loss)	Equity Gain/(Loss)	Recurring result Gain/(Loss)	Equity Gain/(Loss)
Impact of an increase of +10% in the EUR/SEK exchange	(10.0)[1]	(167.5)	(10.5)	(145.0)

(1) The sensitivity is measured by applying a change in exchange rate to the net revenues in SEK (net rents – administrative and financial expenses – taxes), based on a EUR/SEK exchange rate of 9.7983.

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 Unibail-Rodamco'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.

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

L&R: Loans and Receivables

AfS: Available for Sale financial assets

FAFVPL: Financial Assets at Fair Value through Profit and Loss

FLAC: Financial Liabilities measured At Cost

FLFVPL: Financial Liabilities at Fair Value through Profit and Loss

31/12/2016 (€Mn)	Categories in accordance with IAS 39	Carrying Amount 31/12/2016	Amounts recognised in statement of financial position according to IAS 39			Fair value
			Amortised Cost	Fair value recognised in equity	Fair value recognised in profit & loss	
ASSETS						
Loans	L&R	113.3	113.3	-	-	113.3
Financial assets	L&R	25.1	25.1	-	-	25.1
Derivatives at fair value	FAFVPL	268.8	-	-	268.8	268.8
Trade receivables from activity[(1)]	L&R	235.5	235.5	-	-	235.5
Other receivables[(2)]	L&R	84.7	84.7	-	-	84.7
Cash and cash equivalents	FAFVPL	400.1	-	-	400.1	400.1
		1,127.5	**458.6**	**-**	**668.9**	**1,127.5**
LIABILITIES						
Financial debts (excluding ORNANE)	FLAC	14,229.3	14,229.3	-	-	14,884.6
Financial leases	FLAC	361.6	361.6	-	-	370.1
Net share settled bonds convertible into new and/or existing shares (ORNANE)	FLFVPL	1,049.4	-	-	1,049.4	1,049.4
Derivatives at fair value	FLFVPL	327.9	-	-	327.9	327.9
Guarantee deposits	FLAC	208.1	208.1	-	-	208.1
Non-current amounts due on investments	FLAC	271.4	271.4	-	-	271.4
Amounts due to suppliers and other current debt[(3)]	FLAC	1,026.7	1,026.7	-	-	1,026.7
		17,474.4	**16,097.1**	**-**	**1,377.3**	**18,138.2**

31/12/2015 (€Mn)	Categories in accordance with IAS 39	Carrying Amount 31/12/2015	Amounts recognised in statement of financial position according to IAS 39			Fair value
			Amortised Cost	Fair value recognised in equity	Fair value recognised in profit & loss	
ASSETS						
Loans	L&R	41.1	41.1	-	-	41.1
Financial assets	L&R	17.1	17.1	-	-	17.1
Derivatives at fair value	FAFVPL	297.2	-	(0.7)	297.9	297.2
Trade receivables from activity[(1)]	L&R	252.0	252.0	-	-	252.0
Other receivables[(2)]	L&R	126.2	126.2	-	-	126.2
Cash and cash equivalents	FAFVPL	342.6	-	-	342.6	342.6
		1,076.2	**436.4**	**(0.7)**	**640.6**	**1,076.2**
LIABILITIES						
Financial debts (excluding ORNANE)	FLAC	13,970.5	13.970.5	-	-	14,439.8
Financial leases	FLAC	367.4	367.4	-	-	359.3
Net share settled bonds convertible into new and/or existing shares (ORNANE)	FLFVPL	1,087.8	-	-	1,087.8	1,087.8
Derivatives at fair value	FLFVPL	263.9	-	-	263.9	263.9
Guarantee deposits	FLAC	201.4	201.4	-	-	201.4
Non-current amounts due on investments	FLAC	135.4	135.4	-	-	135.4
Amounts due to suppliers and other current debt[(3)]	FLAC	876.8	876.8	-	-	876.8
		16,903.3	**15,551.6**	**-**	**1,351.7**	**17,364.5**

(1) Excluding rent-free periods and step rents.
(2) Excluding prepaid expenses, service charges due and tax receivables.
(3) Excluding prepaid income, service charges billed and tax liabilities.

"Trade receivables from activity", "Other receivables", "Cash and cash equivalents" and "Amounts due to suppliers and other current debt" mainly have short-term maturity. 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.

(€Mn)	Fair value measurement at 31/12/2016 Total	Level 1	Level 2	Level 3
ASSETS				
Fair value through profit or loss				
Derivatives	268.8	-	268.8	-
Available for sale investments	38.2	38.2	-	-
Fair value through equity				
Derivatives	-	-	-	-
TOTAL	**307.0**	**38.2**	**268.8**	**-**
LIABILITIES				
Fair value through profit or loss				
ORNANE	1,049.4	1,049.4	-	-
Derivatives	327.9	-	327.9	-
TOTAL	**1,377.3**	**1,049.4**	**327.9**	**-**

7.6.2. Net gain/loss by category

Unibail-Rodamco closely monitors its financial risk linked to its activity and the financial instruments it uses. The Group identifies and evaluates regularly its different risk exposures (liquidity, interest rates, and currency exchange rates) in order to implement the adopted strategy.

2016 (€Mn)	From interest	Net gain/loss
Loans & receivables	1.0	1.0
Derivatives at fair value through profit and loss	61.1	61.1
Financial liabilities at amortised cost	(331.8)	(331.8)
	(269.8)	**(269.8)**
Capitalised expenses		14.9
NET FINANCIAL EXPENSES		**(254.9)**

2015 (€Mn)	From interest	Net gain/loss
Loans & receivables	(0.1)	(0.1)
Derivatives at fair value through profit and loss	16.5	16.5
Financial liabilities at amortised cost	(346.2)	(346.2)
	(329.8)	**(329.8)**
Capitalised expenses		30.3
NET FINANCIAL EXPENSES		**(299.5)**

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 the 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 Viparis- Nord Villepinte.

8.1.3. Tax regimes

Different tax regimes exist in the following countries.

France SIIC regime (*Société d'Investissement Immobilier Cotée*)

Unibail-Rodamco 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 Unibail-Rodamco's shareholders. The SIIC regime requires that Unibail-Rodamco 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 60% 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 Unibail-Rodamco and its SIIC subsidiaries' ancillary activities remains subject to income tax.

Spain SOCIMI regime (*Sociedades Ánonimas Cotizadas de Inversión en el Mercado Inmobiliaro*)

Unibail-Rodamco 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 Unibail-Rodamco – 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 fulfil 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 regime (*Fiscale BeleggingsInstelling*)

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

Although Unibail-Rodamco does not agree with the viewpoint of the Dutch tax authorities, it continues to apply a prudent view in its 2016 accounts, based on the assumption that its Dutch activities from 2010 onwards will be taxable. In light of the significant Dutch tax loss carry forwards identified by the Group's fiscal advisors in the Netherlands, this assumption had no impact on the recurring result for 2016, even though questioned by the Dutch tax authorities.

8.2. Income tax expenses

(€Mn)	2016	2015
Recurring deferred and current tax on:		
• Allocation/reversal of provision concerning tax issues	(0.6)	4.3
• Other recurring results	(10.5)	(29.1)
TOTAL RECURRING TAX	**(11.1)**	**(24.8)**
Non-recurring deferred and current tax on:		
• Change in fair value of investment properties and impairment of intangible assets	(243.6)	(222.3)
• Other non-recurring results[1]	(27.4)	(41.2)
• Impairment of goodwill justified by taxes	(1.1)	-
TOTAL NON-RECURRING TAX	**(272.1)**	**(263.5)**
TOTAL TAX	**(283.2)**	**(288.3)**
Total tax paid	(12.6)	(38.9)

(1) Includes the 3% tax levied on cash dividends paid by French companies for a total amount of -€2.6 Mn in 2016 (-€14.1 Mn in 2015).

Reconciliation of effective tax rate	%	2016	2015
Profit before tax, impairment of goodwill and result of associates		**3 115,6**	**2,678.3**
Income tax using the average tax rate	27.7%	(861.8)	(778.4)
Tax exempt profits (including SIIC and SOCIMI regimes)	(18.3%)	571.5	490.6
Non-deductible costs	0.5%	(15.8)	(33.6)
Effect of tax provisions	0.0%	(0.6)	4.3
Effect of non-recognised tax losses	(0.2%)	6.9	24.7
Effect of change in tax rates	(0.4%)	11.3	3.6
Effect of currency translation in tax	(0.3%)	8.0	1.6
Other	0.1%	(2.7)	(1.1)
	9.1%[1]	**(283.2)**	**(288.3)**

(1) The tax rate of 9.1% is mainly due to tax exempt profits in France according to the SIIC regime.

8.3. Deferred taxes

2016 change

(€Mn)	31/12/2015	Increase	Decrease	Reclassification	Currency translation	Change in scope of consolidation	31/12/2016
Deferred tax liabilities	**(1,575.1)**	**(273.4)**	**29.9**	**-**	**19.8**	**2.1**	**(1,796.7)**
Deferred tax on investment properties	(1,508.6)	(273.5)	18.5	-	19.8	2.1	(1,741.7)
Deferred tax on intangible assets	(66.5)	0.1	11.4	-	-	-	(55.0)
Other deferred tax	**109.5**	**21.3**	**(23.7)**	**(0.1)**	**(0.5)**	**-**	**106.5**
Tax loss carry-forward[1]	106.7	1.0	(20.9)	-	(0.6)	-	86.2
Other[1]	2.8	20.3	(2.7)	(0.1)	0.1	-	20.3
TOTAL DEFERRED TAX LIABILITIES	**(1,465.6)**	**(252.1)**	**6.2**	**(0.1)**	**19.3**	**2.1**	**(1,690.2)**
Deferred tax assets							
Tax loss carry-forward	43.4	0.3	(11.6)	-	-	-	32.1
Other deferred tax assets[1]	(11.8)	-	3.6	0.1	-	-	(8.1)
TOTAL DEFERRED TAX ASSETS	**31.6**	**0.3**	**(8.0)**	**0.1**	**-**	**-**	**24.0**

(1) Deferred tax assets and liabilities within a same tax group are offset.

Deferred tax liabilities on properties refer to those countries where there is no tax efficient status comparable to that of France (SIIC), providing a tax exemption on recurring income and capital gains on property sales with an obligation to distribute part of their net result.

The increase of deferred tax liabilities on investment properties is mainly due to the increase of the valuation of the assets outside France.

The change in scope of consolidation is mainly due to the share deal disposal of Europark, a shopping centre in Budapest (see section 3.3 "Share deals: acquisitions and disposals" § 3.3.1).

2015 change

(€Mn)	31/12/2014	Increase	Decrease	Reclassification	Currency translation	Change in scope of consolidation	31/12/2015
Deferred tax liabilities	**(1,312.1)**	**(243.8)**	**21.0**	**0.6**	**(2.2)**	**(38.6)**	**(1,575.1)**
Deferred tax on investment properties	(1,245.7)	(242.4)	19.7	0.6	(2.2)	(38.6)	(1,508.6)
Deferred tax on intangible assets	(66.4)	(1.4)	1.3	-	-	-	(66.5)
Other deferred tax	**139.2**	**(9.5)**	**(25.0)**	**(0.6)**	**-**	**5.4**	**109.5**
Tax loss carry-forward[1]	122.8	(16.5)	(10.4)	(0.6)	-	11.5	106.7
Other[1]	16.4	7.0	(14.6)	-	-	(6.0)	2.8
TOTAL DEFERRED TAX LIABILITIES	**(1,172.9)**	**(253.3)**	**(4.0)**	**-**	**(2.2)**	**(33.2)**	**(1,465.6)**
Deferred tax assets							
Tax loss carry-forward	26.9	20.6	(3.8)	-	-	(0.4)	43.4
Other deferred tax assets[1]	(12.6)	0.1	-	-	-	0.7	(11.8)
TOTAL DEFERRED TAX ASSETS	**14.3**	**20.7**	**(3.8)**	**-**	**-**	**0.3**	**31.6**

(1) Deferred tax assets and liabilities within a same tax group are offset.

Unrecognised deferred tax assets

The table below presents the tax basis on which no deferred tax assets were recognised:

(€Mn)	31/12/2016	31/12/2015
Temporary differences investment properties	2.9	8.5
Tax loss carry-forwards not recognised[1]	642.6	578.2
TOTAL UNRECOGNISED TAX-BASIS	**645.5**	**586.7**

(1) This amount does not include Dutch tax losses.

Detail of unrecognised tax losses at the end of 2016 into final year of use:

(€Mn)	
2017	30.3
2018	55.9
2019	10.9
2020	4.0
2021	0.6
Unlimited	540.9
TOTAL	**642.6**

The temporary differences and tax losses are mainly related to negative financial result on French SIIC entities (€432.0 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.

As underlined above, it is expected that the Dutch tax authorities will deny the FBI status for Unibail-Rodamco's Dutch activities for 2010 onwards. The Group does not agree with this position. As at December 31, 2016, a deferred tax liability of €88.5 Mn was booked on the Dutch investment properties. A deferred tax asset for the same amount based on tax losses was recognised. Both amounts were netted. In this context of uncertainty, no other deferred tax asset has been recognised for significant Dutch tax-loss carry forwards.

4

Note 9 - Provisions

The determination of the amount of provisions for liabilities and charges requires the use of estimates, assumptions and judgment 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.

2016 CHANGE

(€Mn)	31/12/2015	Allocations	Reversals used	Reversals not used	Other movements[1]	31/12/2016
Long-term provisions	**35.3**	**3.8**	**(1.7)**	**(3.5)**	**(0.4)**	**33.6**
Provisions for litigation	25.3	1.0	(0.2)	(0.3)	0.6	26.5
Other provisions	10.0	2.8	(1.5)	(3.2)	(1.0)	7.1
Short-term provisions	**18.1**	**5.5**	**(2.5)**	**(6.5)**	**(4.3)**	**10.3**
Provisions for litigation	15.5	3.0	(0.7)	(6.1)	(4.3)	7.4
Other provisions	2.6	2.5	(1.8)	(0.4)	-	2.9
TOTAL	**53.4**	**9.4**	**(4.2)**	**(10.0)**	**(4.7)**	**43.9**

(1) Reversal of a provision in counterpart of the value of the asset.

The Group was involved in legal proceedings in Austria where a tenant had obtained a court judgment limiting the amount of square meters a certain category of retailers in the shopping centre may operate without its consent. This litigation was settled mid-2016.

2015 CHANGE

(€Mn)	31/12/2014	Allocations	Reversals used	Reversals not used	Other movements	31/12/2015
Long-term provisions	**40.2**	**3.9**	**(3.4)**	**(6.4)**	**1.1**	**35.3**
Provisions for litigation	28.8	2.3	(2.9)	(4.4)	1.6	25.3
Other provisions	11.4	1.7	(0.5)	(2.1)	(0.5)	10.0
Short-term provisions	**23.1**	**8.0**	**(3.4)**	**(5.4)**	**(4.2)**	**18.1**
Provisions for litigation	21.3	6.0	(2.1)	(5.1)	(4.6)	15.5
Other provisions	1.8	2.0	(1.2)	(0.3)	0.4	2.6
TOTAL	**63.3**	**11.9**	**(6.8)**	**(11.9)**	**(3.1)**	**53.4**

Note 10 - Employee remuneration and benefits

10.1. Headcount

The average number of employees of the Group's companies breaks down as follows:

Regions	2016	2015
France[1]	1,022	1,017
Central Europe	119	109
Spain	153	148
Nordic	105	101
Austria	56	55
Germany	467	500
The Netherlands	68	66
TOTAL	**1,990**	**1,996**

(1) Of which Viparis: 379/383.

10.2. Personnel costs

(€Mn)	2016	2015
Head and regional office personnel costs	104.1	100.9
Personnel costs for property services activities	34.7	34.5
Personnel costs for Convention & Exhibition centre management activities	31.9	33.7
Employee benefits[1]	9.8	8.8
TOTAL	**180.4**	**177.8**

(1) *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 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 2014. 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 an employee profit-sharing plan introduced on June 27, 2008 with its subsequent riders and the calculation of the special statutory profit-sharing reserve complies with the legal requirements. The profit-sharing agreement was renewed in 2014, based on growth in net operating income.

The following amounts were allocated to these schemes:

(€Mn)	2016	2015
Regulated employee profit-sharing plan	2.9	2.8
Employee profit-sharing agreement	-	1.1

10.3. Employee benefits

10.3.1. 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.

The Dutch companies had pension plans with both defined contribution as well as defined benefit components until 2015. Due to the termination of the defined benefit contract in The Netherlands by the Insurer in 2015, the Group has decided to change the pension plans. From January 1, 2016, one new defined contribution pension plan has been introduced for all employees in The Netherlands.

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

Provisions for pension liabilities *(€Mn)*	31/12/2016	31/12/2015
Retirement allowances	6.1	5.5
Pension plans with defined benefit(1)	3.1	3.2
TOTAL	**9.2**	**8.7**

(1) The provision corresponds to the remaining obligation to the defined benefit contract in The Netherlands.

10.3.2. 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 Unibail-Rodamco'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 condition, 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 Unibail-Rodamco shares). These voluntary contributions are limited to a maximum of one quarter of the annual salary with a cap of €25,000 (for the shares acquired with 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 €1.7 Mn in 2016 compared with €1.8 Mn in 2015.

Stock option plans

There are currently four stock option plans granted to Directors and employees of the Group, all subject to performance condition. These stock options have a duration of seven years and may be exercised at any time, in one or more installments, as from the 4th anniversary of the date of their allocation. The right to exercise stock options is subject to Unibail-Rodamco stock performance being higher in percentage terms than that of the EPRA benchmark index over the reference period.

Stock options are accounted for in accordance with IFRS 2. The expense recorded on the income statement in relation to stock options came to €5.6 Mn in 2016 and €5.1 Mn in 2015.

The performance-related stock-options allocated in March 2016 were valued at €11.26 using a Monte Carlo model. This valuation is based on an initial exercise price of €227.24, a share price at the grant-date of allocation of €232.40, a vesting period of four years, an estimated duration of 4.7 years, a market volatility of 17.34%, a dividend representing 5.0% of the share value, a risk-free interest rate of -0.25% and a volatility of EPRA index of 14.11% with a correlation EPRA/Unibail-Rodamco of 91.51%.

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)]
2007 plan (n°5)	2009	from 14/03/2013 to 13/03/2016	79.08	735,450	170,116	199,064	706,502	-
2010 plan (n° 6)	2010	from 11/03/2014 to 10/03/2017	120.33	778,800	170,561	231,172	697,473	20,716
	2011	from 11/03/2015 to 10/03/2018	141.54	753,950	15,059	182,234	544,165	42,610
2011 plan (n° 7)	2011	from 10/06/2015 to 09/06/2018	152.03	26,000	-	-	26,000	-
	2012	from 15/03/2016 to 14/03/2019	146.11	672,202	-	155,642	440,248	76,312
	2013	from 05/03/2017 to 04/03/2020	173.16	617,066	-	139,946	5,525	471,595
	2014	from 04/03/2018 to 03/03/2021	186.10	606,087	-	119,438	5,738	480,911
2015 plan (n°8)	2015	from 04/03/2019 to 03/03/2022	256.81	615,860	-	87,132	-	528,728
	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	-	22,947	1,913	586,748
TOTAL				**5,424,248**	**355,736**	**1,137,575**	**2,427,564**	**2,214,845**

(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:

	2016		2015	
	Number	Weighted average price (€)	Number	Weighted average price (€)
Outstanding at the beginning of the period	2,386,861	185.65	2,460,675	156.56
Allocated over the period	611,608	227.24	623,085	256.60
Cancelled over the period	(144,889)	212.29	(120,315)	201.95
Exercised over the period	(638,735)	140.40	(576,584)	134.78
Average share price on date of exercise	-	238.26	-	247.56
Outstanding at the end of the period	2,214,845	208.44	2,386,861	185.65
Of which exercisable at the end of the period[(1)]	139,638	140.89	250,295	126.46

(1) The right to exercise is subject to meeting the following performance condition: the overall market performance of Unibail-Rodamco must be higher in percentage terms than the performance of the EPRA reference index over the reference period.

Performance share plan

All the shares are subject to performance condition.

Performance shares are accounted for in accordance with IFRS 2. The expense recorded on the income statement in relation to performance shares came to €3.1 Mn in 2016 and €2.4 Mn in 2015.

The awards allocated in April 2016 were valued, using a Monte Carlo model, at €126.61 for French tax residents beneficiaries and €136.14 for other beneficiaries. This valuation is based on a share price at the date of allocation of €238.35, a vesting period of three years for French tax residents beneficiaries and four years for other beneficiaries, a market volatility of 17.35%, a volatility of the EPRA index of 13.99% with a correlation EPRA/Unibail-Rodamco of 92.29%, a dividend representing 5.0% of the share value and risk-free interest rates of -0.37%, -0.19% and 0.07% (respectively for three, five and seven years).

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]
2012	44,975	10,479	34,496	-
2013	36,056	7,394	21,807	6,855
2014	36,516	7,196	345	28,975
2015	37,554	4,909	345	32,300
2016	36,745	1,384	-	35,361
TOTAL	**191,846**	**31,362**	**56,993**	**103,491**

(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.

10.3.3. Remuneration of the Management Board and the Supervisory Board

Remuneration of the Management Board

(K€) Paid in:	2016	2015
Fixed income	3,084	3,056
Short-term incentive	3,114	2,861
Other benefits[1]	1,075	1,021
TOTAL[2]	**7,273**	**6,938**

(1) Mainly Supplementary Contribution Scheme and company car.
(2) The amounts indicated correspond to the periods during which the beneficiaries were members of the Management Board.

In 2016, members of the Management Board were allocated a total of 148,750 stock options, all subject to performance condition, and 8,963 performance shares.

Regarding the 2016 results, the Management Board members will receive in 2017 a total variable remuneration of €3,472 K.

Remuneration of the Supervisory Board

The remuneration of the Supervisory Board amounts to €766,179 for the 2016 fiscal year.

Loans or guarantees granted to Directors

None.

Transactions involving Directors

None.

Note 11 - Share capital and dividends

11.1. 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, 2016, net financial debt stood at €13,419 Mn[1] excluding partners' current accounts and after taking cash surpluses into account (€400 Mn).

As at December 31, 2016, the total Portfolio valuation includes consolidated portfolio valuation which amounts to €40,495 Mn, including transfer taxes.

As at December 31, 2016, the calculated ratio amounted to 33%, compared to 35% as at December 31, 2015.

(1) After impact of derivatives instruments on debt raised in foreign currencies.

11.2. Number of shares

Accounting principles

The Earnings Per Share indicator is calculated by dividing net result (Owners of the parent) by the weighted average number of ordinary shares in circulation over the period.

To calculate diluted Earnings Per Share, the average number of shares in circulation is adjusted to take into account the conversion of all potentially dilutive ordinary shares, in particular stock options and 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.

Change in share capital

	Total number of shares
AS AT 01/01/2015	**98,058,347**
Exercise of stock options	576,584
Capital increase reserved for employees under Company Savings Plan	28,202
Shares created from performance shares	27,527
Conversion of ORNANE	1,831
Bonds reedemable for shares	1,451
AS AT 31/12/2015	**98,693,942**
Exercise of stock options	638,735
Capital increase reserved for employees under Company Savings Plan	29,783
Shares created from performance shares	29,423
Conversion of ORNANE	1,549
Bonds reedemable for shares	353
AS AT 31/12/2016	**99,393,785**

Average number of shares diluted and undiluted

	2016	2015
AVERAGE NUMBER OF SHARES (UNDILUTED)	**99,153,052**	**98,488,530**
Dilutive impact		
Potential shares *via* stock options[(1)]	242,643	318,720
Attributed Performance shares (unvested)[(1)]	35,830	7,138
Potential shares *via* ORNANE	3,323,265	1,489,060
Potential shares *via* ORA	7,686	7,978
AVERAGE NUMBER OF SHARES (DILUTED)	**102,762,477**	**100,311,426**

(1) Correspond only to shares and attributed Performance shares which are in the money and for which the performance condition is fulfilled.

11.3. Dividends

In accordance with the combined Ordinary and Extraordinary General Meeting held on April 21, 2016, a dividend of €963.1 Mn (€9.70 per share) was paid in cash to the shareholders, of which €480.1 Mn as an interim dividend on March 29, 2016 and the remaining €483.0 Mn on July 6, 2016.

On April 16, 2015, Unibail-Rodamco's combined Ordinary and Extraordinary General Meeting of shareholders resolved to distribute a dividend of €9.60 per share. The cash dividend amounted to €946.5 Mn. An interim dividend of €472.5 Mn was paid on March 26, 2015. The balance dividend was paid on July 6, 2015.

Note 12 - Off-balance sheet commitments and contingent liabilities

All significant commitments are shown below. The Group does not have any complex commitments.

12.1. Commitments given

Commitments given *(€Mn)*	Description	Maturities	31/12/2016	31/12/2015
1) Commitments related to the scope of the consolidated Group			**104.9**	**114.2**
Commitments for acquisitions	• Purchase undertakings and earn-out	2017 to 2020	37.5	37.9
Commitments given as part of specific transactions	• Warranties and bank letters given in the course of the ordinary business	2017+	67.4	76.3
2) Commitments related to Group financing			**1,048.0**	**1,097.9**
Financial guarantees given	• Mortgages and first lien lenders(1)	2017 to 2027	1,048.0	1,097.9
3) Commitments related to Group operational activities			**1,525.5**	**1,634.5**
Commitments related to development activities	• Properties under construction: residual commitments for works contracts and forward purchase agreements	2017+	569.2	622.3
	• Residual commitments for other works contracts	2017 to 2021	22.9	36.3
	• Commitments subject to conditions precedent	2017 to 2023	188.0	225.9
Commitments related to operating contracts	• Commitments for construction works(2)	2017 to 2064	539.7	674.3
	• Rental of premises and equipment	2017+	55.0	40.1
	• Other(3)	2017 to 2089	150.6	35.5
TOTAL COMMITMENTS GIVEN			**2,678.4**	**2,846.5**

(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 contracted, before taking into account subsequent debt reimbursement and unused credit lines, was €1,072.9 Mn as at December 31, 2016 (€1,114.8 Mn as at December 31, 2015).
(2) On the 50-year lease contract to operate Porte de Versailles (Paris), Viparis has committed to invest €497 Mn for renovation works and €220 Mn for the maintenance works (i.e. €717 Mn of which €190 Mn have already been invested), representing an initial commitment of €358 Mn in Group share.
(3) Corresponds mainly to perpetual usufruct rights in Poland.

Other unquantifiable commitments given related to the scope of the consolidated Group

- For a number of recent acquisitions of properties in France, Unibail-Rodamco SE has committed to the French tax authorities to retain these interests during 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 (*e.g.*: right of first offer, tag-along right in case the partner sells its shares to a third party).

These kinds of clauses are included in the following partnerships:

- As part of the agreements signed with Socri to develop Polygone Riviera, Unibail-Rodamco SE has committed to retain its interests in shared subsidiaries until three years after the date of the shopping centre's opening.
- Following the disposal of a 46.1% stake in Unibail-Rodamco Germany (formerly mfi AG) to the Canadian Pension Plan Investment Board (CPPIB), the Group has committed to retain its interests in shared subsidiaries for a period of five years as from July 1, 2015.

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.
- The French companies which are eligible for SIIC tax status have opted for this regime. Recurring income and capital gains are exempted from French tax but companies are required to distribute 95% of their recurring income, 60% of capital gains and 100% of dividends received from SIIC subsidiaries.
- In 2014, the City of Brussels selected Unibail-Rodamco as the co-developer, with its partners BESIX and CFE, of the NEO 1 project. BESIX has the possibility 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 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 from the end of the second full year after the opening of the shopping centre and lasting 38 months from such date.

  Unibail-Rodamco 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 SE, BESIX and CFE, to ensure that each joint venture shall not bear any financial consequence beyond its program and that ultimate shareholder shall not bear more than its share in each joint venture.
- The Group has entered into an agreement to acquire from the City of Hamburg a land plot for the Überseequartier project. This acquisition is subject to conditions precedent not yet fulfilled as at December 31, 2016.

Commitments relating to entities' interests in joint ventures and associates

- In connection with the acquisition of a limited partnership owning through its subsidiary Warsaw III B.V., the Zlote Tarasy complex (Warsaw), the Group undertook to reimburse the developer for payments the developer would be required to make to the fund managed by CBRE Global Investors if Warsaw III did not make such payments.

  At the end of December 2016, these payment obligations of Warsaw III to this fund consisted of the repayment of the fund's prorata share of the "Open Market Value" of the Zlote Tarasy shopping centre at that date, as determined by three independent experts. The related payment should be made early in 2017.

4

12.2. Commitments received

Commitments received *(€Mn)*	Description	Maturities	31/12/2016	31/12/2015
1) Commitments related to the scope of the consolidated Group			**35.9**	**51.8**
Commitments for acquisitions	• Sales undertakings	2020	0.2	3.8
Commitments received as part of specific transactions	• Representations and warranties	2019	35.7	48.0
2) Commitments related to Group financing			**5,995.0**	**5,450.0**
Financial guarantees received	• Undrawn credit lines(1)	2017 to 2022	5,995.0	5,450.0
3) Commitments related to Group operational activities			**552.5**	**579.1**
Other contractual commitments received related to operations	• Bank guarantees on works and others	2017+	9.9	5.2
	• Other	2017 to 2024	102.4	100.3
Assets received as security, mortgage or pledge, as well as guarantees received	• Guarantees received relating to Hoguet regulation (France)	2017+	150.4	150.2
	• Guarantees received from tenants	2017+	247.7	259.7
	• Guarantees received from contractors on works	2017 to 2020	42.0	63.7
TOTAL COMMITMENTS RECEIVED			**6,583.4**	**6,080.9**

(1) These agreements are usually accompanied by a requirement to meet specific target ratios based on revalued shareholders' equity, Group portfolio valuation and debt. Certain credit lines are also subject to an early prepayment clause (in full or in part) in the event of a change in ownership or a series of disposals reducing portfolio assets below a given threshold. Based on current forecasts, excluding exceptional circumstances, these thresholds on target ratios are not expected to be attained during the current year. A total amount of €430 Mn is guaranteed by mortgages as at December 31, 2016.

Other commitments received related to the scope of the consolidated Group

As part of the agreements signed with Socri to develop Polygone Riviera, Socri has committed to retain its interests in shared subsidiaries until three years after the date of the shopping centre's opening.

The Group has an option to buy up to 29.99% from 24 months after the opening of the shopping centre and during a period of six months.

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.

Note 13 - Subsequent events

None.

Note 14 - List of consolidated companies

List of consolidated companies	Country	Method[1]	% interest 31/12/2016	% control 31/12/2016	% interest 31/12/2015
Unibail-Rodamco SE	France	FC	100.00	100.00	100.00
SHOPPING CENTRES					
Donauzentrum Besitz- u. Vermietungs GmbH	Austria	FC	100.00	100.00	100.00
SCS Liegenschaftsverwertung GmbH	Austria	FC	100.00	100.00	100.00
SCS Motor City Süd Errichtungsges.mbH	Austria	FC	100.00	100.00	100.00
Shopping Center Planungs- und Entwicklungsgesellschaft mbH	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
Shopping City Süd Erweiterungsbau Gesellschaft mbH & Co Anlagenvermietung KG	Austria	FC	99.99	99.99	99.99
Broekzele Vastgoed Sprl	Belgium	FC	100.00	100.00	100.00
Mall of Europe NV	Belgium	FC	86.00	86.00	86.00
Beta Development sro	Czech Republic	FC	80.00	80.00	80.00
Centrum Cerny Most as	Czech Republic	FC	100.00	100.00	100.00
Centrum Chodov	Czech Republic	FC	100.00	100.00	100.00
Centrum Praha Jih-Chodov sro	Czech Republic	FC	100.00	100.00	100.00
Cerny Most II, as	Czech Republic	FC	100.00	100.00	100.00
Autopaikat Oy	Finland	JO	34.29	34.29	34.29
Kiinteistö Oy Vantaanportin Liikekeskus	Finland	JO	21.40	21.40	21.40
Kiinteistö Oy Vantaanportin Liiketilat	Finland	JO	60.00	60.00	60.00
SA Société d'Exploitation des Parkings et du Forum des Halles de Paris	France	FC	65.00	65.00	65.00
SARL Geniekiosk	France	FC	50.00	50.00	50.00
SARL Le Cannet Développement	France	FC	100.00	100.00	100.00
SAS Aquarissimo	France	FC	50.00	50.00	50.00
SAS Archero	France	FC	53.30	53.30	-
SAS Bisarch	France	FC	53.30	53.30	-
SAS BEG Investissements	France	FC	100.00	100.00	100.00
SAS Copecan	France	EM-JV	50.00	50.00	50.00
SAS La Toison d'Or	France	FC	100.00	100.00	100.00
SAS Le Carrousel du Louvre	France	FC	100.00	100.00	100.00
SAS Monpar	France	FC	100.00	100.00	100.00
SAS Parimall-Bobigny 2	France	FC	100.00	100.00	100.00
SAS Parimall-Ulis 2	France	FC	100.00	100.00	100.00
SAS Parimall-Vélizy 2	France	FC	100.00	100.00	100.00
SAS Parimmo-58 Marceau	France	FC	100.00	100.00	100.00

List of consolidated companies	Country	Method[1]	% interest 31/12/2016	% control 31/12/2016	% interest 31/12/2015
SAS PCE-FTO	France	EM-JV	50.00	50.00	50.00
SAS Rodamco France	France	FC	100.00	100.00	100.00
SAS SALG	France	FC	100.00	100.00	100.00
SAS Société de Lancement de Magasins à l'Usine	France	FC	100.00	100.00	100.00
SAS SP Poissy Retail Entreprises	France	EM-JV	50.00	50.00	50.00
SAS Spring Alma	France	FC	100.00	100.00	100.00
SAS Spring Valentine	France	FC	100.00	100.00	100.00
SAS Spring Vélizy	France	FC	100.00	100.00	100.00
SAS Uni-commerces	France	FC	100.00	100.00	100.00
SAS Uniwater	France	FC	100.00	100.00	100.00
SAS Villeneuve 2	France	FC	100.00	100.00	100.00
SCI 3borders	France	FC	100.00	100.00	100.00
SCI Aéroville	France	FC	100.00	100.00	100.00
SCI Berri Washington	France	FC	50.00	50.00	50.00
SCI Chesnay Pierre 2	France	FC	50.00	50.00	50.00
SCI Chesnay Remiforme	France	FC	50.00	50.00	50.00
SCI Coquelles et Coquelles	France	FC	100.00	100.00	100.00
SCI du CC de Lyon La Part Dieu	France	FC	100.00	100.00	100.00
SCI du Forum des Halles de Paris	France	FC	65.00	65.00	65.00
SCI du Petit Parly 2	France	FC	50.00	50.00	50.00
SCI Eiffel Levallois Commerces	France	FC	100.00	100.00	100.00
SCI Élysées Parly 2	France	FC	50.00	50.00	50.00
SCI Élysées Vélizy 2	France	FC	100.00	100.00	100.00
SCI Extension Villeneuve 2	France	FC	100.00	100.00	100.00
SCI Grand Magasin Sud LPD	France	FC	100.00	100.00	100.00
SCI Grigny Gare	France	FC	100.00	100.00	100.00
SCI Hoche	France	FC	50.00	50.00	50.00
SCI Lyon Kléber	France	FC	100.00	100.00	100.00
SCI Lyon Les Brotteaux	France	FC	100.00	100.00	100.00
SCI Marceau Bussy-Sud	France	FC	100.00	100.00	100.00
SCI Marceau Parly 2	France	FC	50.00	50.00	50.00
SCI Marceau Plaisir	France	-	Liquidated	Liquidated	100.00
SCI Olvègue	France	FC	100.00	100.00	100.00
SCI Parimall-Parly 2	France	FC	50.00	50.00	50.00
SCI Pégase	France	FC	53.30	53.30	53.30
SCI Rosny Beauséjour	France	EM-JV	50.00	50.00	50.00
SCI SCC de La Défense	France	FC	53.30	53.30	53.30
SCI SCC du Triangle des Gares	France	FC	76.00	100.00	76.00
SCI Tayak	France	FC	100.00	100.00	100.00
SCI Vendôme Villeneuve 2	France	FC	100.00	100.00	100.00
SEP Bagnolet	France	JO	35.22	35.22	35.22
SEP du CC de Rosny 2	France	EM-JV	26.00	26.00	26.00
SEP Galerie Villabé	France	JO	36.25	36.25	36.25
SNC Almacie	France	FC	100.00	100.00	100.00
SNC CC Francilia	France	FC	100.00	100.00	100.00
SNC de Bures-Palaiseau	France	FC	100.00	100.00	100.00
SNC de l'Extension de Rosny	France	FC	100.00	100.00	100.00
SNC des Bureaux de la Mare Boizard	France	FC	100.00	100.00	-
SNC Francilium	France	FC	100.00	100.00	100.00
SNC Juin Saint Hubert	France	FC	50.01	50.01	50.01
SNC Juin Saint Hubert II	France	FC	50.01	50.01	50.01
SNC Les Terrasses Saint-Jean	France	FC	50.01	50.01	50.01
SNC Maltèse	France	FC	100.00	100.00	100.00

List of consolidated companies	Country	Method(1)	% interest 31/12/2016	% control 31/12/2016	% interest 31/12/2015
SNC PCE	France	FC	100.00	100.00	100.00
SNC Randoli	France	FC	100.00	100.00	100.00
SNC Saint Jean	France	FC	50.01	50.01	50.01
SNC Saint Jean II	France	FC	50.01	50.01	50.01
SNC Vélizy Petit-Clamart	France	FC	100.00	100.00	100.00
SNC Vilplaine	France	FC	40.00	40.00	40.00
SNC VUC	France	FC	100.00	100.00	100.00
KG Schliebe & Co Geschäftszentrum Frankfurter Allee	Germany	EM-A	66.67	66.67	66.67
Unibail-Rodamco Beteiligungs GmbH	Germany	FC	48.02	48.02	48.02
mfi Gropius	Germany	EM-A	9.60	20.00	9.60
Minto GmbH	Germany	FC	48.17	48.17	48.17
Rhein Arcaden GmbH	Germany	FC	48.02	48.02	48.02
Höfe am Brühl GmbH	Germany	FC	48.17	48.17	48.17
Gera Arcaden GmbH	Germany	FC	48.17	48.17	48.17
Palais Vest GmbH	Germany	FC	48.17	48.17	48.17
mfi Paunsdorf	Germany	EM-JV	24.01	50.00	24.01
Neumarkt 14 Projekt GmbH & Co. KG	Germany	FC	42.41	42.41	42.41
Pasing Arcaden GmbH	Germany	FC	48.17	48.17	48.17
Unibail-Rodamco ÜSQ Bleu 1 GmbH & Co. KG	Germany	FC	100.00	100.00	100.00
Unibail-Rodamco ÜSQ Bleu 2 GmbH & Co. KG	Germany	FC	100.00	100.00	100.00
Unibail-Rodamco ÜSQ Bleu 3 GmbH & Co. KG	Germany	FC	100.00	100.00	100.00
Unibail-Rodamco ÜSQ Bleu 4 GmbH & Co. KG	Germany	FC	100.00	100.00	100.00
Unibail-Rodamco ÜSQ Bleu 5 GmbH & Co. KG	Germany	FC	100.00	100.00	100.00
Unibail-Rodamco ÜSQ Bleu 6 GmbH & Co. KG	Germany	FC	100.00	100.00	100.00
Unibail-Rodamco ÜSQ Bleu 7 GmbH & Co. KG	Germany	FC	100.00	100.00	100.00
Unibail-Rodamco ÜSQ Bleu 8 GmbH & Co. KG	Germany	FC	100.00	100.00	100.00
Unibail-Rodamco ÜSQ Bleu 9 GmbH & Co. KG	Germany	FC	100.00	100.00	100.00
Unibail-Rodamco ÜSQ Bleu 10 GmbH & Co. KG	Germany	FC	100.00	100.00	100.00
Unibail-Rodamco ÜSQ Residential 1 GmbH	Germany	FC	100.00	100.00	100.00
Unibail-Rodamco ÜSQ Residential 2 GmbH	Germany	FC	100.00	100.00	100.00
Unibail-Rodamco ÜSQ Residential 3 GmbH	Germany	FC	100.00	100.00	100.00
Unibail-Rodamco ÜSQ Rouge A GmbH & Co. KG	Germany	FC	100.00	100.00	100.00
Unibail-Rodamco ÜSQ Rouge A Holding GmbH & Co. KG	Germany	FC	100.00	100.00	100.00
Unibail-Rodamco ÜSQ Rouge B GmbH & Co. KG	Germany	FC	100.00	100.00	100.00
Unibail-Rodamco ÜSQ Rouge B Holding GmbH & Co. KG	Germany	FC	100.00	100.00	100.00
Unibail-Rodamco ÜSQ Rouge E3 GmbH & Co. KG	Germany	FC	100.00	100.00	100.00
Unibail-Rodamco ÜSQ Rouge E3 Holding GmbH & Co. KG	Germany	FC	100.00	100.00	100.00
Euromall Kft	Hungary	-	Sold	Sold	100.00
SARL Red Grafton 1	Luxembourg	FC	65.00	65.00	65.00
SARL Red Grafton 2	Luxembourg	FC	65.00	65.00	65.00
CH Warsaw U Sp zoo	Poland	EM-JV	4.82	4.82	4.82
Crystal Warsaw Sp zoo	Poland	FC	100.00	100.00	100.00
GSSM Warsaw Sp zoo	Poland	FC	100.00	100.00	100.00
WSSM 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
RP P6 s.r.o.	Slovakia	FC	100.00	100.00	100.00
D-Parking	Spain	EM-JV	42.50	42.50	42.50
Essential Whites SLU	Spain	FC	52.78	100.00	52.78
Glorias Parking	Spain	EM-JV	50.00	50.00	50.00
Promociones Immobiliarias Gardiner SLU	Spain	FC	52.78	100.00	52.78
Proyectos Immobiliarios New Visions SLU	Spain	FC	100.00	100.00	100.00
Proyectos Immobiliarios Time Blue SLU	Spain	FC	51.11	100.00	51.11

List of consolidated companies	Country	Method(1)	% interest 31/12/2016	% control 31/12/2016	% interest 31/12/2015
Unibail-Rodamco Retail Spain	Spain	FC	100.00	100.00	100.00
Unibail-Rodamco Benidorm SL	Spain	FC	60.81	60.81	50.00
Unibail-Rodamco Spain SLU	Spain	FC	100.00	100.00	100.00
Unibail-Rodamco Ocio SLU	Spain	FC	100.00	100.00	100.00
Unibail-Rodamco Palma SL	Spain	FC	100.00	100.00	100.00
Unibail-Rodamco Steam SLU	Spain	FC	51.11	100.00	51.11
UR Real Estate	Spain	FC	100.00	100.00	100.00
Eurostop KB	Sweden	FC	100.00	100.00	100.00
Rodamco Arninge Centrum KB	Sweden	FC	100.00	100.00	100.00
Rodamco Centerpool AB	Sweden	FC	100.00	100.00	100.00
Rodamco Fisketorvet AB	Sweden	FC	100.00	100.00	100.00
Rodamco Forum Nacka KB	Sweden	FC	100.00	100.00	100.00
Rodamco Garage AB	Sweden	FC	100.00	100.00	100.00
Rodamco Parkering AB	Sweden	FC	100.00	100.00	100.00
Rodamco Solna Centrum AB	Sweden	FC	100.00	100.00	100.00
Rodamco Täby Centrum KB	Sweden	FC	100.00	100.00	100.00
Rodamco Väsby Centrum AB	Sweden	FC	100.00	100.00	100.00
Unibail-Rodamco Nederland Winkels BV	The Netherlands	FC	100.00	100.00	100.00
Unibail-Rodamco Retail Investments 1 BV	The Netherlands	FC	100.00	100.00	100.00
Unibail-Rodamco Retail Investments 2 BV	The Netherlands	FC	100.00	100.00	100.00
OFFICES					
SA G.P.I	France	FC	100.00	100.00	-
SAS Aquabon	France	FC	100.00	100.00	100.00
SAS Iseult	France	FC	100.00	100.00	100.00
SAS Unibail Investissements II	France	-	Liquidated	Liquidated	100.00
SCI Ariane-Défense	France	FC	100.00	100.00	100.00
SCI Bureaux Tour Crédit Lyonnais	France	FC	100.00	100.00	100.00
SCI Cnit Développement	France	FC	100.00	100.00	100.00
SCI Eiffel Levallois Bureaux	France	FC	100.00	100.00	100.00
SCI Gaîté Bureaux	France	FC	100.00	100.00	100.00
SCI Galilée-Défense	France	FC	100.00	100.00	100.00
SCI Le Sextant	France	FC	100.00	100.00	100.00
SCI Marceau Part Dieu	France	-	Liquidated	Liquidated	100.00
SCI Montheron	France	FC	100.00	100.00	100.00
SCI Sept Adenauer	France	FC	100.00	100.00	100.00
SCI Tour Triangle	France	FC	50.00	100.00	50.00
SCI Trinity Défense	France	FC	100.00	100.00	100.00
SCI UR Versailles Chantiers	France	FC	100.00	100.00	100.00
SCI Village 3 Défense	France	FC	100.00	100.00	100.00
SCI Village 4 Défense	France	FC	100.00	100.00	100.00
SCI Village 5 Défense	France	FC	100.00	100.00	100.00
SCI Village 6 Défense	France	FC	100.00	100.00	100.00
SCI Village 7 Défense	France	FC	100.00	100.00	100.00
SCI Wilson (Puteaux)	France	-	Liquidated	Liquidated	100.00
SNC Capital 8	France	FC	100.00	100.00	100.00
SNC Gaîté Parkings	France	FC	100.00	100.00	100.00
SNC Lefoullon	France	FC	100.00	100.00	100.00
SNC Village 8 Défense	France	FC	100.00	100.00	100.00
Unibail-Rodamco ÜSQ Jaune C GmbH & Co. KG	Germany	FC	100.00	100.00	100.00
Unibail-Rodamco ÜSQ Jaune D1 GmbH & Co. KG	Germany	FC	100.00	100.00	100.00
Unibail-Rodamco ÜSQ Jaune D2 GmbH & Co. KG	Germany	FC	100.00	100.00	100.00
Zlote Tarasy Tower partnership	Poland	EM-A	100.00	-	100.00
Woningmaatschappij Noord Holland BV	The Netherlands	FC	100.00	100.00	100.00

List of consolidated companies	Country	Method(1)	% interest 31/12/2016	% control 31/12/2016	% interest 31/12/2015
CONVENTION & EXHIBITION					
Société d'exploitation de l'Hôtel Salomon de Rothschild	France	FC	50.00	100.00	50.00
SAS Lyoncoh	France	FC	100.00	100.00	100.00
SA Viparis – Le Palais des Congrès d'Issy	France	FC	47.50	95.00	47.50
SCI Pandore	France	FC	50.00	100.00	50.00
SNC Paris Expo Services	France	FC	50.00	100.00	50.00
SAS Société d'Exploitation du Palais des Sports	France	EM-JV	25.00	50.00	25.00
SAS Viparis	France	FC	50.00	100.00	50.00
SAS Viparis – Le Palais des Congrès de Paris	France	FC	50.00	100.00	50.00
SAS Viparis – Nord Villepinte	France	FC	50.00	100.00	50.00
SAS Viparis – Palais des Congrès de Versailles	France	FC	45.00	90.00	45.00
SNC Viparis – Porte de Versailles	France	FC	50.00	100.00	50.00
SCI Propexpo	France	FC	50.00	50.00	50.00
SNC Viparis – Le Bourget	France	FC	50.00	100.00	50.00
SERVICES					
UR Austria Verwaltungs GmbH	Austria	FC	100.00	100.00	100.00
Unibail-Rodamco Invest GmbH	Austria	FC	100.00	100.00	100.00
Rodamco Ceska Republica sro	Czech Republic	FC	100.00	100.00	100.00
SAS Cnit Restauration	France	FC	100.00	100.00	100.00
SAS Espace Expansion	France	FC	100.00	100.00	100.00
SAS Société d'Exploitation Hôtelière de Montparnasse	France	FC	100.00	100.00	100.00
SAS Société d'Exploitation Hôtelière du Cnit	France	FC	100.00	100.00	100.00
SAS Unibail Management	France	FC	100.00	100.00	100.00
SAS Unibail Marketing & Multimédia	France	FC	100.00	100.00	100.00
SAS Unibail-Rodamco Développement	France	FC	100.00	100.00	100.00
SAS UR Lab France	France	FC	100.00	100.00	100.00
mfi Betriebsgesellschaft mbH	Germany	FC	48.02	48.02	48.02
mfi Immobilien Marketing GmbH	Germany	FC	48.02	48.02	48.02
Unibail-Rodamco Germany GmbH	Germany	FC	48.02	48.02	48.02
mfi Shopping Center Management GmbH	Germany	FC	48.02	48.02	48.02
Unibail-Rodamco ÜSQ Development GmbH	Germany	FC	100.00	100.00	100.00
Unibail-Rodamco ÜSQ Süd Quartiersmanagement GmbH	Germany	FC	100.00	100.00	100.00
Unibail-Rodamco Polska Sp zoo	Poland	FC	100.00	100.00	100.00
Rodamco Projekt AB	Sweden	FC	100.00	100.00	100.00
Rodamco Sverige AB	Sweden	FC	100.00	100.00	100.00
Rodamco Europe Beheer BV	The Netherlands	FC	100.00	100.00	100.00
Rodamco Nederland BV	The Netherlands	FC	100.00	100.00	100.00
Unibail-Rodamco Development Nederland BV	The Netherlands	FC	100.00	100.00	100.00
Unibail-Rodamco Project BV	The Netherlands	FC	100.00	100.00	100.00
U&R Management BV	The Netherlands	FC	100.00	100.00	100.00
HOLDINGS AND OTHER					
Unibail-Rodamco Belgium NV	Belgium	FC	100.00	100.00	100.00
Rodareal Oy	Finland	FC	100.00	100.00	100.00
SA Société de Tayninh	France	FC	97.68	97.68	97.68
SA Uni-Expos	France	FC	100.00	100.00	100.00
SA Union Internationale Immobilière	France	FC	100.00	100.00	100.00
SA Viparis Holding	France	FC	50.00	50.00	50.00
SAS Belwarde1	France	FC	100.00	100.00	100.00
SAS Doria	France	FC	100.00	100.00	100.00
SAS Espace Expansion Immobilière	France	FC	100.00	100.00	100.00
SAS Foncière Immobilière	France	FC	100.00	100.00	100.00
SAS R.E. France Financing	France	FC	100.00	100.00	100.00
SAS Unibail-Rodamco Participations	France	FC	100.00	100.00	100.00

List of consolidated companies	Country	Method(1)	% interest 31/12/2016	% control 31/12/2016	% interest 31/12/2015
SAS Unibail-Rodamco SIF France	France	FC	100.00	100.00	100.00
SAS Valorexpo	France	FC	100.00	100.00	100.00
SAS Viparis MMM	France	FC	50.00	100.00	-
SCI du CC d'Euralille S3C Lille	France	FC	60.00	60.00	60.00
SCI Ostraca	France	-	Liquidated	Liquidated	100.00
SCI Sicor	France	FC	73.00	73.00	73.00
SCI Sirmione	France	-	Liquidated	Liquidated	100.00
SNC Acarmina	France	FC	100.00	100.00	100.00
SNC Financière 5 Malesherbes	France	FC	100.00	100.00	100.00
SNC Financière Loutan	France	FC	50.00	50.00	50.00
AS Holding GmbH	Germany	FC	51.00	51.00	51.00
Unibail-Rodamco Germany Objekt GmbH	Germany	-	Liquidated	Liquidated	48.02
Unibail-Rodamco Germany Projekt GmbH	Germany	FC	48.02	48.02	48.02
mfi Development GmbH	Germany	FC	48.02	48.02	48.02
mfi dreiundzwanzigste Grundbesitzgesellschaft mbH & Co. KG	Germany	FC	48.02	48.02	48.02
mfi einundzwanzigste Grundbesitzgesellschaft mbH & Co. KG	Germany	FC	48.02	48.02	48.02
mfi fünfzehnte Grundbesitzgesellschaft mbH & Co. KG	Germany	FC	48.02	48.02	48.02
mfi Grundstücksentwicklungsgesellschaft mbH	Germany	FC	48.02	48.02	48.02
mfi siebzehnte Grundbesitzgesellschaft mbH & Co. KG	Germany	FC	48.02	48.02	48.02
mfi zweiundzwanzigste Grundbesitzgesellschaft mbH & Co. KG	Germany	FC	48.02	48.02	48.02
Neukölln Kino Betriebsgesellschaft mbH	Germany	FC	48.02	48.02	48.02
Neumarkt 14 Projekt Verwaltungs GmbH	Germany	FC	40.81	40.81	40.81
Rodamco Deutschland GmbH	Germany	FC	100.00	100.00	100.00
Rodamco Deutschland GmbH & Co Süd Liegenschafts KG	Germany	FC	100.00	100.00	100.00
Ruhrpark Generalübernehmer Geschäftsführungs GmbH	Germany	FC	65.00	65.00	65.00
Ruhrpark Generalübernehmer GmbH & Co KG	Germany	FC	65.00	65.00	65.00
Unibail-Rodamco Investments GmbH	Germany	FC	100.00	100.00	100.00
Zeilgalerie Gbr	Germany	FC	100.00	100.00	100.00
Liffey River Financing Ltd	Ireland	FC	100.00	100.00	100.00
Polish ZTR Holding SCSp	Luxembourg	EM-A	100.00	-	100.00
SA Crossroads Property Investors	Luxembourg	FC	100.00	100.00	100.00
SARL Crimson Grafton	Luxembourg	FC	65.00	65.00	65.00
SARL Purple Grafton	Luxembourg	FC	51.00	51.00	51.00
SARL Red Grafton	Luxembourg	FC	65.00	65.00	65.00
Polish Office Holding SCSp	Luxembourg	EM-A	100.00	-	100.00
Uniborc SA	Luxembourg	FC	80.00	80.00	80.00
Warsaw III SARL	Luxembourg	EM-A	100.00	-	100.00
ZT Poland 2 SCA	Luxembourg	EM-A	100.00	-	100.00
Calera Investments Spzoo	Poland	EM-A	100.00	-	100.00
CIF (FIZAN)	Poland	-	Liquidated	Liquidated	100.00
Handlei Investments Spzoo	Poland	EM-A	100.00	-	100.00
Wood Sp zoo	Poland	FC	100.00	100.00	100.00
Arrendamientos Vaguada CB	Spain	JO	62.47	62.47	62.47
Anlos Fastighets AB	Sweden	FC	100.00	100.00	100.00
Eurostop AB	Sweden	FC	100.00	100.00	100.00
Eurostop Holding AB	Sweden	FC	100.00	100.00	100.00
Fastighetsbolaget Anlos H BV	Sweden	FC	100.00	100.00	100.00
Fastighetsbolaget Anlos K BV	Sweden	FC	100.00	100.00	100.00
Fastighetsbolaget Anlos L BV	Sweden	FC	100.00	100.00	100.00
Knölsvanen Bostads AB	Sweden	FC	100.00	100.00	100.00
Piren AB	Sweden	FC	100.00	100.00	100.00
Rodamco Handel AB	Sweden	FC	100.00	100.00	100.00
Rodamco AB	Sweden	FC	100.00	100.00	100.00

List of consolidated companies	Country	Method(1)	% interest 31/12/2016	% control 31/12/2016	% interest 31/12/2015
Rodamco Expand AB	Sweden	FC	100.00	100.00	100.00
Rodamco Nacka AB	Sweden	FC	100.00	100.00	100.00
Rodamco Northern Europe AB	Sweden	FC	100.00	100.00	100.00
Rodamco Scandinavia Holding AB	Sweden	FC	100.00	100.00	100.00
Rodamco Täby AB	Sweden	FC	100.00	100.00	100.00
Belindam BV	The Netherlands	FC	100.00	100.00	100.00
Broekzele Investments BV	The Netherlands	FC	100.00	100.00	100.00
Cijferzwaan BV	The Netherlands	FC	100.00	100.00	100.00
Deenvink BV	The Netherlands	FC	100.00	100.00	100.00
Dotterzwaan BV	The Netherlands	FC	100.00	100.00	100.00
Eroica BV	The Netherlands	FC	100.00	100.00	100.00
Feldkirchen BV	The Netherlands	FC	100.00	100.00	100.00
New Tower Real Estate BV	The Netherlands	FC	51.11	51.11	51.11
Old Tower Real Estate BV	The Netherlands	FC	52.78	52.78	52.78
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 España BV	The Netherlands	FC	100.00	100.00	100.00
Rodamco Europe B.V.	The Netherlands	-	Liquidated	Liquidated	100.00
Rodamco Europe Finance BV	The Netherlands	FC	100.00	100.00	100.00
Rodamco Europe Finance II BV	The Netherlands	FC	100.00	100.00	100.00
Rodamco Europe Properties BV	The Netherlands	FC	100.00	100.00	100.00
Rodamco Hungary BV	The Netherlands	FC	100.00	100.00	100.00
Rodamco Nederland Winkels BV	The Netherlands	FC	100.00	100.00	100.00
Rodamco Project I BV	The Netherlands	FC	100.00	100.00	100.00
Rodamco Retail Deutschland BV	The Netherlands	FC	100.00	100.00	100.00
Romanoff Eastern Europe Property BV	The Netherlands	FC	80.00	80.00	80.00
Traffic UK BV	The Netherlands	FC	100.00	100.00	-
Unibail-Rodamco Cascoshop Holding BV	The Netherlands	FC	100.00	100.00	100.00
Unibail-Rodamco Investments BV	The Netherlands	FC	100.00	100.00	100.00
Unibail-Rodamco Investments 2 BV	The Netherlands	FC	100.00	100.00	100.00
Unibail-Rodamco Investments 3 BV	The Netherlands	FC	100.00	100.00	100.00
Unibail-Rodamco Poland 1 BV	The Netherlands	FC	100.00	100.00	100.00
Unibail-Rodamco Poland 2 BV	The Netherlands	FC	100.00	100.00	100.00
Unibail-Rodamco Poland 3 BV	The Netherlands	FC	100.00	100.00	100.00
Unibail-Rodamco Poland 4 BV	The Netherlands	FC	100.00	100.00	100.00
Unibail-Rodamco Poland 5 BV	The Netherlands	FC	100.00	100.00	100.00
Unibail-Rodamco ÜSQ Holding BV	The Netherlands	FC	100.00	100.00	100.00
Warsaw III BV	The Netherlands	EM-A	100.00	-	100.00
CentrO Holdings (UK) Limited	United Kingdom	EM-JV	47.60	47.60	47.60

(1) FC: full consolidation method, JO: joint operations, EM-JV: joint ventures under the equity method, EM-A: associates under the equity method.

Note 15 - Relationship with Statutory Auditors

Statutory Auditors are:

- EY
  - commencement date of first term of office: AGM of May 13, 1975,
  - person responsible: Christian Mouillon designated in April 2011;
- Deloitte
  - commencement date of first term of office: AGM of April 27, 2011,
  - person responsible: Damien Leurent, designated in April 2011.

Expiry of term of office for both auditors at the AGM held for the purpose of closing the 2016 accounts.

Fees of Statutory Auditors and other professionals in their networks for the 2016 and 2015 fiscal years, for the Parent Company and fully consolidated subsidiaries:

	EY		Deloitte	
(€Mn)	**2016**	2015	**2016**	2015
Audit and limited review of the consolidated and non-consolidated financial statements	2.1	2.2	1.5	1.6
Non audit services	0.1	0.2	0.2	0.1
TOTAL	**2.3**	**2.4**	**1.7**	**1.7**

4.3. Statutory Auditors' Report on the Consolidated Financial Statements

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the group's management report.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

Year ended December 31, 2016

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting, we hereby report to you, for the year ended December 31, 2016, on:

- the audit of the accompanying consolidated financial statements of Unibail-Rodamco SE;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the management board. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the group as at December 31, 2016 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.

II. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

- As stated in notes 5.1.1 and 5.3.1 to the consolidated financial statements, the real estate portfolio and intangible assets are subject to valuation procedures carried out by independent real estate appraisers. We ensured that the fair value of investment properties as stated in the consolidated statement of financial position and in note 5.1.2 to the consolidated financial statements was determined in accordance with the valuations carried out by the aforementioned appraisers. We have also assessed the appropriateness of the valuation process and of its implementation. Moreover, for investment properties under construction maintained at cost, as stated in note 5.1.3, for which the fair value could not be reliably determined, and for intangible assets, we have assessed the reasonableness of data and assumptions used by your company to carry out the impairment tests.
- As indicated in note 7.5.1 to the consolidated financial statements, your company uses derivatives to manage interest rate and exchange rate risks. These derivatives are recorded at fair value. We have assessed the reasonableness of the data and parameters used by your company to determine this fair value.

For those assessments we also ensured that appropriate information was disclosed in the notes.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verification

As required by law we have also verified, in accordance with professional standards applicable in France, the information presented in the group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, March 20, 2017

The Statutory Auditors

DELOITTE & ASSOCIES Damien Leurent	ERNST & YOUNG Audit Christian Mouillon

5

STATUTORY FINANCIAL STATEMENTS AS AT DECEMBER 31, 2016

5.1. Financial statements

BALANCE SHEET

Assets

(€ thousands)	Notes	31/12/2016 Gross	Depr., amort., impair.	31/12/2016 Net	31/12/2015 Net
Intangible assets	**1**	**367**	**367**		**76,393**
Set-up costs					
Goodwill					76,092
Other intangible assets		367	367		301
Tangible assets	**1**	**1,112,897**	**298,461**	**814,436**	**833,019**
Land		204,605		204,605	204,605
Main structure		396,834	140,403	256,431	265,855
Façade		101,592	32,195	69,397	72,663
Technical equipment		183,140	57,892	125,248	129,002
Miscellaneous fixtures and fittings		173,495	60,659	112,836	90,967
General installations		5,496	4,964	532	981
Non-current assets under construction		42,450		42,450	65,087
Advances and downpayments		2,803		2,803	3,377
Furniture and equipment		2,482	2,348	134	482
Financial assets		**18,316,519**	**60,731**	**18,255,788**	**17,394,940**
Investments in subsidiaries	2	10,453,245	60,731	10,392,514	9,886,519
Other long-term investments	3	32,838		32,838	17,919
Loans	3	7,830,425		7,830,425	7,490,394
Other financial assets	3	11		11	108
TOTAL NON-CURRENT ASSETS		**19,429,783**	**359,559**	**19,070,224**	**18,304,352**
Advances and downpayments		**2,420**		**2,420**	**1,726**
Receivables	**4**	**4,949,693**	**1,854**	**4,947,839**	**6,086,653**
Trade receivables from activity		32,301	1,704	30,597	21,394
Other receivables		4,917,392	150	4,917,242	6,065,259
Cash and cash equivalents	**5**	**209,634**		**209,634**	**187,129**
Marketable securities		30,003		30,003	83,923
Cash		179,631		179,631	103,206
Prepaid expenses	**6**	**18,614**		**18,614**	**512,482**
TOTAL CURRENT ASSETS		**5,180,361**	**1,854**	**5,178,507**	**6,787,990**
Deferred charges	7	79,897		79,897	73,984
Unrealised foreign exchange losses	8	79,128		79,128	42,160
TOTAL ASSETS		**24,769,169**	**361,413**	**24,407,756**	**25,208,486**

5

Liabilities and equity

(€ thousands)	Notes	31/12/2016	31/12/2015
Shareholders' equity	**10**	**8,862,561**	**9,163,358**
Share capital		496,969	493,470
Additional paid-in capital		6,402,265	6,310,204
Legal reserve		49,347	49,029
Other reserves		27,314	3,805
Retained earnings		1,343,299	1,147,221
Interim dividend			
Result for the period		543,367	1,159,629
Other equity	**11**	**1,161**	**1,217**
Bonds redeemable for shares		1,161	1,217
Provisions for contingencies and expenses	**12**	**88,640**	**46,547**
Borrowings and financial liabilities		**15,452,396**	**15,993,729**
Convertible bonds	13	1,007,841	1,009,221
Other bonds	13	9,769,379	9,147,021
Bank borrowings and debt	13	102,527	102,531
Other borrowings and financial liabilities	13	4,179,160	5,560,623
Advances and downpayments received		5,787	16,417
Amounts due to suppliers	14	6,040	26,096
Tax and social security liabilities	14	7,761	4,213
Amounts due on investments	14	18,853	19,679
Other liabilities	14	329,509	75,195
Prepaid income	15	25,539	32,733
Unrealised foreign exchange gains	**16**	**2,998**	**3,635**
TOTAL LIABILITIES AND EQUITY		**24,407,756**	**25,208,486**

INCOME STATEMENT

(€ thousands)	Notes	2016	2015
Services sold		97,723	82,659
Revenue		**97,723**	**82,659**
Reversals of depreciation, amortisation, and impairment, expense transfers		25,636	26,701
Other income		3,497	2,888
Total operating income	**18**	**126,856**	**112,248**
Other purchases and external charges		35,349	39,759
Taxes and related		8,075	5,850
Wages and salaries		5,661	3,939
Payroll taxes		2,884	2,450
Depreciation and amortisation of non-current assets – operating items	1	42,387	33,238
Impairment of non-current assets – operating items	1	1,537	291
Impairment of current assets – operating items	4	304	1,139
Provisions – operating items	12	5,476	890
Other operating expenses		2,410	9,138
Total operating expenses	**19**	**104,083**	**96,694**
1 - OPERATING RESULT		**22,773**	**15,554**
Investment income		445,984	1,316,271
Income from other marketable securities and receivable on non-current assets		280,758	297,172
Other interest income		111,178	123,369
Reversals of impairment and expense transfers		4,920	59,817
Exchange gains		11,862	11,460
Net income from sales of marketable securities		113	739
Total financial income	**20**	**854,815**	**1,808,828**
Depreciation, amortisation and impairment – operating items		67,865	57,635
Interest expenses		493,322	744,431
Exchange losses		20,698	31,809
Net expenses on sales of marketable securities		3	
Total financial expenses	**21**	**581,888**	**833,875**
2 - FINANCIAL RESULT		**272,927**	**974,953**
3 - RECURRING RESULT BEFORE TAX		**295,700**	**990,507**
Non-recurring income on management transactions		651	60
Non-recurring income on capital transactions		259,439	284,874
Reversals of impairment and expense transfers		151	
Total non-recurring income		**260,241**	**284,934**
Non-recurring expenses on management transactions		117	76
Non-recurring expenses on capital transactions		9,516	92,289
Depreciation, amortisation and provisions – non-recurring items			9,388
Total non-recurring expenses		**9,633**	**101,753**
4 - NON-RECURRING RESULT	**22**	**250,608**	**183,181**
Employee profit-sharing		(10)	4
Income tax	23	2,951	14,055
Total income		**1,241,912**	**2,206,010**
Total expenses		**698,545**	**1,046,381**
5 - NET RESULT		**543,367**	**1,159,629**
Average number of share (undiluted)		99,153,052	98,488,530
RESULT FOR THE PERIOD PER SHARE IN EUROS		**5.48**	**11.77**
Average number of shares (diluted)		102,762,477	100,311,426
DILUTED RESULT FOR THE PERIOD PER SHARE IN EUROS		**5.29**	**11.56**

5

BREAKDOWN OF BALANCE SHEET AND INCOME STATEMENT BY ENTITY

Assets

(€ thousands)	France	Dutch permanent establishment	Total
Intangible assets			
Tangible assets	634,530	179,906	814,436
Financial assets	11,974,474	6,281,314	18,255,788
TOTAL NON-CURRENT ASSETS	**12,609,004**	**6,461,220**	**19,070,224**
Advances and downpayments	2,420		2,420
Receivables	4,442,635	505,204	4,947,839
Cash and cash equivalents	208,933	701	209,634
Prepaid expenses	18,612	2	18,614
TOTAL CURRENT ASSETS	**4,672,600**	**505,907**	**5,178,507**
Deferred charges	79,892	5	79,897
Unrealised foreign exchange losses	79,128		79,128
TOTAL ASSETS	**17,440,624**	**6,967,132**	**24,407,756**

Liabilities and equity

(€ thousands)	France	Dutch permanent establishment	Total
Shareholders' equity	8,867,079	(4,518)	8,862,561
Other equity		1,161	1,161
Provisions	87,950	690	88,640
Borrowings and financial liabilities	15,096,562	355,834	15,452,396
Unrealised foreign exchange gains	2,998		2,998
TOTAL LIABILITIES AND EQUITY	**24,054,589**	**353,167**	**24,407,756**

Income statement

(€ thousands)	France	Dutch permanent establishment	Total
Revenue	**79,654**	**18,069**	**97,723**
Other income and expense transfers	27,161	1,972	29,133
Total operating income	106,815	20,041	126,856
Total operating expenses	86,446	17,637	104,083
1 - OPERATING RESULT	**20,369**	**2,404**	**22,773**
Total financial income	854,787	28	854,815
Total financial expenses	574,928	6,960	581,888
2 - FINANCIAL RESULT	**279,859**	**(6,932)**	**272,927**
3 - RECURRING RESULT BEFORE TAX	**300,228**	**(4,528)**	**295,700**
Total non-recurring income	260,178	63	260,241
Total non-recurring expenses	9,580	53	9,633
4 - NON-RECURRING RESULT	**250,598**	**10**	**250,608**
Employee profit-sharing	(10)	0	(10)
Income tax	2,951	0	2,951
Total income	1,221,780	20,132	1,241,912
Total expenses	673,895	24,650	698,545
5 - NET RESULT	**547,885**	**(4,518)**	**543,367**

5.2. Notes to the financial statements

Unibail-Rodamco 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 in 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 SE has had a permanent establishment based in The Netherlands since 2007.

5.2.1. Accounting policies

5.2.1.1. 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:

- principle of prudence;
- accrual basis accounting principle;
- rules for preparing statutory financial statements, based on a going concern assumption.

5.2.1.2. 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.

5.2.1.2.1. Intangible assets

Gross value

Intangible items are measured at acquisition or production cost.

Under the regulation ANC 2015-06, applied for the first time at 2016 closing, merger losses have been reclassified in the items related to the underlying assets to which they were allocated.

Amortisation and impairment

Amortisation is calculated on a straight-line basis over the estimated useful life of the asset concerned.

5.2.1.2.2. 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 built between 1997 and 2004, cost also includes financial expenses arising during the construction period. Prior to 1996, acquisition costs and financial expenses were expensed and not therefore included in the gross value of buildings.

Depreciation of buildings and fixtures

Depreciation is calculated on a straight-line basis over the estimated useful life:

Offices

- main structure: 60 years
- façade: 30 years
- technical equipment: 20 years
- miscellaneous fixtures and fittings: 15 years

Shopping Centers

- 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" portfolio were used for the CNIT complex, which covers the three segments ("Offices", "Shopping Centers" 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 carrying amount and the appraisal value net of transfer taxes ("value excluding taxes").

Impairment charged can only be reversed when the net carrying amount once again exceeds 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.

5.2.1.2.3. Financial assets

Financial assets are recognised at acquisition cost on the balance sheet. Since January 1, 2016, under the regulation ANC 2015-06, merger losses related to investments on subsidiaries are recognised in this line.

When the realisable value is lower than the acquisition cost plus the technical loss related to investments in subsidiaries, an impairment is booked first on the merger loss and after on the investment in subsidiaries. Realisable value is determined on the basis of the value in use of the shares held, including in particular unrealised capital gains on assets or properties held by subsidiaries, such properties being measured at the end of each reporting period as indicated above.

5.2.1.2.4. Acquisition fees and transfer taxes

The Company has expensed acquisition fees for all non-current assets since January 1, 2005.

5.2.1.2.5. Trade receivables from activity

Unpaid receivables are recognised in "Doubtful receivables" whenever there is a risk of non-collection.

Impairment 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 collateral posted.

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.

5.2.1.2.6. Bond issuance costs

Bond and EMTN issuance costs along with bond premiums are recognised on an actuarial basis over the term of the debt.

5.2.1.2.7. Provisions

In accordance with CRC Standard 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 likely in return.

5.2.1.2.8. Marketable securities

Marketable securities are carried at historical cost. At the end of the reporting period, the amount shown on the balance sheet is compared with the last known repurchase price and a provision for impairment booked if the repurchase price is lower than the carrying amount in the balance sheet.

5.2.1.2.9. Rental income

Calculation of sales-based rent

When the sales-based rent called are higher than the estimated sales-based rent, a provision is booked.

Rebilling of major works

The percentage of capitalised works rebilled to tenants is included in prepaid income and recognised over a period of three years, corresponding to the average firm term of the leases.

Key money

Key money is recognised over the firm term of the lease whenever it is material.

5.2.1.2.10. 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, 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.

5.2.1.3. Other accounting principles

5.2.1.3.1. Financial costs relating to construction operations

Financial costs relating to major restructuring or construction operations are expensed as incurred.

5.2.1.3.2. Forward financial instruments

Unibail-Rodamco SE uses a variety of derivative instruments including swaps, caps, floors and collars to manage overall interest rate and/or currency risk.

Premiums paid upon signing an agreement are 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 on the intention with which the corresponding transactions were carried out.

Regarding hedging transactions:

- when the hedge instruments are restructured with the initial counterparty or cancelled and new hedge instruments are set up with a new counterparty, 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 charges and revenues on hedged item.

Regarding isolated positions:

- changes in market value are recognised in the balance sheet statement;
- a provision is booked for unrealised losses;
- any balancing cash adjustments arising on renegotiating these instruments are recognised directly in the income statement.

5.2.1.3.3. Income tax

French SIIC tax status

Unibail-Rodamco 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 SE and its SIIC subsidiaries are required to dividend up 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 tax year following the year in which the income was recognised; and
- 60% of capital gains, before the end of the second tax year following the year in which the gain was generated.

Unibail-Rodamco 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.

Dutch FBI regime

Unibail-Rodamco SE declares to be eligible for the Dutch FBI status through its Dutch permanent establishment since 2010. The FBI tax regime consists in a 0% rate of income tax on condition that Unibail-Rodamco SE distributes 100% of its tax result excluding capital gains, which may be allocated to reinvestment reserves. The FBI tax regime can be applied by companies on a stand-alone base as well as by companies combined in a fiscal unity.

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

Since January 2, 2010, the Dutch permanent establishment of Unibail-Rodamco SE has been the head of a Dutch fiscal unity. Significant Dutch tax loss carry forwards identified by Unibail-Rodamco SE's fiscal advisors in The Netherlands allow to offset income generated by the fiscal unity.

Based on the above, Unibail-Rodamco SE has not booked any Dutch income tax expense in its statutory accounts.

5.2.1.3.4. Treasury shares

Treasury shares are classified when repurchased, either within financial assets, or within a "treasury shares" sub-account within marketable securities, when the shares have been purchased for allocation to employees. As at December 31, 2016, the Company has no treasury shares.

5.2.2. Highlights and comparability of the last two reporting periods

The comparison between the 2015 and 2016 reporting periods is affected by the events and transactions summarized below.

5.2.2.1. Significant events of the year

Holding company business

- On June 30, 2016, Unibail-Rodamco SE dissolved SAS Investissement 2 without liquidation in a merger transaction ("TUP"), resulting in an accounting surplus of €135.9 Mn shown in non-recurring items;
- On December 19, 2016, Unibail-Rodamco SE acquired 51.11% of the shares in Unibail-Rodamco Steam SL and Proyectos Inmobiliarios Time Blue SL for a total amount of €210.4 Mn;

- On December 20, 2016, Unibail-Rodamco SE absorbed its Dutch wholly-owned subsidiary Rodamco Europe BV. From an accounting and tax view, the merger had a retroactive effect as from January 1, 2016. The merger was carried out at net book values leading to the recognition of a €522 Mn technical loss booked as a permanent asset on the statutory balance sheet of Unibail-Rodamco SE and fully allocated to its investment in Rodamco France SAS shares that became a direct subsidiary as a result of the merger. From a tax perspective, the merger was submitted to the preferential regime set out by article 210 A of the French tax code in accordance with provisions of article 208 C bis of the same code;
- On December 31, 2016 Unibail-Rodamco SE dissolved SCI Wilson without liquidation in a merger transaction ("TUP"), resulting in an accounting surplus of €113.8 Mn shown in non-recurring items.

Financial ressources

In 2016, Unibail-Rodamco SE took advantage of favourable market windows on the back of the ECB supportive policy, to extend its maturity profile, secure attractive funding conditions while managing its balance sheet through the following transactions:

- medium-to long-term financing transactions completed in 2016 amounted to €3,131 Mn and included:
  - the signing of €1,050 Mn credit facilities with an average maturity of 5.0 years.

    In addition to the €1,050 Mn of bank loans raised, Unibail-Rodamco SE extended existing bilateral and syndicated lines for a total of €2,325 Mn by an additional year.
  - four public EMTN bonds were issued in March, April and November 2016, respectively, for a total amount of €2,000 Mn with the following features:
    - €500 Mn with a 10-year maturity and a coupon of 1.375%,
    - €500 Mn with a 20-year maturity and a coupon of 2.0%,
    - €500 Mn with an 11-year maturity and a coupon of 1.125%,
    - €500 Mn with an 8-year and 3 month maturity and a coupon of 0.875%;
  - the issue of two private placements under Unibail-Rodamco's EMTN program for a total equivalent of €81 Mn:
    - a €20 Mn, 11-year private placement,
    - a HKD 500 Mn, corresponding to *ca.* €61 Mn, 10-year private placement with an Asian investor that was swapped back into euro;
- two tender offers:
  - in April 2016, €282 Mn encompassing eight bonds (including seven bonds subject to a prior buy back) maturing between 2017 and 2023 with coupons ranging between 1.625% and 3.875%,
  - in November 2016, €565 Mn encompassing six bonds (including five bonds subject to a prior buy back) maturing between 2017 and 2023 with coupons ranging between 1.625% and 3.875%.

In addition, the Company accessed the money market by issuing BMTN and commercial papers under its *billets de trésorerie* program. Unibail-Rodamco SE also put in place a "US Commercial Paper" (USCP) program in H1-2016. The average outstanding amount was $105 Mn over the period the USCP program was used. The average amount of commercial paper, USCP and BMTN outstanding in 2016 was €1,252 Mn (€1,192 Mn in 2015), with a remaining maturities of up to 17 months.

With the Brexit, the US elections, the rate hike expected by the US Federal reserve and the rumours around QE tapering in Europe, the market was very volatile in H2-2016. The rate curve steepened with an increase of long-term rates while short-term rates remained low.

In view of this market context and its hedging position, Unibail-Rodamco SE restructured part of its hedging position in H2-2016 by:

- the restructuring of existing swaps for €2.5 Bn to extend the hedging by 3 to 5 years up to 2024 (excluding options on swaps for another two years);
- the implementation of a total of €3 Bn of new forward swaps and caps over 2017 and up to 2020, taking advantage of rate levels over these maturities;
- the cancellation of €1 Bn of swaps due to the issue of fixed rate debts issued in 2016 and kept at a fixed rate.

5.2.2.2. Significant events of 2015

Property business

- Acquisition of units in the Gaîté shopping centre and in the Pullman hotel from Group companies and sale of units in the Gaîté shopping centre to Group companies, in connection with the "Boccador" restructuring plan for these properties.

Holding company business

- Sale of the 1.26% interest in Comexposium Holding to Charterhouse;
- SAS Nice Étoile was dissolved without liquidation in a merger transaction ("TUP");
- Sale of 50% stake in Société d'Exploitation du Palais des Sports de Paris to SAS Viparis Le Palais des Congrès de Paris.

Financial ressources

The medium and long-term financing transactions carried out in 2015 represented a total of €3,655 Mn and included:

- the signing of €1,915 Mn of bilateral loans and credit facilities with an average maturity of 5.0 years;
- the issue of two public EMTN bonds in April 2015 for a total amount of €1,000 Mn;
- the issue of four private placements under the EMTN program in H2 2015 for a total amount of €240 Mn, with an average maturity of 12 years;
- the issue of €500 Mn in bonds redeemable in cash and/or in new or existing Unibail-Rodamco shares (ORNANE) in April 2015 with a negative yield;
- Unibail-Rodamco SE also completed two successful bond redemption offers in April 2015, buying back:
  - €1,145 Mn in public bonds,
  - €741 Mn in ORNANE convertible bonds issued in 2012.

In addition, the Company accessed the money market by issuing commercial paper and medium-term notes (*Bons à Moyen Terme Négociables* – BMTN). The average amount of commercial paper and BMTN outstanding in 2015 was €1,192 Mn (€804 Mn in 2014).

Unibail-Rodamco SE restructured part of its hedging position by:

- cancelling €3 Bn of existing long-term swaps through 2022;
- restructuring €4 Bn in existing long-term swaps through 2017;
- setting up €5.5 Bn and €4 Bn in short- and long-term caps (including caps with options on swaps) through January 2021.

The hedging position was restructured in H2 2015 (including the cancelation, restructuring and implementation of new hedging instruments), representing a total cost of around €0.5 Bn.

5.2.3. Notes and comments

5.2.3.1. Notes to balance sheet assets

Note 1 – Intangible and tangible assets

Changes in the gross value of intangible and tangible assets in 2016

(€ thousands)	Gross value at 01/01/2016	Resulting from merger transactions *via* dissolution without liquidation	Acquisitions additions	Interaccount transfers	Decreases resulting from contributions or sales to third parties or retirements	Reallocation	Gross value at 31/12/2016
Intangible assets							
Goodwill	85,460					(85,460)	
Other intangible assets	367						367
TOTAL INTANGIBLE ASSETS	**85,827**					**(85,460)**	**367**
Tangible assets							
Land	204,605						204,605
Main structure	391,681			5,153			396,834
Façade	100,840			752			101,592
Technical equipment	177,895			5,245			183,140
Miscellaneous fixtures and fittings	136,527			36,968			173,495
General installations	5,496						5,496
Non-current assets under construction	65,087		26,012	(45,339)	(3,310)		42,450
Advances and downpayments	3,377		2,339	(2,779)	(134)		2,803
Furniture and equipment	2,482						2,482
TOTAL TANGIBLE ASSETS	**1,087,990**		**28,351**		**(3,444)**		**1,112,897**
TOTAL	**1,173,817**		**28,351**		**(3,444)**	**(85,460)**	**1,113,264**

5

The Goodwill booked in "Intangible assets" and allocated to investments in subsidiaries were reallocated in "Financial assets" in 2016 according to the new regulation ANC 2015-06.

The main movements in tangible assets during the year relate to:

- delivery in December, of works in the Pullman hotel for €27.4 Mn, part of which was shown in non-current assets under construction as at December 31, 2015;
- delivery of works in So Ouest Plaza net of rebilling to the tenant for €11.2 Mn;
- delivery of works in the CNIT complex in June, September and December for €3.4 Mn, part of which was shown in non-current assets under construction as at December 31, 2015;
- delivery in December of works in the Zoetermeer complex owned by the Dutch permanent establishment, for €4.4 Mn.

Changes in depreciation, amortisation and impairment in 2016

Tangible assets (*€ thousands*)	Depreciation and amortisation at 01/01/2016	Expense in the period	Decreases due to contributions, sales or reversals	Increases due to merger transactions *via* dissolution without liquidation	Interaccount transfers	Reallocation	Depreciation and amortisation at 31/12/2016
Main structure	119,705	13,456					133,161
Façade	28,177	4,018					32,195
Technical equipment	48,893	8,999					57,892
Miscellaneous fixtures and fittings	45,560	15,099					60,659
Installations – fittings	4,515	449					4,964
Furniture and equipment	2,000	348					2,348
TOTAL DEPRECIATION AND AMORTISATION	**248,850**	**42,369**	**-**				**291,219**

Impairment of tangibles and intangible assets (*€ thousands*)	01/01/2016	Expense in the period	Reversals in the period		Interaccount transfers	Reallocation	31/12/2016
			Surplus	Utilized			
Impairment of properties	6,120	1,252	(130)				7,242
Impairment of merger deficit	9,368					(9,368)	
Impairment of other intangible assets	66	301					367
TOTAL IMPAIRMENT	**15,554**	**1,553**	**(130)**	**-**		**(9,368)**	**7,609**
TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT	**264,404**	**43,922**	**(130)**	**-**	**-**	**(9,368)**	**298,828**

Impairment charged against properties relates to certain Dutch assets. Impairment was adjusted in 2016 in light of the independent asset appraisal. Changes in impairment were booked in operating items.

The impairment of the merger deficit allocated to shares in Unibail-Rodamco SIF France booked for an amount of €9.4 Mn as of December 31, 2015 was reallocated in "Financial assets" in 2016.

Note 2 – Financial investments

Equity investments *(€ thousands)*	Gross value at 01/01/2016	Increases due to acquisitions or capital increases	Deacreases due to disposals to third parties	Decreases due to merger transactions *via* dissolution without liquidation	Reallocation	Gross value at 31/12/2016
Group subsidiary investments	9,921,073	7,171,273	(2)	(7,257,162)		9,835,182
Technical loss on group subsidiary investments	0	522,484			85,460	607,944
Long-term investments	10,000					10,000
Other investments	119					119
TOTAL	**9,931,192**	**7,693,757**	**(2)**	**(7,257,162)**	**85,460**	**10,453,245**

Changes in Group subsidiary investments result mainly from:

- the elimination of shares in Rodamco Europe BV following to the merger of Rodamco Europe BV into Unibail-Rodamco SE (accounted for a decrease of €7,248 Mn);
- the accounting of the shares in Rodamco Europe Properties BV (accounted for an increase of €6,278 Mn), the shares in Rodamco France (accounted for an increase of €655.2 Mn) and the shares in SCI Bureaux de la tour Crédit Lyonnais (accounted for an increase of €16.9 Mn) following to the merger of Rodamco Europe BV into Unibail-Rodamco SE;
- the acquisition of 51.11% of the shares In Unibail-Rodamco Steam SL (owner of the shopping centre La Maquinista) and Proyectos Inmobiliarios Time Blue SL (for €210.1 Mn and €0.3 Mn, respectively);
- the acquisition of the shares in G.P.I (accounted for an increase of €10.6 Mn);
- the dissolutions without liquidation of SCI Wilson (accounted for a decrease of €7.4 Mn) and SAS Unibail Investissement 2 (accounted for a decrease of €1.7 Mn).

The item "Technical loss on group subsidiary investments" includes the reallocation of the technical losses mentioned in "Intangible assets" in 2015 for an amount of €85.5 Mn and the technical loss due to the merger of Rodamco Europe BV into Unibail-Rodamco SE and reclassified with the shares of Rodamco France for €522.5 Mn.

Details of equity investments are presented below in the table of subsidiaries and investments.

Impairment *(€ thousands)*	Gross value at 01/01/2016	Expense in the period	Reversals in the period		Reallocation	Gross value at 31/12/2016
			Surplus	Utilized		
Impairment of Group subsidiary investments	44,302	6,108	(2,874)			47,536
Impairment of merger losses		3,820			9,369	13,189
Impairment of long-term investments	365		(365)			0
Impairment of other equity investments	6					6
TOTAL	**44,673**	**9,928**	**(3,239)**	**-**	**9,369**	**60,731**

As at December 31, 2016, the Company booked an additional provision related to the shares of its subsidiary Unibail-Rodamco Spain SLU for €4.3 Mn and its subsidiary Unibail-Rodamco Real Estate SL for €1.6 Mn.

The Company also booked a reversal of provision on the shares in SCI Gaîté Bureaux for €2.9 Mn.

The depreciation of the merger losses recorded as at December 31, 2015 in "Intangible assets" for €9.4 Mn was reallocated in "Financial assets" in 2016. An additional depreciation of €3.8 Mn was booked concerning the merger loss related to the shares in Unibail-Rodamco SIF France.

Subsidiaries and investments

Company (€ millions)	Share Capital	Shareholders' equity other than share capital before income appropriation	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	2016 statutory result	Dividends received in 2016 and included in income
1. Subsidiaries (more than 50% owned)											
Proyectos Inmobiliarios Time Blue SL			51.11%								
Rodamco Europe Properties BV	670	1,568	100.00%	6,278		6,278	18			29	
Rodamco France	146	377	100.00%	655	522	1,177	188		5	62	76
Rodamco Project I BV			100.00%	3		3					
GPI		2	100.00%	11		11					
SA Crossroads Property Investors			100.00%				1				
SA Société de Tayninh	15	3	97.68%	21		17					
SAS Aquabon	1		100.00%	1		1	1		1		
SAS BEG Investissements		1	99.98%	4	21	25	15		3	2	2
SAS Belwarde 1			100.00%								
SAS Doria	6	65	90.34%	246		246		400		35	
SAS Espace Expansion Immobilière			99.93%								
SAS Foncière Immobilière		(1)	100.00%	2		0					
SAS Iseult	1	(22)	100.00%	21		21				71	86
SAS Lidice			100.00%								
SAS Re France Financing		9	100.00%	7		7					
SAS Société de Lancement de Magasins à l'Usine		22	100.00%	5	23	28			3		1
SAS Unibail-Rodamco Participations			100.00%				3				
SAS Unibail-Rodamco SIF France	22	16	100.00%	22	42	51	1			(1)	
SAS Uni-Commerces	865	44	100.00%	1,155		1,155	912				68
SAS Uniwater		12	100.00%	22		22	48		5	2	
SAS Valorexpo			100.00%								
SCI 3 Borders			100.00%				2				
SCI Sept Adenauer			99.97%	1		1	35		10	8	8
SCI Acarmina			99.90%						28		
SCI Aéroville			99.90%				309			(7)	
SCI Ariane-Défense	15		99.99%	15		15	170		19	8	8
SCI Bureaux de la Tour Crédit Lyonnais			99.99%	17		17	18		2	1	1
SCI CNIT Développement			99.90%				58				
SCI Eiffel Levallois Bureaux			100.00%						23	99	99
SCI Eiffel Levallois Commerces		(17)	99.90%						21	(2)	
SCI Gaîté Bureaux			100.00%	20		17	13				
SCI Galilée-Défense	11		99.99%	11		11	67		14	11	11
SCI Le Sextant			99.99%	30		30	18		4	3	3
SCI Marceau Bussy Sud			99.99%				6		1	1	1
SCI Montheron			99.90%				1				
SCI Randoli			99.90%				246		20	(1)	
SCI Trinity Défense			99.90%				76				
SCI Village 3 Défense	2	7	99.99%	2		2	24		1	(1)	
SCI Village 4 Défense	3	8	99.99%	3		3	27			(1)	4

Company *(€ millions)*	Share Capital	Shareholders' equity other than share capital before income appropriation	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	2016 statutory result	Dividends received in 2016 and included in income
SCI Village 5 Défense	5	13	99.99%	5		5	37		5	3	3
SCI Village 6 Défense	2	18	99.99%	2		2	17		1		1
SCI Village 7 Défense	2	8	99.99%	3		3	13		3	2	2
SCI Village 8 Défense			99.90%				2				
SNC Capital 8			99.90%				305		14	4	4
SNC Financière 5 Malesherbes			99.98%	118		118	66				19
SNC Gaîté Parkings		8	99.99%	16		16	3		1		
SNC Hipokamp			99.99%								
SNC Lefoullon			99.90%				357		17	1	
SNC Maltèse			99.98%				50		6	3	3
SNC Notilius			99.99%								
SNC Yeta			99.90%								
U&R Management BV			100.00%								
Unibail-Rodamco Real Estate SL	2		100.00%	2			5			(4)	
Unibail-Rodamco Retail Spain SL	50	996	100.00%	773		773	978	2		(306)	43
Unibail-Rodamco Spain SLU	48	84	100.00%	150		113	310			4	
Unibail-Rodamco Steam SL	4	266	51.11%	210		210	206			157	
UR Versailles Chantiers			99.90%				9	38			
TOTAL I	**1,870**	**3,487**		**9,831**	**608**	**10,378**	**4,615**	**440**	**207**	**183**	**443**
2. Investments (between 10% and 50% owned)											
SP Poissy			50.00%				1				
SARL Geniekiosk			50.00%	1		1	1				
La Roubine	3		50.00%	1		1	1				
Siagne	5	4	22.48%	2		2					
TOTAL II	**8**	**4**		**4**	**0**	**4**	**3**	**0**	**0**	**0**	**0**
Other				**10**		**10**					
TOTAL	**1,878**	**3,491**		**9,845**	**608**	**10,392**	**4,618**	**440**	**207**	**183**	**443**

Note 3 – Loans and other financial assets

Loans, other financial assets and other long-term investments (thousands of currency units)	Currency	31/12/2015	Increases	Decreases	Impact of exchange rate fluctuations	31/12/2016
Other long-term investments (bonds issued by subsidiaries)	**EUR**	**17,799**	**14,833**			**32,632**
Receivable from other long-term investments	**EUR**	**120**	**206**	**(120)**		**206**
Loans to subsidiaries						
Loans to subsidiaries in EUR	EUR	5,991,017	351,319	(160,564)		6,181,772
Loans to subsidiaries in CZK	CZK	3,459,000	5,250,400	(231,000)		8,478,400
Loans to subsidiaries in DKK	DKK	300,000				300,000
Loans to subsidiaries in HUF	HUF	3,291,000		(3,291,000)		0
Loans to subsidiaries in PLN	PLN	1,000,299	74,496			1,074,795
Loans to subsidiaries in SEK	SEK	9,451,014	1,231,000	(1,231,000)		9,451,014
TOTAL EURO EQUIVALENT VALUE OF LOANS TO SUBSIDIARIES	**EUR**	**7,432,691**	**562,518**	**(179,528)**	**(46,708)**	**7,768,973**
Loans to customers	**EUR**	**1**				**1**
Amounts receivable on loans	**EUR**	**57,703**	**58,422**	**(54,674)**		**61,451**
Deposits and guarantees	**EUR**	**108**		**(97)**		**11**
TOTAL		**7,508,422**	**635,979**	**(234,419)**	**(46,708)**	**7,863,274**

The maturity of loans to subsidiaries as at December 31, 2016 is as follows:

- 1 year or less: €1,184 Mn;
- between 1 and 5 years: €2,901 Mn;
- more than 5 years: €3,684 Mn.

Note 4 – Receivables

(€ thousands)	31/12/2016	31/12/2015
Doubtful or disputed receivables	1,409	1,806
Other trade receivables from activity	30,892	21,656
Employee receivables	7	0
Social security and similar receivables	8	88
Income tax receivables	1,115	4
VAT receivables	18,012	22,868
Other tax receivables	1,375	981
Miscellaneous tax receivables	0	0
Receivables from Group and associated companies	4,278,686	5,975,057
Accrued income on derivatives	34,022	29,723
Difference of assessment of derivatives	545,880	0
Sundry debtors	38,287	36,688
TOTAL	**4,949,693**	**6,088,871**

"Other trade receivables from activity" mainly relates to accrued receivables and the outstanding balance of rent-free periods and step rents.

"Receivables from Group and associated companies" primarily relates to financing granted to Group companies in current accounts and profits and losses from subsidiaries.

"Difference of assessment of derivatives" corresponds to the balancing cash adjustments and premiums relating swaps, swaptions and caps restructured or put in place. This item includes the amount of balancing cash adjustment not yet amortised and paid in December 2015 and recorded as at December 2015 in "prepaid expenses" for €474.6 Mn and reallocated in 2016 in this line for €355.6 Mn under the regulation ANC 2015-05, early applied for the first time at 2016 closing. An additional amount related to 2016 transactions is included in this item for €190.2 Mn.

"Sundry debtors" mainly corresponds to funds received from tenants in relation with service charges.

Impairment of receivables

(€ thousands)	01/01/2016	Expense in the period	Increases due to merger transactions *via* dissolution without liquidation	Reversals in the period: Surplus	Reversals in the period: Utilized	31/12/2016
Impairment of doubtful receivables	2,068	304		(393)	(275)	1,704
Impairment of subsidiary current accounts	150					150
TOTAL	**2,218**	**304**	**0**	**(393)**	**(275)**	**1,854**

Note 5 – Cash and cash equivalents

(€ thousands)	31/12/2016	31/12/2015
Marketable securities	30,003	83,923
Cash	179,631	103,206
TOTAL	**209,634**	**187,129**

There is no difference between the carrying amount of marketable securities on the balance sheet and their market value.

Note 6 – Prepaid expenses

(€ thousands)	31/12/2016	31/12/2015
Rentals	19,128	14
Interest on discounted commercial papers	(535)	(115)
Premiums on caps	0	28,925
Balancing cash payments on restructured swaps	0	474,602
Balancing cash payments on restructured floors	0	8,930
General expenses	21	126
TOTAL	**18,614**	**512,482**

The "Rentals" line includes the indemnities which effects have to be taken into account in 2017.

As at December 31, 2015, the "Balancing cash payments on restructured swaps" line was related to the amount paid in December 2015 on restructuring hedging swaps. The amount not amortised as at December 31, 2016 was reallocated in "Other receivables" for €355.6 Mn.

The "Balancing cash payments on restructured floors" was related to the amount paid in December 2015 on floors that had been cancelled. The amount has been spread over their residual term (2016).

Note 7 – Deferred charges

(€ thousands)	31/12/2016	31/12/2015
Charges on bank loans and borrowings	10,030	11,107
Charges on bonds	20,363	19,668
Charges on convertible bonds	6,765	8,191
Charges on bonds redeemable in shares	5	5
Bond issue premium	42,734	35,013
TOTAL	**79,897**	**73,984**

Note 8 – Unrealised foreign exchange losses

(€ thousands)	31/12/2016	31/12/2015
Unrealised foreign exchange losses on subsidiary loans in CZK	0	2
Unrealised foreign exchange losses on subsidiary loans in HUF	0	384
Unrealised foreign exchange losses on subsidiary loans in PLN	111	1,296
Unrealised foreign exchange losses on subsidiary loans in SEK	79,017	40,478
TOTAL	**79,128**	**42,160**

Note 9 – Accrued income

(€ thousands)	31/12/2016	31/12/2015
Financial assets	61,658	57,703
Trade receivables from activity	26,531	9,393
Amounts due to suppliers	2,310	1,234
Taxes	2,859	5,143
Subsidiary current accounts	5,955	6,117
Other receivables	33,987	31,118
TOTAL	**133,300**	**110,708**

As at December 31, 2016, "Trade receivables from activity" include rent-free periods for €13.7 Mn concerning So Ouest Plaza.

5.2.3.2. Notes to balance sheet liabilities and equity

Note 10 – Changes in shareholders' equity as at December 31, 2016

Number of shares: 99,393,785

Par value: €5

(€ thousands)	Before appropriation of net result 31/12/2015	Appropriation of 2015 net result	2016 changes (1)	Before appropriation of net result 31/12/2016	Proposed appropriation of 2016 net result (2)	After appropriation of 2016 net result
Share capital	**493,470**		**3,499**	**496,969**		**496,969**
Reserves	**6,363,038**	**318**	**115,570**	**6,478,926**	**350**	**6,479,276**
Additional paid-in capital: issue premium	2,461,716		92,061	2,553,777		2,553,777
Additional paid-in capital: contribution premium	3,848,488			3,848,488		3,848,488
Legal reserve	49,029	318		49,347	350	49,697
Other reserves			23,509	23,509		23,509
Reserve for euro translation	3,805			3,805		3,805
Retained earnings	**1,147,221**	**196,232**	**(155)**	**1,343,298**	**(470,800)**	**872,498**
Net result	**1,159,629**	**(1,159,629)**	**543,367**	**543,367**	**(543,367)**	**0**
TOTAL SHAREHOLDERS' EQUITY	**9,163,358**	**(963,079)**	**662,281**	**8,862,560**	**(1,013,817)**	**7,848,743**
Dividend		**963,079**			**1,013,817**	

(1) Changes relate mainly to options exercised, to the capital increase reserved for employees carried out under the Company Savings Plan and the revaluation reserve taken into account when the subsidiary SAS Investissement 2 was dissolved without liquidation.

(2) Proposal of the allocation and distribution of the result to be submitted to the Annual General Meeting (AGM) on April 25, 2017 based on 99,393,785 shares as at December 31, 2016 (in € thousands):
- net result for the period: 543,367;
- previous retained earnings balance: 1,343,298;
- allocation to the legal reserve: -350;
- net result available for distribution: 1,886,315;
- dividend of €10.20 per share: 1,013,817;
- new retained earnings balance: 872,498.
The split between the dividend and retained earnings will be adjusted based on the number of shares issued and outstanding as at the date of distribution. This will satisfy Unibail-Rodamco SE's obligation as a SIIC to pay a minimum dividend of €747.4 Mn in 2016.

Changes in the number of shares comprising the share capital

	Number of shares
As at January 1, 2015	**98,058,347**
Capital increase reserved for employees under the Company Savings Plan	28,202
Exercise of stock options	576,584
Bonds redeemable in shares	1,451
Performance Shares grants	27,527
Conversion of ORNANE	1,831
As at December 31, 2015	**98,693,942**
Capital increase reserved for employees under the Company Savings Plan	29,783
Exercise of stock options	638,735
Bonds redeemable in shares	353
Performance Shares grants	29,423
Conversion of ORNANE	1,549
AS AT DECEMBER 31, 2016	**99,393,785**

Note 11 – Other equity

(€ thousands)	31/12/2016	31/12/2015
Bonds redeemable in shares	1,161	1,217
TOTAL	**1,161**	**1,217**

Following the public exchange offer involving Unibail-Rodamco SE and Rodamco Europe BV, Unibail-Rodamco SE issued 9,363,708 bonds redeemable in shares (ORA) at €196.60 (Press release of June 21, 2007) in consideration for Rodamco Europe BV shares.

Each Unibail-Rodamco SE ORA was issued at par, *i.e.*, a unit value equal to the value of the Unibail-Rodamco SE shares tendered in exchange for the Rodamco shares.

In 2016, 283 ORA were redeemed, representing a total of 9,357,802 bonds redeemed since issuance. As at December 31, 2016, a total of 5,906 ORA were outstanding, redeemable in 7,383 shares.

5

Note 12 – Provisions for contingencies and expenses

				Reversals in the period		
(€ thousands)	01/01/2016	Expense in the period	Increase due to merger transactions *via* dissolution without liquidation	Surplus	Utilized	31/12/2016
Provisions for contingencies	2,819	16		(200)	(88)	2,547
Provisions for foreign exchange losses	42,160	38,648		(1,387)	(293)	79,128
Other	1,568	5,460		(63)		6,965
TOTAL	**46,547**	**44,124**		**(1,650)**	**(381)**	**88,640**

Changes in provisions for foreign exchange losses reflect provisions for unrealised foreign exchange losses following the fall in Swedish krona.

Note 13 – Borrowings and financial liabilities

(€ thousands)	31/12/2015	Increases	Decreases	31/12/2016
Convertible bonds (ORNANE)	**1,009,221**	**58**	**(1,438)**	**1,007,841**
Principal outstanding	1,009,152		(1,369)	1,007,783
Accrued interest	69	58	(69)	58
Other bonds	**9,147,021**	**2,192,475**	**(1,570,117)**	**9,769,379**
Principal outstanding	9,036,482	2,080,797	(1,459,578)	9,657,701
Accrued interest	110,539	111,678	(110,539)	111,678
Bank loans and borrowings	**102,531**	**1,738**	**(1,742)**	**102,527**
Principal outstanding	100,000			100,000
Accrued interest	1,690	1,738	(1,690)	1,738
Bank accounts with a credit balance	841		(52)	789
Accrued interest	0			0
Miscellaneous borrowings and financial liabilities	**5,560,623**	**5,319,137**	**(6,700,600)**	**4,179,160**
Deposits and guarantees	4,973	548	(427)	5,094
Other borrowings	1,124,323	235,950		1,360,273
Medium-term notes	166,000	62,300	(51,000)	177,300
Commercial paper	1,429,000	4,385,500	(4,771,000)	1,043,500
Payable on medium-term notes	3		(21)	(18)
Payable on commercial paper	16		(83)	(67)
Payable on other borrowings	943	937	(943)	937
Subsidiary current accounts	2,819,145	625,006	(1,860,906)	1,583,245
Transfer of subsidiaries' earnings	16,220	8,896	(16,220)	8,896
TOTAL	**15,819,396**	**7,513,408**	**(8,273,897)**	**15,058,907**

Changes in the "Convertible bonds – Principal outstanding" line reflect the redemption of 6,302 ORNANE bonds issued in 2012, for following requests for conversion made by bondholders for €1.3 Mn.

Changes in the "Other bonds" line result from the buyback and cancelation of eight bond tranches for a nominal amount of €847 Mn, the final maturity of two bond tranches for a total amount of €612 Mn and bond issues under the Euro Medium Term Notes (EMTN) program for an overall amount of €2,081 Mn in 2016 including a HKD 500 Mn bond issue.

Changes in the "Other borrowings" line result from the settlement of a borrow with the Group company Warsaw III BV.

As at December 31, 2016, the "Subsidiary current accounts" line comprises financing granted mainly by the following subsidiaries:

- Rodamco Europe Finance BV: €411 Mn;
- Unibail-Rodamco Polska Sp zoo: €243 Mn;
- Unibail-Rodamco Poland 3 BV: €204 Mn;
- Rodamco Sverige AB: €137 Mn;
- SCI Eiffel Levallois Bureaux: €98 Mn.

It also includes €10 Mn in VAT credits relating to companies within the VAT consolidation scope set up as at January 1, 2013. This amount was repaid in January 2017.

Characteristics of bonds and EMTNs

Issue date *(based on value date)*	Interest rate	Amount outstanding as at 31/12/2016 *(€Mn)*	Maturity
July 2009	Fixed rate 4.22% during 2 years then linked to European inflation (floored at 3.2%, capped at 3.2% + inflation)	70	July 2019
August 2009	Fixed rate 5.00% during 3 years then Constant Maturity Swap (CMS) 10 years (floored at 5%, capped at 7.5%)	50	August 2019
August 2009	Fixed rate 5.00% during 3 years then CMS 10 years (floored at 5%, capped at 7.5%)	50	August 2019
September 2009	Fixed rate 4.8%	150	November 2017
May 2010	Structured coupons linked to CMS 10 years	50	May 2020
June 2010	Structured coupons linked to CMS 10 years	50	June 2020
September 2010	Fixed rate 3.35%	50	September 2018
September 2010	Fixed rate 3.35%	60	September 2018
November 2010	Fixed rate 4.17%	41	November 2030
November 2010	Fixed rate 3.875%	617	November 2020
June 2011	Floating rate (Euribor 3M + 0.78%)	50	June 2017
October 2011	Fixed rate 4.10%	27	October 2031
November 2011	Fixed rate 4.05%	20	November 2031
December 2015	Fixed rate 3.875%	271	December 2017
March 2012	Fixed rate 3,00%	429	March 2019
May-September 2012	Fixed rate 3.196%	425	May 2022
August 2012	Fixed rate 2.25%	431	August 2018
October 2012	Fixed rate 1.625%	217	June 2017
February 2013	Fixed rate 2.375%	418	February 2021
February 2013	Fixed rate 3.10% for a par value of HKD700 Mn	69	February 2025
March 2013	Fixed rate 3.28% for a par value of HKD585 Mn	58	March 2025
June 2013	Fixed rate 2.5%	499	June 2023
October 2013	Fixed rate 1.875%	194	October 2018
October 2013	Fixed rate 3.9% for a par value of HKD400 Mn	38	October 2025
November 2013	Fixed rate 2.00% for a par value of CHF135 Mn	109	November 2023
February 2014	Floating rate (Euribor 3M + 0.70%)	30	February 2019
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
April 2014	Floating rate (Libor 3M + 0.77%) for a par value of USD 200 Mn	145	April 2019
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 HKD750 Mn	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 HKD500 Mn	61	November 2026
TOTAL		**9,658**	

The bonds are not subject to any contractual covenants 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.

ORNANE 2015 issue

In 2015 Unibail-Rodamco SE issued 1,441,462 bonds redeemable in cash and/or new and/or existing shares (ORNANE) at a par value of €346.87 per bond, corresponding to an issue premium of 37% over the benchmark Unibail-Rodamco SE share price on Euronext), for a total amount of €500 Mn.

These ORNANEs 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'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 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 1,441,462 shares.

ORNANE 2014 issue

In 2014, Unibail-Rodamco SE issued 1,735,749 bonds redeemable in cash and in new and/or existing shares (ORNANE) at a par value of €288.06 per bond (corresponding to an issue premium of 37.5% over the benchmark Unibail-Rodamco SE share price on Euronext), for a total amount of €500 Mn.

These ORNANEs are admitted for trading on the Euronext Paris market and were described in the prospectus approved by the French financial markets 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's discretion and may also be redeemed early at bondholders' discretion, with investors able to exercise an early redemption right on 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, the bondholders will receive an amount in cash and, where applicable, new and/or existing Unibail-Rodamco 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 1,839,894 shares.

ORNANE 2012 issue

On September 11, 2012, Unibail-Rodamco SE announced the issuance of 3,451,767 bonds redeemable in cash and/or in new and/or existing shares (ORNANE) at a par value of €217.28 per bond (corresponding to an issue premium of 35% over the benchmark Unibail-Rodamco SE share price on Euronext), for a total amount of €750 Mn.

These ORNANEs are admitted for trading on the Euronext Paris market and were described in the prospectus approved by the French financial markets authorities (AMF) under no. 12-440.

Main characteristics of the ORNANE 2012 issue

The bonds bear interest at an annual nominal rate of 0.75%, payable each year at maturity on January 1, *i.e.*, €1.63 per bond. The bonds will be redeemed at par on January 1, 2018. They may be redeemed early at Unibail-Rodamco SE's discretion pursuant to the provisions of the issue note approved by the AMF. In the event their share rights are exercised, the bondholders will receive an amount in cash and, where applicable, new and/or existing Unibail-Rodamco shares. The Company will also have the option to deliver new and/or existing shares only.

In 2015, 3,400,792 ORNANE 2012 bonds were bought back by the Company and 8,853 ORNANE 2012 bonds were redeemed following requests for conversion made by bondholders.

In 2016, 6,302 ORNANE 2012 bonds were redeemed following requests for conversion made by bondholders. As at December 31, 2016, a total of 35,820 ORNANE 2012 bonds were outstanding.

The ORNANE 2012 issue is taken into account when calculating diluted earnings per share based on 41,909 shares.

Maturity of borrowings and financial liabilities

(€ thousands)	1 year or less	between 1 and 5 years	More than 5 years	Total
Other bonds	**799,732**	**3,152,467**	**6,825,021**	**10,777,220**
Convertible bonds (ORNANE)	0	507,782	500,000	1,007,782
Accrued interest	59	0	0	59
Bonds	687,995	2,644,685	6,325,021	9,657,701
Accrued interest	111,678	0	0	111,678
Bank loans and borrowings	**2,527**	**50,000**	**50,000**	**102,527**
Bank loans	0	50,000	50,000	100,000
Accrued interest on bank loans	1,738	0	0	1,738
Bank accounts with a credit balance	789	0	0	789
Miscellaneous borrowings and financial liabilities	**3,921,802**	**257,358**	**0**	**4,179,160**
Deposits and guarantees	5,094	0	0	5,094
Other borrowings	1,165,215	195,058	0	1,360,273
Medium-term notes	115,000	62,300	0	177,300
Commercial paper	1,043,500	0	0	1,043,500
Payable on medium-term notes	(18)	0	0	(18)
Payable on commercial paper	(67)	0	0	(67)
Payable on other borrowings	937	0	0	937
Subsidiary current accounts	1,583,245	0	0	1,583,245
Transfer of subsidiaries' earnings	8,896	0	0	8,896
TOTAL	**4,724,061**	**3,459,825**	**6,875,021**	**15,058,907**

Contractual obligations relating to borrowings

No borrowings were subject to early repayment clauses linked to the Company's debt ratings, barring exceptional circumstances such as a change of control.

There are no financial covenants (such as Loan-to-Value or Interest Coverage) in the EMTN or commercial paper programs.

Bonds issued are not restricted by any covenant based on financial ratios which could lead to early repayment of the debt. Green bonds must be used to finance projects or assets that meet certain criteria.

The majority of bank loans and credit facilities contain 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, 2016, the LTV ratio for the Unibail-Rodamco Group amounted to 33% compared to 35% as at December 31, 2015.

The ICR ratio[(1)] for the Unibail-Rodamco Group came out at 5.9x for 2016 as a result of strong rental levels for existing and recently delivered assets, and the lower cost of debt. ICR is in line with the solid levels achieved in recent years and increased from 4.6x in 2015.

These ratios show ample headroom with regard to bank covenants, usually set at a maximum LTV of 60% and a minimum ICR of 2x.

As at December 31, 2016, 97% of the Group's credit facilities and bank loans allowed an LTV ratio of at least 60% of the total asset value or the value of the assets of the borrowing entity.

Interest rate risk

Unibail-Rodamco SE is exposed to interest rate fluctuations on its floating-rate borrowings which finance its investment policy and maintain the sufficient financial liquidity. The Company's strategy 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 SE uses derivative instruments (mainly caps, floors and swaps) to hedge its interest rate exposure. All transactions are managed centrally and independently.

As at December 31, 2016, net financial liabilities amounted to €13,253 Mn (excluding current accounts and ORA instruments). The face value of net financial liabilities (excluding current accounts) was €13,138 Mn. In all, 33% of net financial debt liabilities relates to debt issued at floating rates or fixed-rate debt immediately swapped for floating-rate debt. The full amount outstanding is hedged by caps and interest rate swaps.

(1) Interest Cover 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.

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 SE only contracts hedges with leading international financial institutions.

Note 14 – Other liabilities

(€ thousands)	31/12/2016	31/12/2015
Amounts due to suppliers	6,040	26,096
Employee payables	2,652	1,779
Social security and similar payables	1,763	1,159
Income tax payables	0	0
VAT payables	2,684	1,063
Other tax payables	662	212
Amounts due on investments	18,853	19,679
Other liabilities	329,509	75,195
TOTAL	**362,163**	**125,183**

The "Amounts due on investments" line mainly consists of accrued payables relating to work on the So Ouest Plaza building in Levallois-Perret for €4.2 Mn, the Pullman hotel for €4.7 Mn, the Boccador Project for €4.3 Mn, the Gaîté shopping centre for €1.1 Mn, and the CNIT complex for €1.0 Mn.

A breakdown of "Other liabilities" is provided below:

(€ thousands)	31/12/2016	31/12/2015
On property activities	53,630	57,489
On caps, floors and swaps	52,894	10,636
Other	222,985	7,070
TOTAL	**329,509**	**75,195**

The "Other liabilities on caps, floors and swaps" line was impacted by the early application of the regulation ANC 2015-05 and includes the difference of assessment of derivatives for €50.9 Mn.

Changes in the "Others sundry liabilities" line result mainly from the debt loaned from its subsidiary Eurostop Holding AB following the acquisition of shares in Unibail-Rodamco Steam SL and Proyectos Inmobiliarios Time Blue SL for €210.4 Mn.

Note 15 – Prepaid income

(€ thousands)	31/12/2016	31/12/2015
Property business	5,998	4,019
Deferred recognition of balancing cash payments on swaps	0	3,128
Deferred recognition of premium on floors	0	3,083
Deferred recognition of issue premium on EMTN	5,928	7,512
Deferred recognition of issue premium on ORNANEs	1,857	2,229
Arrangement fee on subsidiary loans	11,756	12,762
TOTAL	**25,539**	**32,733**

Note 16 – Unrealised foreign exchange gains

(€ thousands)	31/12/2016	31/12/2015
Unrealised foreign exchange gains on subsidiary loans in CZK	2,843	3,075
Unrealised foreign exchange gains on subsidiary loans in DKK	155	3
Unrealised foreign exchange gains on subsidiary loans in HUF	0	31
Unrealised foreign exchange gains on subsidiary loans in PLN	0	23
Unrealised foreign exchange gains on subsidiary loans in SEK	0	503
TOTAL	**2,998**	**3,635**

Note 17 – Accrued charges

Accrued charges included in the balance sheet

(€ thousands)	31/12/2016	31/12/2015
Miscellaneous borrowings and financial liabilities	114,412	113,260
Trade receivables from activity	308	306
Amounts due to suppliers	19,484	39,702
Employee payables	2,657	1,759
Social security and similar payables	941	833
Tax payables	514	261
Subsidiary current accounts	504	2,707
Other liabilities	10,442	19,167
TOTAL	**149,262**	**177,995**

The decrease in "Trade receivables from activity" line mainly results from the decrease of the Group Service Charges provision.

The decrease in "Other liabilities" mainly results from a fall in accrued interest on macro swaps (€0.0 Mn as at December 31, 2016 *versus* €8.5 Mn as at December 31, 2015).

5.2.3.3. Maturity of receivables and payables at the end of the reporting period

MATURITY OF RECEIVABLES

Maturity of receivables (€ thousands)	Gross	Maturity: 1 year or less	Maturity: More than 1 year
Receivable on non-current assets			
Receivable from equity interests	0		
Other long-term investments	32,838	206	32,632
Loans(1)	7,830,425	1,245,571	6,584,854
Other	11	11	
Current asset receivables			
Trade receivables from activity			
Doubtful or disputed receivables	1,409	1,409	
Other trade receivables from activity	30,892	11,216	19,676
Other receivables			
Employee receivables	7	7	
Social security and similar receivables	8	8	
Income taxe receivables	1,115	1,115	
VAT receivables	18,012	18,012	
Other tax receivables	1,375	1,375	
Miscellaneous tax receivables	0	0	
Receivables from group and associated companies	4,278,686	4,278,686	
Accrued income on derivatives	34,022	34,022	
Difference of assessment of derivatives	545,880	145,908	399,972
Sundry debtors	38,287	38,287	
Subscribed called unpaid capital	0		
Prepaid expenses			
Rentals	19,128	19,128	
Interest on discounted commercial papers	(535)	(535)	
Overheads	21	21	
TOTAL	**12,831,581**	**5,794,447**	**7,037,134**

(1) Loans granted during the financial year	*562,518*
Loans repaid during the financial year	*226,236*

MATURITY OF LIABILITIES

Maturity of liabilities (€ thousands)	Gross	Maturity between 1 and: 1 year or less	5 years	More than 5 years
Convertible bonds[1]	1,007,841	59	507,782	500,000
Other bonds[1]	9,769,379	799,673	2,644,685	6,325,021
Bank loans and borrowings, o/w[1]				
• initial maturity of no more than 2 years	789	789		
• initial maturity of more than 2 years	101,738	1,738	50,000	50,000
Miscellaneous borrowings and financial liabilities[1]	4,179,160	3,984,102	195,058	
Advances and downpayments received	5,787	5,787		
Amounts due to suppliers	6,040	6,040		
Tax and social security liabilities				
Employee payables	2,652	2,652		
Social security and similar payables	1,763	1,763		
Income tax payables	0	0		
VAT payables	2,684	2,684		
Other tax payables	662	662		
Amounts due on investments	18,853	18,853		
Other liabilities	329,509	279,174	19,786	30,549
Prepaid income				
Property business	5,998	5,998		
Deferred recognition of issue premium on EMTN	5,928	1,033	4,418	477
Deferred recognition of issue premium on ORNANEs	1,857	372	1,484	1
Arrangement fee on subsidiary loans	11,756	2,074	5,866	3,816
TOTAL	**15,452,396**	**5,113,453**	**3,429,079**	**6,909,864**

(1) Liabilities contracted during the financial year	*6,764,547*
Liabilities repaid during the financial year	*6,282,947*

5

5.2.3.4. Notes to the income statement

Note 18 – Operating income

Revenue

(€ thousands)	2016	2015
Property business	**86,311**	**73,929**
Offices segment	29,481	18,117
Shopping Centres segment	33,090	32,065
Convention & Exhibition segment	23,740	23,747
Other rebilled items	**11,412**	**8,730**
TOTAL	**97,723**	**82,659**

The increase in "Property business – Offices segment" line results from the 2016 rentals (€13.6 Mn) related to So Ouest Plaza asset delivered and rented in 2015.

"Other rebilled items" consists of rebilled items relating to the Group Service Charges agreement.

Reversals of depreciation, amortisation, impairment, provisions, and expense transfers

(€ thousands)	2016	2015
Reversals of impairment	**1,000**	**6,721**
Reversals of provisions for disputes	200	80
Reversals of impairment of doubtful receivables	669	349
Reversals of impairment of buildings	131	6,292
Rebilled expenses and expense transfers	**24,636**	**19,980**
TOTAL	**25,636**	**26,701**

The Company reversed provisions for certain Dutch assets in an amount of €1.0 Mn.

Rebilled expenses and expense transfers in 2016 relate to:

- rebilled rental expenses €15.7 Mn;
- rebilled construction work €3.1 Mn;
- rebilled taxes €4.8 Mn;
- rebilled marketing expenses €0.7 Mn;
- rebilled management fees €0.4 Mn.

Other income

(€ thousands)	2016	2015
Key money	1,137	1,377
Termination indemnities	685	26
Specialty leasing fee	817	713
Other	858	772
TOTAL	**3,497**	**2,888**

Note 19 – Operating expenses

Other purchases and external charges

(€ thousands)	2016	2015
1- PURCHASES OF CONSUMABLES	**392**	**146**
2- EXTERNAL SERVICES	**18,322**	**14,456**
Property business	**17,024**	**13,262**
Leases and rental expenses	15,058	12,291
Maintenance and repair	1,863	921
Insurance	103	50
General expenses	**1,298**	**1,194**
Leases and rental expenses	139	33
Maintenance and repair	36	136
Insurance	499	452
Miscellaneous	624	573
3- OTHER EXTERNAL SERVICES	**16,635**	**25,157**
Property business	**1,888**	**2,546**
General expenses	**14,747**	**22,611**
TOTAL	**35,349**	**39,759**

Taxes other than on income

(€ thousands)	2016	2015
Taxes on remuneration	546	537
Property taxes and other recoverable taxes	5,458	4,354
Property taxes and other non-recoverable taxes	160	158
Other	1,911	801
TOTAL	**8,075**	**5,850**

Personnel expenses

(€ thousands)	2016	2015
Remuneration	5,661	3,939
Related payroll taxes	2,884	2,450
TOTAL	**8,545**	**6,389**

Members of the Unibail-Rodamco Management Board are remunerated partly by Unibail-Rodamco SE.

Under the Group Service Charges agreement, the Management Board is partly rebilled to the Group's various entities.

Depreciation and amortisation expenses

(€ thousands)	2016	2015
Tangible assets	42,387	33,238
TOTAL	**42,387**	**33,238**

Impairment and provision expenses

(€ thousands)	2016	2015
Non-current assets	1,537	291
Current assets	304	1,139
Contingencies and expenses	5,476	890
TOTAL	**7,317**	**2,320**

Other operating expenses

(€ thousands)	2016	2015
Attendance fees	766	829
Net eviction and termination indemnities	50	6,691
Irrevocable receivables and miscellaneous operating lease expenses	1,594	1,618
TOTAL	**2,410**	**9,138**

As at December 31, 2015, the "Net eviction and termination indemnity expenses" line concerned the Gaîté shopping centre for €4.2 Mn and the CNIT complex for €2.4 Mn.

Note 20 – Financial income

Investment income

(€ thousands)	2016	2015
Subsidiary income transferred	159,760	98,520
Dividends	285,804	1,217,347
Other	420	404
TOTAL	**445,984**	**1,316,271**

Income transfers of transparent companies relate mainly to SCI Eiffel Levallois Bureaux, SNC Financière 5 Malesherbes, SCI Galilée-Défense, SCI Sept Adenauer and SCI Ariane-Défense.

The main dividends collected in 2016 in respect of 2015 earnings and 2016 interim dividends were:

- SAS Iseult: €86 Mn;
- Rodamco France: €76 Mn;
- Uni-Commerces: €68 Mn;
- Unibail-Rodamco Retail Spain SL: €43 Mn.

Income from other marketable securities and receivable on non-current assets

(€ thousands)	2016	2015
Income from loans to subsidiaries	280,758	297,025
TOTAL	**280,758**	**297,025**

In 2016, contributing subsidiaries were primarily Rodamco Europe France Financing (€54 Mn), Unibail-Rodamco Retail Spain SL (€48 Mn), GSSM Warsaw Sp zoo (€22 Mn), Unibail-Rodamco Spain SLU (€20 Mn), Wood Sp zoo (€17 Mn), Rodamco Retail Deutschland BV (€14 Mn) and Zlote Tarasy Sp zoo (€12 Mn).

Other interest income

(€ thousands)	2016	2015
Bank fees	163	473
Interest on subsidiary current accounts	25,573	33,837
Income on caps, floors and swaps	82,339	73,577
Balancing cash payments on cancellation of caps and swaps	0	10,362
Balancing cash payments on loans transferred	0	1,144
Deferred recognition of fees on subsidiary loans	2,727	3,648
Deferred recognition of premium on convertible bonds	372	265
Financial expenses rebilled to subsidiaries	4	63
TOTAL	**111,178**	**123,369**

Reversals of impairment and expense transfers

(€ thousands)	2016	2015
Reversals of provisions for foreign exchange gains and losses	1,681	47,769
Reversal of provisions for subsidiaries	3,239	12,048
TOTAL	**4,920**	**59,817**

In 2015, reversals of the provision for unrealised foreign exchange losses were recorded following the rise in the Czech koruna, Hungarian forint and Swedish krona.

Foreign exchange gains

(€ thousands)	2016	2015
CZK foreign exchange gains	250	1,176
DKK foreign exchange gains	3	1
HUF foreign exchange gains	51	17
PLN foreign exchange gains	6,921	9,094
SEK foreign exchange gains	1,609	1,172
USD foreign exchange gains	3,028	0
TOTAL	**11,862**	**11,460**

Foreign exchange gains recognised in 2016 primarily relate to loans denominated in Polish zlotys falling due.

Note 21 – Financial expenses

Financial items

(€ thousands)	2016	2015
Depreciation and amortisation		
Bond issue premium	8,199	8,404
Provisions for contingencies		
Currency risk on loans	38,648	1,682
Impairment and provisions		
On shares (including merger losses)	9,928	30,875
Deferred charges		
Charges on borrowings	9,664	11,786
Charges on convertible bonds (ORNANE)	1,426	4,888
TOTAL	**67,865**	**57,635**

As at December 31, 2016, provisions were booked for shares held in Unibail-Rodamco Spain SLU amounting to €4.3 Mn and in Unibail-Rodamco Real Estate SL amounting to €1.6 Mn.

As at December 31, 2016, an impairment of the merger loss relating shares in Unibail-Rodamco SIF France was written for €3.8 Mn. As at December 31, 2015, the impairment of the merger deficit relating shares in Unibail-Rodamco SIF France was recorded for €9.3 Mn, in 2015 accounts in non-recurring items.

Interest expenses

(€ thousands)	2016	2015
Bank fees	63	537
Fees on deposits and confirmed credit facilities	9,072	9,790
Interest on borrowings	17,940	20,615
Interest on negotiable debt securities	(1,959)	47
Interest on bonds	237,070	239,338
Interest on convertible bonds	58	1,672
Interest on current account	3,697	15,515
Interest on bonds redeemable in shares	75	76
Charges on caps, floors and swaps with third parties	149,877	83,164
Redemption premium on bond repurchases	69,367	351,758
Balancing cash payments on loans transferred	0	5,699
Transfer of subsidiary income	8,062	16,220
TOTAL	**493,322**	**744,431**

The "Charges on caps, floors and swaps with third parties" line includes the 2016 amortisation of the balancing cash adjustment paid in December 2015 for €119.0 Mn.

At December 31, 2016, the "Redemption premium on bond repurchases" line relates to the premiums paid in April 2016, following the repurchase of €282 Mn of public bonds covering eight bond issues and the premiums paid in November 2016, following the repurchase of €565 Mn of public bonds covering six bond issues.

Foreign exchange losses

(€ thousands)	2016	2015
CZK foreign exchange losses	59	19,831
DKK foreign exchange losses	3	11
HUF foreign exchange losses	251	1,926
PLN foreign exchange losses	16,043	6,177
SEK foreign exchange losses	1,609	3,864
USD foreign exchange losses	2,733	0
TOTAL	**20,698**	**31,809**

The foreign exchange losses recognised in 2016 mainly relate to the maturity loans denominated in Polish zlotys and US dollars commercial papers issued and repaid in 2016.

Note 22 – Non-recurring items

(€ thousands)	2016	2015
Capital gains and losses on sales of tangible assets	0	3,845
Capital gains and losses on sales of financial assets	121	486
Capital gains and losses on dissolution of subsidiaries without liquidation in a merger transaction ("TUP")	249,789	188,262
Provisions for contingencies	0	(9,388)
Other non-recurring income and expenses	698	(24)
TOTAL	**250,608**	**183,181**

As at December 31, 2016, "Capital gains and losses on dissolution of subsidiaries without liquidation in a merger transaction ("TUP")" includes:

- income from the TUP involving SAS Investissement 2 for €135.9 Mn;
- and income from the TUP involving SCI Wilson (Puteaux) for €113.8 Mn.

As at December 31, 2015, "Provisions for contingencies" related to impairment of the merger deficit on Unibail-Rodamco SIF France shares amounting to €9.3 Mn. As at December 31, 2016, an additional impairment of the merger deficit on Unibail-Rodamco SIF France shares was booked for €3.8 Mn in financial result.

Note 23 – Income tax

(€ thousands)	2016	2015
Income tax	2,951	14,055
TOTAL	**2,951**	**14,055**

In 2016, Unibail-Rodamco SE paid tax on dividends for €2.6 Mn (3% levy on non-SIIC dividends paid in cash).

5.3. Related party information

All agreements between Unibail-Rodamco SE and Group companies were entered into at arm's length conditions, with the exception of those detailed below.

Balance sheet line concerned	Related party	Type of relationship	Balance sheet amount with the related party *(€ thousands)*	Type of transaction
ASSETS				
Other receivables				
	SCI Sept Adenauer	Ultimate parent company	35,137	Non-interest-bearing current account
	SCI Aéroville	Ultimate parent company	9,254	Non-interest-bearing current account
	SCI Ariane-Défense	Ultimate parent company	170,094	Non-interest-bearing current account
	SNC Capital 8	Ultimate parent company	304,786	Non-interest-bearing current account
	SNC CC Francilia	Ultimate parent company	146,194	Non-interest-bearing current account
	SCI CNIT Développement	Ultimate parent company	58,345	Non-interest-bearing current account
	SNC Financière 5 Malesherbes	Ultimate parent company	66,204	Non-interest-bearing current account
	SCI Gaîté Bureaux	Ultimate parent company	12,957	Non-interest-bearing current account
	SNC Gaîté Parkings	Ultimate parent company	3,447	Non-interest-bearing current account
	SCI Galilée-Défense	Ultimate parent company	66,689	Non-interest-bearing current account
	SNC Lefoullon	Ultimate parent company	2,598	Non-interest-bearing current account
	SNC Maltèse	Ultimate parent company	49,536	Non-interest-bearing current account
	SCI Montheron	Ultimate parent company	1,104	Non-interest-bearing current account
	SCI Randoli	Ultimate parent company	95,733	Non-interest-bearing current account
	SCI Le Sextant	Ultimate parent company	18,333	Non-interest-bearing current account
	SCI Trinity Défense	Ultimate parent company	76,139	Non-interest-bearing current account
	SCI UR Versailles Chantiers	Ultimate parent company	8,711	Non-interest-bearing current account
	SCI Village 8 Défense	Ultimate parent company	2,333	Non-interest-bearing current account
LIABILITIES				
Miscellaneous borrowings and financial liabilities				
	SCI Acarmina	Ultimate parent company	0	Non-interest-bearing current account
	SNC Bures-Palaiseau	Ultimate parent company	561	Non-interest-bearing current account
	SCI Eiffel Levallois Bureaux	Ultimate parent company	98,401	Non-interest-bearing current account
	SNC Hipokamp	Ultimate parent company	0	Non-interest-bearing current account
	SNC Notilius	Ultimate parent company	1	Non-interest-bearing current account
	SNC Yeta	Ultimate parent company	0	Non-interest-bearing current account

5

5.4. Off-balance sheet commitments as at December 31, 2016

5.4.1. Financial instruments

(€ thousands)	2016	2015
Financial instruments		
Interest rate and currency swaps	10,384,779	7,283,129
Caps and floors		
• purchases	18,500,000	12,700,000
• sales	3,200,000	200,000
Swaption calls		
• sales	5,800,000	3,800,000
TOTAL	**37,884,779**	**23,983,129**

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)				Notional <= 1 year	Notional +1 year
FIRM TRANSACTIONS					
Interest rate swaps				**388,000**	**9,427,138**
Microhedges	Fixed-rate lender/Floating-rate borrower			300,000	2,117,138
Microhedges	Floating-rate lender/Fixed-rate borrower			88,000	0
Microhedges	Floating-rate lender/Floating-rate borrower			0	360,000
Macrohedges	Floating-rate lender/Fixed-rate borrower			0	6,950,000
Isolated positions	Fixed-rate lender/Floating-rate borrower			0	0
Currency and interest rate swaps				**0**	**569,641**
Microhedges	Fixed-rate lender/Floating-rate borrower	HKD	2,935,000		315,437
	Fixed-rate lender/Floating-rate borrower	CHF	135,000		109,276
	Floating-rate lender/Fixed-rate borrower	USD	200,000		144,928
CONDITIONAL TRANSACTIONS					
Caps and floors					
		purchases		**6,250,000**	**12,250,000**
Macrohedges				6,250,000	12,250,000
Isolated positions				0	0
		sales		**0**	**3,200,000**
Macrohedges				0	3,200,000
Isolated positions					
OPTIONS					
Swaption calls		**sales**		200,000	5,600,000

Borrowings contracted by Unibail-Rodamco SE are hedged by interest rate swaps, caps and floors. Income and expenses arising on these transactions are recognised on an accrual basis in the income statement.

5.4.2. Other commitments given and received

All material commitments are disclosed below.

	2016		2015	
(€ thousands)	Currency	EUR	Currency	EUR
Other commitments received				
EUR refinancing agreements obtained and not used		5,615,000		5,060,000
Guarantees received		9,589		4,636
TOTAL		**5,624,589**		**5,064,636**
Other commitments given				
EUR refinancing agreements given and not used		63,641		83,037
Guarantees given in SEK	5,200,000	544,360	3,700,000	402,633
Guarantees given in EUR		1,574,830		1,898,717
TOTAL		**2,182,831**		**2,384,387**

Guarantees given relate to deposits and commitments at first call, including the financing granted by banks to subsidiaries.

5.4.3. Options granting access to the share capital

Plan		Exercise period	Adjusted subscription price *(€)*(1)	Number of options granted	Adjustments in number of options(2)	Number of options cancelled	Number of options exercised	Potential additional number of shares(3)
2007 plan (n° 5)	2009	From 14/03/2013 to 13/03/2016	79.08	735,450	170,116	199,064	706,502	-
2010 plan (n° 6)	2010	From 11/03/2014 to 10/03/2017	120.33	778,800	170,561	231,172	697,473	20,716
	2011	From 11/03/2015 to 10/03/2018	141.54	753,950	15,059	182,234	544,165	42,610
2011 plan (n° 7)	2011	From 10/06/2015 to 09/06/2018	152.03	26,000	-	-	26,000	-
	2012	From 15/03/2016 to 14/03/2019	146.11	672,202	-	155,642	440,248	76,312
	2013	From 05/03/2017 to 04/03/2020	173.16	617,066	-	139,946	5,525	471,595
	2014	From 04/03/2018 to 04/03/2021	186.10	606,087	-	119,438	5,738	480,911
2015 plan (n° 8)	2015	From 04/03/2019 to 03/03/2022	256.81	615,860	-	87,132	-	528,728
	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	-	22,947	1,913	586,748
TOTAL				**5,424,248**	**355,736**	**1,137,575**	**2,427,564**	**2,214,845**

(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.

5.5. Other information

5.5.1. Subsequent events

None.

5.5.2. Pledged shares of parent company Unibail-Rodamco SE held by third parties

As at December 31, 2016, 419,662 administered registered shares are pledged. There are no fully registered shares.

5.5.3. Remuneration of Management Board members

(€ thousands)	2016	2015
Fixed remuneration	3,084	3,056
Variable bonus	3,114	2,861
Other benefits[1]	1,075	1,021
TOTAL[2]	**7,273**	**6,938**

(1) *Mainly company cars and pension arrangements.*
(2) *The amounts shown relate to the periods when the beneficiaries were members of the Management Board.*

In 2016, Management Board members were awarded a total of 148,750 stock options, all of which were subject to performance condition, along with 8,963 performance shares.

Based on the 2016 performance, Management Board members will receive aggregate variable compensation of €3,472 K in 2017.

5.5.4. Remuneration of Supervisory Board members

Remuneration accruing to Supervisory Board members represented €766,179 for 2016.

5.5.5. Headcount

The average headcount during 2016 was one person. As at December 31, 2016, the Company had one employee.

5.5.6. Loans and guarantees granted to Management Board and Supervisory Board members

None.

5.6. Statutory auditors' report on the financial statements of the parent company only for the year ended 31 December 2016

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting, we hereby report to you, for the year ended December 31, 2016, on:

- the audit of the accompanying financial statements of Unibail-Rodamco SE;
- the justification of our assessments;
- the specific verification and information required by law.

These financial statements have been approved by the management board. Our role is to express an opinion on these financial statements based on our audit.

I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2016 and of the results of its operations for the year then ended in accordance with French accounting principles.

Without qualifying our opinion, we draw your attention to the matters set out in the following notes to the financial statements:

- note 5.2.1.2.1 which describes the change in accounting method related to the new accounting rules on technical losses on merger provided for in ANC regulation n°2015-06.
- note 4 which describes the change in accounting method related to the new accounting rules on derivatives and hedging operations provided for in ANC regulation 2015-05 which was early adopted this year.

II. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

- As mentioned in note 5.2.1.2.3. « Financial assets » to the financial statement, an impairment is booked when the value of an investment in subsidiaries, being estimated as its value in use, is lower than its acquisition cost. Our assessment of these accounting estimates is based on the process implemented by your Company to determine the value in use of investments in subsidiaries. Our procedures notably consisted to assess the reasonableness of data and assumptions used by your Company to determine the net asset value of the subsidiaries. On the basis, we assessed the reasonableness of these estimates and we also ensured that appropriate information was disclosed in the notes.
- As mentioned in the first part of this report, the notes 5.2.1.2.1 and 4 to the financial statement describe the change in accounting method due to the implementation of the new accounting regulations related to the accounting of technical losses on merger and the accounting of derivatives and hedging operations. In our assessment of the rules and accounting principles applied by your Company, we have verified the application of the change in accounting method mentioned above and its presentation.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific procedures and disclosures

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

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 and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French Commercial Code (*Code de Commerce*) relating to remunerations and benefits received by the directors 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 companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Neuilly-sur-Seine and Paris-La Défense, March 20, 2017

The statutory auditors, French original signed by

Deloitte & Associés	ERNST & YOUNG Audit
Damien Leurent	Christian Mouillon

5.7. Statutory auditors' special report on regulated agreements and commitments

Shareholders' Meeting held to approve the financial statements for the year ended 31 December 2016

This is a free translation into English of the Statutory Auditors' special report on regulated agreements and commitments 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 and commitments 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.

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report to you on regulated agreements and commitments.

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 and commitments brought to our attention or which we may have discovered during the course of our audit, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements and commitments, 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 and commitments 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 and commitments 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 and commitments submitted to the approval of the Shareholders' Meeting

We hereby inform you that we have not been advised of any agreement or commitment authorised 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 and commitments previously approved by the Shareholders' Meeting

We hereby inform you that we have not been advised of any agreement or commitment previously approved by the Shareholders' Meeting which remained in force during the year.

Neuilly-sur-Seine and Paris-La Défense, on March, 20, 2017

The Statutory Auditors, French original signed by

Deloitte & Associés	ERNST & YOUNG Audit
represented by Damien Leurent	represented by Christian Mouillon

6 CORPORATE GOVERNANCE

6.1. Corporate governance: the Supervisory Board (SB) and the Management Board (MB)

The Company, created in 1968, has been structured as a limited liability company with an MB and an SB since May 21, 2007. Further to a decision of the Extraordinary General Meeting of May 14, 2009, the Company adopted the status of European company with an MB and an SB.

This two-tier governance structure provides for a balance of power between executive functions, entrusted to the MB, and non-executive oversight functions, falling to the SB, which oversees the management of the Company by the MB.

Such governance structure ensures an efficient balance between management and supervision allowing a responsive and reactive MB in the performance of its duties, in accordance with the prerogatives of the SB, whose balanced and diverse composition guarantees independent oversight.

Adhesion and compliance with the Afep-Medef Corporate Governance Code

In accordance with the Article L. 225-68 of the French Commercial Code, Unibail-Rodamco SE refers to the Afep-Medef Code as its reference Corporate Governance code.

Pursuant to the Afep-Medef Code and the recommendations of the AMF (French financial market authority), companies are required to report exactly the manner in which they apply the Code and, if applicable, indicate the reasons why they did not comply with certain recommendations.

The application of the recommendations set forth in the Afep-Medef Code and its evaluation is monitored by the Governance, Nomination and Remuneration Committee (GNRC), which reports to the SB, working closely with the MB. Each year, close attention is paid to the report issued by the Afep-Medef's High Committee for Corporate Governance *(Haut Comité du Gouvernement d'Entreprise)* and the AMF report on Governance and remuneration of executives. An analysis report on the Company's own practices and, if applicable, proposed improvements in the form of an action plan, is submitted to the GNRC and subsequently to the SB at the end of each year.

As in previous years, the SB met on December 7, 2016 to perform an annual review of the Company's compliance with the Afep-Medef Code.

As of the date of registration of the present document, and in accordance with the "comply or explain" principle the Group has applied all of the recommendations set forth in the Afep-Medef Code, including those regarding the remuneration of MB Members for listed French companies.

Compliance with the Afep-Medef Code	
Good Governance	✓
Leadership	✓
Accountability	✓
Remuneration	✓
Relationship with Shareholders	✓

No matter concerning the Company has been raised by the High Committee for Corporate Governance.

6.1.1. 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 internal Charters. The SB is guided by the interests of the Company and its business; it takes into account the relevant interests of all stakeholders of the Company.

At any time of the year, it may carry out any verification or controls it deems necessary and may request any documents it deems useful for the fulfillment of its mission.

For details on its functioning and its self-assessment, see the Report of the Chairman of the SB (page 279 and 285).

6

6.1.1.1. Composition of the Supervisory Board

As at December 31, 2016, the SB has nine members elected for a term of three years.

The SB Chairman is Mr Rob ter Haar and the Vice-Chairman is Mr Jean-Louis Laurens. The composition of the SB reflects a strong commitment to the independence (100% independent), diversity (44% women), international exposure (56% non-French) and expertise of its members.

SUPERVISORY BOARD MEMBERS AS AT DECEMBER 31, 2016[1]

Name	Committee	Age	Gender	Nationality	Independence	SB Attendance Rate/Number of Meetings	Committee Attendance Rate/Number of Meetings	Date of first mandate	Term expires at AGM
Mr Rob ter Haar SB & GNRC Chairman	GNRC	66	M	Dutch	Independent	7/7	6/6	2007	2017[2]
Mr Jean-Louis Laurens AC Chairman & SB Vice-Chairman	AC	62	M	French	Independent	7/7	4/4	2007	2018
Ms Mary Harris	GNRC	50	F	British	Independent	6/7	6/6	2008	2018
Ms Dagmar Kollmann	GNRC	52	F	Austrian	Independent	7/7	6/6	2014	2017
Mr Yves Lyon-Caen	GNRC	66	M	French	Independent	4/7[3]	3/6[3]	2007	2017[2]
Mr Alec Pelmore	AC	63	M	British	Independent	7/7	4/4	2008	2018
Ms Sophie Stabile	AC	46	F	French	Independent	6/7	4/4	2015	2018
Mr Jacques Stern	AC	52	M	French	Independent	4/5	NA[4]	2016	2019
Ms Jacqueline Tammenoms Bakker	GNRC	63	F	Dutch	Independent	6/7	5/6	2015	2018

(1) For full details concerning SB independence, refer to the SB Charter and the Report of the Chairman of the SB on pages 281 to 283.
(2) No re-appointment sought due to the successive mandates in line with Afep-Medef Code recommendations.
(3) Exceptional absences due to personal reasons, explained ahead of time directly to the SB Chairman.
(4) Joined the Audit Committee (AC) as of February 1, 2017.

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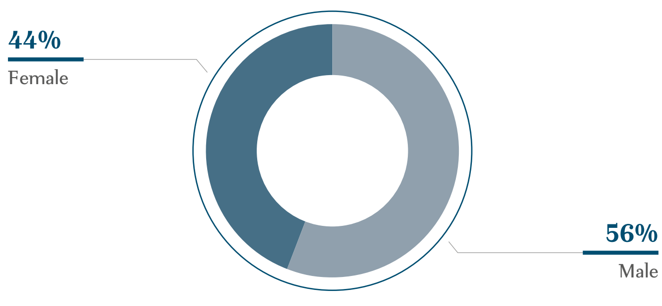

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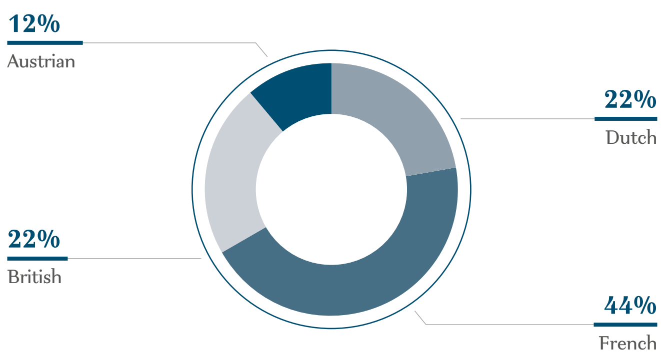

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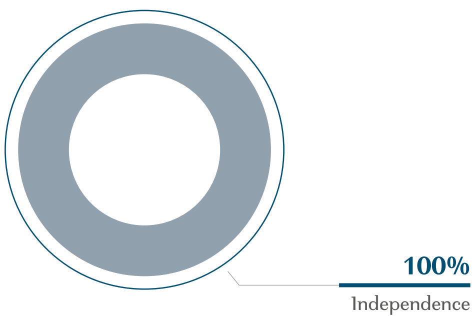

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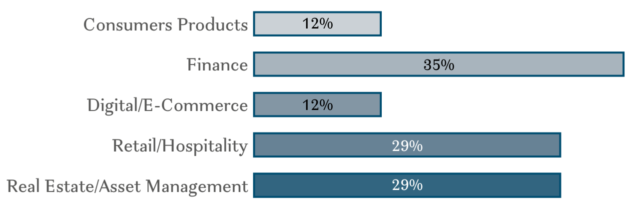

Some members are represented in more than one category.

The SB's role, responsibilities and related tasks are clearly stated in part IV of the Company's Articles of Association and in a separate SB Charter[1].

The SB has two committees focusing on specific aspects of its overall responsibility: the AC and the GNRC. Each committee has a specific Charter[1], which describes the Committee's 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.

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

MANDATES HELD BY SUPERVISORY BOARD MEMBERS ON DECEMBER 31, 2016

GNRC Members

Mr Rob ter Haar SB & GNRC Chairman Independent Dutch Holds 354 Unibail-Rodamco shares	**Other Current Functions and Mandates** • Chairman of the SBs of Mediq B.V. (NL) and of VvAA Groep B.V. (NL). • SB Member of Bergschenhoek Groep B.V. (NL). **Previous Mandates during the last 5 years** • AC Member of Unibail-Rodamco SE until April 27, 2011. • Chairman of the SB of Parcom Capital Management B.V. (NL). • Member of the SBs of Royal Friesland Campina N.V. (NL), Maxeda Retail Group B.V. (NL), Sperwer Holding B.V. (NL), Spar Holding B.V. (NL) and Board member of Univar Inc. (USA). **CV** • Masters in Commercial and Corporate Law from Leiden University, the Netherlands. • Held the positions of Chief Executive Officer (CEO) of Hagemeyer N.V. (NL) and CEO of De Boer Unigro N.V. (NL). • Former Board member of the Household & Personal Care division of Sara Lee/DE (NL) and former General Manager of Mölnlycke (Benelux).
Ms Mary Harris Independent British Holds 600 Unibail-Rodamco shares	**Other Current Functions and Mandates** • Non-Executive Director and Chair of the Remuneration Committee of J. Sainsbury PLC (UK) (listed). • Non-Executive Director of ITV PLC (UK) (listed) and of Reckitt Benckiser PLC (UK) (listed). **Previous Mandates during the last 5 years** • Advisory Board member of Irdeto B.V. (NL). • Member of the SBs of TNT N.V. (NL), of TNT Express N.V. (NL) and of Scotch & Soda N.V. (NL). **CV** • Masters 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 and held various positions at Pepsi Beverages, Goldman Sachs and at private equity/venture capital firms.
Mr Yves Lyon-Caen Independent French Holds 404 Unibail-Rodamco shares	**Other Current Functions and Mandates** • Chairman of the SB of Bénéteau S.A. (FR) (listed) and of the Fédération Française des Industries Nautiques (FR). • SB Member of Sucres & Denrées (FR). **Previous Mandates during the last 5 years** • None. **CV** • Law graduate of the *Institut d'Études Politiques* and former student of the *École Nationale d'Administration* (ENA). • Former Board member of Nexans S.A. (FR) and Chairman and CEO of Crédit National and of Air Liquide Santé.
Ms Dagmar Kollmann Independent Austrian Holds 240 Unibail-Rodamco shares	**Other Current Functions and Mandates** • Vice-Chair of the SB of Deutsche Pfandbriefbank AG (DE). • SB Member and Chair of the AC of Deutsche Telekom AG (DE) (listed), • Member of the SBs of KfW IPEX-Bank GmbH (DE) and Bank Gutmann AG (AT). • Commissioner of the Monopolies Commission (DE). **Previous Mandates during the last 5 years** • Vice-Chair of the SB of HRE Holding AG (DE). **CV** • Masters 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 Chair of the MB, Country Head and CEO – Germany and Austria, Morgan Stanley Bank AG (DE).
Ms Jacqueline Tammenoms Bakker Independent Dutch Holds 316 Unibail-Rodamco shares	**Other Current Functions and Mandates** • Non-Executive Director of Groupe Wendel (FR) (listed). • Non-Executive Director and Chair of the Remuneration Committee of TomTom (NL) (listed). • Non-Executive Director of CNH Industrial (UK) (listed). • Chair of the SB of the Van Leer Group Foundation (NL). **Previous Mandates during the last 5 years** • Non-Executive Director and Chair of the CSR Committee of Tesco PLC (UK) (listed). • Non-Executive Director and Chair of the Remuneration Committee of Vivendi S.A., France (FR). • SB Member of the Land Registry/Ordnance Survey (NL). **CV** • Masters in History and French, St. Hilda's College, Oxford and a Masters in International Relations, Johns Hopkins School for Advanced International Studies, Washington D.C. • 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 GigaPort (NL), Quest International (NL), and Shell International, and Consultant at McKinsey & Co (NL/UK).

Audit Committee Members

Mr Jean-Louis Laurens SB Vice-Chairman & AC Chairman Independent French Holds 363 Unibail-Rodamco shares	**Other current Functions and Mandates** ● None. **Previous Mandates during the last 5 years** ● General Partner of Rothschild & Cie Gestion Paris (FR) and Chairman of the Board of Rothschild Asset Management Inc. New York (USA) and of the Board of Risk Based Investment Solutions Ltd, London (UK) (Rothschild Group). **CV** ● Graduate of the *École des Hautes Études Commerciales* (HEC). ● Has a Doctorate in Economics and a Masters in Law. ● Former Executive Director of Morgan Stanley International, Former CEO of AXA Investment Managers France, former CEO of ROBECO France and former Global Head of Mainstream Investment of Robeco Group (until 2009).
Mr Alec Pelmore Independent British Holds 500 Unibail-Rodamco shares	**Other Current Functions and Mandates** ● Non-Executive Director of London Metric Property PLC (UK) (listed). **Previous Mandates during the last 5 years** ● Senior Independent Director on the Board of Metric Property Investments PLC (UK) (listed) and Chairman of its AC. **CV** ● Degree in Mathematics from Cambridge University. ● He held positions as an equity investment analyst specialising in real estate companies mainly at Dresdner Kleinwort Benson and Merrill Lynch. With partner Robert Fowlds, his team was voted no. 1 for real estate in Europe for 12 out of 13 years from 1995 to 2007.
Ms Sophie Stabile Independent French Holds 216 Unibail-Rodamco shares	**Other Current Functions and Mandates** ● Executive Committee member of AccorHotels (FR) (listed). ● CEO of HotelServices France and Switzerland (FR) (Accor Group). ● CEO of Women at AccorHotels Generation (WAAG) and Member of Club des 30 ● SB Member of Altamir (FR) (listed). ● Non-Executive Board member of Spie (FR) (listed). **Previous Mandates during the last 5 years** ● Chairman of the SB of Orbis (FR) (listed – Accor Group). ● Board member of Groupe Lucien Barrière (FR) (Accor Group). **CV** ● Graduate of *École Supérieure de Gestion et Finances.* ● Held various positions at Deloitte. ● CFO of Accor Group from 2010-2015 (FR) (listed).
Mr Jacques Stern* Independent French Holds 200 Unibail-Rodamco shares	**Other Current Functions and Mandates** ● President and CEO of Global Blue (CH). ● Non-Executive Board Member of Voyage Privé (FR). **Previous Mandates during the last 5 years** ● President and CEO of Edenred (FR) (listed). **CV** ● Masters in Accounting (DECS) and Masters in Accounting and Finance *(MSTCF).* ● Graduate of *École Supérieure de Commerce de Lille.* ● Held various positions at AccorHotels including Group Controller, CFO (scope including procurement, IT, strategy and hotel development) and lastly Deputy CEO.

* *Joined the AC as at February 1, 2017.*

6.1.1.2. Share Ownership requirements applicable to Supervisory Board Members

In line with the Afep-Medef Code and in order to promote an alignment of interests between shareholders and the SB Members, Article 3.3 of the SB Charter requires all SB Members to hold within 2 years of their appointment, a number of shares at least equal to one year of gross SB fees (in 2016 the equivalent of €52,000 in shares). See the table above for details on individual member share ownership. All shares held by an SB Member must be registered shares pursuant to Article L. 225-109 of the French Commercial Code.

6.1.2. Supervisory Board Committees

Audit Committee (AC)

The AC, chaired by Mr Jean-Louis Laurens, is composed of four members, all of whom are independent and have significant financial and accounting expertise.

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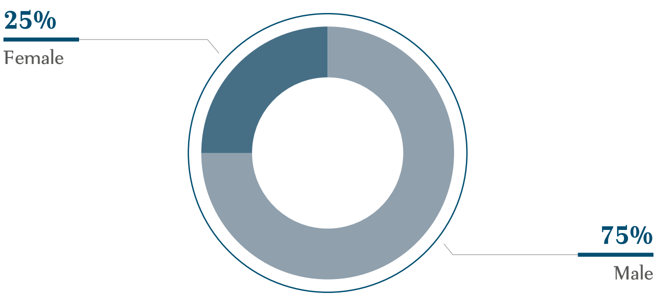

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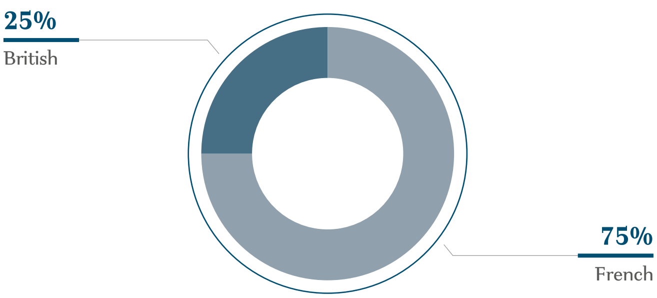

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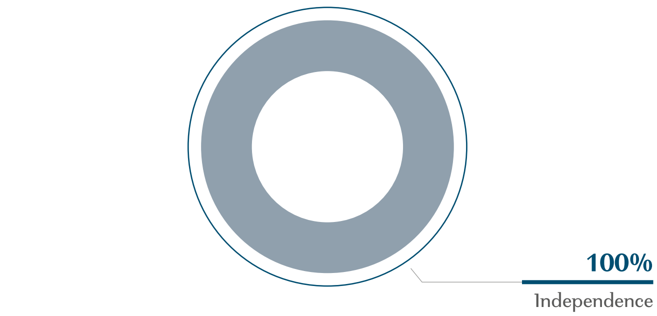

The AC deals with a number of recurring issues, such as interim and annual financial statements, internal control and risk management relating to liabilities, net asset value, development and operations. It examines and supervises the Company's publication of financial information. It also ensures the relevance and efficiency of the Group's accounting and financial standards, tax and funding policies and internal audit, risk-management and control procedures.

The Committee may also carry out specific examinations on its own initiative or at the request of the SB. In addition to the regular contact that the Committee 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 Committee has access to valuations carried out by independent appraisers.

Governance, Nomination and Remuneration Committee (GNRC)

The GNRC, chaired by Mr Rob ter Haar, is composed of five members all of whom are independent.

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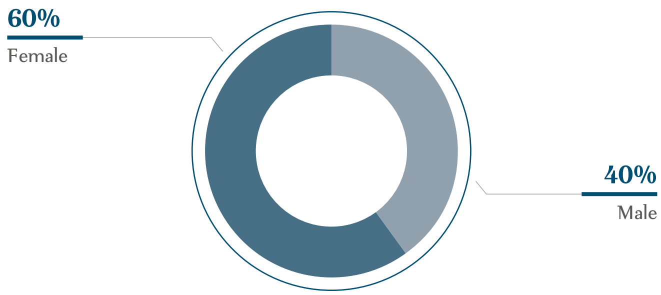

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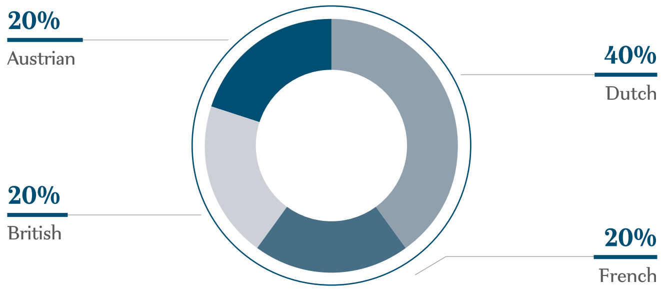

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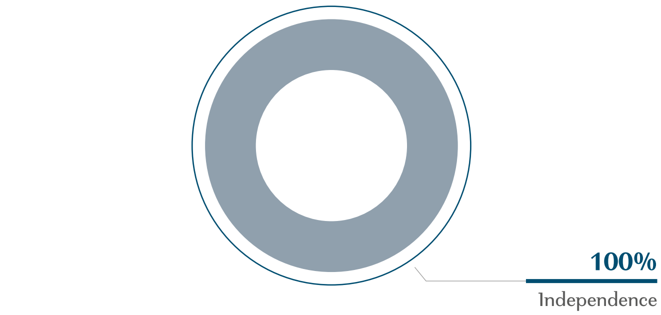


The GNRC examines and advises the SB on: (a) the profile and selection criteria for the MB and the SB Members; (b) the Company's human resources policy; the remuneration policies of the CEO and the other MB Members which includes fixed income, short-term incentive, long-term incentive and other benefits; (c) the scope, composition and functioning of the MB and the SB; (d) the independence of the SB Members; (e) the (re)appointment of the MB and/or the SB Members through application of the established Succession Plans which are regularly discussed; (f) the Group's corporate governance practices and rules; and (g) the Group's Talent Management and MB and Group Management Team succession plan implementation.

6.1.3. The Management Board (MB)

The MB is Unibail-Rodamco SE'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. The MB's mission consists in developing and executing the Company's strategy, effectively structuring and staffing the Company to ensure its efficient functioning, achieving the projected financial results and communicating these results in the best manner.

The actions of the MB are governed by a charter that is available on the Company's website. Besides leading the Company's strategy, the MB policy and representing the Company *vis à vis* third parties, the Chairman of the Board and CEO is directly responsible for innovation, institutional relations and communication as well as internal audit and risk management. Upon the recommendation of the CEO, and subject to prior approval by the SB, the MB Members share the different operational responsibilities for the group amongst themselves.

Based on the delegations granted, the allocation of responsibilities amongst the MB Members is as follows:

- One member of the MB acts as Chief Financial Officer (CFO) and, is responsible for optimisation of the cost of capital, investor relations and tax matters. He is in charge of the overall Finance function within the Group (financial control, consolidation, reporting, financing, budget and 5-year plan, coordination of asset valuations). He is also responsible for the investment/divestment process; initiating and coordinating mergers and acquisitions, strategic alliances and joint venture developments.
- One member of the MB acts as Chief Operating Officer (COO) and, is responsible for: defining the retail and office asset strategy, the net rental growth, tenants' sales and footfall, overall budget and plans; leading all operating departments: marketing, leasing and specialty leasing, operating management, shopping centre management and PMPS (Property, Maintenance, Purchasing and Sustainability); and supervising and supporting the Regional Managing Directors in all regions including regional managing director offices France.
- One member of the MB acts as Chief Resources Officer (CRO) and, is in charge of Human Resources, Information Technology, Organisation, Legal, as well as Corporate Sustainability.
- One member of the MB acts as Chief Development Officer (CDO) and, is responsible for the origination and the execution of property development projects for the construction of new assets and for major restructurings, extensions or refurbishments of existing assets.
- One member of the MB acts as Deputy Chief Financial Officer (Deputy CFO) and, is particularly in charge of management of the balance sheet, notably the debt, financial control, budget and 5-year plan, as well as supervising the Finance functions.

The MB also actively supervises the Company's internal audit programme.

The MB upholds the interests of the Group. It takes into account the relevant interests of all stakeholders of the Company. 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. For more information, please refer to the Report of the Chairman of the SB (page 279).

6.1.3.1. Composition of the Management Board

As at December 31, 2016, it consists of six members.

Management Board Members	Nationality	Age	Main function	First appointment to the Management Board	Effective date	Expiry date/ End of mandate
Christophe CUVILLIER	French	54	MB Chairman and CEO	27/04/2011	01/06/2011	2017 AGM
Olivier BOSSARD	French	52	MB Member – CDO	04/03/2013	25/04/2013	2017 AGM
Fabrice MOUCHEL	French	46	MB Member – Deputy CFO	04/03/2013	25/04/2013	2017 AGM
Astrid PANOSYAN	French	45	MB Member – CRO	01/09/2015	01/09/2015	2017 AGM
Jaap TONCKENS	Dual American/ Dutch	54	MB Member – CFO	22/07/2009	01/09/2009	2017 AGM
Jean-Marie TRITANT	French	49	MB Member – COO	04/03/2013	25/04/2013	2017 AGM

All MB Members' mandates end at the 2017 Annual General Meeting. The MB Chairman and all other MB Members have succeeded in leading the Company, designing and executing the strategy, achieving annual targets and creating long-term value for the Company's shareholders. Therefore, on February 1, 2017, the SB, upon the recommendation of the GNRC, decided to renew each MB Member's mandate for a new 4-year term, beginning April 25, 2017.

MANDATES HELD BY MB MEMBERS AS AT DECEMBER 31, 2016

Mr Christophe Cuvillier MB Chairman CEO of Unibail-Rodamco SE Born on December 5, 1962 French national	**Other current Functions and Mandates outside of the Unibail-Rodamco Group** **French Companies** • Representative of Unibail-Rodamco as Member of the French Fédération des Sociétés Immobilières et Foncières (FSIF). • Director of Pavillon de l'Arsenal. • Representative of Unibail-Rodamco on the Board of Directors of Société Paris-Île-de-France Capitale Économique. **Foreign Companies** • Chairman of the European Public Real Estate Association (EPRA). **Other current intra-group Functions and Mandates** **French Companies** • Director of Viparis Holding. **Foreign Companies** • Director and Chairman of the Board of Directors of U&R Management B.V. **Previous Mandates during the last 5 years** **French Companies** • Director of Comexposium Holding S.A. **Foreign Companies** • Director and Secretary of Unibail-Rodamco Spain S.L.U. (formerly known as Unibail-Rodamco Inversiones, S.L.U.) and Unibail-Rodamco Ocio S.L.U. • Director and Chairman of Proyectos Inmobiliaros New Visions, S.L.U., Unibail-Rodamco Proyecto Badajoz S.L.U., Essential Whites, S.L.U., Promociones Inmobiliarias Gardiner, S.L.U., Unibail-Rodamco Steam, S.L.U., Proyectos Inmobiliarios Time Blue, S.L.U. • Chairman of the SB of Rodamco Europe B.V. **CV** • Graduate of HEC business school. • Prior to joining Unibail-Rodamco, 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'Oreal Group, both in France and abroad. • Prior to his appointment as Chairman of the MB on April 25, 2013, he was an MB Member as COO (since June 2011).
Mr Olivier Bossard MB Member CDO Born on May 12, 1964 French national	**Other current intra-group Functions and Mandates** **French Companies** • Managing Director of Espace Expansion S.A.S. • Managing Director of Unibail-Management S.A.S. • Manager of Le Cannet Developpement S.A.R.L. • Chairman of Unibail-Rodamco Development S.A.S. • Director of Unibail-Rodamco Participations S.A.S. **Foreign Companies** • Director of U&R Management B.V. • SB Member of Beta Development, s.r.o. • Director of Unibail-Rodamco Belgium N.V. • SB Member of CH Warszawa U sp. z o.o. **Previous Mandates during the last 5 years** **French Companies** • Chairman and CEO of Société Foncière du 4/6 Rue Louis Armand S.A. • Manager of Holmy S.N.C. • Chairman of Holmex S.A.S. **Foreign Companies** • NA **CV** • Architect (École des Beaux-Arts, Paris), Master in City Planning and Urbanism (Sciences Po Paris), Degree in History (Paris VII). • Began his career in 1989 as a Project Manager with the French developer COGEDIM. • Joined PARIBAS in 1996 as a Portfolio Manager. • Joined Unibail Office Division in 1998 as Portfolio Manager, then became Head of Asset Management (2003) and Deputy General Manager of the Office Division (2005). • He was involved in the Unibail-Rodamco merger as Executive Vice President in charge of Unibail Development and Strategy (2006). • He became Managing Director of the Office Division on October 1, 2007 and was Group Managing Director of Development from October 16, 2010 to April 24, 2013. • His appointment to the MB as CDO was effective from April 25, 2013.

Mr Fabrice Mouchel MB Member Deputy CFO of Unibail-Rodamco SE Born on April 16, 1970 French national	**Other current intra-group Functions and Mandates** **French Companies** ● NA **Foreign Companies** ● Director of Liffey River Financing Ltd. ● Director of U&R Management B.V. ● Director of Crossroads Property Investors S.A. **Previous Mandates during the last 5 years** **French Companies** ● Managing Director of R.E. France Financing S.A.S. **Foreign Companies** ● NA **CV** ● Graduate of HEC Business School and Masters Degree in Law and Bar diploma (CAPA: certificat d'aptitude à la profession d'avocat). ● Lawyer in the Mergers & Acquisitions Department of Gide Loyrette & Nouel (1993-1996). ● Vice-President of Mergers and Acquisitions at ING-Barings (1997-2001). ● Joined Unibail in 2001 as Head of Corporate Development. ● Became Head of Financial Resources and Investor Relations Department in 2002. ● Was Deputy CFO from June 2007 to April 2013. ● His appointment to the MB as Deputy CFO was effective from April 25, 2013.
Ms Astrid Panosyan MB Member CRO of Unibail-Rodamco SE Born on August 13, 1971 French national	**Other current intra-group Functions and Mandates** **French Companies** ● Chairman and CEO of Société de Tayninh S.A. (listed company). ● Chairman of Doria S.A.S.; of Unibail Management S.A.S.; of Espace Expansion Immobilière S.A.S. ● Chairman and Director of Unibail-Rodamco Participations S.A.S. ● SB Member of Uni-Expos S.A. **Foreign Companies** ● Director of U&R Management B.V. ● Director of Rodamco Europe Beheer B.V. **Previous Mandates during the last 5 years** **French Companies** ● Member of the Board of Directors and of the AC of CEGID GROUP S.A. **Foreign Companies** ● NA **CV** ● Graduate from IEP Paris, HEC Paris and Harvard University. ● Started her career at AT Kearney before joining AXA's Strategy Department in 1998, and then moved to the Department of Business Support & Development for Asia-Pacific region. ● Joined Groupama, in 2002, where she successively held various senior positions in the International Department, the Department of Strategy and the Department of Finance. She became General Secretary of the Group in 2011.Before joining Unibail-Rodamco, she was previously an advisor and member of the cabinet of Emmanuel Macron, French Minister of Economy, Industry and Digital Affairs, from 2014 to 2015, where she was in charge of Economic Attractiveness and International Investments.

Mr Jaap Tonckens
MB Member
CFO
of Unibail-Rodamco SE
Born on July 16, 1962
Dual American/Dutch
national

Other current intra-group Functions and Mandates

French Companies

- Chairman of Uni-Commerces S.A.S; of Immobilière Lidice S.A.S.; of Rodamco-France S.A.S.; of UR-LAB S.A.S.; of Belwarde 1 S.A.S.
- Member of the Board Committee of Chesnay Pierre 2 S.C.I.; of Geniekiosk S.A.R.L.; of Aquarissimo S.A.S. and of S.C.I. Parimall-Parly 2.

Foreign Companies

- Chairman of the SB of Unibail-Rodamco Germany.
- Director of Centro Asset Management Limited, Centro Europe (NO.2) Limited, Centro Europe Limited, Centro Holding (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 Unibail-Rodamco Belgium N.V.
- Representative of the Unibail-Rodamco 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.
- Director of Unibail-Rodamco Nederland Winkels B.V.
- Director of Unibail-Rodamco Poland 2 B.V., Rodamco España B.V., Rodamco Central Europe B.V., Rodamco Russia B.V., Rodamco Austria B.V., Rodamco Hungary B.V., Rodamco Czech B.V., Rodamco Deutschland B.V., Dotterzwaan B.V., Cijferzwaan B.V. Unibail-Rodamco Poland 4 B.V., Unibail-Rodamco Poland 5 B.V., Rodamco Project I B.V., Unibail-Rodamco Poland I B.V., Rodamco Europe Finance B.V., Rodamco Europe Finance II B.V, Unibail-Rodamco Cascoshop Holding B.V., Unibail-Rodamco Investments B.V., Unibail-Rodamco Investments 2 B.V., Unibail-Rodamco Investments 3 B.V., Real Estate Investments Poland Coöperatief U.A., Unibail-Rodamco Project B.V., 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.
- Member of the Board of Directors of Unibail-Rodamco Austria Verwaltungs GmbH, Shopping Center Planungs und Entwicklungsgesellschaft mbH, SCS Motor City Süd Errichtungsges. mbH, SCS Liegenschaftsverwertung GmbH, DZ-Donauzentrum Besitz- und Vermietungs-GmbH, Unibail-Rodamco Invest GmbH.
- Director of Unibail-Rodamco Česká republika, s.r.o., Centrum Praha Jih-Chodov s.r.o., CENTRUM ČERNÝ MOST, a.s., ČERNÝ MOST II, a.s., CENTRUM CHODOV, a.s.
- SB Member of Beta Development, s.r.o.
- Director of Rodamco Deutschland GmbH.
- Member of the Administrative Board (Verwaltungsrat) of Ring-Center I Berlin KG.
- Director of UNIBORC S.A.
- Director of AUPARK a.s. and UR P6 spol. s r.o.
- Member of the Board of GSSM Warsaw Sp. zo.o., WSSM Warsaw Sp. z o.o., Crystal Warsaw Sp. z o.o., Wood Sp. z o.o., SB Member of CH Warszawa U sp. z o.o.
- Director and Chairman of Unibail-Rodamco Spain S.L.U. (formerly known as Unibail-Rodamco Inversiones, S.L.U.), Unibail-Rodamco Ocio S.L.U., Unibail-Rodamco Palma, S.L.U., Unibail-Rodamco Real Estate, S.L. and Unibail-Rodamco Retail Spain, S.L.
- Director and Secretary of Proyectos Inmobiliaros New Visions S.L.U., Essential Whites S.L.U., Promociones Inmobiliarias Gardiner S.L.U., Unibail-Rodamco Steam S.L.U., Proyectos Inmobiliarios Time Blue S.L.U.
- Member of the Board of Rodamco Sverige A.B., Fisketorvet Shopping Center.
- Chairman of the Board of Rodamco Northern Europe A.B., Eurostop A.B., Eurostop Holding A.B., Rodamco Projekt A.B., Rodamco Centerpool A.B., Knölsvanen Bostad A.B., Rodamco Solna Centrum A.B., Piren A.B., Rodamco A.B., Rodamco Väsby Centrum A.B., Rodamco Expand A.B., Rodamco Parkering A.B., Rodamco Fisketorvet A.B., Rodamco Nacka A.B., Rodamco Täby A.B., Rodamco Garage A.B., Anlos Fastighets A.B, Rodamco Scandinavia Holding A.B, Fastighetsbolaget Anlos H A.B, Fastighetsbolaget Anlos L A.B, Rodamco Handel A.B, Fastighetsbolaget Anlos K A.B, Rodareal OY.

Previous Mandates during the last 5 years

French Companies

- NA.

Foreign Companies

- Member of the Board of Unibail-Rodamco SI B.V.
- Director of Crystal Warsaw Real Estate B.V.
- Chairman of Väsby Handel Fastighet AB, Fastighetsbolaget ES Örebro AB, Fastighetsbolaget Grindtorp AB, Rodamco Holding AB, Rodamco Tumlaren AB, Rodamco Invest AB, Fastighetsbolaget Helsingborg Västra AB, Fastighetsbolaget Helsingborg Östra AB, Rodamco Nova Lund 2 AB, Rodamco Nova Lund 3 AB and Rodamco Management AB.
- Director of Moravská obchodní, a.s., Rodamco Pankrác, a.s. and Garáže Hráského s.r.o.
- Director of Euro-Mall Ingatlanbefektetési Kft.
- Member of the Board of Gdansk Station Shopping Mall Sp. z o.o., Wilenska Station Shopping Mall Sp. z o.o., Arkadia Centrum Handlowe Sp. z o.o., Wilenska Centrum Handlowe Sp. z o.o. and Rodamco CH 1 sp. z o.o.
- Member of the Board of Unibail-Rodamco Liegenschaftserwerbs GmbH and Unibail-Rodamco Austria Management GmbH.
- Member of the Board of Directors and Secretary of Unibail-Rodamco Proyecto Badajoz S.L.U.
- Director of Rodamco Europe B.V.

CV

- Law Degree from Leiden University, The Netherlands.
- Masters Degree in Law from Emory University, Atlanta, GA, U.S.A.
- Associate with Shearman & Sterling L.L.P. 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, U.S.A.
- Managing Director at Endurance Capital, New York, NY, U.S.A.
- Joined Unibail-Rodamco's MB as General Counsel in September 2009 and was named Chief Investment Officer in October 2010.
- Was named CFO in July 2012.

Mr Jean-Marie Tritant MB Member COO of Unibail-Rodamco SE Born on November 10, 1967 French national	**Other current intra-group Functions and Mandates** **French Companies** ● Member of the Board Committees of Aquarissimo S.A.S.; of Chesnay Pierre 2 S.C.I.; of Saint Jean S.N.C. ; of Saint Jean II S.N.C.; of Juin Saint Hubert S.N.C.; of Juin Saint Hubert II S.N.C.; of Les Terrasses Saint Jean S.N.C. **Foreign Companies** ● Director of U&R Management B.V. ● Director and Secretary of Unibail-Rodamco Spain, S.L.U. (formerly known as Unibail-Rodamco Inversiones, S.L.U.), Unibail-Rodamco Ocio SLU, Unibail-Rodamco Palma, S.L.U., Unibail-Rodamco Real Estate, S.L. and Unibail-Rodamco Retail Spain, S.L. ● Director and Chairman of Proyectos Inmobiliaros New Visions, S.L.U, Essential Whites, S.L.U, Promociones Inmobiliarias Gardiner, S.L.U, Unibail-Rodamco Steam, S.L.U and Proyectos Inmobiliarios Time Blue, S.L.U. ● SB Member of Unibail-Rodamco Germany GmbH. ● Director and Chairman of Rodamco Sverige AB. **Previous Mandates during the last 5 years** **French Companies** ● Chairman of Unibail Management S.A.S.; of Rodamco Gestion S.A.S.; of Espace Expansion S.A.S ● Managing Director of Uni-Commerces S.A.S.; of Immobilière Lidice S.A.S.; of Rodamco France S.A.S; of Unibail Management S.A.S. ● Manager of Espace Coquelles S.A.R.L.; of BAY 1 BAY 2 S.A.R.L.; of BEG Investissements S.A.R.L. and of Geniekiosk S.A.R.L. ● Chairman and CEO of Union Internationale Immobilière S.A.; of Société d'Exploitation des Parkings du Forum des Halles de Paris S.A. ● Director of Société Foncière du 6/8 Rue Louis Armand S.A. **Foreign Companies** ● Director and representative of Unibail-Rodamco Nederland Winkels B.V. ● SB Member of mfi AG. ● Director and Chairman Unibail-Rodamco Proyecto Badajoz S.L.U. and Unibail-Rodamco Palma, S.L.U **CV** ● Graduate of ESC Dijon – Business School. ● Master's Degree from Paris I-Sorbonne University in commercial real estate (a qualification recognised by the Royal Institution of Chartered Surveyors). ● Started his career at Arthur Andersen Paris. ● Joined Unibail in 1997. ● Appointed as Managing Director of the Office Division in 2002, and Managing Director Retail France in 2007. ● His appointment to the MB as COO was effective from April 25, 2013.

6.1.3.2. Management Board Members share ownership at December 31, 2016

All of the shares held by MB Members must be registered shares (Article L. 225-109 of the French Commercial Code).

Number of Unibail-Rodamco SE shares held by the MB Members as at December 31, 2016:

Members of the Management Board	Total number of shares*
Christophe CUVILLIER CEO	57,797
Olivier BOSSARD CDO	123,410
Fabrice MOUCHEL Deputy CFO	71,310
Astrid PANOSYAN CRO	105
Jaap TONCKENS CFO	10,461
Jean-Marie TRITANT COO	166,419

* *Including the shares equivalent to the number of units held in the Company Savings Plan as at December 31, 2016.*

Share ownership requirements applicable to Management Board Members

Pursuant to Article L. 225-185 of the French Commercial Code and pursuant to Afep-Medef Code, all MB Members are subject to retention and investment obligations in the Company's shares. For details see page 303.

6.1.4. Prospectus regulations – Negative declaration

To the best knowledge of the Company and based on their individual statement, the MB and SB Members are not subject to the situations and restrictions referred to in Article 14 of Annex 1 of the Regulation (EC 809/2004).

6.2. Report of the Chairman of the Supervisory Board

On the arrangements for planning and organising the work of the SB and on the Group's internal control procedures for the financial year ending December 31, 2016 (Article L. 225-68 of the French Commercial Code).

This report was prepared in close cooperation with Unibail-Rodamco SE's MB, the Group General Counsel and the Group Director of Internal Audit and Risk Management. In addition, it was discussed with the Group's Statutory Auditors. On March 7, 2017, the SB approved this report pursuant to Article L. 225-68 of the French Commercial Code.

6.2.1. The Supervisory Board

6.2.1.1. Functioning of the Supervisory Board

6.2.1.1.1. Purpose and Powers

The SB exerts permanent oversight and control over the MB and the general affairs of the Company. To that end, the SB conducts appropriate inspections and reviews and may obtain copies of any document to fulfil its duties. The SB functions under the Company's Articles of Association and an SB specific Charter[1]. It makes recommendations to the MB on matters including:

- Company strategy and financial performance;
- business risks;
- structure and administration of internal risk management and control systems;
- financial reporting procedures and compliance with relevant laws and regulations.

In addition, the SB makes decisions concerning the Company's corporate governance and its implementation. It assesses the functioning of the MB, the SB (including its committees) and their individual members. It handles and settles any conflicts of interest and any discrepancies with respect to the functioning of the SB and/or MB.

6.2.1.1.2. Limitations on the Powers of the Management Board and the Scope of the Supervisory Board

Pursuant to Article 11.5 of the Company's Articles of Association and the thresholds set out in the SB Charter, the SB's prior approval must be obtained for certain MB decisions and operations, in particular:

- acquisitions, investments (including capital expenditures for internal development), acquisitions of shareholdings and off-balance sheet commitments exceeding €25 Mn (consolidated figure) concerning assets and/or activities located outside European Union Member States or outside the scope of the approved Group strategy. The threshold is raised to €500 Mn (consolidated figure) for assets and/or activities located within European Union Member States and within the scope of the Group's strategy. This threshold is raised again to €700 Mn (consolidated figure) for urgent operations and decisions; subject to prior dialogue between the CEO, the Chairman and the Vice-Chairman of the SB;
- asset disposals (including transfers of real estate or share-holdings) in real estate exceeding €500 Mn (consolidated figure). This threshold is raised to €700 Mn (consolidated figure) for urgent operations and decisions; subject to prior dialogue between the CEO, the Chairman and the Vice-Chairman of the SB;
- indebtedness or guarantees in excess of €500 Mn (consolidated figure), threshold raised to €1 Bn for corporate debt refinancing purposes;
- transfers of all or part of the Company's business to third parties in excess of €500 Mn (consolidated figure);
- any significant changes in the Group's governance and/or organisation, allocation of responsibilities within the MB 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 alterations to the Company's dividend policy and proposals by the MB in the distribution of interim or full dividends.

The SB must also, pursuant to its Charter, be informed of transactions involving amounts in excess of €300 Mn but below €500 Mn. The thresholds were last amended by the SB on February 9, 2011. For full details and information, refer to the SB Charter[1].

6

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

6.2.1.1.3. Composition

Pursuant to the Articles of Association, the SB can consist of eight (minimum) to fourteen (maximum) members, who are appointed by the Company's shareholders. SB Members are appointed for a three year term and may be re-appointed. Under the SB's resignation and rotation rules, the resignation and reappointment of members is staggered to prevent, to the greatest extent possible, appointments/resignations occurring simultaneously. The age limit for SB Members is 75 and at all times at least two-thirds of its members must be 70 or younger. It is noted that the Company does not fall under the scope of Article 225-79-2 of the French Commercial Code providing for employee representation on SBs.

Each year, the GNRC and the SB review the SB profile which reflects the desired composition of the SB to best carry out its responsibilities and duties. The profile outlines the objectives to be met in establishing and maintaining an independent board reflecting diversity in its membership in terms of gender, age and nationality, with the required skill, expertise and experience.

As at December 31, 2016, the SB was composed of nine members(1). The current composition of the SB reflects a diversity of experience, expertise and background and a strong commitment to the independence (100% independent) of its members and to the Group's European profile. Four out of nine members are women, the average age of members is 57.8 years and four nationalities are represented. The varied skills and expertise of members are summarised in the detailed biographies provided on pages 271 to 272.

6.2.1.1.4. Succession Planning

The SB succession planning is discussed annually and on an ongoing basis. It encompasses the preparation of an individual profile for each potential vacancy by the GNRC in consultation with the SB and dialogue with the MB. Such profile reflects both the requirements outlined in the SB profile (Annex A of the SB Charter) as well as 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 by the SB Chairman together with a small committee of GNRC Members and in consultation with the CEO and the CRO. Candidate interviews are conducted with the SB Chairman, at least two members of the GNRC, the CEO and the CRO and other SB Members. This process is led by the SB Vice-Chairman where succession of the SB Chairman is concerned. Selected candidates are then presented to the SB for approval prior to being proposed to shareholders for appointment at the Annual General Meeting (AGM).

SUPERVISORY BOARD MEMBERS(1) AS AT DECEMBER 31, 2016

Name	Committee	Age	Gender	Nationality	Independence	SB Attendance Rate/Number of Meetings	Committee Attendance Rate/Number of Meetings	Date of first mandate	Term Expires at AGM
Mr Rob ter Haar SB & GNRC Chairman	GNRC	66	M	Dutch	Independent	7/7	6/6	2007	2017(2)
Mr Jean-Louis Laurens SB Vice-Chairman & AC Chairman	AC	62	M	French	Independent	7/7	4/4	2007	2018
Ms Mary Harris	GNRC	50	F	British	Independent	6/7	6/6	2008	2018
Ms Dagmar Kollmann	GNRC	52	F	Austrian	Independent	7/7	6/6	2014	2017
Mr Yves Lyon-Caen	GNRC	66	M	French	Independent	4/7(3)	3/6(3)	2007	2017(2)
Mr Alec Pelmore	AC	63	M	British	Independent	7/7	4/4	2008	2018
Ms Sophie Stabile	AC	46	F	French	Independent	6/7	4/4	2015	2018
Mr Jacques Stern	AC	52	M	French	Independent	4/5	NA(4)	2016	2019
Ms Jacqueline Tammenoms Bakker	GNRC	63	F	Dutch	Independent	6/7	5/6	2015	2018

(1) For detailed biographies see pages 271 and 272.
(2) No re-appointment sought due to the successive mandates in line with Afep-Medef Code recommendations.
(3) Exceptional absences due to personal reasons, explained ahead of time directly with the SB Chairman.
(4) Joined the AC as of February 1, 2017.

(1) At the April 21, 2016 AGM, Jacques Stern was appointed for the first time for a three-year term.

6.2.1.1.5. Independence and Conflicts of Interest

Every year an in-depth independence analysis is conducted for each SB Member by the GNRC and by the SB pursuant to the criteria defined in the French Afep-Medef corporate governance code and incorporated into the SB Charter[1]. Where any kind of relationship is determined to exist, a further quantitative and qualitative analysis is conducted on a case-by-case basis to understand the significance of the relationship in order to analyse the independence of that particular member.

As a result of the foregoing analysis, as at December 31, 2016 all members qualify as independent.

AFEP-MEDEF CODE INDEPENDENCE CRITERIA (ADDITIONAL SB CHARTER CRITERIA IN BLUE)

Criterion 1: Not an employee or executive officer of the Company, nor an employee or executive officer of its parent or of one of its consolidated subsidiaries, and has not been one during the previous 5 years.

Criterion 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.

Criterion 3: Not (nor linked directly or indirectly to) a customer, supplier, investment banker or commercial banker: that is material to the Company or its group; or 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 in duration and intensity of the relationship and the position of the SB Member in the company.

Criterion 4: Not related by close family ties to an executive officer.

Criterion 5: Not an auditor of the company within the previous 5 years.

Criterion 6: Not a director of the Company for more than 12 years as at December 31, 2016.

Criterion 7: Not received personal financial compensation, including any compensation related to the performance of the Company (no STI nor LTI), from the Company other than the compensation received for the work performed as an SB Member.

Criterion 8: Not an MB Member of a company, of which an MB Member (that he/she supervises) is an SB Member (cross ties).

Criterion 9: Has not temporarily managed the Company during the preceding 12 months while MB Members were absent or unable to fulfil their duties.

Criterion 10: Not represent major shareholder of the Company (>10%).

SB Members as at 31/12/2016	Criterion 1	Criterion 2	Criterion 3	Criterion 4	Criterion 5	Criterion 6	Criterion 7	Criterion 8	Criterion 9	Criterion 10	Analysis
Mr Rob ter Haar	✓	✓	✓	✓	✓	✓ 9.5 years (first app. 2007)	✓	✓	✓	✓	**Independent**
Ms Mary Harris	✓	✓	✓	✓	✓	✓ 8.5 years (first app. 2008)	✓	✓	✓	✓	**Independent**
Ms Dagmar Kollmann	✓	✓	✓ (see analysis)	✓	✓	✓ 2.5 years (first app. 2014)	✓	✓	✓	✓	**Independent**
Mr Jean-Louis Laurens	✓	✓	✓	✓	✓	✓ 9.5 years (first app. 2007)	✓	✓	✓	✓	**Independent**
Mr Yves Lyon-Caen	✓	✓	✓	✓	✓	✓ 9.5 years (first app. 2007)	✓	✓	✓	✓	**Independent**
Mr Alec Pelmore	✓	✓	✓	✓	✓	✓ 8.5 years (first app. 2008)	✓	✓	✓	✓	**Independent**
Ms Sophie Stabile	✓	✓	✓ (see analysis)	✓	✓	✓ 1.5 years (first app. 2015)	✓	✓	✓	✓	**Independent**
Mr Jacques Stern	✓	✓	✓ (see analysis)	✓	✓	✓ 0.5 year (first app. 2016)	✓	✓	✓	✓	**Independent**
Ms Jacqueline Tammenoms Bakker	✓	✓	✓	✓	✓	✓ 1.5 years (first app. 2015)	✓	✓	✓	✓	**Independent**

(1) *See Article 3.4 of the Supervisory Board Charter, available on the Company's website and at the Company's registered office.*

Further quantitative and qualitative analysis was carried out by the GNRC and then by the full SB with respect to the assessment of the independence of Mr Rob ter Haar, given his role as SB Chairman, and of Ms Dagmar Kollmann, Ms Sophie Stabile and Mr Jacques Stern given their relationships with the Group during 2016 which are separate to their role as SB Members.

Mr Rob ter Haar: The Afep-Medef Code makes no presumption related to the independence of an SB Chairman. Nonetheless, the French Financial Market Authority, *Autorité des Marchés Financiers* (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 mitigated. In any case, a specific quantitative and qualitative independence analysis has been conducted for Mr Rob ter Haar, SB Chairman. Notably, as demonstrated by the chart above, other than as member and SB Chairman and GNRC, he has no, nor has he previously had any relationship of any kind with the Company, its Group or the management of either. Other than the fees received for the work performed as an SB Member, he has not received personal financial compensation, including any compensation in the form of shares nor any compensation related to the performance of the Company (no STI nor LTI), from Unibail-Rodamco. In addition, as an SB Chairman in a two-tier structure, Mr ter Haar has no executive function and is not involved in the day-to-day operations nor the operational decisions of the Company. **Accordingly, Mr ter Haar is determined to be independent.**

Ms Dagmar Kollmann's independence was further analysed given her other Non-Executive mandate as SB Member of Deutsche Telekom. The following criteria were assessed for Deutsche Telekom AG:

- the legal entity signing lease contracts;
- the percentage represented at group level:
  - out of all stores,
  - of GLA, and
  - of minimum guaranteed rent for the Group's consolidated portfolio in 2016; and
- the date a business relationship was first established at Group level.

Notably, she is a Non-Executive SB Member at each company; she is not and has never been an employee nor executive director of the companies; as a Non-Executive, she is not implicated in the day-to-day operations nor the operational decisions of the companies; the lease contracts between Deutsche Telekom and the Company are entered into between subsidiaries of each group and not at the group level; the contracts between the companies are routine agreements and entered into on an arm's length basis; the rents paid to Unibail-Rodamco are marginal compared to Deutsche Telekom's groupwide lease expenses or total turnover; discussions on specific lease terms and negotiations never rise to the companies' SB level, therefore, she does not participate in negotiations nor have an impact on any negotiations between the entities; and other than the fees received for the work performed as an SB Member, she has not received personal financial compensation, including any compensation in the form of shares nor any compensation related to the performance of the companies (no STI nor LTI), from Unibail-Rodamco. **Accordingly, Ms Kollmann is determined to be independent.**

Ms Sophie Stabile's independence was further analysed given her other functions in the Accor Group as Executive Committee Member of AccorHotels and CEO of HotelServices France and Switzerland and as a Non-Executive Board member of Spie.

With respect to the Accor Group, the following criteria were assessed:

- percentage of GLA and NRI the Accor hotels represent for the Group's consolidated portfolio in 2016; and
- type of business relationship and the date a business relationship was first established.

With respect to Spie, the following criteria were assessed:

- type of business relationship;
- total euro amount paid for services in 2016; and
- date a business relationship was first established, the overall duration and the continuity of same.

Notably, as a Non-Executive SB Member of the Company and of Spie, she is not implicated in the day-to-day operations nor the operational decisions of the Company nor of Spie; the contract fees paid to Unibail-Rodamco and the revenue from the two hotels is marginal compared to Accor's groupwide expenses or total turnover; the service fees paid to Spie are marginal compared to Spie's groupwide total turnover; the hotel management contracts (Accor) and service contracts (Spie) are granted after a tender, are routine agreements for the companies and entered into on an arm's length basis; discussions on specific management contract terms (Accor) or service contract terms (Spie) and negotiations never rise to the SB level nor to the Board level for Spie, therefore, from the Company's perspective she does not participate in negotiations nor have an impact on any negotiations with respect to the Company; and other than the fees received for the work performed as an SB Member and as a Board member of Spie, she has not received personal financial compensation, including any compensation in the form of shares nor any compensation related to the performance of the Company nor of Spie (no STI nor LTI), from Unibail-Rodamco nor from Spie. **Accordingly, Ms Stabile is determined to be independent.**

Mr Jacques Stern independence was further analysed given his other mandate as President and CEO of Global Blue.

The following criteria were assessed:

- the legal entity signing contracts;
- the number of centres represented in the consolidated Group portfolio in 2016;
- the euro amount of fees received in 2016;
- the significance of Global Blue in comparison to other tax free companies used by Unibail-Rodamco; and
- date a business relationship was first established, the overall duration and the continuity of same.

Notably, as a Non-Executive SB Member of the Company, he is not implicated in the day-to-day operations nor the operational decisions 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 service contracts between Global Blue and the Company are entered into between subsidiaries of each group and not at the group level; the business relationship between Global Blue and Unibail-Rodamco has been limited in duration; the service fees paid to Unibail-Rodamco are marginal compared to Global Blue's groupwide service fees expenses or total turnover; discussions on specific service contract terms and negotiations never rise to the SB level, therefore, from the Company's perspective he does not participate in negotiations nor have an impact on any negotiations with respect to the Company; and other than the compensation received for the work performed as an SB Member, he has not received personal financial compensation, including any compensation in the form of shares nor any compensation related to the performance of the Company (no STI nor LTI), from Unibail-Rodamco. **Accordingly, Mr Stern is determined to be independent.**

In order to ensure that each SB Member acts with loyalty, independence and professionalism and in accordance with the SB Charter[1], each SB Member must immediately report any potential conflicts of interest with the Company to the SB Chairman and to the other SB Members 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 to which he/she has a conflict of interest.

Additionally, SB Members must seek prior SB approval before accepting a new directorship in order for the SB to conduct, among other things, a conflict of interest and independence analysis. For more details regarding conflicts of interest, in particular the Group's Code of Ethics, see the Group Compliance Programme section on pages 362 to 365.

6.2.1.1.6. Meetings, Attendance and Information

Pursuant to its Charter, the SB meets at least five times a year according to a pre-set schedule. Extraordinary meetings may be held for specific reasons at the written request of the SB Chairman, or one-third of the SB Members, or any MB Member. To encourage attendance at SB and committee meetings, attendance of members is taken into consideration for the payment of the variable portion of the annual SB Member fee which accounts for 60%[2] of the total member and committee fee. For details on member attendance see page 280. The Statutory Auditors attend the year-end and half-year meetings of the SB where the financial statements for those periods are reviewed.

The meeting documents are sent at least three days prior to SB meetings (except in unusual circumstances). This includes a detailed agenda and comprehensive papers enabling the SB Members to prepare for the discussion or, if necessary, the approval of the matters on the agenda. Whenever appropriate, SB Members are sent materials prepared by the Company's advisors and/or risk managers. To ensure that SB Members are fully informed of developments in the respective industry segments and of events taking place within the Group, strategic matters, operations, digital, talent and sustainability are regularly discussed during SB meetings. SB Members also receive press reviews and financial reports on Unibail-Rodamco SE and on industry matters.

Once a year, the SB and MB take the opportunity to visit a country where the Group is present to discuss strategic matters and market developments in-depth and to interact directly with the local management team. In 2016, the SB and MB took the opportunity to visit the Nordic region. They spent time at the Stockholm office, visited two major assets and that of a competitor and discussed in detail Group's strategy and market developments. The SB and MB also held separate strategy meetings during this visit whereby the Group's strategic objectives, challenges and opportunities as well as the Group's growth strategy and its digital and IT strategy were discussed.

An annual training day is held for the SB Members which typically includes a Group asset visit. In 2016, the event focused on Innovation. The SB Members visited the Player, a start-up incubator in Paris, as well as Forum des Halles inaugurated just a few months before. Furthermore, each new member of the SB participates in an induction program individually tailored to that particular member's skill set, experience and expertise. The induction program provides the new member with information unique to the Group and its business activities, its financial reports and legal affairs as well as site visits to particular assets.

(1) *See Article 11 of the Supervisory Board Charter, available on the Company's website and at the Company's registered office.*

(2) *Increased to 67% as from January 2017.*

6.2.1.1.7. Summary of Supervisory Board Activities

The SB held seven meetings in 2016 (including its annual strategy retreat meeting and one *ad hoc* meeting). Overall average attendance at these meetings was 85%. Since 2013, the SB begins or ends its meetings at least twice a year in the absence of the MB (*i.e.* "non-executive sessions"). In 2016, the SB had three "non-executive sessions". Additionally, the SB had its annual informal dinner in the absence of the MB. The SB may conduct a 'non-executive session' at any time it deems necessary. In addition to the matters within its statutory scope, the SB was briefed on and discussed all major events in 2016, both internal (*e.g.* organisation matters, key appointments within the Group, internal audits, etc.) and external (*e.g.* acquisitions, disposals, developments in the Group's strategy, development projects, financial policy, etc.).

Principal responsibilities of the Supervisory Board	Key areas discussed, reviewed or approved in 2016
Company Strategy	• Investment, development and divestment projects and operations in 2016 • Regular updates: on share price and business activities (operations, finance, human resources, sustainability, development projects) • Updates on Digital and IT strategy, tools and projects • Adoption of the new CSR agenda – "Better Places 2030" strategy
Financial Performance and Reporting	• Approval of quarterly financial statements and consolidated accounts • Approval of 2016 budget • Group's five-year business plan, financial resources and borrowing requirements
Internal risk management and control systems	• 2016 internal audit plan • Internal audit, risk management and compliance matters • 2016 focus on risk management (external risk management review and assessment by KPMG) • Formalisation of a Risk Management Policy
Compliance with relevant laws and regulations	• Annual Group Compliance program • Annual review of the independence of SB Members • Confirm absence of related party agreements • Regular tax updates including changes at OECD level • Regular updates on regulatory/legal changes including regarding Statutory Auditors
Succession Planning	• Succession planning throughout the year of the SB, MB and the Group Management Team • Annual review of the SB and Committee profile and composition • Appointment of SB Members: Mr Jacques Stern
Company Remuneration Policy and Performance Assessments	• Remuneration of the MB Members (including FI, level of attainment of annual STI targets and LTI targets) • Extensive review and restructuring of the LTI plan • Revision of the SB Member fees applicable in 2017 • Formal evaluation of the functioning and efficiency of the SB (annual self-assessment process) and of the MB • 2016 Company Savings Plan
Human Resources	• Talent Management • Annual review of equal opportunity – international and gender diversity • Review of the Engagement Survey results and action plan
Shareholder Outreach and Engagement	• AGM materials (agenda, resolutions, etc.) and SB Chairman's report • Dividend distribution payment policy and annual allocation and distribution of profits • Updates on shareholder composition, discussions with shareholders and shareholder expectations

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 and the GNRC were systematically made available to all SB Members through the SB's electronic platform.

6.2.1.1.8. Annual Management Board and Group Management Team Succession Planning

Talent management and development is key to the long-term competitiveness and growth of the Company. Every year, the GNRC spends significant time discussing the MB and Group Management Team's succession plan. The CEO, together with the CRO, presents the critical leadership roles succession in detail. Diversity in terms of gender and nationality are also key points of discussion for the succession pipeline in order to ensure that the best talents are identified and developed. This work is then discussed in the GNRC feedback to the SB.

6.2.1.1.9. Annual Supervisory Board Self-Assessment

The annual self-assessment exercise was performed by the full SB in accordance with the provisions of the Afep-Medef Code by way of a written questionnaire and discussion thereafter. The evaluation of the SB consisted of a detailed questionnaire which was completed on a confidential basis and had the purpose of providing insight into each member's assessment of the performance of the SB, its Committees and its members, of the SB Chairman, the GNRC Chairman and the AC Chairman as well as on the overall functioning of the SB. In addition to this, a discussion on the functioning of the SB was also carried out which was structured around several key points. The AC and the GNRC performed their own separate self-assessment exercises in the form of a discussion based on the written questionnaire. MB Members were not present and did not participate in these assessments. This type of self-assessment is carried out annually with a more in-depth and detailed formal self-assessment carried out every three years. The conclusion of the three assessments was that the current corporate governance structure and arrangements are functioning well and that there is a good level of overall participation and contribution of each member. Several improvements based on the previous year's self-assessment were noted, in particular, the additional time dedicated to meetings in general and to particular topics of importance.

Furthermore, the following areas of improvement were identified with continuous efforts in 2017 to:

- have focused reports on the specific risk topics identified by the AC in 2017;
- spend additional time on strategy and risk management;
- keeping the SB informed of market trends in IT, digital and consumer behavior.

6.2.1.1.10. Supervisory Board Remuneration

2016 Fees Rules

The AGM Envelope since 2007 is €875,000. The fee paid to the SB Chairman is paid separately and in addition to the general envelope fixed by the General Meeting for the other SB Members.

	Variable Fee (based on attendance)	Fixed Fee	Total
SB Chairman Fee	NA	€150,000	€150,000
SB Vice-Chairman Fee	NA	€10,000	€10,000
SB Member Fee	€31,200 (60%)	€20,800 (40%)	€52,000
Additional Committee Chairman Fee	NA	€10,000	€10,000
Additional Committee Member Fee	€6,000 (60%)	€4,000 (40%)	€10,000

For details and discussion on the SB Remuneration policy please see pages 293 to 294.

6.2.1.2. Functioning of the Specialised Committees of the Supervisory Board

Two specialised committees assist the SB: (1) the AC and (2) the GNRC. All SB Members participate in one of these committees. The committees function under separate Charters[1].

6.2.1.2.1. Audit Committee

Tasks

The AC's main role is to oversee financial matters, internal control and risk management. In this context and in accordance with its Charter[1], the AC examines and reports to the SB on the following matters:

- Consolidated accounts and quarterly financial statements;
- business information, asset valuations, off-balance sheet commitments and the Group's overall cash position;
- internal management controls, internal audit, risk control and the implementation of Company-relevant financial legislation;
- the Company's financial policy (accounting methods and developments in legislation, etc.), finance and tax planning;
- the evaluation and/or adoption of the Statutory Auditors' recommendations;
- the relationship between the Company and its Statutory Auditors.

Composition

The AC is composed of four independent members, including the Chairman of the AC, pursuant to the criteria defined in the Afep-Medef Code. All AC Members are financially literate and, pursuant to French Commercial Code requirements, each member has expertise in financial administration and accounting for listed companies or other large companies exposed to IFRS accounting methods. Typically, the Chairman of the MB (CEO), the CFO, the Deputy CFO and the CRO attend AC meetings. Other MB Members may also attend meetings unless decided otherwise by the AC. The AC may decide to meet without the MB Members or to meet only with the

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

CEO, the CFO or the Statutory Auditors. The Group Director of Tax, the Group Director of Consolidation and Accounting, the Group Director of Control and the Group Director of Internal Audit & Risk Management attend AC meetings at the request of the AC.

Meetings and Information

The AC meets at least on a quarterly basis and whenever one or more SB or MB Member(s) request a meeting. The AC receives a presentation from the Statutory Auditors twice a year after which they meet with the Statutory Auditors without the MB Members being present. During its annual self-assessment the AC meets without the MB Members being present. The AC may decide to meet without the MB Members or to meet only with the CEO as it deems necessary. The AC may solicit the advice of external advisers as it deems necessary.

Members receive the meeting documents which include an agenda and comprehensive papers at least three days prior to each meeting. To allow for adequate preparation and consideration, the AC usually meets at least 48 hours prior to the SB meeting at which the full-year accounts are reviewed and 24 hours prior to the SB meeting at which the half-year accounts are reviewed. The SB is informed of the proceedings and recommendations of the AC at its meeting directly following that of the AC.

Summary of Audit Committee Activity

The AC met four times in 2016 (twice in the presence of the Statutory Auditors). The average member attendance rate was 86%.

Principal responsibilities of the Audit Committee	Key areas discussed, reviewed or/and recommended for approval to the Supervisory Board in 2016
Company Financial Policy	• 2016 budget • Group's five-year business plan, financial resources and borrowing requirements • Dividend distribution payment policy and annual allocation and distribution of profits
Financial Performance and Reporting	• Consolidated accounts and quarterly financial statements • Revaluation of net assets, corporate risks and off-balance sheet commitments • Regular tax updates including changes at OECD level
Internal risk management and control systems	• 2016 internal audit plan, charter, quarterly reports and risk mapping • Internal audit, risk management and compliance matters (and reporting) • 2016 focus on risk management (external risk management review and assessment by KPMG) • Formalisation of a Risk Management Policy • Examination of the Company's exposure to and management of risks • Annual evaluation of the functioning and efficiency of the AC • Updates on Digital and IT strategy, tools and projects
Relationship with Statutory Auditors	• Statutory Auditors relationship and discussion for the closing of the 2015 annual accounts and 2016 half-year accounts • Legal changes regarding Statutory Auditors (non-audit services)

Audit Committee Remuneration

For details and discussion on the AC Remuneration please see pages 293 to 294.

6.2.1.2.2. Governance, Nomination & Remuneration Committee (GNRC)

Tasks

The GNRC's role is to examine all issues falling within its scope of action under the GNRC Charter[1] and to advise the SB accordingly. Its tasks specifically include a constant review of the independence of the SB Members pursuant to the criteria defined in the Afep-Medef Code. In relation to governance matters, the GNRC assesses the adequacy of the Company's corporate governance rules and practices, concerning the Company as a whole as well as the MB, the SB and its committees. It continuously evaluates the Company's compliance against these rules. The GNRC also monitors the Group's remuneration policy and related remuneration arrangements (FI, STI, LTI and Supplementary Contribution Scheme) for MB Members and the remuneration and attendance fee arrangements for SB Members. In relation to nomination matters, it develops profiles and screening criteria for SB candidates and initiates proposals for the renewal and appointment of SB and MB Members. It also assesses the performance of SB and MB Members on a regular basis.

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

Composition

The GNRC is composed of five independent members, including the GNRC Chairman who also happens to be the SB Chairman, pursuant to the criteria defined in the Afep-Medef Code.

In addition to GNRC Members, the CEO and the CRO typically attend GNRC meetings. The GNRC may decide to meet without the CEO and the CRO. At least twice a year, during the annual self-assessment of the GNRC as well as during assessment of and the decision on the compensation of the MB, the GNRC meets without the CEO and the CRO being present. At least once a year the GNRC receives a Compliance Report presentation from the Group Director Internal Audit & Risk Management. Additionally, other persons may be invited to attend by the GNRC Chairman.

Meetings and Information

The GNRC meets at least two times a year and whenever one or more SB or MB Member(s) request a meeting. 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 GNRC's proceedings and recommendations at the meeting directly following that of the GNRC.

Summary of Governance, Nomination and Remuneration Committee Activity

The GNRC met six times in 2016 (including two *ad hoc* meetings). The average member attendance rate was 87%.

Principal responsibilities of the GNRC	Key areas discussed, reviewed or/and recommended for approval to the Supervisory Board in 2016
Governance	• Unibail-Rodamco SE's governance practices compared to the Afep-Medef Code • Application of any changes required pursuant to revisions to the French Commercial Code (*e.g.* Loi Sapin II) • Adoption of the new CSR agenda – "Better Places 2030" strategy
Compliance with relevant laws and regulations	• Confirm absence of related party agreements • Annual Group Compliance program • Annual review of the independence of SB Members • Regular updates on regulatory/legal changes
Succession Planning	• Succession planning throughout the year of the SB, MB and the Group Management Team • Annual review of the SB and Committee profile and composition • Appointment of SB Members: Mr Jacques Stern
Company Remuneration Policy and Performance Assessments	• Remuneration of the MB (including FI, level of attainment of annual STI targets and LTI targets) • Extensive review and restructuring of the LTI plan • Revision of the SB Member fees applicable in 2017 • Annual evaluation of the functioning and efficiency of the GNRC, SB (annual self-assessment process) and of the MB • 2016 Company Savings Plan
Human Resources	• Talent Management • Annual review of equal opportunity – international and gender diversity • Review of the Engagement Survey results and action plan
Shareholder Outreach and Engagement	• SB Chairman's report • Updates on shareholder composition, discussions with shareholders and shareholder expectations

Governance, Nomination and Remuneration Committee Remuneration

For details and discussion on the SB Remuneration please see pages 293 to 294.

6.2.2. Remuneration of the Management Board Members

With regard to the MB's remuneration, Unibail-Rodamco SE applies all of the Afep-Medef Code recommendations.

The MB Remuneration Policy is developed by the GNRC and approved by the SB. The remuneration of each MB Member consists of four components: (i) Fixed Income (FI), (ii) Short-Term Incentive (STI), (iii) Long-Term Incentive (LTI) comprised of Performance Stock Options and Performance Shares both subject to performance and presence conditions which promote the "Pay For Performance" principle wherein only outperformance is rewarded, and (iv) other benefits (including Supplementary Contribution Scheme, company car and insurance). The goal of the MB Remuneration Policy is to ensure an incentive structure that retains, motivates and rewards long-term performance while aligning their interests with the long-term value creation objectives of the Company and its shareholders (for more details see pages 294 to 295). Over the past two years, the SB, upon the recommendation of the GNRC has restructured various aspects of the remuneration policy with a focused review each year to further strengthen the alignment with shareholder interests.

6.2.3. Corporate Governance

In accordance with Article L. 225-68 of the French Commercial Code, Unibail-Rodamco SE has adopted the Afep-Medef Code as its code of reference for corporate governance matters. Unibail-Rodamco SE has analysed its practices and procedures against the Afep-Medef Code. As at the date of filing, the Company fully complies with all of the Afep-Medef Code's recommendations.

All shareholders have the right to attend shareholders' meetings. The terms and conditions of participation in shareholders meetings are set out in Article 18 of the Company's Articles of Association. All information pursuant to Article L. 225-100 of the French Commercial Code that is likely to have an effect in the event of a takeover, such as the information specified in Article L. 225-100-3, is included in the annual report available to shareholders (see page 335).

6.2.4. Internal Control System

The Unibail-Rodamco Group is active in the commercial property sector, more specifically in the development, management and regular refurbishment of shopping centres and offices, and the management and organisation of convention and exhibition venues and associated services. Apart from general risk factors, the Group's business is subject to common exposure and systemic risks including, in particular, the cyclical nature of the property sector. The Group's strategy and policies aim to prevent and/or to limit the negative effects of these risks. However, sudden changes in the geopolitical, political, social, economic, consumer behavior, financial, monetary, regulatory, health and ecological environment could have a negative impact on the Group, and result in, amongst other things, a decrease in asset values, an increase in certain costs, or investment/divestment operations being delayed or even abandoned.

"Controllable" risks are identified through a risk mapping process which focuses on key risks and assesses them on the basis of probability and magnitude. This risk mapping is monitored on a regular basis and is fully reviewed by the Group Risk Committee annually. This committee is composed of the CRO (Chair), the CFO, the Deputy CFO, the Group General Counsel, the Managing Director of Major Constructions and the Group Directors of Human Resources and Organisation, Information Technology, Internal Audit, Insurance and Property Maintenance and Purchasing. It aims at anticipating risks and following up on risk indicators (see section Risk Factors pages 353 to 361).

These "controllable" risks are monitored through the Group's internal control system. This system covers all activities of the Group in all regions. This system is based on a set of principles that aim to provide reasonable assurance that the following internal control objectives are met:

- transactions are executed effectively and optimised;
- property assets are protected;
- financial information is reliable; and
- all of the foregoing and all operations comply with prevailing legislation, external regulations and Unibail-Rodamco's internal rules.

The Group's internal control system is in line with the general principles of the Internal Control System reference framework drafted by the AMF working group and is based on:

- standardised procedures;
- accountability of managers in charge of the business, finance and control;
- a committee-based decision-making process for acquisitions, disposals and refurbishment/construction projects; and
- a segregation of duties between the executive and control functions.

Unibail-Rodamco SE is run by an MB, composed of six members as at December 31, 2016, which manages all of the Group's activities. The MB holds fortnightly meetings as well as *ad hoc* meetings whenever required. It acts as the decision-making body for any issues that, due to their financial significance or strategic and/or cross-functional nature, require its involvement. Its main focus areas are set out in the MB Charter, which is available on the Group's website.

The Group's control environment includes the Compliance Book for Governance, Organisation & Corporate Rules (Compliance Book). The Compliance Book details:

- the Group organisation structure: a matrix organisation with a double reporting line at corporate and regional levels;
- the governance organisation for Unibail-Rodamco SE and its subsidiaries;
- a framework of core processes and internal rules covering investment & divestment, development, leasing activities and support functions, notably Finance and Human Resources;
- a Code of Ethics covering the Group's core values and rules of conduct, with particular emphasis on ethical behaviour, conflicts of interests, confidentiality of information, and transactions involving the Group's shares; and
- an Anti-corruption programme, revised in 2016, will be rolled out in 2017.

In addition to the Compliance Book, the Group's control environment comprises of:

- job descriptions and an appraisal system based on performance targets for the entire Group;
- a set of delegation of authority and responsibility rules and limits that span all of the Group's activities;
- specific procedures applicable at the corporate level and in the different regions where the Group is present; and
- less formal instructions and recommendations that nevertheless form an integral part of the internal control system.

A description of the main risks monitored by this internal control system follows (for related mitigating measures see section Risk Factors on pages 353 to 361).

6.2.4.1. Investment and Divestment Authorisation

Corporate business development or property acquisition projects are always discussed by the relevant management team. Any deal opportunity is presented to the CEO and the CFO in order to determine whether the transaction is worth pursuing and investigating. If it is worth pursuing or investigating, a project manager is appointed.

A legal, financial, technical and commercial review of these transactions is subsequently presented to an *ad hoc* committee comprising of the CEO, the CFO, the COO, the CDO (for property development and re-development) and the relevant Regional Managing Director and regional Investment teams. This committee approves the value creation strategy, the assumptions made and the offer price, subject to a more in-depth audit (data room) and final approval in compliance with the Group's authorisation rules. Various financial models (*e.g.* discounted cash flows, peer comparisons) are used and provide the basis for the committee's assessment.

During the annual budget review within each region, a disposal schedule is drawn up for mature properties. These asset divestments are then prepared and analysed in detail by the committee referred to above, which verifies the assumptions on which the disposal conditions are based.

Unibail-Rodamco's property assets are valued twice a year by external experts. This enables the Group to assess the respective market values and to verify and validate the internal assumptions that are used to determine the selling price or rental value of its different properties. Most of the teams involved in reviewing and managing these transactions have experience in mergers and acquisitions acquired through investment banks, law firms or other institutions specialising in such areas of functional expertise. The Group calls upon external experts, such as lawyers, tax specialists, auditors and consultants, whenever necessary.

In accordance with the Group's authorisation rules, any transaction within the boundaries of the Group's existing strategy and/or in European Union member states is subject to final approval by the MB when exceeding €100 Mn and is subject to the additional prior approval by the SB when exceeding €500 Mn.

For transactions outside the Group's existing strategy and/or in a country outside European Union member states, the MB's approval is required and the SB's approval is required for such transactions exceeding €25 Mn.

The Unibail-Rodamco Group has centralised the documentation and management of legal matters relating to all of its property assets in Austria, France, Spain and the Netherlands.

This centralised organisation makes it easier to prepare data rooms when properties are being sold and helps to improve the liquidity of the assets.

6.2.4.2. Risks Associated with the Management of Construction and Refurbishment Projects

Unibail-Rodamco's construction projects are carried out in countries where the Group has a locally based team.

Unibail-Rodamco, except in exceptional cases, selects large, reputable contractors to work on its construction and refurbishment projects by issuing invitations to tender based on a set of clear specifications. The final choice of contractors is made once a comparative analysis of written offers has been carried out. Any discrepancies in relation to the original budget must be explained and justified. In 2016, the Group revised its anti-corruption program which will be implemented in 2017 in order to prevent the risk of corruption and bribery.

In addition, Unibail-Rodamco employs construction experts within its own organisation. They act as project managers and are responsible for ensuring that:

- the properties built by the Group's contractors comply with the design specifications;
- construction and renovation costs are kept under control and remain in line with initial budgets; and
- buildings comply with the Group's Environmental Quality Charter and any regulations applicable to owners.

The progress of the works, the budget and internal rate of return of each project is reviewed on a quarterly basis at Group level by the Control Department and the MB.

This organisation is completed by the Director of Finance of Unibail-Rodamco Development who is in charge of monitoring the financial, legal and tax structuring of Unibail-Rodamco Development projects and optimising Development project costs, controlling, budgeting and reporting.

To manage environmental risks, the Group organises regular meetings with all regional contacts responsible for environmental policy, and closely examines each environmental action plan and achievements annually at site level to shape a common environmental performance policy and monitor the way it is embedded into operating practices. The Group has been listed on The Dow Jones Sustainability Index since 2008.

Unibail-Rodamco SE publishes detailed corporate sustainability information annually dealing with the Group's environmental and social policy, its targets and achievements (see pages 62 to 167).

6.2.4.3. Asset Protection Risks

Unibail-Rodamco is covered by a Group insurance program that is underwritten by reputable leading insurance companies. This program is monitored by the Group Insurance Department in liaison with local teams and insurance brokers. In addition, Unibail-Rodamco carries out a regular follow-up of the solvency rating of its insurers.

For property damage, most of the Group's property assets are insured for their full reconstruction value, which is regularly assessed by external property insurance appraisers and for business interruption and loss of rents. The Group has also taken out general liability insurance that covers financial damages incurred by third parties.

Under the terrorism programme, French and Spanish assets are insured 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 Regions are insured against terrorism under a dedicated programme which includes an annual aggregate limit based on the asset which has the highest insured value with respect to rebuilding cost and loss of rent.

Most construction projects and renovation works on properties are covered by Contractor's All Risk policies in all regions. Defects affecting the works are covered by Decennial Insurance in France and Inherent Defect Insurance for construction or extension large projects, in other regions or by contractors warranties.

6.2.4.4. Risks Associated with Property Leasing and Ancillary Services

The marketing of assets is handled by dedicated teams with, in the case of the Office Division, additional support from leading external brokers. Targets (*e.g.* prices, deadlines and prospective tenants) are defined within each region in collaboration with a team at Group level and are presented to the MB for approval. Leases that are particularly important in terms of value or special terms and conditions (*e.g.* price, term, and security) must be approved in advance at MB level by the COO or by the CEO.

The large number of tenants in the Group's shopping centre portfolio is varied, and thus minimises the risks associated in the event of the insolvency of any retailer. The Group's principal tenants in its office portfolio are blue-chip companies. When tenants sign their lease agreements, most are required to provide financial guarantees, such as a deposit, first-demand guarantee or surety bond equal to 2-6 months' rent. The amounts due under the lease agreements are invoiced by the Group's property management companies. In all regions, a set of procedures describe how invoicing and the recovery of rents and service charges are organised and monitored. Payments for ancillary services provided by the Convention and Exhibition division are generally received in advance, thereby reducing the risk of unpaid debts. Late payment reminders are systematically issued in respect of late payments and are monitored by local teams in each region. These teams decide on the pre-litigation or actual litigation action to be taken.

6.2.4.5. Financial Risks

See Risk Factors pages 356 to 357.

6.2.4.6. Legal Risks

Legal risks are monitored by the Group General Counsel, who oversees the deployment of the Group's legal philosophy, policies and procedures to protect the Group's interests and ensure that Unibail-Rodamco complies with the regulations that govern its operations. The legal organisation is composed of a central corporate department and regional departments which are monitored by the Group General Counsel. These departments are charged with protecting the Group's interests in contractual matters, drawing up standard contracts and supervising litigation.

Through its action within the various national professional organisations bringing together the main operators in the commercial real estate and office sectors, the Group endeavors to anticipate any legislative initiatives likely to have an impact on its business. The Group participates in the dialogue with the national or local authorities to formulate proposals in order to prevent and accompany the risks linked to regulatory changes.

In addition, by exercising its activities in different countries, the Group limits the impact of legislative and regulatory risks.

The Group has developed a legal organisation at local and central level to ensure compliance with the laws and regulations to which it is subject. An active prevention and precautionary policy is an integral part of its diligence and procedures, including ethics and compliance.

The Group employs lawyers who are specialists in jurisdictions in which the Group operates and who enlist the support of external counsel and experts as required. In all regions, the Group legal department has implemented systematic information procedures to ensure senior management at Group and regional levels is informed immediately of any new risks or of any events likely to alter the assessment of an existing risk.

Every quarter, all local legal department provide the Group General Counsel with formal progress reports on the Group's main outstanding disputes. There is a centralised procedure for registered mail that is received at the Group's French registered office. An equivalent procedure has been implemented in all of the regions.

6.2.4.7. Information Technology (IT) Risks

See Risk Factors pages 359 to 360.

6.2.4.8. Risks Associated with the Production of Financial and Accounting Data

Accounting systems can be a source of financial risk, particularly in the context of end-of-period accounting, the consolidation of accounts, and accounting for off-balance sheet obligations.

Accounting processes are handled by local and corporate teams using multiple information systems. Unibail-Rodamco uses manuals for accounting procedures and instructions which describe the segregation of duties between the accounting execution and control.

Unibail-Rodamco maintains analytical accounting reporting on each property, event and exhibition to monitor budget execution.

A common process and reporting template, the Quarterly Flash Report (QFR), is used. This report consists of a set of quarterly (or half-yearly) data valuations, pipeline projects and operational Key Performance Indicators (KPIs), as well as financial data such as comparisons between actuals and budget, actuals year by year, and full year forecasts (Gross Rental Income, Net Rental Income, administrative expenses, etc.). Reports are prepared and checked at the regional level before being submitted to the Group Control and Consolidation departments.

Regional quarterly reports are double-checked and challenged by the Group Control Department, which analyses the KPIs as well as any discrepancies between the budget and end-of-period actuals or forecasts. Group Control establishes a Group QFR which consolidates all Group KPIs, valuations and pipeline projects. The QFRs are presented to the MB by the country management teams of each region and the consolidated QFR is provided to the AC and the SB.

Consolidated financial statements are produced for the Unibail-Rodamco Group. The consolidation process is centralised and carried out by a dedicated team in the Group Consolidation department.

When consolidating the accounts, multiple checks are carried out, of which:

- variations in the controlling shares of subsidiaries and investments are tracked to ensure an appropriate method of consolidation;
- consolidated packages received from regions are reconciled with the QFRs;
- adjustments to consolidated figures are analysed and explained in a report;
- reports from local external auditors are analysed;
- variation analyses related to budgets and forecasts are cross checked with Controlling; and
- implementation of a "tax reporting" module in the consolidation application in order to enhance consistency checks with the Group's consolidated results.

Rules for off-balance sheet commitment recordings have been laid down in specific procedures in order to ensure that each commitment is centrally logged by the Legal Department. Commitments given and received are aggregated and brought to the attention of the MB and the SB.

Group financial statements are reviewed by the Statutory Auditors before being presented and explained to the MB, the AC and, ultimately, to the SB.

The appraisal of the internal control system is carried out by the Group Internal Audit Department (composed of four persons) which conducts regular assignments into all of the Group's business units in line with the annual audit plan approved by the MB and the SB.

The CEO or (the Chairman of) the AC can also ask the Group Internal Audit Department to carry out one-off "flash" assignments in order to provide a rapid response to urgent issues and/or the treatment of new risks or problems. Final audit reports are addressed to the MB and to each department which has been involved in the audit. A summary of audit findings is provided to the AC on a quarterly basis.

Unibail-Rodamco's Internal Audit Charter sets out the different missions of the audit function. To ensure it remains genuinely independent, the Internal Audit Department reports directly to the CEO and to the Chairman of the AC.

6.3. SUPERVISORY BOARD REPORT ON THE REMUNERATION POLICY

Remuneration: policy and implementation

Letter from the Governance, Nomination & Remuneration Committee Chairman

"A demanding Remuneration Policy designed to ensure complete alignment of the interests of the Management Board with the long-term value creation objectives of the Company and its shareholders"

Dear Shareholders,

As part of Unibail-Rodamco's active engagement with shareholders, an outreach campaign was conducted in 2016 with major shareholders and proxy advisors with respect to governance matters in general and, in particular, the Company's Remuneration Policy including its Long-term Incentive (LTI) scheme.

The Supervisory Board (SB), together with the Governance, Nomination & Remuneration Committee (GNRC), has over the past few years, worked on refining the remuneration structure to ensure complete alignment of the interests of employees and the Management Board (MB) with the long-term value creation objectives of the Company and its shareholders.

In 2014, this included revisions to the Supplementary Contribution Scheme to simplify it and include a component linked to performance. In 2015, this included a revision to the Short-term Incentive structure in order to simplify the quantitative component, to further ensure direct alignment of MB remuneration with the Group's performance, and to allow the targets to be disclosed to the market. In 2016, extensive work has been done in order to restructure the LTI scheme: first, in response to shareholder feedback, to move the Performance Share plan to a single-testing scheme; second, in order to more accurately reflect the Group's strategy, to introduce an internal key performance metric; and third, in order to refine the reference index, to better measure the Company's performance relative to its peers with similar business activities and cycles. The restructuring of the LTI scheme was very well received by the vast majority of shareholders during the consultation process.

On behalf of the SB and the GNRC, I am pleased to present the outcome of this work in the Remuneration section of this Annual Report, which is structured in two parts.

First, the Company's **Remuneration Policy**, submitted for a binding shareholder vote, summarizes the principles and criteria applicable to the determination, allocation and award of the elements of remuneration with respect to:

- the SB Chairman;
- the non-Chair SB Members;
- the CEO; and
- the non-CEO MB Members.

Pursuant to the French Commercial Code, you will be asked to vote on the Company's Remuneration Policy annually.

Second, the **Remuneration Report** which includes the elements of remuneration due or granted to the CEO and the other MB Members for the 2016 financial year, submitted for an advisory shareholder vote ("Say on Pay") at the Annual General Meeting of April 25, 2017.

Thanks to the quality of the SB and MB Members, the exceptional 2016 results, the balanced structure of the remuneration scheme and its undeniable link with Company performance and good execution of its strategy, I look forward to receiving a high level of support at the 2017 Annual General Meeting.

Sincerely,

Rob ter Haar

GNRC Chairman

This report is part of the SB report on the MB report and provides all details on Resolutions No. 5, 6 and 7 to be submitted for approval at the Annual General Meeting to be held on April 25, 2017 pursuant to Article L. 225-82-2 of the French Commercial Code.

The Remuneration Policy described will take effect following shareholder approval.

6.3.1. Remuneration Policy of Supervisory Board (SB) Members (Resolution No. 5)

The annual fee of the SB Members is intended to attract and retain high caliber individuals with an appropriate 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 Unibail-Rodamco.

The annual fee received by the SB Members is determined by the SB, upon the recommendation of the GNRC and, in the case of the SB Chairman's fee, in the absence of the Chairman. In order to ensure a reasonable remuneration while attracting and maintaining diverse and international members, an analysis is conducted by an external independent advisor to compare independent Board and Chairmen fees in the countries from which its SB Members originate or have extensive experience in (France, the Netherlands, Germany and the United Kingdom). The annual fee of SB Members is designed to only be reviewed, under GNRC supervision, at long intervals. It might be reviewed in the event of significant changes in the Company or the market.

In an increasingly competitive international environment, all SB Members also receive an out of country indemnity for time spent on their duties as SB Members outside their country of residence.

While attendance is of course mandatory for the Chairman, Member attendance is also key for the proper functioning of the SB and its Committees. Accordingly, a significant portion (67%) of the annual fee received by non-Chair Members is based on attendance at both SB and Committee meetings. Furthermore, a "Physical Presence Rule" applies to this variable portion of the SB Member fees. Attendance by phone should not occur for more than 30% of scheduled meetings. Otherwise, the SB Member will not be paid the variable portion for those meetings attended by phone above this threshold.

In order to ensure a high standard of supervision and monitoring of the Company strategy as well as to avoid any potential conflict of interest, the SB Members are prohibited from receiving any remuneration related to Company performance.

In order to promote an alignment between SB Member and shareholder interests, all SB Members are required to hold, within 2 years of appointment, a number of shares at least equal to one year of the SB Member fees.

The total annual amount authorised by the General Meeting to be allocated towards non-Chair SB Member fees is €875,000. This amount was approved on June 26, 2007 and has remained unchanged since. The annual fee paid to the SB Chairman is paid separately and in addition to this general envelope.

Adjustments to SB Member Remuneration in 2017

In connection with the SB succession planning, a market study was conducted in 2016 by Kepler (a brand of Mercer), an external independent advisor. The non-Chair Member fees has remained unchanged since 2007, yet the scope of governance matters of Boards across world markets generally, and specifically for the SB of Unibail-Rodamco, has continued to increase over time. Additionally, the size of Unibail-Rodamco has also grown, its property portfolio almost doubling over the past 10 years, increasing the breadth and the scale of the members' responsibilities.

The study revealed that the SB Chairman's fees were significantly lower than its peers across European countries, while the member fees were significantly lower than their non-French peers. The SB considered several other factors including the size of the Company's portfolio and the fact that the two-tier governance structure translates into significant governance responsibilities. Accordingly, the SB, upon the recommendation of the GNRC, voted to, as from January 2017:

- increase the SB Chairman's fees; and
- increase the other SB Member fees, for the first time in 10 years.

The variable proportion paid upon attendance of meetings as well as the out of country indemnity were also increased. The latter now distinguishes between European and inter-continental travel.

The Chairman's fees remain significantly lower than those of independent Chairmen in France, Germany and the United Kingdom and the other SB Member fees remain significantly lower than non-executive Board Member fees for non-French peers.

	SB Member Remuneration [1] 2016		2017	
SB Chairman Basic Annual Fee	€150,000		**€180,000**	
Non-Chair SB Member Basic Annual Fee	€52,000		**€60,000**	
	Fixed (40%)	Variable (60%) *according to attendance*	**Fixed (33%)**	**Variable (67%)** ***according to attendance***
	€20,800	€31,200	**€20,000**	**€40,000**
Additional SB Vice-Chairman Fee	€15,000		**€15,000**	
Additional Committee Chairman Fee	€10,000		**€15,000**	
Additional Committee Member Fee	€10,000		**€15,000**	
	Fixed (40%)	Variable (60%) *according to attendance*	**Fixed (33%)**	**Variable (67%)** ***according to attendance***
	€4,000	€6,000	**€5,000**	**€10,000**
Out of Country Indemnity (European travel)	€1,350 per event		**€1,500 per event**	
Out of Country Indemnity (inter-continental travel)	NA		**€3,000 per event**	
Variable Short-term Incentive	None		**None**	
Long-term Incentive or any remuneration related to Company performance	None		**None**	
Exceptional Remuneration	None		**None**	
Welcome Bonus	None		**None**	
Contractual Severance Package	None		**None**	
Contractual Non-Compete Indemnity	None		**None**	
Pension	None		**None**	
Other Benefits	None		**None**	

(1) Before income tax and social security charges.

6.3.2. Remuneration Policy of Management Board (MB) Members (Resolutions No. 6 and 7)

The remuneration of the MB Members is determined by the SB upon the recommendation of the GNRC and in accordance with the Afep-Medef Code.

The SB designed the Group's Remuneration Policy in line with the best market practices and shareholder interests. It ensures the alignment of the MB with the Company's strategy by (i) establishing competitive remuneration levels, (ii) creating a direct and explicit link between Company performance and each MB Member's remuneration and (iii) ensuring a balanced approach between short-term performance and medium/long-term performance.

Remuneration Philosophy

- **Comprehensive assessment of the remuneration** of each MB Member by the GNRC and the SB: all the remuneration components are analyzed both individually and collectively to ensure the right balance. Increases in remuneration are decided considering the evolution of the Company, additional tasks and responsibilities taken on and the overall performance of each MB Member.
- **Reasonable and balanced remuneration, evaluated independently in relation to the market:** a comparative analysis is conducted every two years (or whenever a specific review is needed) by Willis Towers Watson (WTW), an external independent advisor. This analysis takes into account best governance practices and remuneration levels of the following benchmark sectors (i) CAC 40 companies, (ii) CAC 40 companies with similar market capitalisation, and (iii) the "most comparable" listed real estate companies in Europe.
- **"*Pay for Performance*" principle:** individual and Company performance-related remuneration is the cornerstone of the Remuneration Policy. It ensures alignment of MB Members' interests with the long-term value creation objectives of the Company and its shareholders.
- **Transparency in the Remuneration Policy:** the SB conducts significant outreach and engagement with major shareholders and proxy advisors with respect to the Remuneration Policy. Continued efforts have been made to improve communication on the various levels and principles of remuneration, in particular on the level of achievement of the expected objectives, to facilitate their understanding by shareholders.

THE REMUNERATION PHILOSOPHY FOR MB MEMBERS

The MB Member remuneration consists of a **Fixed Income (FI),** a variable **Short-term Incentive (STI)**, and a **Long-term Incentive (LTI)** in the form of Performance Stock Options (SO) and Performance Shares (PS), as well as **Other benefits** (Supplementary Contribution Scheme (SCS), company car, insurance, etc.).

An independent and transparent decision-making process driven by the GNRC

STEP 1 January – February	STEP 2 February – March	STEP 3 March	STEP 4 March	STEP 5 April
WTW Benchmark	GNRC makes recommendations to the SB	SB decides	Full disclosure in the Annual Report and on website	AGM approval of Remuneration Policy
External independent advisor	100% independent members	100% independent members	100% transparent process	Shareholder involvement

6.3.2.1. Remuneration Policy Components for the MB Members (Resolutions No. 6 and 7)

Components formally excluded from Remuneration Policy of MB Members

Exceptional Remuneration	None
Welcome Bonus	None
Contractual Severance Package	None
Contractual Non-Compete Indemnity	None
Additional pension scheme "*retraite chapeau*" (defined benefits)	None
Employment Contract	None
Service Agreement	None
Intra-Group Board fees	None
Profit-sharing scheme ("*intéressement et participation*")	None

Fixed Income (FI)

ATTRACT HIGH CALIBER, EXPERIENCED INDIVIDUALS WITH A COMPETITIVE REMUNERATION LEVEL THAT REFLECTS THE SCALE AND DYNAMICS OF THE BUSINESS

The FI will be set at the start of each mandate and at a level to attract top talent.

FI shall remain unchanged during an MB Member's mandate. By exception, increases during a mandate may occur as a result of enlarged scope or responsibilities, of significant changes in the Company or the market.

In order to set the remuneration at the proper level, the SB and the GNRC seek the guidance of an external independent advisor to benchmark market practices and apply the best governance practices in relation to remuneration.

Comparison Group: Panel of companies designed by an external independant advisor

Unibail-Rodamco is by far the largest listed European real estate company in terms of market capitalisation, portfolio size and development pipeline.

Moreover, given its unique features among CAC 40 companies, a relevant remuneration benchmark requires taking a blended approach. Therefore, 3 different panels are used:

Panel No. 1: CAC 40 companies;

Panel No. 2: a panel of 24 CAC 40 companies with similar market capitalisations; and

Panel No. 3: 12 "most comparable" listed European real estate companies:

	European Real Estate Peer Group	
France	• Altarea-Cogedim • Foncière des Régions	• Gecina • Klepierre
Germany	• Deutsche Wohnen • Vonovia	
United Kingdom	• British Land • Derwent London • Hammerson	• Intu Properties • Land Securities
Switzerland	• Swiss Prime Site	

Adjustments to Fixed Income for the MB Members in 2017

All MB Members' mandates end at the 2017 Annual General Meeting. The MB Chairman and all other MB Members have succeeded in leading the Company, designing and executing the strategy, achieving annual targets and creating long-term value for the Company's shareholders. Therefore, on February 1, 2017, the SB, upon the recommendation of the GNRC, decided to renew each MB Member's mandate for a new 4-year term, beginning April 25, 2017. In order to ensure remuneration levels that retain and motivate the MB Members for the whole duration of their new 4-year mandates, the GNRC requested an external independant benchmark review in 2017 of the three peer groups above. The goal was to set a FI for the duration of the 4-year mandate, in line with the Afep-Medef Code recommendation that FI should "only be reviewed at relatively long intervals".

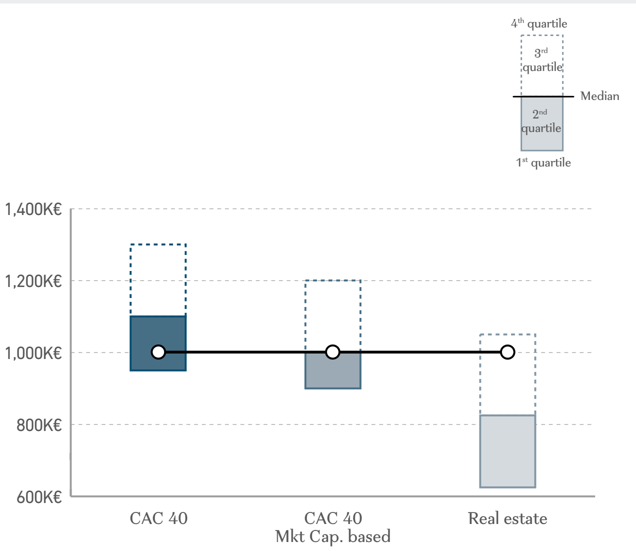
Mr Christophe Cuvillier, CEO & MB Chairman

Mr Cuvillier joined the Group as COO and MB Member in May 2011 and became CEO in April 2013. The SB, upon the recommendation of the GNRC, determined that the CEO has continually exceeded expectations. During his tenure, the Group has continued to differentiate itself from its competitors; has grown its portfolio, now valued at €40.5 Bn at year-end 2016 (*vs.* €29.3 Bn at year-end 2012); has delivered iconic projects such as the Mall of Scandinavia, Majunga, Minto, Polygone Riviera and Forum des Halles; has secured long-term value creation projects such as the Mall of Europe, Überseequartier, Triangle, Sisters and 3 Pays; and, among numerous other achievements, has launched "Better Places 2030", the most ambitious Corporate Social Responsibility strategy of any listed real estate company.

Since 2011, in light of the benchmark results which showed that the CEO's remuneration was in the lowest quartile across all components and to avoid significant one-off increases, the policy had been to increase the CEO's FI annually on the basis of the average like-for-like increase in FI across the Group. Going forward, the CEO has proposed to give up this annual increase and opt for a FI set for the whole duration of his new 4-year mandate beginning in 2017, in line with the Afep-Medef Code. Accordingly, applicable as of January 1, 2017, the SB, upon the recommendation of the GNRC, set the gross annual FI of the CEO at €1,000,000 (before income tax and social security charges). This FI will remain unchanged for the whole duration of his 4-year mandate, assuming no significant changes within the Group or in the market.

At this remuneration level, the WTW benchmark conducted in January 2017 concluded that the CEO's FI would be in the second quartile compared to CAC 40 companies and at the median compared to CAC 40 companies with similar market capitalisation. While Unibail-Rodamco is by far the largest listed European real estate company in terms market capitalisation, size of the portfolio and development pipeline, the CEO's FI would, at this level, remain in the third quartile of the European real estate peer group.

2017 CEO FIXED INCOME



Source: 2017 WTW benchmark based on 2016 market data.

Mr Olivier Bossard – Chief Development Officer

Mr Bossard joined the Group in 1998 and the MB in 2013. He begins his second mandate in 2017. His responsibilities include the origination and the execution of property development projects for the construction of new assets and for major restructurings, extensions or refurbishments of existing assets. During his tenure as an MB Member, the Group has delivered iconic development projects such as the Mall of Scandinavia, Majunga, Minto, Polygone Riviera and Forum des Halles and has secured long-term value creation development projects such as the Mall of Europe, Überseequartier, Triangle, Sisters and 3 Pays. Mr Bossard continues to refresh and manage a development pipeline valued at €8 Bn at year-end 2016 (*vs.* €6.9 Bn at year-end 2013). This is by far the largest development pipeline of any European real estate company (the second largest being valued at €1.8 Bn on a comparable basis).

Mr Fabrice Mouchel – Deputy Chief Financial Officer

Mr Mouchel joined the Group in 2001 and the MB in 2013. He begins his second mandate in 2017. His responsibilities include management of the balance sheet, notably the debt, financial control, budget and 5-year plan, as well as supervising the Finance functions. During his tenure as an MB Member, the Group's average cost of debt has decreased to 1.6% at year-end 2016 *vs.* 3.4% at year-end 2012 while the average maturity has been extended to 7 years at year-end 2016 *vs.* 4.9 years at year-end 2012. He has consistently delivered "firsts" in the issuance of bonds, including: in 2016, the first public bond with a 20-year maturity by a real estate company, the longest maturity ever achieved in the sector on the Euro market, and an 8-year Euro bond with the lowest coupon (0.875 %) ever achieved by the Group; and, in 2015, the first ORNANE with a negative yield for a real estate company on the Euro market.

Ms Astrid Panosyan – Chief Resources Officer

Ms Panosyan joined the Group and the MB in 2015. She begins her second mandate in 2017. Her responsibilities include Human Resources, Information Technology, Organisation, Legal as well as Corporate Sustainability. During her tenure, the Group has formalized a Risk Management Policy; revised its Anti-Corruption Program; defined and started implementing a long-term IT Roadmap; increased the Group's focus on internationalisation and diversity; led, under the direction of the SB and GNRC, the revision to the STI and LTI schemes, the latter applicable to all Group employees, and designed "Better Places 2030", the most ambitious Corporate Social Responsibility strategy of any listed real estate company.

6

Mr Jaap Tonckens – Chief Financial Officer

Mr Tonckens joined the Group and the MB in 2009. He begins his third mandate in 2017. His responsibilities include the optimisation of the cost of capital, investor relations and tax matters. He is in charge of the overall Finance function within the Group (financial control, consolidation, reporting, financing, budget and 5-year plan, coordination and overseeing asset valuations). He is also responsible for the investment/divestment process, initiating and coordinating mergers and acquisitions, strategic alliances and joint venture developments. During his last mandate, he efficiently executed the Group's concentration strategy enabling the Group to improve its growth profile. Since 2014, the Group disposed of €3.7 Bn[1] in non-core Retail assets, well ahead of the disposal goal of €1.5-2.0 Bn by the end of 2018 announced in January 2014. In addition, he has overseen the disposal of €1.2 Bn[1] of Office assets toward the objective of disposing between €1.5-2.0 Bn of offices by the end of 2018. Lastly, he was instrumental in the sourcing and execution of the acquisition of CentrO and the development of the joint venture in Germany with CPPIB. The Group maintains positive investor relationships with a diversified and international shareholder base due to his continued efforts in shareholder outreach and engagement.

Mr Jean-Marie Tritant – Chief Operating Officer

Mr Tritant joined the Group in 1997 and the MB in 2013. He begins his second mandate in 2017. His responsibilities include defining the retail asset strategy, net rental growth, tenants' sales and footfall, overall budget and plans, leading all operating departments, and supervising and supporting the Regional Managing Directors in all regions including the Regional Managing Director Offices France. During his tenure as an MB Member, the Group has accelerated its strategy of concentration, differentiation (through redesigning, retenanting and remarketing) and innovation, while reaching or exceeding its targets in terms of NRI growth. Major leasing successes have been reached, both in the Shopping Centre division (among others - with International Premium Retailers) and in the Offices division (with 2-8 rue Ancelle, Majunga, So Ouest and So Ouest Plaza buildings all fully let less than 18 months after delivery). He has expanded or launched numerous programs to improve the customer experience including the Dining Experience™, the Designer Gallery™, the Family Experience, the 4 Star label and a new digital strategy.

Accordingly, applicable as of January 1, 2017, the SB, upon the recommendation of the GNRC, set the gross annual FI of the MB Members (before income tax and social security charges). These amounts will therefore remain unchanged for the whole duration of their 4-year mandates (assuming no significant changes within the Group or in the market), as follows:

Function	MB Member	2016 Fixed Income	2017 Fixed Income
Chief Executive Officer	Mr Christophe Cuvillier	€913,988	€1,000,000
Chief Development Officer	Mr Olivier Bossard	€400,000	€480,000
Deputy Chief Financial Officer	Mr Fabrice Mouchel	€360,000	€400,000
Chief Resources Officer	Ms Astrid Panosyan	€360,000	€400,000
Chief Financial Officer	Mr Jaap Tonckens	€550,000	€650,000
Chief Operating Officer	Mr Jean-Marie Tritant	€500,000	€600,000

(Before income taxes and social security charges.)

(1) *Total Acquisition Cost.*

Variable Short-term Incentive (STI) – linked to performance

MOTIVATE AND REWARD ACHIEVEMENT OF ANNUAL FINANCIAL AND OPERATIONAL OBJECTIVES

The current STI structure was presented at the 2016 Annual General Meeting and remains unchanged.

The MB Members' STI includes two components:

- (i) a **quantitative component** entirely linked to the Group's financial performance which takes into account the following key performance indicators:
  - a **"cash flow" component**, proportional to the Recurring Earnings per Share (REPS) growth (potentially adjusted for the impact of significant disposals in line with the Group's historic financial communication), and
  - a **"value creation" component**, proportional to the Net Asset Value per share growth plus the dividend per share distributed over the same period.

In order for the quantitative component to reach its maximum, the Company's performance must reach the following stretch targets:

- a growth of +8% (the current top bracket of the Company's medium term guidance) for the "cash flow" component; and
- a growth of +12% for the "value creation" component;

In order to ensure that the quantitative stretch targets are aligned with the Group's objectives and market communications, the quantitative stretch targets and principles are reassessed periodically, in principle every 3 years, to align them to potential new medium term market guidance communicated by Unibail-Rodamco and/or significant changes in the economic or financial environment.

- (ii) a **qualitative component** determined according to the attainment of several individual qualitative objectives, pre-defined by the CEO and approved by the SB, upon the recommendation of the GNRC.

These objectives are established around three themes:

- **People Developer and Engagement:** attract, retain, engage and develop employees, foster collaboration, diversity and inclusion;
- **Value Creator:** contribute to the Company's growth strategy; challenge and rethink practices, innovate and contribute to new business; and
- **Business Operator:** efficiently control the daily business and improve profitability throughout the Group's operations.

As of 2017, at least three Corporate Social Responsibility (CSR)[(1)] objectives are incorporated for each MB Member.

The MB Members have various objectives per theme that vary year to year. The level of attainment of each objective is evaluated based on a score from 1 to 5. The overall attainment level is determined by taking the sum of the scores of each objective divided by the maximum possible score of all objectives (*i.e.* the number of objectives multiplied by the maximum score of 5). The target attainment level of each objective is a score of 4 *i.e.* an 80% attainment. For business confidentiality, details on the qualitative objectives are disclosed *"ex-post facto"*.

The STI is capped at 150% of FI for the CEO and at 100% of FI for the other MB Members, and the split between the quantitative and qualitative components are as below:

	Maximum potential award	Quantitative component	Qualitative component
CEO	**150% of FI**	120%	30%
Non-CEO MB Members	**100% of FI**	70%	30%

As from 2018, the effective payment of the variable STI will be subject to a prior Annual General Meeting approval following the closing of the fiscal year.

6

(1) *Related to the "Better Places 2030" strategy. See pages 62 to 167 for more details.*

Long-term Incentive (LTI) – linked to Company performance

RETAIN AND ALIGN WITH THE LONG-TERM VALUE CREATION OBJECTIVES OF THE COMPANY AND ITS SHAREHOLDERS

The LTI Remuneration components are a combination of Performance Stock Options (SO) and Performance Shares (PS).

The SB, upon the recommendation of the GNRC, determines each year the LTI grant looking at numerous factors including the overall financial performance of the Company, the overall performance of the MB Member, the other remuneration components and the amount of LTI granted the previous year. The SB maintains the discretion to define the ratio of SO and PS granted. SO and PS are both subject to presence and performance conditions and the maximum economic value of any grant to MB Members is set at 150% of their FI. The economic value is calculated in accordance with IFRS requirements. Considerations such as the cost to the Company can impact the ratio of SO and PS granted.

LTI Principles
Maximum potential award economic value: 150% of FI
Performance and Presence Conditions
No Minimum guaranteed LTI
No reward for under performance
Same scheme as for all other Group beneficiaries
No discount granted

Performance Conditions

As from 2017 grants, vesting of the SO and the PS are both conditional on the attainment of two key performance indicators (KPI), each weighted equally:

KPI No. 1: Total Shareholder Return (TSR) – weighted 50%:

- Outperformance of Unibail-Rodamco's share (dividends reinvested) relative to the EPRA *Eurozone "Retail and Office" Index* (dividends reinvested) over the reference period.
- Over the long-term, TSR tracks the underlying performance of the Company and mirrors the experience of its shareholders.

KPI No. 2: Recurring Earnings per Share (REPS) growth – weighted 50%:

- REPS compounded growth over the reference period, to measure Unibail-Rodamco's long-term profit growth (based on the attainment of the compounded annual guidance ranges communicated to investors), with progressive vesting:
  - 0% vesting below guidance;
  - 30% vesting at threshold of guidance;
  - 100% vesting at high end of guidance;
  - straight line vesting in between.
- Why REPS growth?

  The GNRC, in order to keep the scheme simple and easy to monitor, has chosen to recommend to the SB the use of a single internal metric for the Group's new LTI scheme. After a one-by-one in-depth review of several potential key performance metrics, the GNRC has chosen to select the metric it views as the most relevant internal metric, *i.e.* the one best reflecting the global performance of the Company and all the components of value creation: the REPS growth. Indeed, it is directly linked to Unibail-Rodamco's strategy and part of its long-standing financial communication. REPS growth is also a key measure used by our shareholders to evaluate the Company's performance. The benefits of REPS growth compared to other measures is that it avoids conflicts with the active portfolio management strategy of opportunistic investments/divestments, and it includes many components such as NRI growth, rental uplifts, cost of debt, active management of balance sheet, impact of deliveries of development projects (a specific know-how of Unibail-Rodamco and a key driver of its growth). REPS growth is directly impacted by management performance and, therefore, the most relevant incentive KPI.

  Another potential KPI, the Like-for-Like NRI growth, was considered but rejected: (i) no annual or multi-annual guidance is provided by the Group; (ii) it would need to be systematically rebased every year, to integrate the NRI of the deliveries when they qualify and to extract the NRI from disposals (according to the Group's strict definition of Like-for-Like NRI growth). It would thus not reflect the active portfolio management strategy of the Group; (iii) it does not reflect the positive effect on growth of the Group's unique development pipeline; (iv) nor the active management of debt and other financial or fiscal elements, *i.e.* the day-to-day work and the performance of some key teams of the Group, including MB Members. Essentially, since it only very partially reflects the performance of the Group and its teams, the GNRC considered it could not qualify as the single internal metric for the LTI of the teams of Unibail-Rodamco.

KEY FEATURES OF THE LTI STRUCTURE

Element		SO	PS
Vesting + Holding (years)		4 + 0	French: 3 + 2 Non-French: 4 + 0
External Performance Condition (KPI No. 1 – relative TSR)	50% of grant	TSR at exercise (min. 4 years) > reference index 0% at average; 100% above average	TSR 3 years > reference index 0% at average; 100% above average
Internal Performance Condition (KPI No. 2 – compounded REPS growth)	50% of grant	4-year growth 0% below guidance 30% at threshold 100% at high end of guidance	3-year growth 0% below guidance 30% at threshold 100% at high end of guidance
Presence Condition		Continuous presence of 24 months	Continuous presence of 24 months
Share Ownership Requirements		See page 303	See page 303

LTI – Reference Index

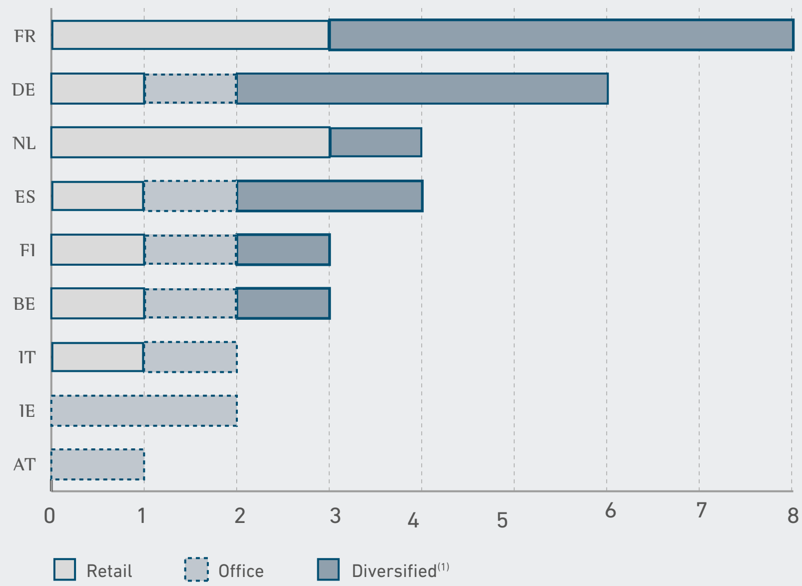
The EPRA *Eurozone "Retail and Office"* Index is a reference index administered independently by FTSE EPRA/NAREIT. It is composed of 33 retail and/or office focused real estate companies in the Eurozone (incl. Unibail-Rodamco). It includes the companies of the EPRA/NAREIT Retail and Office sectors, as well as those companies of the Diversified[1] and Office/Industrial sectors focused primarily (more than 50% of their total activity) on retail and/or offices.

The constituents of the index are the following:

Retail	Office	Diversified[1]
Unibail-Rodamco (FR)	**Alstria Office (DE)**	**Affine (FR)**
Klepierre (FR)	**Axiare Patrimonio (ES) (Office/Ind)**	**ANF-Immobilier (FR)**
Mercialys (FR)	**Inmobiliaria Colonial (ES)**	**Foncière Des Régions (FR)**
Deutsche EuroShop (DE)	**Technopolis (FI)**	**Gecina (FR)**
EuroCommercial Ppty (NL)	**Befimmo (Sicafi)(BE)**	**Icade (FR)**
Vastned Retail (NL)	**Beni Stabili (IT)**	**DIC Asset (DE)**
Wereldhave (NL)	**Green Reit (IE)**	**Hamborner REIT (DE)**
Citycon (FI)	**Hibernia REIT (IE)**	**TLG Immobilien (DE)**
Wereldhave Belgium (BE)	**Ca Immobilien (AT)**	**WCM Bet (DE)**
Igd – Immobiliare Grande Distribuzione (IT)		**NSI (NL)**
		Lar Espana Real Estate (ES)
		Merlin Properties (ES)
		Sponda Oyj (FI)
		Leasinvest Real Estate (BE)

As at December 31, 2016

EPRA *EUROZONE "RETAIL AND OFFICE" INDEX* CONSTITUENTS BY COUNTRY AND SECTOR



(1) *For a company to be classified in a specific sector, its main activity must represent at least 75% of its total activity. If not, the company is classified as Diversified..*

6

Adjustments to the LTI applicable to grants as from 2017

In early 2016, the SB conducted extensive outreach with major shareholders and proxy advisors with respect to the Group's Remuneration Policy, in particular its LTI scheme. Direct feedback from shareholders led the SB, upon the recommendation of the GNRC, to commit to restructure the PS plan applicable as from 2017 grants.

A comprehensive review of the overall LTI structure was launched in May 2016, immediately following the 2016 Annual General Meeting, with the support of Kepler (a brand of Mercer), an external independent remuneration consultant.

A key goal of this review was to maintain the elements of strength of the existing LTI scheme *i.e.*:

- retaining, motivating and rewarding talent while aligning their interests with that of the Company's shareholders;
- simplicity;
- stability over time;
- a broad base (ca. 20% of the salaried staff receiving LTI grants annually); and
- similar value for participants with limited costs increase to the Company compared to the prior scheme.

After extensive analysis, the following adjustments to the LTI scheme were agreed and applicable as from 2017 grants to MB Members as well as Group employees:

- change the performance condition applicable to the PS Plan from multi-testing to single-testing;
- introduce a more relevant TSR benchmark index for the SO and PS plans, the EPRA *Eurozone "Retail and Office" Index*; and
- introduce an internal financial performance metric for the SO and PS plans, based on Recurring Earnings per Share (REPS) growth.

Moving the PS plan to a single-testing scheme

As from the 2017 grants, the PS plan will have a single performance test at the expiry of a 3-year period from the grant date.

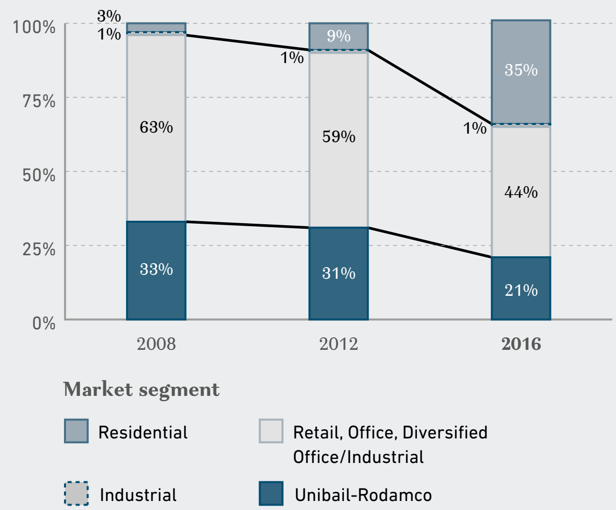
A TSR Benchmark index more relevant to Unibail-Rodamco

As from the 2017 grants, the LTI will be based on a new TSR benchmark index, **the EPRA *Eurozone "Retail and Office" Index***, to ensure that Unibail-Rodamco's performance is compared to a relevant set of peers with similar business models and cycles.

The TSR benchmark index applied since 2003 (the EPRA *Eurozone Total Return Index*) is composed of listed real estate companies from the EPRA/NAREIT Retail, Office, Diversified, Industrial and Residential sectors.

When the current scheme was set up following the Unibail-Rodamco merger, this index was very relevant: in 2008, the Retail, Office and Diversified sectors, comparable to Unibail-Rodamco's activities, accounted for 96% of the index. In 2012, they still represented 90% of the index. Since then, a sudden and steep surge of the Residential sector has occurred due to external macro-economic factors. This has resulted in a major distortion within the index, the Residential sector now representing 35%, up from 3% in 2008. The Residential, Diversified (where focused on residential) and Industrial sectors are composed of 16 companies with specific business cycles and with activities totally different from those of Unibail-Rodamco. Going forward, this index is therefore considered no longer relevant for Unibail-Rodamco nor aligned with its original intent of comparing the Group's performance to that of its peers.

COMPONENTS OF THE TSR BENCHMARK INDEX APPLIED UNTIL 2016



Upon the recommendation of the GNRC, the SB has therefore decided to **use a more relevant index** as from the 2017 grants: **the EPRA *Eurozone "Retail and Office" Index***.

This new Index will be administered independently by FTSE EPRA/NAREIT. See page 301 for details.

Introduction of an Internal Performance Metric

As from 2017 SO and PS grants, an internal financial performance metric, Recurring Earnings per Share (REPS) growth, will be introduced, together with the existing external financial metric, the relative Total Shareholder Return (TSR) metric. Each metric will be weighted at 50%. See page 300 for details on both metrics.

The foregoing changes, essentially the move to single-testing for PS, would result in a reduced PS fair value to the participants based on standard benchmark assumptions taken by Kepler. In line with the goal stated above of providing a similar value to participants as prior to the changes, the number of PS granted in 2017 to all participants has been proportionally slightly increased compared to 2016 grants.

Other benefits

PROVIDE ACCESS TO SOCIAL SECURITY AND BENEFIT SCHEMES

- The Supplementary Contribution Scheme (SCS), which consists of an annual contribution paid into a blocked savings account.

	Supplementary Contribution Scheme
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)
Non-CEO MB Member	• 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)

These amounts, which are paid into a blocked savings account, will only be available to MB Members at the end of their last mandate.

- A Group health and life insurance.
- Unemployment contribution (GSC type).
- Non-French tax resident MB Members benefit from an expatriate health insurance policy and an International Assignment Extra-compensation (outside EU), where applicable.
- The MB Members can subscribe to the Company Savings Plan (without the benefit of the top-up contribution offered to employee participants).
- Company car (hybrid or electric vehicles only).

Share ownership requirements applicable to MB Members

In order to align interests between 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 Company shares, set on October 10, 2007[(1)] for SO and March 5, 2012[(1)] for PS.

Obligation to retain shares

- All MB Members must maintain a personal investment in Unibail-Rodamco SE shares, equivalent to 30% of the capital gain (net of tax) on the date of exercise of the SO granted, until the end of their last mandate as MB Members.
- All 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 mandates as MB Members.
- This retention obligation applies up to a value equivalent to two years of gross annual FI for non-CEO MB Members, and three years for the CEO.

Obligation to invest in shares

- In compliance with the Afep-Medef Code, all MB Members must acquire one 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 Unibail-Rodamco shares equivalent to at least 50% of his/her gross annual FI in any given year.

(1) SB decision pursuant to Section L. 225-185 of the French Commercial Code.

6.3.3. Remuneration Report 2016

6.3.3.1. Remuneration Report of the SB Members

Remuneration of the SB Chairman for 2015 and 2016 Financial Years

SB Chairman Mr Rob ter Haar	2015[(1)]	2016[(1)]
SB Chairman Fees	€150,000	€150,000
GNRC Chairman Fees	€20,000	€20,000
TOTAL FEES	**€170,000**	**€170,000**

(1) Before withholding tax (30% for non-French residents).

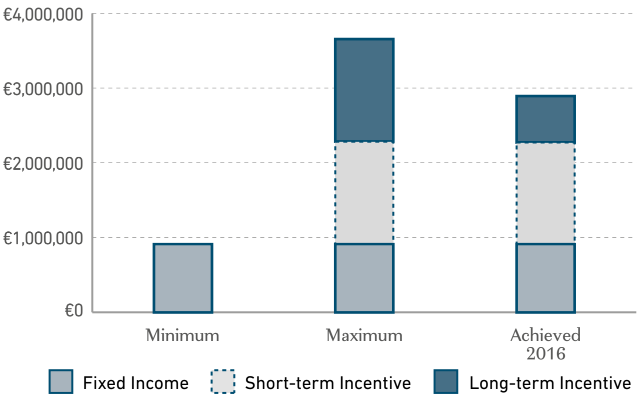
Remuneration of the SB Members for 2015 and 2016 Financial Years

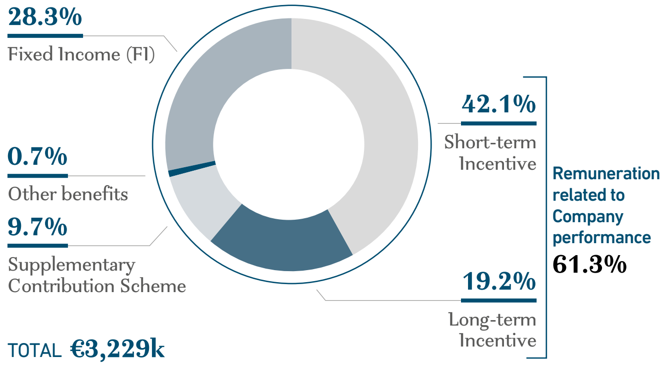
SB Members	2015[(1)]	2016[(1)]
Mr Frans Cremers[(2)]	€68,750	€28,364
Mr José Luis Duran[(3)]	€64,200	€34,971
Ms Mary Harris	€71,450	€65,643
Mr François Jaclot[(2)]	€80,600	€27,657
Ms Dagmar Kollmann	€71,450	€72,800
Mr Jean-Louis Laurens	€74,700	€85,950
Mr Yves Lyon-Caen	€59,600	€45,629
Mr Alec Pelmore	€72,800	€71,450
Ms Sophie Stabile[(4)]	€46,700	€60,243
Mr Jacques Stern[(5)]	NA	€38,829
Ms Jacqueline Tammenoms Bakker[(4)]	€48,350	€64,643
TOTAL SB MEMBERS (EXCLUDING SB CHAIRMAN)	**€658,600**	**€596,179**
Percentage used of the annual envelope approved by the AGM (€875,000)	*75.3%*	*68.1%*

(1) Including the out of country indemnities, if any, and before withholding tax (30% for non-French residents or 36.5% for French residents).
(2) Mandate ended on April 21, 2016.
(3) Mandate ended on October 4, 2016.
(4) Mandate commenced on April 16, 2015.
(5) Mandate commenced on April 21, 2016.

6.3.3.2. Remuneration Report of the MB for 2016 Financial Year – Say on Pay

Advisory vote on the elements of remuneration due or granted for the 2016 financial year to **Mr Christophe Cuvillier**, Chief Executive Officer and Chairman of the Management Board (Annual General Meeting of April 25, 2017 – Resolution No. 8)





Figures may not add up due to rounding.

Elements of Remuneration	Amounts or countable valuations submitted to the shareholder opinion	Comments
Fixed Income – FI (Paid in respect of the 2016 financial year) *See pages 296-297 for details*	€913,988	The gross annual Fixed Income (FI) was determined by the SB on March 8, 2016, upon the recommendation of the GNRC, and is before income tax and social security charges. This FI is in the lowest quartile of CAC 40 companies, in the bottom of the second quartile of CAC 40 companies with similar market capitalisation. While Unibail-Rodamco is by far the largest company in terms of market capitalisation, size of the portfolio and development pipeline, this FI is in the third quartile of the European real estate peer group (2017 Willis Towers Watson Benchmark). See page 296 for details on the peer groups.
Short-term Incentive – STI (Paid in respect of the 2016 financial year) *See pages 299 for details*	€1,359,192	The gross STI was determined by the SB on March 7, 2017, upon the recommendation of the GNRC, and is before income tax and social security charges. Pursuant to the revisions to the STI scheme approved by the SB on February 2, 2016, the CEO's STI remains capped at 150% of FI and integrates now a qualitative component to ensure a comprehensive incentive structure aligned with the best market practices. The CEO's STI arrangement thus includes a **quantitative** and a **qualitative component**. **The quantitative component**, capped at 120% of FI, is entirely linked to the Group's financial performance and takes into account the following key performance indicators: ● a "cash flow" component, proportional to the Recurring Earnings per Share (REPS) growth (potentially adjusted for the impact of significant disposals in line with the Group's financial communication), ● a "value creation" component, proportional to the Net Asset Value per share growth plus the dividend per share distributed over the same period. In order for the quantitative component to reach its maximum, the Company's performance must reach the following stretch targets: ● a growth of +8% (the current top bracket of the Company's medium term guidance) for the "cash flow" component; and ● a growth of +12% for the "value creation" component.

Components	2016 STI Quantitative Component Stretch targets for 100% achievement	Actual achievement 2016	Quantitative contribution to 2016 STI
"Cash Flow"	+8%	+10.40%	€671,781
"Value Creation"	+12%	+13.83%	€632,023
		Before Cap	*€1,303,804*
		After Cap of 120% of FI	**€1,096,786**

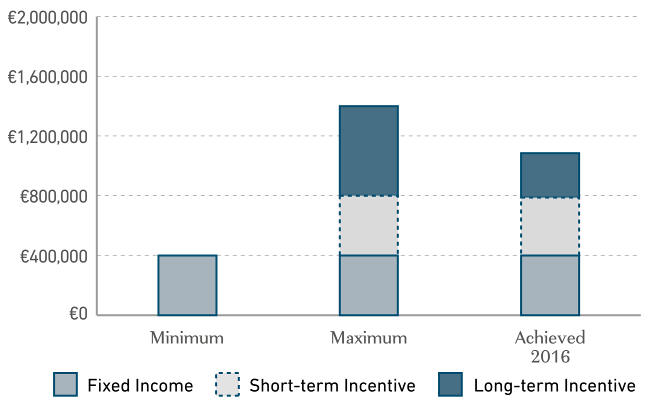
The 2016 results saw the strongest year-on-year REPS growth since 2009 and a very solid value creation. The calculation of the quantitative components for the CEO for 2016 therefore stands at €1,303,804 (*i.e.* 142.7% of his FI). After applying the cap of 120%, this results in a quantitative component for the CEO for 2016 of €1,096,786.
The qualitative component, capped at 30% of FI, is determined according to the achievement of several individual qualitative objectives, pre-defined by the SB, upon the recommendation of the GNRC.
For more details on the qualitative objectives please refer to pages 317.
The level of achievement of the 2016 individual qualitative objectives is 95.7%, which results in a qualitative STI for 2016 of 28.7% of his FI *i.e.* €262,406.
The total 2016 STI is **€1,359,192** *i.e.* 148.7% of FI (vs. 150% of FI in 2015 when there was no qualitative component for the CEO).

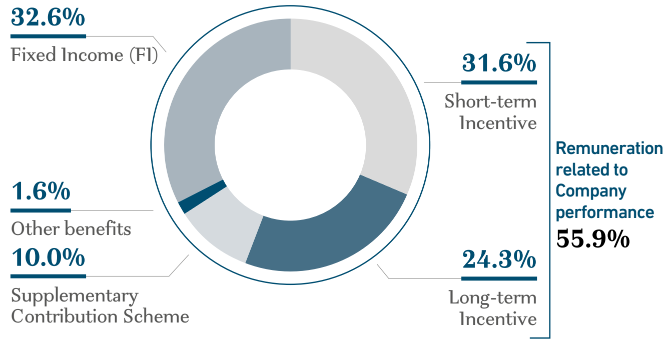
6

Elements of Remuneration	Amounts or countable valuations submitted to the shareholder opinion	Comments
Long-term Incentive – LTI Performance Stock Options (SO) and Performance Shares (PS) (Granted during the 2016 financial year) (Economic value at the allocation date according to IFRS 2 requirements, based on the evaluation conducted by Willis Towers Watson) *See pages 338-340 for details*	€621,176	In accordance with MB Remuneration Policy, the economic value of SO and PS granted to the CEO must not exceed 150% of his FI. In 2016, the LTI economic value amounted to 68% of his FI. The vesting of the 2016 SO and PS are subject to: ● a 2-year continuous presence condition; and ● an external performance condition: the Unibail-Rodamco Total Shareholder Return (TSR) must be strictly superior to the TSR of the reference index (EPRA *Eurozone Index*) over the reference period. Obligation to retain shares: ● The CEO must maintain a personal investment in Unibail-Rodamco SE shares equivalent to 30% a) of the capital gain (net of tax) on the date of exercise of the SO granted and b) of PS from the time those PS become available, both until the end of his mandate as MB Member. ● This retention obligation applies up to a value equivalent to three years of FI. Obligation to invest in shares: ● The CEO must acquire one share for every two PS vested (after expiry of the holding period, where applicable). This rule is suspended when he owns a number of Unibail-Rodamco shares equivalent to at least 50% of his FI in any given year.
		SO On March 8, 2016, the SB, upon the recommendation of the GNRC, granted 42,500 SO to Mr Christophe Cuvillier, for an economic value of €359,522. The SO granted are without discount and may only be exercised as from the fourth anniversary of the grant date, subject to the presence and performance conditions (described above). The SO grants to the CEO must not exceed 8% of the total number of SO granted per year. In 2016, the CEO received 6.9% of the total number of SO granted.
		PS On April 21, 2016, the SB, upon the recommendation of the GNRC, granted 2,561 PS to Mr Christophe Cuvillier, for an economic value of €261,654. The PS are subject to a 3-year vesting period and a 2-year holding period as well as to the presence and performance conditions (described above). The PS grants to the CEO must not exceed 8% of the total number of PS granted per year. In 2016, the CEO received 7.0% of the total number of PS granted.
Supplementary Contribution Scheme - SCS	€313,797	Mr Christophe Cuvillier does not benefit from any additional defined benefits pension scheme ("retraite chapeau"). He benefits from the SCS which consists of an annual 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; 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 life and health insurance	n/m	Mr Christophe Cuvillier benefits from the Company'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.
Benefits in Kind	€21,209	Mr Christophe Cuvillier benefits from a company car and an unemployment contribution (GSC type).
Deferred or multi-annual STI	n/a	The Remuneration Policy does not provide for deferred nor multi-annual STI.
Exceptional remuneration	n/a	The Remuneration Policy does not provide for any exceptional remuneration.
Welcome bonus	n/a	The Remuneration Policy does not provide for any welcome bonus.
Contractual severance package	n/a	The Remuneration Policy does not provide for any contractual severance package in the event of termination of mandate.
Contractual non-compete indemnity	n/a	The Remuneration Policy does not provide for any contractual non-compete indemnity in the event of termination of mandate.
Employment contract	n/a	Mr Christophe Cuvillier does not benefit form an employment contract.
Service agreement	n/a	Mr Christophe Cuvillier does not benefit from any service agreement with the Group.
Intra-Group Board fees	n/a	Mr Christophe Cuvillier does not benefit from attendance fees from any company within the Group.

n/a means not applicable.
n/m means not material.

Advisory vote on the elements of remuneration due or granted for the 2016 financial year to **Mr Olivier Bossard**, Chief Development Officer and Member of the Management Board (Annual General Meeting of April 25, 2017 – Resolution No. 9)





TOTAL **€1,229k**

Figures may not add up due to rounding.

Elements of Remuneration	Amounts or countable valuations submitted to the shareholder opinion	Comments
Fixed Income – FI (Paid in respect of the 2016 financial year) *See pages 297 for details*	€400,000	The gross annual Fixed Income (FI) was determined by the SB on March 8, 2016, upon the recommendation of the GNRC, and is before income tax and social security charges. This FI has remained unchanged since 2013.
Short-term Incentive – STI (Paid in respect of the 2016 financial year) *See pages 299 for details*	€388,000	The gross STI was determined by the SB on March 7, 2017, upon the recommendation of the GNRC, and is before income tax and social security charges. Pursuant to the revisions to the STI scheme approved by the SB on February 2, 2016, the non-CEO MB member's STI remains capped at 100% of the FI and still includes a **quantitative** and a **qualitative component**. In order to ensure a better alignment of remuneration with the Group's performance, the quantitative component's share has been increased and the qualitative component's share decreased proportionally. **The quantitative component**, capped at 70% of FI, is entirely linked to the Group's financial performance and takes into account the following key performance indicators: • a "cash flow" component, proportional to the Recurring Earnings per Share (REPS) growth (potentially adjusted for the impact of significant disposals in line with the Group's financial communication), • a "value creation" component, proportional to the Net Asset Value per share growth plus the dividend per share distributed over the same period. In order for the quantitative component to reach its maximum, the Company's performance must reach the following stretch targets: • a growth of +8% (the current top bracket of the Company's medium term guidance) for the "cash flow" component; and • a growth of +12% for the "value creation" component.

2016 STI Quantitative Component

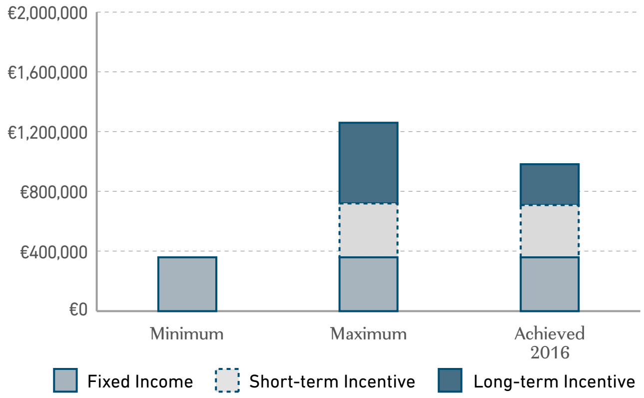
Components	Stretch targets for 100% achievement	Actual achievement 2016	Quantitative contribution to 2016 STI
"Cash Flow"	+8%	+10.40%	€170,000
"Value Creation"	+12%	+13.83%	€161,350
		Before Cap	*€331,350*
		After Cap of 70% of FI	**€280,000**

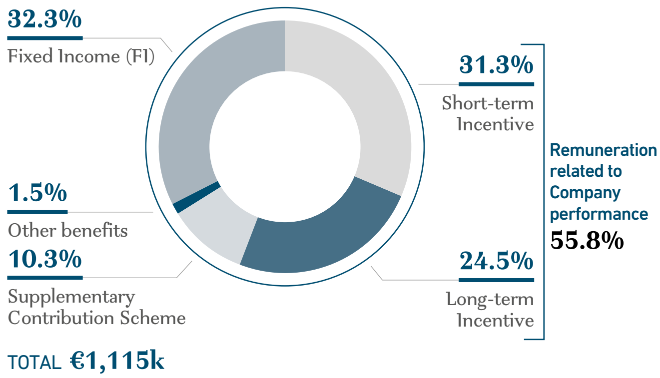
The 2016 results saw the strongest year-on-year REPS growth since 2009 and a very solid value creation. The calculation of the quantitative components for the CDO for 2016 therefore stands at €331,350 (*i.e.* 82.8% of his FI). After applying the cap of 70%, this results in a quantitative component for the CDO for 2016 of €280,000.
The qualitative component, capped at 30% of FI, is determined according to the achievement of several individual qualitative objectives, pre-defined by the CEO and approved by the SB, upon the recommendation of the GNRC. For more details on the qualitative objectives please refer to pages 317.
The level of achievement of the 2016 individual qualitative objectives is 90.0%, which results in a qualitative STI for 2016 of 27.0% of his FI *i.e.* €108,000.
The total 2016 STI is **€388,000** *i.e.* 97.0% of FI.

Elements of Remuneration	Amounts or countable valuations submitted to the shareholder opinion	Comments
Long-term Incentive – LTI Performance Stock Options (SO) and Performance Shares (PS) (Granted during the 2016 financial year) (Economic value at the allocation date according to IFRS 2 requirements, based on the evaluation conducted by Willis Towers Watson) *See pages 338-340 for details*	€298,136	In accordance with MB Remuneration Policy, the economic value of SO and PS granted to the CDO must not exceed 150% of his FI. In 2016, the LTI economic value amounted to 74.5% of his FI. The vesting of the 2016 SO and PS are subject to: • a 2-year continuous presence condition; and • an external performance condition: the Unibail-Rodamco Total Shareholder Return (TSR) must be strictly superior to the TSR of the reference index (EPRA *Eurozone Index*) over the reference period. Obligation to retain shares: • The CDO must maintain a personal investment in Unibail-Rodamco SE shares equivalent to 30% a) of the capital gain (net of tax) on the date of exercise of the SO granted and b) of PS from the time those PS become available, both until the end of his mandate as MB Member. • This retention obligation applies up to a value equivalent to two years of FI. Obligation to invest in shares: • The CDO must acquire one share for every two PS vested (after expiry of the holding period, where applicable). This rule is suspended when he owns a number of Unibail-Rodamco shares equivalent to at least 50% of his FI in any given year. **SO** On March 8, 2016, the SB, upon the recommendation of the GNRC, granted 20,400 SO to Mr Olivier Bossard, for an economic value of €172,571. The SO granted are without discount and may only be exercised as from the fourth anniversary of the grant date, subject to the presence and performance conditions (described above). **PS** On April 21, 2016, the SB, upon the recommendation of the GNRC, granted 1,229 PS to Mr Olivier Bossard, for an economic value of €125,565. The PS are subject to a 3-year vesting period and a 2-year holding period as well as to the presence and performance conditions (described above).
Supplementary Contribution Scheme - SCS	€122,840	Mr Olivier Bossard does not benefit from any additional defined benefits pension scheme ("retraite chapeau"). He benefits from the SCS which consists of an annual 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; 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 life and health insurance	n/m	Mr Olivier Bossard benefits from the Company'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.
Benefits in Kind	€19,595	Mr Olivier Bossard benefits from a company car and an unemployment contribution (GSC type).
Deferred or multi-annual STI	n/a	The Remuneration Policy does not provide for deferred nor multi-annual STI.
Exceptional remuneration	n/a	The Remuneration Policy does not provide for any exceptional remuneration.
Welcome bonus	n/a	The Remuneration Policy does not provide for any welcome bonus.
Contractual severance package	n/a	The Remuneration Policy does not provide for any contractual severance package in the event of termination of mandate.
Contractual non-compete indemnity	n/a	The Remuneration Policy does not provide for any contractual non-compete indemnity in the event of termination of mandate.
Employment contract	n/a	Mr Olivier Bossard does not benefit from an employment contract.
Service agreement	n/a	Mr Olivier Bossard does not benefit from any service agreement with the Group.
Intra-Group Board fees	n/a	Mr Olivier Bossard does not benefit from attendance fees from any company within the Group.

n/a means not applicable.
n/m means not material.

Advisory vote on the elements of remuneration due or granted for the 2016 financial year to **Mr Fabrice Mouchel**, Deputy Chief Financial Officer and Member of the Management Board (Annual General Meeting of April 25, 2017 – Resolution No. 9)





Figures may not add up due to rounding.

Elements of Remuneration	Amounts or countable valuations submitted to the shareholder opinion	Comments
Fixed Income – FI (Paid in respect of the 2016 financial year) *See pages 297 for details*	€360,000	The gross annual Fixed Income (FI) was determined by the SB on March 8, 2016, upon the recommendation of the GNRC, and is before income tax and social security charges. This FI has remained unchanged since 2015.
Short-term Incentive – STI (Paid in respect of the 2016 financial year) *See pages 299 for details*	€349,200	The gross STI was determined by the SB on March 7, 2017, upon the recommendation of the GNRC, and is before income tax and social security charges. Pursuant to the revisions to the STI scheme approved by the SB on February 2, 2016, the non-CEO MB member's STI remains capped at 100% of the FI and still includes a **quantitative** and a **qualitative component**. In order to ensure a better alignment of remuneration with the Group's performance, the quantitative component's share has been increased and the qualitative component's share decreased proportionally. **The quantitative component**, capped at 70% of FI, is entirely linked to the Group's financial performance and takes into account the following key performance indicators: • a "cash flow" component, proportional to the Recurring Earnings per Share (REPS) growth (potentially adjusted for the impact of significant disposals in line with the Group's financial communication), • a "value creation" component, proportional to the Net Asset Value per share growth plus the dividend per share distributed over the same period. In order for the quantitative component to reach its maximum, the Company's performance must reach the following stretch targets: • a growth of +8% (the current top bracket of the Company's medium term guidance) for the "cash flow" component; and • a growth of +12% for the "value creation" component.

2016 STI Quantitative Component

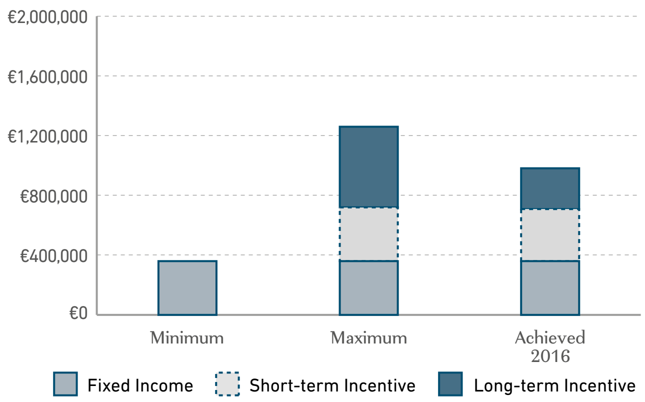
Components	Stretch targets for 100% achievement	Actual achievement 2016	Quantitative contribution to 2016 STI
"Cash Flow"	+8%	+10.40%	€153,000
"Value Creation"	+12%	+13.83%	€145,215
		Before Cap	*€298,215*
		After Cap of 70% of FI	**€252,000**

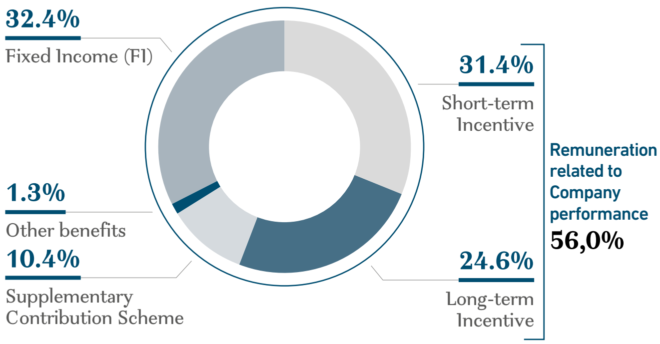
The 2016 results saw the strongest year-on-year REPS growth since 2009 and a very solid value creation. The calculation of the quantitative components for the Deputy CFO for 2016 therefore stands at €298,215 (*i.e.* 82.8% of his FI). After applying the cap of 70%, this results in a quantitative component for the Deputy CFO for 2016 of €252,000.
The qualitative component capped at 30% of FI, is determined according to the achievement of several individual qualitative objectives, pre-defined by the CEO and approved by the SB, upon the recommendation of the GNRC. For more details on the qualitative objectives please refer to pages 317.
The level of achievement of the 2016 individual qualitative objectives is 90.0%, which results in a qualitative STI for 2016 of 27.0% of his FI *i.e.* €97,200.
The total 2016 STI is **€349,200** *i.e.* 97.0% of FI.

Elements of Remuneration	Amounts or countable valuations submitted to the shareholder opinion	Comments
Long-term Incentive – LTI Performance Stock Options (SO) and Performance Shares (PS) (Granted during the 2016 financial year) (Economic value at the allocation date according to IFRS 2 requirements, based on the evaluation conducted by Willis Towers Watson) *See pages 338-340 for details*	€273,334	In accordance with MB Remuneration Policy, the economic value of SO and PS granted to the Deputy CFO must not exceed 150% of his FI. In 2016, the LTI economic value amounted to 75.9% of his FI. The vesting of the 2016 SO and PS are subject to: ● a 2-year continuous presence condition; and ● an external performance condition: the Unibail-Rodamco Total Shareholder Return (TSR) must be strictly superior to the TSR of the reference index (EPRA *Eurozone Index*) over the reference period. Obligation to retain shares: ● The Deputy CFO must maintain a personal investment in Unibail-Rodamco SE shares equivalent to 30% a) of the capital gain (net of tax) on the date of exercise of the SO granted and b) of PS from the time those PS become available, both until the end of his mandate as MB Member. ● This retention obligation applies up to a value equivalent to two years of FI. Obligation to invest in shares: ● The Deputy CFO must acquire one share for every two PS vested (after expiry of the holding period, where applicable). This rule is suspended when he owns a number of Unibail-Rodamco shares equivalent to at least 50% of his FI in any given year. **SO** On March 8, 2016, the SB, upon the recommendation of the GNRC, granted 18,700 SO to Mr Fabrice Mouchel, for an economic value of €158,190.The SO granted are without discount and may only be exercised as from the fourth anniversary of the grant date, subject to the presence and performance conditions (described above). **PS** On April 21, 2016, the SB, upon the recommendation of the GNRC, granted 1,127 PS to Mr Fabrice Mouchel, for an economic value of €115,144. The PS are subject to a 3-year vesting period and a 2-year holding period as well as to the presence and performance conditions (described above).
Supplementary Contribution Scheme - SCS	€115,056	Mr Fabrice Mouchel does not benefit from any additional defined benefits pension scheme ("retraite chapeau"). He benefits from the SCS which consists of an annual 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; 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 life and health insurance	n/m	Mr Fabrice Mouchel benefits from the Company'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.
Benefits in Kind	€17,127	Mr Fabrice Mouchel benefits from a company car and an unemployment contribution (GSC type).
Deferred or multi-annual STI	n/a	The Remuneration Policy does not provide for deferred nor multi-annual STI.
Exceptional remuneration	n/a	The Remuneration Policy does not provide for any exceptional remuneration.
Welcome bonus	n/a	The Remuneration Policy does not provide for any welcome bonus.
Contractual severance package	n/a	The Remuneration Policy does not provide for any contractual severance package in the event of termination of mandate.
Contractual non-compete indemnity	n/a	The Remuneration Policy does not provide for any contractual non-compete indemnity in the event of termination of mandate.
Employment contract	n/a	Mr Fabrice Mouchel does not benefit from an employment contract.
Service agreement	n/a	Mr Fabrice Mouchel does not benefit from any service agreement with the Group.
Intra-Group Board fees	n/a	Mr Fabrice Mouchel does not benefit from attendance fees from any company within the Group.

n/a means not applicable.
n/m means not material.

Advisory vote on the elements of remuneration due or granted for the 2016 financial year to **Ms Astrid Panosyan**, Chief Resources Officer and Member of the Management Board (Annual General Meeting of April 25, 2017 – Resolution No. 9)





Figures may not add up due to rounding.

Elements of Remuneration	Amounts or countable valuations submitted to the shareholder opinion	Comments
Fixed Income – FI (Paid in respect of the 2016 financial year) *See pages 297 for details*	€360,000	The gross annual FI was determined by the SB on March 8, 2016, upon the recommendation of the GNRC, and is before income tax and social security charges. This FI has remained unchanged since 2015.
Short-term Incentive – STI (Paid in respect of the 2016 financial year) *See pages 299 for details*	€348,552	The gross STI was determined by the SB on March 7, 2017, upon the recommendation of the GNRC, and is before income tax and social security charges. Pursuant to the revisions to the STI scheme approved by the SB on February 2, 2016, the non-CEO MB member's STI remains capped at 100% of the FI and still includes a **quantitative** and a **qualitative component**. In order to ensure a better alignment of remuneration with the Group's performance, the quantitative component's share has been increased and the qualitative component's share decreased proportionally. **The quantitative component**, capped at 70% of FI, is entirely linked to the Group's financial performance and takes into account the following key performance indicators: ● a "cash flow" component, proportional to the Recurring Earnings per Share (REPS) growth (potentially adjusted for the impact of significant disposals in line with the Group's financial communication), ● a "value creation" component, proportional to the Net Asset Value per share growth plus the dividend per share distributed over the same period. In order for the quantitative component to reach its maximum, the Company's performance must reach the following stretch targets: ● a growth of +8% (the current top bracket of the Company's medium term guidance) for the "cash flow" component; and ● a growth of +12% for the "value creation" component.

2016 STI Quantitative Component

Components	Stretch targets for 100% achievement	Actual achievement 2016	Quantitative contribution to 2016 STI
"Cash Flow"	+8%	+10.40%	€153,000
"Value Creation"	+12%	+13.83%	€145,215
		Before Cap	*€298,215*
		After Cap of 70% of FI	**€252,000**

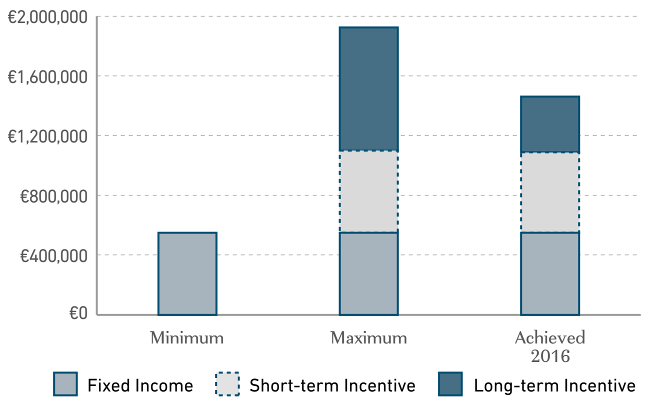
The 2016 results saw the strongest year-on-year REPS growth since 2009 and a very solid value creation. The calculation of the quantitative components for the CRO for 2016 therefore stands at €298,215 (*i.e.* 82.8% of her FI). After applying the cap of 70%, this results in a quantitative component for the CRO for 2016 of €252,000.
The qualitative component, capped at 30% of FI, is determined according to the achievement of several individual qualitative objectives, pre-defined by the CEO and approved by the SB, upon the recommendation of the GNRC. For more details on the qualitative objectives please refer to pages 317.
The level of achievement of the 2016 individual qualitative objectives is 89.4%, which results in a qualitative STI for 2016 of 26.8% of her FI *i.e.* €96,552.
The total 2016 STI is **€348,552** *i.e.* 96.8% of FI.

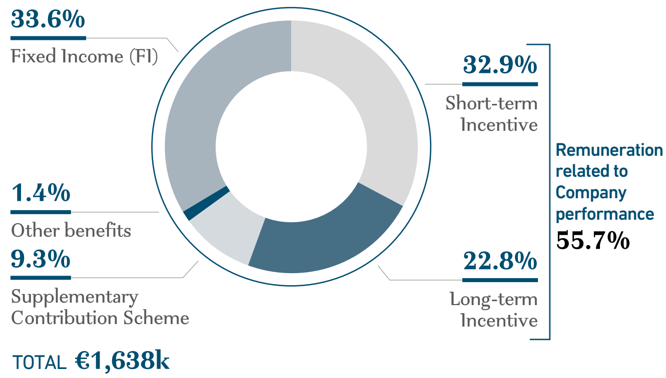
6

Elements of Remuneration	Amounts or countable valuations submitted to the shareholder opinion	Comments
Long-term Incentive – LTI Performance Stock Options (SO) and Performance Shares (PS) (Granted during the 2016 financial year) (Economic value at the allocation date according to IFRS 2 requirements, based on the evaluation conducted by Willis Towers Watson) *See pages 338-340 for details*	€273,334	In accordance with MB Remuneration Policy, the economic value of SO and PS granted to the CRO must not exceed 150% of her FI. In 2016, the LTI economic value amounted to 75.9% of her FI. The vesting of the 2016 SO and PS are subject to: ● a 2-year continuous presence condition; and ● an external performance condition: the Unibail-Rodamco Total Shareholder Return (TSR) must be strictly superior to the TSR of the reference index (EPRA *Eurozone Index*) over the reference period. Obligation to retain shares: ● The CRO must maintain a personal investment in Unibail-Rodamco SE shares equivalent to 30% a) of the capital gain (net of tax) on the date of exercise of the SO granted and b) of PS from the time those PS become available, both until the end of her mandate as MB Member. ● This retention obligation applies up to a value equivalent to two years of FI. Obligation to invest in shares: ● The CRO must acquire one share for every two PS vested (after expiry of the holding period, where applicable). This rule is suspended when she owns a number of Unibail-Rodamco shares equivalent to at least 50% of her FI in any given year. **SO** On March 8, 2016, the SB, upon the recommendation of the GNRC, granted 18,700 SO to Ms Astrid Panosyan, for an economic value of €158,190. The SO granted are without discount and may only be exercised as from the fourth anniversary of the grant date, subject to the presence and performance conditions (described above). **PS** On April 21, 2016, the SB, upon the recommendation of the GNRC, granted 1,127 PS to Ms Astrid Panosyan, for an economic value of €115,144. The PS are subject to a 3-year vesting period and a 2-year holding period as well as to the presence and performance conditions (described above).
Supplementary Contribution Scheme - SCS	€115,020	Ms Astrid Panosyan does not benefit from any additional defined benefits pension scheme ("retraite chapeau"). She benefits from the SCS which consists of an annual contribution paid into a blocked savings account (available only after the end of her last mandate as MB Member) equivalent to: ● 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).
Group life and health insurance	n/m	Ms Astrid Panosyan benefits from the Company's life and health insurance under the same terms as those applied to the category of employees she is affiliated with, with respect to social security benefits and other items of her remuneration.
Benefits in Kind	€14,325	Ms Astrid Panosyan benefits from a company car and an unemployment contribution (GSC type).
Deferred or multi-annual STI	n/a	The Remuneration Policy does not provide for deferred nor multi-annual STI.
Exceptional remuneration	n/a	The Remuneration Policy does not provide for any exceptional remuneration.
Welcome bonus	n/a	The Remuneration Policy does not provide for any welcome bonus.
Contractual severance package	n/a	The Remuneration Policy does not provide for any contractual severance package in the event of termination of mandate.
Contractual non-compete Indemnity	n/a	The Remuneration Policy does not provide for any contractual non-compete indemnity in the event of termination of mandate.
Employment contract	n/a	Ms Astrid Panosyan does not benefit from an employment contract.
Service agreement	n/a	Ms Astrid Panosyan does not benefit from any service agreement with the Group.
Intra-Group Board fees	n/a	Ms Astrid Panosyan does not benefit from attendance fees from any company within the Group.

n/a means not applicable.
n/m means not material.

Advisory vote on the elements of remuneration due or granted for the 2016 financial year to **Mr Jaap Tonckens**, Chief Financial Officer and Member of the Management Board (Annual General Meeting of April 25, 2017 – Resolution No. 9)





Figures may not add up due to rounding.

Elements of Remuneration	Amounts or countable valuations submitted to the shareholder opinion	Comments
Fixed Income – FI (Paid in respect of the 2016 financial year) *See pages 298 for details*	€550,000	The gross annual FI was determined by the SB on March 8, 2016, upon the recommendation of the GNRC, and is before income tax and social security charges. This FI has remained unchanged since 2013.
Short-term Incentive – STI (Paid in respect of the 2016 financial year) *See pages 299 for details*	€538,945	The gross STI was determined by the SB on March 7, 2017, upon the recommendation of the GNRC, and is before income tax and social security charges. Pursuant to the revisions to the STI scheme approved by the SB on February 2, 2016, the non-CEO MB member's STI remains capped at 100% of the FI and still includes a **quantitative** and a **qualitative component**. In order to ensure ta better alignment of remuneration with the Group's performance, the quantitative component's share has been increased and the qualitative component's share decreased proportionally. **The quantitative component**, capped at 70% of FI, is entirely linked to the Group's financial performance and takes into account the following key performance indicators: ● a "cash flow" component, proportional to the Recurring Earnings per Share (REPS) growth (potentially adjusted for the impact of significant disposals in line with the Group's financial communication), ● a "value creation" component, proportional to the Net Asset Value per share growth plus the dividend per share distributed over the same period. In order for the quantitative component to reach its maximum, the Company's performance must reach the following stretch targets: ● a growth of +8% (the current top bracket of the Company's medium term guidance) for the "cash flow" component; and ● a growth of +12% for the "value creation" component.

	2016 STI Quantitative Component		
Components	**Stretch targets for 100% achievement**	**Actual achievement 2016**	**Quantitative contribution to 2016 STI**
"Cash Flow"	+8%	+10.40%	€233,750
"Value Creation"	+12%	+13.83%	€221,856
		Before Cap	*€455,606*
		After Cap of 70% of FI	**€385,000**

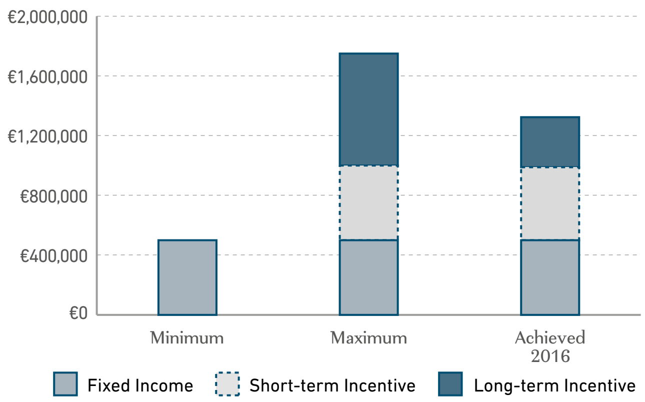
The 2016 results saw the strongest year-on-year REPS growth since 2009 and a very solid value creation. The calculation of the quantitative components for the CFO for 2016 therefore stands at €455,606 (*i.e.* 82.8% of his FI). After applying the cap of 70%, this results in a quantitative component for the CFO for 2016 of €385,000.
The qualitative component capped at 30% of FI, is determined according to the achievement of several individual qualitative objectives, pre-defined by the CEO and approved by the SB, upon the recommendation of the GNRC. For more details on the qualitative objectives please refer to pages 317.
The level of achievement of the 2016 individual qualitative objectives is 93.3%, which results in a qualitative STI for 2016 of 28.0% of his FI *i.e.* €153,945.
The total 2016 STI is **€538,945** *i.e.* 98.0% of FI.

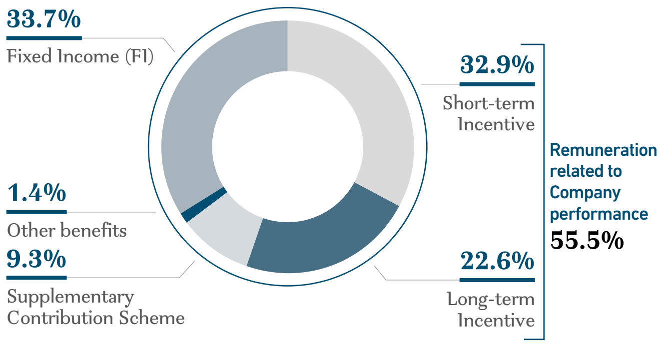
6

Elements of Remuneration	Amounts or countable valuations submitted to the shareholder opinion	Comments
Long-term Incentive – LTI Performance Stock Options (SO) and Performance Shares (PS) (Granted during the 2016 financial year) (Economic value at the allocation date according to IFRS 2 requirements, based on the evaluation conducted by Willis Towers Watson) *See pages 388-340 for details*	€372,813	In accordance with MB Remuneration Policy, the economic value of SO and PS granted to the CFO must not exceed 150% of his FI. In 2016, the LTI economic value amounted to 67.8% of his FI. The vesting of the 2016 SO and PS are subject to: • a 2-year continuous presence condition; and • an external performance condition: the Unibail-Rodamco Total Shareholder Return (TSR) must be strictly superior to the TSR of the reference index (EPRA *Eurozone Index*) over the reference period. Obligation to retain shares: • The CFO must maintain a personal investment in Unibail-Rodamco SE shares equivalent to 30% a) of the capital gain (net of tax) on the date of exercise of the SO granted and b) of PS from the time those PS become available, both until the end of his mandate as MB Member. • This retention obligation applies up to a value equivalent to two years of FI. Obligation to invest in shares: • The CFO must acquire one share for every two PS vested (after expiry of the holding period, where applicable). This rule is suspended when he owns a number of Unibail-Rodamco shares equivalent to at least 50% of his FI in any given year.
		SO On March 8, 2016, the SB, upon the recommendation of the GNRC, granted 25,500 SO to Mr Jaap Tonckens, for an economic value of €215,713. The SO granted are without discount and may only be exercised as from the fourth anniversary of the grant date, subject to the presence and performance conditions (described above).
		PS On April 21, 2016, the SB, upon the recommendation of the GNRC, granted 1,536 PS to Mr Jaap Tonckens, for an economic value of €157,100. The PS are subject to a 4-year vesting period as well as to the presence and performance conditions (described above).
Supplementary Contribution Scheme - SCS	€152,745	Mr Jaap Tonckens does not benefit from any additional defined benefits pension scheme ("retraite chapeau"). He benefits from the SCS which consists of an annual 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; 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 life and health insurance	n/a	n/a
Benefits in Kind	€23,612	Mr Jaap Tonckens benefits from an expatriate health insurance policy and an International Assignment Extra-Compensation (excl. EU).
Deferred or multi-annual STI	n/a	The Remuneration Policy does not provide for deferred nor multi-annual STI.
Exceptional remuneration	n/a	The Remuneration Policy does not provide for any exceptional remuneration.
Welcome bonus	n/a	The Remuneration Policy does not provide for any welcome bonus.
Contractual severance package	n/a	The Remuneration Policy does not provide for any contractual severance package in the event of termination of mandate.
Contractual non-compete indemnity	n/a	The Remuneration Policy does not provide for any contractual non-compete indemnity in the event of termination of mandate.
Employment contract	n/a	Mr Jaap Tonckens does not benefit from an employment contract.
Service agreement	n/a	Mr Jaap Tonckens does not benefit from any service agreement with the Group.
Intra-Group Board fees	n/a	Mr Jaap Tonckens does not benefit from attendance fees from any company within the Group.

n/a means not applicable.
n/m means not material.

Advisory vote on the elements of remuneration due or granted for the 2016 financial year to **Mr Jean-Marie Tritant**, Chief Operating Officer and Member of the Management Board (Annual General Meeting of April 25, 2017 – Resolution No. 9)





Figures may not add up due to rounding.

Elements of Remuneration	Amounts or countable valuations submitted to the shareholder opinion	Comments
Fixed Income – FI (Paid in respect of the 2016 financial year) *See pages 298 for details*	€500,000	The gross annual FI was determined by the SB on March 8, 2016, upon the recommendation of the GNRC, and is before income tax and social security charges.
Short-term Incentive – STI (Paid in respect of the 2016 financial year) *See pages 299 for details*	€488,600	The gross STI was determined by the SB on March 7, 2017, upon the recommendation of the GNRC, and is before income tax and social security charges. Pursuant to the revisions to the STI scheme approved by the SB on February 2, 2016, the non-CEO MB member's STI remains capped at 100% of the FI and still includes a **quantitative** and a **qualitative component**. In order to ensure a better alignment of remuneration with the Group's performance, the quantitative component's share has been increased and the qualitative component's share decreased proportionally. **The quantitative component**, capped at 70% of FI, is entirely linked to the Group's financial performance and takes into account the following key performance indicators: • a "cash flow" component, proportional to the Recurring Earnings per Share (REPS) growth (potentially adjusted for the impact of significant disposals in line with the Group's financial communication), • a "value creation" component, proportional to the Net Asset Value per share growth plus the dividend per share distributed over the same period. In order for the quantitative component to reach its maximum, the Company's performance must reach the following stretch targets: • a growth of +8% (the current top bracket of the Company's medium term guidance) for the "cash flow" component; and • a growth of +12% for the "value creation" component.

2016 STI Quantitative Component

Components	Stretch targets for 100% achievement	Actual achievement 2016	Quantitative contribution to 2016 STI
"Cash Flow"	+8%	+10.40%	€212,500
"Value Creation"	+12%	+13.83%	€201,688
		Before Cap	*€414,188*
		After Cap of 70% of FI	**€350,000**

The 2016 results saw the strongest year-on-year REPS growth since 2009 and a very solid value creation. The calculation of the quantitative components for the COO for 2016 therefore stands at €414,188 (*i.e.* 82.8% of his FI). After applying the cap of 70%, this results in a quantitative component for the COO for 2016 of €350,000.
The qualitative component, capped at 30% of FI, is determined according to the achievement of several individual qualitative objectives, pre-defined by the CEO and approved by the SB, upon the recommendation of the GNRC. For more details on the qualitative objectives please refer to pages 317.
The level of achievement of the 2016 individual qualitative objectives is 92.4%, which results in a qualitative STI for 2016 of 27.7% of his FI *i.e.* €138,600.
The total 2016 STI is **€488,600** *i.e.* 97.7% of FI.

Elements of Remuneration	Amounts or countable valuations submitted to the shareholder opinion	Comments
Long-term Incentive – LTI Performance Stock Options (SO) and Performance Shares (PS) (Granted during the 2016 financial year) (Economic value at the allocation date according to IFRS 2 requirements, based on the evaluation conducted by Willis Towers Watson) *See pages 338-340 for details*	€335,441	In accordance with MB Remuneration Policy, the economic value of SO and PS granted to the COO must not exceed 150% of his FI. In 2016, the LTI economic value amounted to 67.1% of his FI. The vesting of the 2016 SO and PS are subject to: ● a 2-year continuous presence condition; and ● an external performance condition: the Unibail-Rodamco Total Shareholder Return (TSR) must be strictly superior to the TSR of the reference index (EPRA *Eurozone Index*) over the reference period. Obligation to retain shares: ● The COO must maintain a personal investment in Unibail-Rodamco SE shares equivalent to 30% a) of the capital gain (net of tax) on the date of exercise of the SO granted and b) of PS from the time those PS become available, both until the end of his mandate as MB Member. ● This retention obligation applies up to a value equivalent to two years of FI. Obligation to invest in shares: ● The COO must acquire one share for every two PS vested (after expiry of the holding period, where applicable). This rule is suspended when he owns a number of Unibail-Rodamco shares equivalent to at least 50% of his FI in any given year. **SO** On March 8, 2016, the SB, upon the recommendation of the GNRC, granted 22,950 SO to Mr Jean-Marie Tritant, for an economic value of €194,142. The SO granted are without discount and may only be exercised as from the fourth anniversary of the grant date, subject to the presence and performance conditions (described above). **PS** On April 21, 2016, the SB, upon the recommendation of the GNRC, granted 1,383 PS to Mr Jean-Marie Tritant, for an economic value of €141,299. The PS are subject to a 3-year vesting period and a 2-year holding period as well as to the presence and performance conditions (described above).
Supplementary Contribution Scheme - SCS	€138,020	Mr Jean-Marie Tritant does not benefit from any additional defined benefits pension scheme ("retraite chapeau"). He benefits from the SCS which consists of an annual 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; 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 life and health insurance	n/m	Mr Jean-Marie Tritant l benefits from the Company'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.
Benefits in Kind	€21,243	Mr Jean-Marie Tritant benefits from a company car and an unemployment contribution (GSC type).
Deferred or multi-annual STI	n/a	The Remuneration Policy does not provide for deferred nor multi-annual STI.
Exceptional remuneration	n/a	The Remuneration Policy does not provide for any exceptional remuneration.
Welcome bonus	n/a	The Remuneration Policy does not provide for any welcome bonus.
Contractual severance package	n/a	The Remuneration Policy does not provide for any contractual severance package in the event of termination of mandate.
Contractual non-compete indemnity	n/a	The Remuneration Policy does not provide for any contractual non-compete indemnity in the event of termination of mandate.
Employment contract	n/a	Mr Jean-Marie Tritant does not benefit from an employment contract.
Service agreement	n/a	Mr Jean-Marie Tritant does not benefit from any service agreement with the Group.
Intra-Group Board fees	n/a	Mr Jean-Marie Tritant does not benefit from attendance fees from any company within the Group.

n/a means not applicable.
n/m means not material.

The table below provides some examples of qualitative objectives achieved in 2016 for each MB Member:

	2016 qualitative achievements
Mr Christophe Cuvillier	Among Mr Christophe Cuvillier's most significant targets achieved in 2016: ● Delivered budget and exceeded REPS guidance with the strongest year-on-year REPS growth since 2009. ● Launched the CSR strategy "Better Places 2030", with the aim to reduce by -50% the Group's carbon footprint, becoming the first listed real estate company to engage on such an ambitious and global strategy. ● Strengthened the MB, Group Management Team and Country Management Team succession plans with particular focus on international and diverse profiles.
Mr Olivier Bossard	Among Mr Olivier Bossard's most significant targets achieved in 2016: ● Secured significant steps forward, particularly on the administrative side, of major development projects (e.g. Überseequartier, Mall of Netherlands, Val Tolosa, Gaîté, Sisters, Triangle, among others). ● Re-fueled the development pipeline valued at €8 Bn at year-end 2016 (vs. €7.4 Bn at year-end 2015). Two retail extensions (Forum des Halles and Bonaire) and an office refurbishment project (Les Villages 3 and 4) were delivered. ● Ensured all 2017 development pipeline projects are on track for their opening according to plan and budget.
Mr Fabrice Mouchel	Among Mr Fabrice Mouchel's most significant targets achieved in 2016: ● Decreased the Group's average cost of debt to 1.6% at year-end 2016 vs. 2.2% at year-end 2015 while the average maturity has been extended to 7 years at year-end 2016 vs. 6.5 years at year-end 2015. ● Delivered "firsts" in the issuance of bonds, the first public bond with a 20-year maturity by a real estate company, the longest maturity ever achieved in the sector on the Euro market and an 8-year Euro bond with the lowest coupon (0.875 %) ever achieved by the Group. ● Built strong succession planning in the Finance department throughout the Group.
Ms Astrid Panosyan	Among Ms Astrid Panosyan's most significant targets achieved in 2016: ● Led, under the direction of the SB and GNRC, the revision to the LTI scheme, applicable to all Group employees. ● Increased the Group's focus on internationalization, diversity and Talent development. ● Defined the 3-year IT strategy and shared with the MB, the SB and key Group managers.
Mr Jaap Tonckens	Among Mr Jaap Tonckens' most significant targets achieved in 2016: ● Continued active management of strategic initiatives and sourcing. ● Disposed of €101 Mn(1) of retail assets and €927.9 Mn(1) of offices achieving record premiums of +51.3% and +24.8%, respectively, above the last unaffected appraisal value. ● Engaged in continued efforts in shareholder outreach with a diversified international shareholder base.
Mr Jean-Marie Tritant	Among Mr Jean-Marie Tritant's most significant targets achieved in 2016: ● Delivered the 2016 budget with KPIs in line with or above budget (including NRI, rotation rate, MGR uplift). ● Launched a major digital and big data strategic plan. ● Developed innovation initiatives with UR Lab and UR Link, the Group's start-up accelerator opened in 2016. ● Increased Specialty Leasing revenues by 13%; developed significantly the Group's Brand Events, including Digital Dream®; and strengthened relationships with International Premium Retailers.

(1) Total Acquisition Cost

Tables presenting the MB Member remuneration

Pursuant to the AMF (December 22, 2008) and the Afep-Medef Code recommendations concerning the remuneration of executive officers of listed companies, the tables hereinafter present:

- the gross remuneration received in respect of the financial years 2012 through to 2016, *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 2015 and 2016 respectively, and including the STI that was paid in Year N due in respect of the previous year (Table No. 2).

Details of MB Member remuneration (before income tax and social security charges)

Fixed Income, STI, LTI and other benefits (before income tax and social security charges) allocated to MB Members in respect of the referred years

(TABLE NO. 1 OF AMF/AFEP-MEDEF RECOMMENDATIONS)

	Mr Christophe Cuvillier(1) Chief Executive Officer (since April 25, 2013) (Chief Operating Officer between June 1, 2011 and April 25, 2013)					Mr Olivier Bossard(2) Chief Development Officer (since April 25, 2013)				
	Year 2012	Year 2013	Year 2014	Year 2015	Year 2016	Year 2012	Year 2013	Year 2014	Year 2015	Year 2016
Fixed income	€620,000	€756,364	€850,504	€882,654	€913,988	n/a	€272,727	€400,000	€400,000	€400,000
Short term incentive (STI)*	€516,053	€867,441	€962,099	€1,323,981	€1,359,192	n/a	€204,545	€333,611	€378,400	€388,000
Pension	€55,000	€200,000	€269,400	€274,475	€313,797	n/a	n/a	€115,000	€118,361	€122,840
Other benefits	€21,011	€20,470	€20,796	€20,772	€21,209	n/a	€8,528	€14,688	€19,413	€19,595
REMUNERATION DUE IN RESPECT OF THE FINANCIAL YEAR	**€1,212,064**	**€1,844,275**	**€2,102,799**	**€2,501,882**	**€2,608,186**	**N/A**	**€485,800**	**€863,299**	**€916,174**	**€930,435**
Evolution year N vs year N-1 *(in %)*	60.8%	52.2%	14.0%	19.0%	4.2%	n/a	n/a	n/a	6.1%	1.6%
SO IFRS valuation allocated during the financial year**	€205,573	€337,875	€307,717	€349,737	€359,522	n/a	n/a	€147,704	€167,874	€172,571
Evolution year N vs year N-1 *(in %)*	4.0%	64.4%	-8.9%	13.7%	2.8%	n/a	n/a	n/a	13.7%	2.8%
PS IFRS valuation allocated during the financial year**	€99,660	€155,140	€184,652	€242,547	€261,654	n/a	n/a	€88,613	€116,396	€125,565
TOTAL	**€1,517,297**	**€2,337,290**	**€2,595,168**	**€3,094,166**	**€3,229,362**	**N/A**	**€485,800**	**€1,099,616**	**€1,200,444**	**€1,228,571**
Evolution year N vs year N-1 *(in %)*	59.5%	54.0%	11.0%	19.2%	4.4%	n/a	n/a	n/a	9.2%	2.3%

n/a means any information relating to a period within which the person involved was neither an MB Member nor an employee of the company.

* *Short Term Incentive indicated in column "Year N" is the STI due in respect of Year N and paid in March Year N+1.*

** *The value corresponds to the value of the SO and 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 Company after the vesting period, but before taking into account the effect of the spread of the charge during the vesting period according to IFRS 2.*

(1) MB Member since June 2011, Mr Christophe Cuvillier was appointed as Chairman of the MB and Chief Executive Officer effective April 25, 2013.

(2) Mr Olivier Bossard was appointed as Chief Development Officer effective April 25, 2013 (i.e. after the allocation date of SO and PS for 2013). The remuneration fixed for the 2013 financial year was applied pro rata temporis.

	Mr Fabrice Mouchel[1] Deputy Chief Financial Officer (since April 25, 2013)					Ms Astrid Panosyan[2] Chief Resources Officer (since September 1, 2015)				
	Year 2012	Year 2013	Year 2014	Year 2015	Year 2016	Year 2012	Year 2013	Year 2014	Year 2015	Year 2016
Fixed income	n/a	€218,182	€320,000	€360,000	€360,000	n/a	n/a	n/a	€120,000	€360,000
Short term incentive (STI)*	n/a	€163,636	€280,338	€340,560	€349,200	n/a	n/a	n/a	€113,400	€348,552
Pension	n/a	n/a	€101,000	€109,034	€115,056	n/a	n/a	n/a	€0	€115,020
Other benefits	n/a	€7,666	€10,691	€14,657	€17,127	n/a	n/a	n/a	€3,928	€14,325
REMUNERATION DUE IN RESPECT OF THE FINANCIAL YEAR	**N/A**	**€389,484**	**€712,029**	**€824,251**	**€841,383**	**N/A**	**N/A**	**N/A**	**€237,328**	**€837,897**
Evolution year N vs year N-1 *(in %)*	n/a	n/a	n/a	15.8%	2.1%	n/a	n/a	n/a	n/a	n/a
SO IFRS valuation allocated during the financial year**	n/a	n/a	€123,087	€153,884	€158,190	n/a	n/a	n/a	n/a	€158,190
Evolution year N vs year N-1 *(in %)*	n/a	n/a	n/a	25.0%	2.8%	n/a	n/a	n/a	n/a	n/a
PS IFRS valuation allocated during the financial year**	n/a	n/a	€73,832	€106,736	€115,144	n/a	n/a	n/a	n/a	€115,144
TOTAL	**N/A**	**€389,484**	**€908,948**	**€1,084,871**	**€1,114,717**	**N/A**	**N/A**	**N/A**	**€237,328**	**€1,111,231**
Evolution year N vs year N-1 *(in %)*	n/a	n/a	n/a	19.4%	2.8%	n/a	n/a	n/a	n/a	n/a

n/a means any information relating to a period within which the person involved was neither an MB Member nor an employee of the company.

* *Short Term Incentive indicated in column "Year N" is the STI due in respect of Year N and paid in March Year N+1.*

** *The value corresponds to the value of the SO and 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 Company after the vesting period, but before taking into account the effect of the spread of the charge during the vesting period according to IFRS 2.*

(1) *Mr Fabrice Mouchel was appointed as Deputy Chief Financial Officer effective April 25, 2013 (i.e. after the allocation date of SO and PS for 2013). The 2013 remuneration was applied prorata temporis.*

(2) *Ms Astrid Panosyan was appointed as Chief Resources Officer effective September 1, 2015 (i.e. after the allocation date of SO and PS for 2015). The 2015 remuneration was applied pro rata temporis.*

	Mr Jaap Tonckens Chief Financial Officer (MB Member since September 1, 2009)					Mr Jean-Marie Tritant[1] Chief Operating Officer (since April 25, 2013)				
	Year 2012	Year 2013	Year 2014	Year 2015	Year 2016	Year 2012	Year 2013	Year 2014	Year 2015	Year 2016
Fixed income	€440,000	€550,000	€550,000	€550,000	€550,000	n/a	€306,818	€450,000	€450,000	€500,000
Short term incentive (STI)*	€381,820	€412,500	€470,249	€527,450	€538,945	n/a	€230,114	€377,657	€430,200	€488,600
Pension	€108,206	€113,603	€141,250	€147,025	€152,745	n/a	n/a	€123,750	€127,766	€138,020
Other benefits	€18,652	€21,915	€4,715	€30,209	€23,612	n/a	€11,587	€15,905	€19,903	€21,243
REMUNERATION DUE IN RESPECT OF THE FINANCIAL YEAR	**€948,678**	**€1,098,018**	**€1,166,214**	**€1,254,684**	**€1,265,230**	**N/A**	**€548,519**	**€967,312**	**€1,027,869**	**€1,147,863**
Evolution year N vs year N-1 *(in %)*	12.9%	15.7%	6.2%	7.6%	0.8%	n/a	n/a	n/a	6.3%	11.7%
SO IFRS valuation allocated during the financial year**	€176,205	€202,725	€184,630	€209,842	€215,713	n/a	n/a	€147,704	€167,874	€194,142
Evolution year N vs year N-1 *(in %)*	-3.3%	15.1%	-8.9%	13.7%	2.8%	n/a	n/a	n/a	13.7%	15.6%
PS IFRS valuation allocated during the financial year**	€85,401	€93,084	€108,177	€146,328	€157,100	n/a	n/a	€88,613	€116,396	€141,299
TOTAL	**€1,210,284**	**€1,393,827**	**€1,459,021**	**€1,610,854**	**€1,638,043**	**N/A**	**€548,519**	**€1,203,629**	**€1,312,139**	**€1,483,304**
Evolution year N vs year N-1 *(in %)*	18.3%	15.2%	4.7%	10.4%	1.7%	n/a	n/a	n/a	9.0%	13.0%

n/a means any information relating to a period within which the person involved was neither an MB Member nor an employee of the company.

* *Short Term Incentive indicated in column "Year N" is the STI due in respect of Year N and paid in March Year N+1.*

** *The value corresponds to the value of the SO and 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 Company after the vesting period, but before taking into account the effect of the spread of the charge during the vesting period according to IFRS 2.*

(1) *Mr Jean-Marie Tritant was appointed as Chief Operating Officer effective April 25, 2013 (i.e. after the allocation date of SO and PS for 2013). The 2013 remuneration was applied pro rata temporis.*

Details of the remuneration (before income tax and social security charges) of each MB Member

(TABLE NO. 2 OF AMF/AFEP-MEDEF RECOMMENDATIONS)

Mr Christophe Cuvillier Chairman of the MB & Chief Executive Officer (since April 25, 2013)	Financial year 2015		Financial year 2016	
	Amount due	Amount paid	Amount due	Amount paid
Fixed income	€882,654	€882,654	€913,988	€913,988
Short term incentive (STI)	€1,323,981	€962,099	€1,359,192	€1,323,981
Pension	€274,475	€274,475	€313,797	€313,797
Other benefits	€20,772	€20,772	€21,209	€21,209
TOTAL DIRECT REMUNERATION	**€2,501,882**	**€2,140,000**	**€2,608,186**	**€2,572,975**
SO IFRS valuation allocated during the financial year*	€349,737	€349,737	€359,522	€359,522
PS IFRS valuation allocated during the financial year*	€242,547	€242,547	€261,654	€261,654
TOTAL	**€3,094,166**	**€2,732,284**	**€3,229,362**	**€3,194,151**

* *The value corresponds to the value of the SO and 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 company after the vesting period, but before taking into account the effect of the spread of the charge during the vesting period according to IFRS 2.*

Mr Olivier Bossard MB Member & Chief Development Officer (since April 25, 2013)	Financial year 2015		Financial year 2016	
	Amount due	Amount paid	Amount due	Amount paid
Fixed income	€400,000	€400,000	€400,000	€400,000
Short term incentive (STI)	€378,400	€333,611	€388,000	€378,400
Pension	€118,361	€118,361	€122,840	€122,840
Other benefits	€19,413	€19,413	€19,595	€19,595
TOTAL DIRECT REMUNERATION	**€916,174**	**€871,385**	**€930,435**	**€920,835**
SO IFRS valuation allocated during the financial year*	€167,874	€167,874	€172,571	€172,571
PS IFRS valuation allocated during the financial year*	€116,396	€116,396	€125,565	€125,565
TOTAL	**€1,200,444**	**€1,155,655**	**€1,228,571**	**€1,218,971**

* *The value corresponds to the value of the SO and 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 company after the vesting period, but before taking into account the effect of the spread of the charge during the vesting period according to IFRS 2.*

6

Mr Fabrice Mouchel MB Member & Deputy Chief Financial Officer (since April 25, 2013)	Financial year 2015		Financial year 2016	
	Amount due	Amount paid	Amount due	Amount paid
Fixed income	€360,000	€360,000	€360,000	€360,000
Short term incentive (STI)	€340,560	€280,338	€349,200	€340,560
Pension	€109,034	€109,034	€115,056	€115,056
Other benefits	€14,657	€14,657	€17,127	€17,127
TOTAL DIRECT REMUNERATION	**€824,251**	**€764,029**	**€841,383**	**€832,743**
SO IFRS valuation allocated during the financial year*	€153,884	€153,884	€158,190	€158,190
PS IFRS valuation allocated during the financial year*	€106,736	€106,736	€115,144	€115,144
TOTAL	**€1,084,871**	**€1,024,649**	**€1,114,717**	**€1,106,077**

* *The value corresponds to the value of the SO and 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 company after the vesting period, but before taking into account the effect of the spread of the charge during the vesting period according to IFRS 2.*

Mrs Astrid Panosyan[1] MB Member & Chief Resources Officer (since September 1, 2015)	Financial year 2015		Financial year 2016	
	Amount due	Amount paid	Amount due	Amount paid
Fixed income	€120,000	€120,000	€360,000	€360,000
Short term incentive (STI)	€113,400	n/a	€348,552	€113,400
Pension	n/a	n/a	€115,020	€115,020
Other benefits	€3,928	€3,928	€14,325	€14,325
TOTAL DIRECT REMUNERATION	**€237,328**	**€123,928**	**€837,897**	**€602,745**
SO IFRS valuation allocated during the financial year*	n/a	n/a	€158,190	€158,190
PS IFRS valuation allocated during the financial year*	n/a	n/a	€115,144	€115,144
TOTAL	**€237,328**	**€123,928**	**€1,111,231**	**€876,079**

n/a means any information relating to a period within which the person involved was not a corporate officer of the Company.

* *The value corresponds to the value of the SO and 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 company after the vesting period, but before taking into account the effect of the spread of the charge during the vesting period according to IFRS 2.*

(1) *Ms Astrid Panosyan was appointed as Chief Resources Officer effective September 1, 2015 (i.e. after the allocation date of SO and PS for 2015). The 2015 remuneration was applied pro rata temporis.*

Mr Jaap Tonckens MB Member & Chief Financial Officer (since September 1, 2009)	Financial year 2015		Financial year 2016	
	Amount due	Amount paid	Amount due	Amount paid
Fixed income	€550,000	€550,000	€550,000	€550,000
Short term incentive (STI)	€527,450	€470,249	€538,945	€527,450
Pension	€147,025	€147,025	€152,745	€152,745
Other benefits	€30,209	€4,366	€23,612	€30,209
TOTAL DIRECT REMUNERATION	**€1,254,684**	**€1,171,640**	**€1,265,302**	**€1,260,404**
SO IFRS valuation allocated during the financial year*	€209,842	€209,842	€215,713	€215,713
PS IFRS valuation allocated during the financial year*	€146,328	€146,328	€157,100	€157,100
TOTAL	**€1,610,854**	**€1,527,810**	**€1,638,115**	**€1,633,217**

* *The value corresponds to the value of the SO and 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 company after the vesting period, but before taking into account the effect of the spread of the charge during the vesting period according to IFRS 2.*

Mr Jean-Marie Tritant MB Member & Chief Operating Officer (since April 25, 2013)	Financial year 2015		Financial year 2016	
	Amount due	Amount paid	Amount due	Amount paid
Fixed income	€450,000	€450,000	€500,000	€500,000
Short term incentive (STI)	€430,200	€377,657	€488,600	€430,200
Pension	€127,766	€127,766	€138,020	€138,020
Other benefits	€19,903	€19,903	€21,243	€21,243
TOTAL DIRECT REMUNERATION	**€1,027,869**	**€975,326**	**€1,147,863**	**€1,089,463**
SO IFRS valuation allocated during the financial year*	€167,874	€167,874	€194,142	€194,142
PS IFRS valuation allocated during the financial year*	€116,396	€116,396	€141,299	€141,299
TOTAL	**€1,312,139**	**€1,259,596**	**€1,483,304**	**€1,424,904**

* *The value corresponds to the value of the SO and 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 company after the vesting period, but before taking into account the effect of the spread of the charge during the vesting period according to IFRS 2.*

Details of the LTI granted to or exercised by MB Members in 2016

Performance Stock Options granted to MB Members in the 2016 financial year

The detail on the plans in force, in particular the SO Plan (Performance Plan no. 8) applicable to employees and executive officers is presented on pages 338 to 342.

All SO granted in 2016 are:

- without discount; and
- subject to a presence condition and performance conditions detailed on pages 339 to 340.

In accordance with the Afep-Medef Code, except under exceptional circumstances, the annual allocation of SO occurs in March, following the publication of the full-year financial results.

The grants to the CEO shall not exceed 8% of any total allocation, and the grants to the top six executives (including the CEO) shall not exceed 25% of the total allocation.

On March 8, 2016, with a total of 611,608 SO granted to employees and MB Members, 148,750 SO were granted to MB Members representing 24.3% of the total allocation of SO within the Group in 2016.

Mr Christophe Cuvillier, as CEO, was awarded 42,500 SO in 2016, the same as in 2013, 2014 and 2015. This represented 6.9% of the total SO allocation within the Group in 2016.

The MB Members received the following allocations of SO in 2016: Mr Olivier Bossard: 20,400; Mr Fabrice Mouchel: 18,700; Ms Astrid Panosyan: 18,700; Mr Jaap Tonckens: 25,500 and Mr Jean-Marie Tritant: 22,950.

According to the Afep-Medef Code, each MB Member is strictly prohibited from using hedging instruments to cover options and shares that are owned as a result of exercising SO.

The allocation of SO to MB Members is detailed in Table No. 4 in the format recommended by the AMF and the Afep-Medef Code.

Share ownership requirements applicable to MB Members[1]

Pursuant to Article L. 225-185 of the French Commercial Code and the Afep-Medef Code, all MB Members are subject to retention and investment obligations in the Company's shares. For details see page 303.

Performance Stock Options (SO) granted during financial years 2013 to 2016

(TABLE NO. 4 OF AMF/AFEP-MEDEF RECOMMENDATIONS)

Plan Number	Plan performance no. 7			Plan performance no. 7			Plan performance no. 8			Plan performance no. 8		
Date of grant	March 4, 2013			March 3, 2014			March 3, 2015			March 8, 2016		
Opening of exercise period (at the opening of trading day)	March 5, 2017			March 4, 2018			March 4, 2019			March 9, 2020		
End of exercise period (at the end of the trading day)	March 4, 2020			March 3, 2021			March 3, 2022			March 8, 2023		
Exercise Price per SO	€ 173.16			€ 186.10			€ 256.81			€ 227.24		
Type of SO	Share subscription or purchase Stock Options subject to performance and presence conditions and with no discount			Share subscription or purchase Stock Options subject to performance and presence conditions and with no discount			Share subscription or purchase Stock Options subject to performance and presence conditions and with no discount			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 2013 vs 2012 in value	Number of SO granted	Value of SO granted*	Variation 2014 vs 2013 in value	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**
Mr Christophe Cuvillier Chief Executive Officer(1)	42,500	€337,875	64.40%	42,500	€307,717	-8.90%	42,500	€349,737	13.70%	42,500	€359,522	2.80%
Mr Olivier Bossard Chief Development Officer(2) **	20,400	€162,180	53.40%	20,400	€147,704	-8.90%	20,400	€167,874	13.70%	20,400	€172,571	2.80%
Mr Fabrice Mouchel Deputy Chief Financial Officer(3) **	15,300	€121,635	47.90%	17,000	€123,087	1.20%	18,700	€153,884	25.00%	18,700	€158,190	2.80%
Ms Astrid Panosyan Chief Resources Officer(4)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	18,700	€158,190	n/a
Mr Jaap Tonckens Chief Financial Officer	25,500	€202,725	15.10%	25,500	€184,630	-8.90%	25,500	€209,842	13.70%	25,500	€215,713	2.80%
Mr Jean-Marie Tritant Chief Operating Officer(5) **	20,400	€162,180	53.40%	20,400	€147,704	-8.90%	20,400	€167,874	13.70%	22,950	€194,142	15.60%

n/a means any information relating to a period within which the person involved was not a corporate officer of the company.

* *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 company after the vesting period, but before taking into account the effect of the spread of the charge during the vesting period according to IFRS 2.*

** *Beneficiaries were still employees on the date of grant of the 2012 and 2013 grants.*

(1) Member of Unibail-Rodamco SE Management Board since June 2011, Mr Christophe Cuvillier was appointed as Chairman of the MB and Chief Executive Officer effective April 25, 2013.

(2) Mr Olivier Bossard was appointed as Chief Development Officer effective April 25, 2013.

(3) Mr Fabrice Mouchel was appointed as Deputy Chief Financial Officer effective April 25, 2013.

(4) Ms Astrid Panosyan was appointed as Chief Resources Officer effective September 1, 2015.

(5) Mr Jean-Marie Tritant was appointed as Chief Operating Officer effective April 25, 2013.

(1) Under the SB's decision taken in accordance with Article L. 225-185 of the French Commercial Code.

Performance Stock Options granted to MB Members in the 2017 financial year

On March 7, 2017, the SB, upon the recommendation of the GNRC, granted to employees and executive officers a total of 611,611 SO, representing overall 0.61% of the fully diluted share capital.

A total of 148,750 SO were allocated to the MB Members.

The number of SO granted to CEO represents 6.9% of the total allocation of SO within the Group in 2017.

The overall SO allocation to the MB Members (CEO included) represents 24.3% of the total allocation of SO within the Group in 2017, and are indicated in the table below:

Performance Stock Options (SO) granted to MB Members in the 2017 financial year

(TABLE NO. 4 BIS OF AMF/AFEP-MEDEF RECOMMENDATIONS)

Plan	Plan Performance no. 9	
Date of grant	March 7, 2017	
Opening of the exercise period (at the opening of the trading day)	March 8, 2021	
End of the exercise period (at the end of the trading day)	March 7, 2024	
Exercise price per SO	€218.47	
Type of SO	Share subscription or purchase SO subject to performance and presence conditions and with no discount	
MB Members	Number of SO granted	Value of SO granted*
Mr Christophe Cuvillier – Chief Executive Officer	42,500	€301,907
Mr Olivier Bossard – Chief Development Officer	20,400	€144,915
Mr Fabrice Mouchel – Deputy Chief Financial Officer	18,700	€132,839
Ms Astrid Panosyan – Chief Resources Officer	18,700	€132,839
Mr Jaap Tonckens – Chief Financial Officer	25,500	€181,144
Mr Jean-Marie Tritant – Chief Operating Officer	22,950	€163,030

* *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 company after the vesting period, but before taking into account the effect of the spread of the charge during the vesting period according to IFRS 2.*

Performance Stock Options exercised by MB Members during the 2016 financial year (Art. L 225-184 of the French Commercial Code)

(TABLE NO. 5 OF AMF/AFEP-MEDEF RECOMMENDATIONS)

SO exercised by the MB Members	Plan number – Tranche year and date	Number of SO exercised for the financial year(1)	Exercise price per option(1)
Mr Christophe Cuvillier	Plan Performance no. 7 - Tranche 2012 - 14/03/2012	29,750	€146.11
Mr Olivier Bossard	Plan Performance no. 5 - Tranche 2009 - 13/03/2009	3,032	€79.08
	Plan Performance no. 6 - Tranche 2010 - 10/03/2010	12,500	€120.33
	Plan Performance no. 6 - Tranche 2011 - 10/03/2011	16,419	€141.54
	Plan Performance no. 7 - Tranche 2012 - 14/03/2012	15,300	€146.11
Mr Fabrice Mouchel	Plan Performance no. 7 - Tranche 2012 - 14/03/2012	11,900	€146.11
Ms Astrid Panosyan	n/a	n/a	n/a
Mr Jaap Tonckens	Plan Performance no. 7 - Tranche 2012 - 14/03/2012	25,500	€146.11
Mr Jean-Marie Tritant	Plan Performance no. 5 - Tranche 2009 - 13/03/2009	18,231	€79.08
	Plan Performance no. 6 - Tranche 2010 - 10/03/2010	18,489	€120.33
	Plan Performance no. 6 - Tranche 2011 - 10/03/2011	18,360	€141.54
	Plan Performance no. 7 - Tranche 2012 - 14/03/2012	15,300	€146.11

(1) After legal adjustment(s), if any.

Details of Performance Shares allocated and/or available to MB Members (Art. L. 225-194-4 of the French Commercial Code)

PS allocated to MB Members during the 2016 financial year

The detail on the plans in force, in particular the PS Plan (Plan Performance no. 2) applicable to employees and executive officers is presented on pages 338 to 342.

On April 21, 2016, with a total of 36,745 PS granted to employees and MB Members, 8,963 PS were granted to MB Members representing 24.4% of the total allocation of PS within the Group in 2016.

Mr Christophe Cuvillier, as CEO, was awarded 2,561 PS in 2016, the same as in 2014 and 2015. This represented 7.0% of the total PS allocation within the Group in 2016.

The MB Members received the following allocations of PS in 2016: Mr Olivier Bossard: 1,229; Mr Fabrice Mouchel: 1,127; Ms Astrid Panosyan: 1,127; Mr Jaap Tonckens: 1,536 and Mr Jean-Marie Tritant: 1,383.

The grant of PS to MB Members is presented in detail in Tables No. 6 and 7 in accordance with the recommendation of the AMF/Afep-Medef Code.

Share ownership requirements applicable to MB Members[1]

Pursuant to Article L. 225-185 of the French Commercial Code and the Afep-Medef Code, all MB Members are subject to retention and investment obligations in the Company's shares. For details see page 303.

Details of Performance Shares granted to MB members during the 2016 financial year (Art. L. 225-197-4 of the French Commercial Code)

(TABLE NO. 6 OF AMF/AFEP-MEDEF RECOMMENDATIONS)

	Performance no. 2 – Tranche 2016 (21/04/2016)				
MB Members	Numbers 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	2,561	€261,654	22/04/2019	22/04/2021	mandatory
Mr Olivier Bossard	1,229	€125,565	22/04/2019	22/04/2021	mandatory
Mr Fabrice Mouchel	1,127	€115,144	22/04/2019	22/04/2021	mandatory
Ms Astrid Panosyan	1,127	€115,144	22/04/2019	22/04/2021	mandatory
Mr Jaap Tonckens	1,536	€157,100	22/04/2020(3)	22/04/2020	mandatory
Mr Jean-Marie Tritant	1,383	€141,299	22/04/2019	22/04/2021	mandatory

(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 company after the vesting period, but before taking into account the effect of the spread of the charge during the vesting period according to IFRS 2. For non-French tax resident beneficiaries, this value takes into account the specific duration of the vesting period (four years) and the absence of holding period.

(2) First potential share transfer date, subject to the attainment of the performance condition on April 21, 2019. If the performance condition is not met, all rights are definitively lost on April 22, 2021.

(3) For non-French tax resident beneficiaries, the first potential share transfer is April 22, 2020 taking into account the four-year vesting period and the absence of holding period. If the performance condition is not met, all rights are definitively lost on April 22, 2021.

(1) Under the SB's decision taken in accordance with Article L. 225-185 of the French Commercial Code.

Details of Performance Shares available to MB Members during the 2016 financial year

(TABLE NO. 7 OF AMF/AFEP-MEDEF RECOMMENDATIONS)

MB Member	Plan number and date	Number of PS being definitely available during the 2016 financial year	Acquisition condition
Mr Christophe Cuvillier	Plan no. 1 Performance - 26/04/2012	n/a	Yes
	Plan no. 1 Performance - 04/03/2013	n/a	Yes
	Plan no. 1 Performance - 03/03/2014	n/a	Yes
	Plan no. 1 Performance - 03/03/2015	n/a	Yes
	Plan no. 2 Performance - 21/04/2016	n/a	Yes
Mr Olivier Bossard	Plan no. 1 Performance - 26/04/2012	n/a	Yes
	Plan no. 1 Performance - 04/03/2013	n/a	Yes
	Plan no. 1 Performance - 03/03/2014	n/a	Yes
	Plan no. 1 Performance - 03/03/2015	n/a	Yes
	Plan no. 2 Performance - 21/04/2016	n/a	Yes
Mr Fabrice Mouchel	Plan no. 1 Performance - 26/04/2012	n/a	Yes
	Plan no. 1 Performance - 04/03/2013	n/a	Yes
	Plan no. 1 Performance - 03/03/2014	n/a	Yes
	Plan no. 1 Performance - 03/03/2015	n/a	Yes
	Plan no. 2 Performance - 21/04/2016	n/a	Yes
Ms Astrid Panosyan	Plan no. 2 Performance - 21/04/2016	n/a	Yes
Mr Jaap Tonckens	Plan no. 1 Performance - 26/04/2012	n/a	Yes
	Plan no. 1 Performance - 04/03/2013	n/a	Yes
	Plan no. 1 Performance - 03/03/2014	n/a	Yes
	Plan no. 1 Performance - 03/03/2015	n/a	Yes
	Plan no. 2 Performance - 21/04/2016	n/a	Yes
Mr Jean-Marie Tritant	Plan no. 1 Performance - 26/04/2012	n/a	Yes
	Plan no. 1 Performance - 04/03/2013	n/a	Yes
	Plan no. 1 Performance - 03/03/2014	n/a	Yes
	Plan no. 1 Performance - 03/03/2015	n/a	Yes
	Plan no. 2 Performance - 21/04/2016	n/a	Yes

n/a means the Performance Shares granted with respect to this Performance Plan are not yet available.

Performance Shares granted to MB Members during the 2017 financial year

On March 7, 2017, the SB, upon the recommendation of the GNRC, granted to employees and executive officers of the Group 39,770 PS, representing overall 0.12% of the fully diluted share capital.

A total of 9,680 PS were allocated to the MB Members.

The number of PS granted to the CEO represents 7.0% of the total allocation of PS within the Group in 2017.

The overall PS allocation to the MB Members (CEO included) represent 24.3% of the total allocation of PS within the Group in 2017, and are indicated in the table below:

(TABLE NO. 6 BIS OF AMF/AFEP-MEDEF RECOMMENDATIONS)

	Plan Performance no. 2 - Tranche 2017 (07/03/2017)				
Management Board members	Numbers of PS granted during the 2017 financial year	Economic value of the PS grant(1)	Share Transfer date(2)	Availability date (at the end of the trading day)(2)	Performance & Presence conditions
Mr Christophe Cuvillier	2,766	€286,365	08/03/2020	08/03/2022	mandatory
Mr Olivier Bossard	1,327	€137,385	08/03/2020	08/03/2022	mandatory
Mr Fabrice Mouchel	1,217	€125,996	08/03/2020	08/03/2022	mandatory
Ms Astrid Panosyan	1,217	€125,996	08/03/2020	08/03/2022	mandatory
Mr Jaap Tonckens	1,659	€165,791	08/03/2021(3)	08/03/2021	mandatory
Mr Jean-Marie Tritant	1,494	€154,674	08/03/2020	08/03/2022	mandatory

(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 company after the vesting period, but before taking into account the effect of the spread of the charge during the vesting period according to IFRS 2. For non-French tax resident beneficiaries, this value takes into account the specific duration of the vesting period (four years) and the absence of holding period.

(2) Subject to the attainment of the performance condition on March 7, 2020. If the performance condition is not met, all rights are definitively lost.

(3) For non-French tax resident beneficiaries only, taken into account the 4-year vesting period and the absence of holding period. If the performance condition is not met, all rights are definitively lost.

6

Number of Unibail-Rodamco SE shares/ SO / PS held by MB Members as at March **7**, 2017 (Art. 17 of Annex 1 of Regulation EC 809/2004) (including SO granted on March **7**, 2017)

MB Member	Unibail-Rodamco SE shares owned*	SO non exercised	PS subject to vesting period
Mr Christophe. Cuvillier	100,929	171,798	7,888
Mr Olivier Bossard	127,008	103,941	3,785
Ms Astrid Panosyan	105	37,400	2,344
Mr Fabrice Mouchel	72,334	88,400	3,471
Mr Jaap Tonckens	10,461	102,000	6,267
Mr Jean-Marie Tritant	167,648	107,100	4,106

* *Including the shares equivalent to the number of units held in the Company Savings Plan.*

e) Information required by the AMF on the situation of members of the Management Board on December 31, 2016

(TABLE NO. 10 – RECOMMENDATION AFEP-MEDEF/TABLE 11 – RECOMMENDATIONS AMF)

	Employment contract	Supplementary Contribution Scheme (SCS)	Additional defined benefits pension scheme ("retraite chapeau")	Contractual severance package	Contractual non-compete indemnity
Mr Christophe Cuvillier **Chief Operating Officer** First mandate as CEO: April 25, 2013 End of mandate: AGM 2017	No	Yes	No	No	No
Mr Olivier Bossard **Chief Development Officer** First mandate: April 25, 2013 End of mandate: AGM 2017	No	Yes	No	No	No
Mr Fabrice Mouchel **Deputy Chief Financial Officer** First mandate: April 25, 2013 End of mandate: AGM 2017	No	Yes	No	No	No
Mrs Astrid Panosyan **Chief Resources Officer** First mandate: September 1, 2015 End of mandate: AGM 2017	No	Yes	No	No	No
Mr Jaap Tonckens **Chief Financial Officer** First mandate: September 1, 2009 Renewal of mandate: April 25, 2013 End of mandate: AGM 2017	No	Yes	No	No	No
Mr Jean-Marie Tritant **Chief Operating Officer** First mandate: April 25, 2013 End of mandate: AGM 2017	No	Yes	No	No	No

(1) Mr Olivier Bossard, Mr Fabrice Mouchel and Mr Jean-Marie Tritant immediately renounced their employment contracts following their appointment on April 25, 2013, a practice that goes beyond the Afep-Medef recommendations.

6.4. Regulatory information

6.4.1. Details of top ten Performance Stock Options grants/exercises (excluding Executive Officers) in the 2016 financial year (Art. L. 225-184 of the French Commercial Code)

TABLE 9 OF THE AMF RECOMMENDATIONS

	Top ten of stock options grants during the 2016 year	Top ten stock options exercises during the 2016 year
Number of granted stock options/and subscribed or purchased option[1]	96,900	96,745
Weighted average price	€227.24	€145.44
Plan no. 5 Tranche 2009	-	0
Plan no. 6 Tranche 2010	-	0
Plan no. 6 Tranche 2011	-	14,220
Plan no. 7 Tranche 2012	-	82,525
Plan no. 8 Tranche 2016	96,900	-

(1) The number of top grants concerns 12 beneficiaries instead of 10 as three beneficiaries have received an equal number of Performance Stock Options. Each year the option holders list may vary.

6.4.2. Details of top ten Performance Shares grants/available (excluding Executive Officers) in the 2016 financial year (Art. L. 225-197-4 of the French Commercial Code)

TABLE 9 OF THE AMF RECOMMENDATIONS

	Top ten of Performance Shares grants during the 2016 year[1]	Top ten Performance Shares being available during the 2016 year
Number of Performance Shares granted/available	5,838	4,413

(1) The number of top grants may exceed 10 in he event that several beneficiaries have received an equal number of Performance Shares. Each year the performance shares holders list may vary.

6.5. Other information

6.5.1. Transactions of Company Officers on Unibail-Rodamco shares (Art. 223-26 of the AMF General Regulation)

Name	Date	Nature of the transaction	Amount	Unit price
MB MEMBERS PRESENT AT DECEMBER 31, 2016				
Mr Christophe Cuvillier CEO	21/03/2016	Exercise of Performance Stock Options	1,800	€146.11
	29/03/2016	Exercise of Performance Stock Options	27,950	€146.11
	05/07/2016	Subscription to units of the Company Savings Plan (Unibail-Rodamco shares)	131.3232	€190.37
Mr Olivier Bossard CDO	01/03/2016	Exercise of Performance Stock Options	1,499	€79.08
	02/03/2016	Exercise of Performance Stock Options	1,533	€79.08
	15/06/2016	Exercise of Performance Stock Options	6,419	€141.54
	16/06/2016	Exercise of Performance Stock Options	12,500	€120.33
	05/07/2016	Subscription to units of the Company Savings Plan (Unibail-Rodamco shares)	131.3232	€190.37
	25/07/2016	Exercise of Performance Stock Options	6,000	€146.11
	25/07/2016	Exercise of Performance Stock Options	1,990	€146.11
	25/07/2016	Sale of Unibail-Rodamco shares	6,000	€242.50
	02/12/2016	Exercise of Performance Stock Options	3,251	€146.11
	09/12/2016	Exercise of Performance Stock Options	4,059	€146.11
	09/12/2016	Exercise of Performance Stock Options	10,000	€141.54
Mr Fabrice Mouchel Deputy CFO	14/03/2016	Sale of Unibail-Rodamco shares	8,800	€246.00
	29/03/2016	Exercise of Performance Stock Options	11,900	€146.11
	05/07/2016	Subscription to units of the Company Savings Plan (Unibail-Rodamco shares)	131.3232	€190.37
	18/08/2016	Sale of Unibail-Rodamco shares	8,802	€245.04
Ms Astrid Panosyan CRO	05/07/2016	Subscription to units of the Company Savings Plan (Unibail-Rodamco shares)	105.4525	€190.37
Mr Jaap Tonckens CFO	11/02/2016	Acquisition of Unibail-Rodamco shares	1,000	€214.40
	15/03/2016	Exercise of Performance Stock Options	25,500	€146.11
	15/03/2016	Sale of Unibail-Rodamco shares	25,500	€245.87
	05/07/2016	Subscription to units of the Company Savings Plan (Unibail-Rodamco shares)	131.3232	€190.37
Mr Jean-Marie Tritant COO	03/03/2016	Exercise of Performance Stock Options	3,447	€79.08
	09/03/2016	Exercise of Performance Stock Options	14,784	€79.08
	16/06/2016	Exercise of Performance Stock Options	18,489	€120.33
	17/06/2016	Exercise of Performance Stock Options	15,300	€146.11
	17/06/2016	Exercise of Performance Stock Options	18,360	€141.54
	05/07/2016	Subscription to units of the Company Savings Plan (Unibail-Rodamco shares)	131.3232	€190.37
SB MEMBERS				
Ms Dagmar Kollmann SB Member	15/02/2016	Acquisition of Unibail-Rodamco shares	140	€220.40
Ms Sophie Stabile SB Member	02/11/2016	Acquisition of Unibail-Rodamco shares	188	€215.66
Mr Jacques Stern SB Member	07/10/2016	Acquisition of Unibail-Rodamco shares	200	€220.65
Ms Jacqueline Tammenoms Bakker SB Member	07/10/2016	Acquisition of Unibail-Rodamco shares	135	€222.35
	19/12/2016	Acquisition of Unibail-Rodamco shares	160	€219.20

6.5.2. Appraisers fees

The assets of each of the Group's three business sectors are valued twice a year by independent appraisers: Cushman & Wakefield, JLL and PwC. These appraisers were appointed in 2016 as part of Unibail-Rodamco's policy of rotating appraisers every five years.

The appraiser fees are contractually fixed and amounted to €1.1 Mn in 2016 (same amount in 2015). Fees are determined prior to the valuation campaign and are independent from the value of properties appraised. For each appraiser, the invoiced fees represent less than 10% of the appraiser's overall turnover.

6.5.3. Supplier payment dates for the parent company, Unibail-Rodamco SE (Art. D. 441-4 of the French Commercial Code)

The table below shows the balances of outstanding supplier accounts as at December 31, 2016 (according to the due date). This information is provided with comparative figures against the preceding year (in thousands of euros).

	Due						Already due at year end		Without payment date		Total	
	within 30 days		between 30 days and 60 days		more than 90 days							
	12/31/2015	12/31/2016	12/31/2015	12/31/2016	12/31/2015	12/31/2016	12/31/2015	12/31/2016	12/31/2015	12/31/2016	12/31/2015	12/31/2016
Suppliers	582	597	0	0	0	0	1,986	1,300	0	0	2,568	1,897
Accruals									37,600	18,910	37,600	18,910
Others									434	866	434	866
France	582	597	0	0	0	0	1,986	1,300	38,034	19,776	40,602	21,673
Dutch Permanent Establishment											5,173	3,219
TOTAL UNIBAIL-RODAMCO											**45,775**	**24,892**

"Other" are mainly amounts withheld as contractual guarantees.

6.5.4. Results for the parent company, Unibail-Rodamco SE over the past 5 years

	2012	2013	2014	2015	2016
Capital at year-end *(in thousands of euros)*					
Share capital	474,46	486,343	490,292	493,47	496,969
Number of shares outstanding	94,891,980	97,268,576	98,058,347	98,693,942	99,393,785
Number of convertible bonds outstanding	3,462,358	3,459,575	5,194,866	3,225,522	3,218,937
Results of operations *(in thousands of euros)*					
Net sales	76,798	79,817	90,002	82,659	97,723
Income before tax, depreciation, amortisation and provisions	667,782	787,414	675,408	1,209,728	657,816
Corporate income tax	(465)	3,304	14,781	14,055	2,951
Net income	1,469,245	774,21	1,209,223	1,159,629	543,367
Dividends	806,427	871,354	946,455	963,079	1,013,817[1]
Exceptional distribution	0	0	0	0	0
Per share data *(in euros)*					
Income after tax, before depreciation, amortisation and provisions	7.04	8.06	6.74	12.11	6.59
Earnings per share	15.48	7.96	12.33	11.75	5.47
Dividend	8.40	8.90	9.60	9.70	10.20[1]
Exceptional distribution	0	0	0	0	0
Employee data					
Number of employees	5	1	1	1	1
Total payroll *(in thousands of euros)*	4,700	3,723	4,320	3,939	5,661
Total benefits *(in thousands of euros)*	2,560	2,713	2,714	2,450	2,884

(1) To be submitted to the General Assembly on April 25, 2017 on the basis of 99,393,785 shares as at December 31, 2016.

6

7 INFORMATION ON THE COMPANY, SHARE CAPITAL AND SHAREHOLDING

7.1. General information and Articles of Association

7.1.1. Company name

Unibail-Rodamco SE

7.1.2. Registered office

7, place du Chancelier Adenauer – 75016 Paris (France)

7.1.3. Legal form and applicable law

European public limited-liability company governed by a Management Board (MB) and Supervisory Board (SB), pursuant to the provisions of the European Council Regulation 2001/2157/EC of October 8, 2001, applicable to European companies and the current laws and regulations of France.

7.1.4. 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)].

7.1.5. Term of the Company

99 years from July 23, 1968. Expiry July 22, 2067.

7.1.6. Corporate purpose

The corporate purpose of the Company is (Article 2 of the Articles of Association) in France and abroad:

- investment through the acquisition, development, construction and ownership of land, buildings, property assets and rights, and the fitting out of property complexes, with a view to renting them out;
- the management, rental, leasing, divestment or exchange of the above assets, either directly, or through taking investments or interest ownerships, or by creating partnerships, companies or consortia;
- more generally, any financial, securities or property transactions directly or indirectly connected with the foregoing purpose or likely to facilitate its achievement;
- the acquisition, ownership or divestment of assets in any French or foreign legal entities with an activity directly or indirectly linked to the corporate purpose of the Company or which would favour its development.

7.1.7. Trade and Companies Register

682 024 096 RCS Paris
SIRET 682 024 096 00054
APE code: 6420Z

7.1.8. Access to legal information concerning the Company

The Articles of Association and other public documentation concerning the Company are available:

- on the Company's website: www.unibail-rodamco.com
- at its registered office: 7, place du Chancelier Adenauer
  75016 Paris (France)
  Tel: +33 (0)1 53 43 74 37

7.1.9. Financial year

The financial year runs from January 1 to December 31.

7.1.10. Requirements pertaining to the distribution of profits

The distributable profit in any given year is equal to the sum of the net profit and any retained earnings, less: (1) any accumulated loss; and (2) amounts transferred to reserves ("Distributable Profits"). 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"[(2)]), 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

(1) For more details, refer to Note 8 of the consolidated financial statements.
(2) 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.

7

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, where applicable, is borne by the Shareholder Subject to Withholding Tax *i.e.* the withholding amount is either offset against its dividend or reimbursed by the Shareholder Subject to Withholding Tax.

7.1.11. Corporate governance structure

The Company is managed under a two-tier governance system (MB and SB).

On December 31, 2016, the MB of Unibail-Rodamco SE is composed of six members[1] appointed by the SB, which is composed of nine members appointed by the General Meeting of Shareholders.

The MB Members are appointed for a four-year period and the SB Members are appointed for a three-year period.

7.1.12. General Meetings of Shareholders

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. For further information, refer to Articles 18 and 19 of the Articles of Association[2].

7.1.13. Statutory shareholder threshold and obligation to register shares

In addition to the thresholds provided by French law[3], under Article 9 bis of the Articles of Association of Unibail-Rodamco SE, any shareholder that comes to hold a number of shares equal to or greater than 2% of the total number of shares in issue, or any further multiple thereof, must, no later than ten business days after exceeding the threshold, advise the Company in writing of the total number of shares held, sent by registered letter with proof of receipt requested to the registered office. 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[4] must register the totality of its shares (owned directly or *via* an entity it controls) and provide evidence to the Company by registered mail within five trading 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 hereinabove 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 4 of 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: investors@unibail-rodamco.com.

(1) *For full details, refer to section 6.1.3.1. Composition of the MB as at December 31, 2016.*
(2) *For full details, refer to the Articles of Association available on the Company's website and the Company's registered office.*
(3) *For full details, refer to section 7.3.2. Information regarding ownership threshold disclosures since January 1, 2016.*
(4) *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.*

7.2. Share capital – General information

7.2.1. Statutory obligations pertaining to changes in the Company's share capital and categories of share rights

None.

7.2.2. Authorised share capital – Form of shares

As at December 31, 2016, the share capital is €496,968,925 divided into 99,393,785 fully paid-up shares with a nominal 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.

TABLE SUMMARISING AUTHORISATIONS TO INCREASE THE SHARE CAPITAL (AS AT DECEMBER 31, 2016)

Pursuant to Article L. 225-100 of the French Commercial Code, the following table summarises the authorisations currently in force granted by general meetings to increase the share capital and their use as at December 31, 2016.

Type of authorisation[1]	Amount[2]	Date of General Meeting	Authorisation expiry date	Beneficiaries	Issue terms and conditions	Amount authorisation used: number of shares, bonds or Performance Stock Options issued/ subscribed for or allocated[2]	Outstanding authorisation (nominal value, number of shares/bonds, Performance Stock Options or Performance Shares) as at 31/12/2016[2]
Increase in the share capital by the issue of ordinary shares to be subscribed in cash, or of any negotiable securities with PSR[3] Resolution No. 11	€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	21/04/2016	21/10/2017	Shareholders	Authorisation to the MB to fix the amount and conditions	0	Totality of the authorisation
Increase in the share capital by the issue of ordinary shares to be subscribed in cash, or of any negociable securities without PSR[3] Resolution No. 12	€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	21/04/2016	21/10/2017	Shareholders and/or third parties	Authorisation to the MB to fix the amount and conditions; including power to cancel PSR[3] with a priority right	0	Totality of the 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] Resolution No. 13	Maximum threshold of 15% for the first issue and within the global limit fixed in respect of the initial issue of debts instruments	21/04/2016	21/10/2017	Subscribers to the issue	Authorisation to the MB to increase the number of shares and/or negotiable securities giving access to the share capital to be issued at the same terms and conditions as the initial issue	0	Totality of the authorisation
Increase in the share capital without PSR [3] by the issue of ordinary shares to be subscribed in cash, or of any negotiable securities as consideration for capital contributions in kind Resolution No. 14	Capital contribution in the form of securities: 10% of the authorised share capital as at the issuance	21/04/2016	21/10/2017	Subscribers to the issue	Authorisation to the MB to fix the amount and conditions including the power to cancel PSR[3]	0	Totality of the authorisation

Type of authorisation[1]	Amount[2]	Date of General Meeting	Authorisation expiry date	Beneficiaries	Issue terms and conditions	Amount authorisation used: number of shares, bonds or Performance Stock Options issued/ subscribed for or allocated[2]	Outstanding authorisation (nominal value, number of shares/bonds, Performance Stock Options or Performance Shares) as at 31/12/2016[2]
Increase in the share capital reserved for the Group's salaried staff and corporate officers eligible for the Performance Shares Plan – Plan no. 2 Performance Resolution No. 15	Global limit: 0.8% of the fully diluted capital over the authorisation validity period	21/04/2016	21/06/2019	Salaried staff and corporate officers of the Group	Authorisation to the MB to fix the terms Performance and presence conditions are mandatory	36,745	777,063
Increase in the share capital reserved for participants of Company Savings Plan without PSR[3] Resolution No. 16	Maximum nominal value of €2,000,000	21/04/2016	21/10/2017	Participants in the Company Savings Plan	Authorisation to the MB to fix the terms 20% discount applies based on the average share price over previous 20 trading days	29,783	370,217
Increase in the share capital reserved for managers and employees eligible for the Performance Stock Option Plan – Plan no. 8 Performance Resolution No. 19	Maximum: • 1% of the fully diluted share capital per year • 3% of the total diluted capital over the authorisation validity period	23/04/2014	23/06/2017	Salaried staff and corporate officers of the Group	Authorisation to the MB to fix the terms Performance and presence conditions are mandatory No discount applied	1,234,693	1,817,089

(1) For more details, refer to the exact text of the resolutions.
(2) Up to:
€122 Mn nominal amount of share capital increase of shares and securities giving access to the capital;
and up to €1.5 Bn nominal amount for debt securities issues.
(3) Pre-emptive Subscription Rights.

TABLE SUMMARISING NEW AUTHORISATIONS TO INCREASE THE SHARE CAPITAL TO BE PROPOSED TO THE ANNUAL GENERAL MEETING FOR APPROVAL ON APRIL 25, 2017

Type of authorisation(1)	Amount(2)	Date of General Meeting	Authorisation expiry date	Beneficiaries	Issue terms and conditions	Effect on the previous authorisation
Increase in the share capital by the issue of ordinary shares to be subscribed in cash, or of any negotiable securities with PSR(3) Resolution No. 18	€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	25/04/2017	25/10/2018	Shareholders	Authorisation to the MB to fix the amount and conditions	The approval of this authorisation would revoke the unused part of the 21/04/2016 authorisation
Increase in the share capital by the issue of ordinary shares to be subscribed in cash, or of any negociable securities without PSR(3) Resolution No. 19	€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	25/04/2017	25/10/2018	Shareholders and/or third parties	Authorisation to the MB to fix the amount and conditions; including power to cancel PSR(3) rights with a priority right	The approval of this authorisation would revoke the unused part of the 21/04/2016 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) Resolution No. 20	Maximum threshold of 15% for the first issue and within the global limit fixed in respect of the initial issue of debts instruments	25/04/2017	25/10/2018	Subscribers to the issue	Authorisation to the MB to increase the number of shares and/or negotiable securities giving access to the share capital to be issued at the same terms and conditions as the initial issue	The approval of this authorisation would revoke the unused part of the 21/04/2016 authorisation
Increase in the share capital without PSR(3) by the issue of ordinary shares to be subscribed in cash, or of any negotiable securities as consideration for capital contributions in kind Resolution No. 21	Capital contribution in the form of securities: 10% of the authorised share capital as at the issuance	25/04/2017	25/10/2018	Subscribers to the issue	Authorisation to the MB to fix the amount and conditions including the power to cancel PSR(3) rights	The approval of this authorisation would revoke the unused part of the 21/04/2016 authorisation
Increase in the share capital reserved for managers and employees – eligible for the Performance Stock Option Plan Performance Shares Plan n°8 Resolution No. 22	Maximum: • 1% of the fully diluted share capital per year • 3% of the total diluted capital over the authorisation validity period	25/04/2017	25/06/2020	Salaried staff and corporate officers of the Group	Authorisation to the MB to fix the terms Performance and presence conditions are mandatory No discount applied	The approval of this authorisation would revoke the unused part of the 23/04/2014 authorisation
Increases in the share capital reserved for participants of Company Savings Plan without PSR(3) Resolution No. 23	Maximum nominal value of €2,000,000	25/04/2017	25/10/2018	Participants in the Company Savings Plan	Authorisation to the MB to fix the terms 20% discount applies based on the average share price over previous 20 trading days	The approval of this authorisation would revoke the unused part of the 21/04/2016 authorisation

(1) For more details, refer to the exact text of the resolutions.
(2) Up to:
€122 Mn nominal amount of share capital increase and securities giving access to the capital;
and up to €1.5 Bn nominal amount for debt securities issues.
(3) Pre-emptive Subscription Rights.

7.2.3. Other securities granting access to the share capital

7.2.3.1. Performance Stock Options and Performance Shares [1]

The Long-Term Incentive (LTI) equity compensation is an essential part of the Group's Remuneration Policy and significantly contributes to retain Unibail-Rodamco beneficiaries and align their interests with long-term value creation objectives of the Company and its shareholders.

The Company combines two equity compensation instruments: Performance Stock Options (SO) and Performance Shares (PS).

This LTI program, subject to performance and presence conditions for all beneficiaries, is intended to strengthen the engagement and loyalty of beneficiaries in the Group's performance.

SO and PS are allocated to employees and MB Members in recognition of exemplary performance, taking on additional responsibilities, key roles within the Group and the 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 each beneficiary regardless of whether they are an MB Member or an employee.

Allocations per beneficiary are not automatic, in neither number nor frequency. They vary from year to year, both in terms of beneficiaries and number of shares allocated. In 2016, 16.3% of Group employees and the MB Members (*i.e.* 325 people) are concerned.

In accordance with the Afep-Medef Code, the holding and equity investment obligations applicable to MB Members are set out in page 303.

Allocation procedure for Performance Stock Options and Performance Shares

In connection with the Shareholders' resolutions delegating powers to the MB, the shareholders authorised the MB to grant SO and PS.

The SB plays an essential role in the allocation process by setting the overall allocation envelope for SO and PS, and the number of SO and PS allocated to MB Members. Pursuant to the Afep-Medef Code, these decisions are made upon the recommendation of the Governance Nomination and Committee (GNRC).

Each year, the MB determines the individual beneficiaries and allocations within the strict limits of the authorisation granted by the general meeting and the overall envelope defined by the SB.

THE GENERAL MEETING OF SHAREHOLDERS AUTHORISES

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 allocation for the MB Chairman;
- a maximum percentage of allocation 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) and a holding period for the PS.

THE SUPERVISORY BOARD DETERMINES

On an annual basis, the SB , upon the recommendation of the GNRC:

- determines the overall envelope of SO and PS to be allocated taking into account the thresholds set by the General Meeting, the potential dilutive effect for shareholders and the financial cost of allocation to the Company;
- sets the number of SO and PS allocated to each MB Member; and
- sets the share retention and investment obligations for MB Members.

THE MANAGEMENT BOARD ENFORCES

The MB determines the terms and conditions for allocation of the plans, and specifically:

- the list of employee beneficiaries and their allocation, within the envelope determined by the SB;
- the terms and conditions of the plan, in particular the performance and/or presence conditions;
- the vesting period for the SO and PS and the reference and holding periods for PS;
- the subscription price upon allocation of SO are with no discount, and in line with the rules set out in the French Commercial Code.

(1) *See pages 323 to 327 for details.*

General conditions applicable to the allocation 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 that forbids any windfall effect: in accordance with Article L. 225-177 of the French Commercial Code, no allocation can 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 Unibail-Rodamco SE's corporate bodies become aware of inside information.

In addition, except legitimate reasons, no allocation can occur beyond a period of 120 days following the date of publication of the annual financial statements;

- the absence of any discount;
- a continuous presence condition of 24 months before the exercise of SO or the delivery of PS:
- a stringent performance condition calculated over a long period (minimum 3 years), directly linked to the Company's performance and long-term strategy: no reward for underperformance;
- a cap on the allocations to the MB Chairman and the other MB Members;
- a cap on the overall allocation to restrict the potential dilutive effect and the financial cost to the Company.

Current authorisations - Potential dilutive effect

Performance Stock Options current authorisation

The authorisation of the General Meeting currently in force was granted on April 23, 2014 (Resolution No. 19) and expires on June 23, 2017. A new resolution (Resolution No. 22) to renew the current resolution is submitted to the General Meeting to be held on April 25, 2017.

Performance Shares current authorisation

The authorisation of the General Meeting currently in force was granted on April 21, 2016 (Resolution No. 15) and expires on June 21, 2019.

Global potential dilutive effect

The total number of (i) SO granted but not yet exercised; (ii) PS granted but not yet definitely vested; and (iii) SO and PS that may be granted under the unused part of the authorisations 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 Company, and this amounts to 4.8% of the fully-diluted capital as at December 31, 2016 (assuming the required performance conditions are met over the specified period and excluding any cancelations that may occur during the course of the plan).

Presence Condition

The vesting of the SO and the PS is only authorised for beneficiaries who are able to justify their effective presence prior such exercise or vesting, pursuant to their employment contract or corporate mandate for 24 continuous months in one of the Group's companies. The SO and PS would lapse in the event of resignation, dismissal, contractual termination or revocation of the beneficiary 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 and in respect of foreign countries, by equivalent provisions set out in local regulations), (iii) explicit and justified MB decision in exceptional circumstances, or (iv) employer substitution.

PS special features: For non-French tax residents, the presence condition is checked at the end of the four-year vesting period.

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 Company over the long-term aligns shareholders' interests with those of the beneficiaries, be they employees or corporate officers.

Grants prior to 2017

The vesting of the SO and the PS are both conditional on the attainment of a single performance condition based on an external key performance indicator: Total Shareholder Return (TSR).

TSR indicates the total return obtained through ownership of a share over a given period of time. It includes dividends (or any other distribution) paid and reinvested in the Company's shares, as well as any change in the Company's share price.

The Unibail-Rodamco TSR must be strictly superior to the TSR of the reference index (EPRA *Eurozone Index*) over the reference period.

Reference Index

The reference index is comprised of the 40 leading listed real estate companies in the Eurozone as defined by FTSE EPRA/NAREIT. As of March 15, 2017, among the companies comprising this index, the top 10 represented 69.82%[(1)]: Unibail-Rodamco SE (30.18%), Klepierre (10.42%), Gecina (6.75%), Merlin Properties (4.99%), Foncière des Régions (3.99%), Icade (3.36%), Confinimmo (3.01%), Deutsche EuroShop (2.49%), Wereldhave (2.34%) and Inmobiliaria Colonial (2.29%).

(1) Relative weight in the index on the basis of market capitalisation.

As from 2017 grants

As from 2017 grants, vesting of the SO and the PS are both conditional on the attainment of two Key Performance Indicators (KPI), each weighted equally:

KPI No. 1: Total Shareholder Return (TSR) – weighted 50%:

- Outperformance of Unibail-Rodamco's TSR relative to the reference index (EPRA *Eurozone "Retail and Office" Index*) TSR over the reference period.

KPI No. 2: Recurring Earnings per Share (REPS) growth – weighted 50%:

- REPS compounded growth over the reference period, to measure Unibail-Rodamco's long-term profit growth (based on the attainment of the compounded annual guidance ranges communicated to investors), with progressing vesting:
  - 0% vesting below guidance;
  - 30% vesting at threshold of guidance;
  - 100% vesting at high end of guidance;
  - straight line vesting in between.

Reference Index

The reference index is comprised of the 33 leading listed real estate companies in the Eurozone as defined by FTSE EPRA/NAREIT for the EPRA *Eurozone "Retail and Office" Index*. As of March 15, 2017, among the companies comprising this index, the top 10, represented 76.21%[1]: Unibail-Rodamco SE (33.36%) Klepierre (11.52%), Gecina (7.46%), Merlin Properties (5.51%), Foncière des Régions (4.41%), Icade (3.71%), Deutsche EuroShop (2.75%), Wereldhave (2.59%), Inmobiliaria Colonial (2.53%) and Alstria Office (2.37%).

Performance Shares special features

PS vesting and holding periods

For French tax resident beneficiaries

Notwithstanding the reduction authorised by "Loi Macron", the SB has maintained the total length of the PS plan at five years comprised of (i) a vesting and reference period of three years for calculation of the performance condition and (ii) a holding period of two years in line with best market practices and in response to the expectations expressed by our shareholders.

If the performance and presence conditions are met at the end of the vesting period, shares are transferred, at the earliest, three years after their allocation, and the beneficiaries have unrestricted ownership, at the earliest, five years after the allocation date.

For non-French tax resident beneficiaries

The Reference Period used to calculate the performance condition is the same as that applicable to French residents. However, the vesting period is four years without a holding period. If the performance and presence conditions are met, shares are transferred at the earliest four years after the allocation date to beneficiaries who take unrestricted ownership.

Reference Period: moving to a single-testing scheme as from 2017

For the grants prior to 2017, the reference period runs as from the date of allocation of the PS and expires on the third anniversary of the allocation date. If the performance condition is not met as of this date, the period may be extended for a maximum of 24 months. If the performance condition is still not realised, the rights are definitively and entirely lost.

As from the 2017 grants, following the dialogue engaged in 2016 with shareholders by the SB, and upon the recommendation of the GNRC, the PS plan will have a single test of the performance condition at the expiry of a 3-year period from the grant date.

(1) *Relative weight in the index on the basis of market capitalisation.*

Information about the Performance Stock Options (Share Subscription or Purchase Options) grants as at March 7, 2017

TABLE NO. 8 OF AMF/AFEP-MEDEF RECOMMENDATIONS

	Plan Performance no. 5	Plan Performance no. 6		Plan Performance no. 7				Plan Performance no. 8		
Plans	**Tranche 2009**	**Tranche 2010**	**Tranche 2011**	**Tranche 2011**	**Tranche 2012**	**Tranche 2013**	**Tranche 2014**	**Tranche 2015**	**Tranche 2016**	**Tranche 2017**
Date of General Meeting autorisation	21/05/07	14/05/09	14/05/09	27/04/11	27/04/11	27/04/11	27/04/11	23/04/14	23/04/14	23/04/14
Date of grant	13/03/09	10/03/10	10/03/11	09/06/11	14/03/12	04/03/13	03/03/14	03/03/15	08/03/16	07/03/17
Total number of shares granted	905,566[1][2][3]	949,361[1][2][3]	769,009[3]	26,000	672,202	617,066	606,087	623,085	611,608	611,611
Effective grant as a % of the fully diluted shares[4]	0.97%	1.01%	0.82%	0.03%	0.70%	0.63%	0.61%	0.62%	0.60%	0.61%
Effective gant to the MB Members[5] as a% of the fully diluted shares[4]	0.19%	0.20%	0.17%	0.03%	0.16%	0.11%	0.15%	0.15%	0.15%	0.15%
To MB Members[6]:	51,550	101,073	76,500	26,000	97,750	124,100	125,800	127,500	148,750	148,750
Mr Christophe Cuvillier	n/a	n/a	n/a	26,000[7]	29,750	42,500	42,500	42,500	42,500	42,500
Mr Olivier Bossard*	18,231	18,489	18,360	0	15,300	20,400	20,400	20,400	20,400	20,400
Mr Fabrice Mouchel*	15,088	14,792	13,260	0	11,900	15,300	17,000	18,700	18,700	18,700
Ms Astrid Panosyan[8]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	18,700	18,700
Mr Jaap Tonckens	n/a	49,303	26,520	0	25,500	25,500	25,500	25,500	25,500	25,500
Mr Jean-Marie Tritant*	18,231	18,489	18,360	0	15,300	20,400	20,400	20,400	22,950	22,950
End of vesting period (at the opening of the trading day)**[9]	14/03/13	11/03/14	11/03/15	10/06/15	15/03/16	05/03/17	04/03/18	04/03/19	09/03/20	08/03/21
Expiry date (at the end of the trading day)**[9]	13/03/16	10/03/17	10/03/18	09/06/18	14/03/19	04/03/20	03/03/21	03/03/22	08/03/23	07/03/24
Strike price *(€)*	79.08	120.33	141.54	152.03	146.11	173.16	186.10	256.81	227.24	218.47
Exercise terms (if the plan has more than one tranche)	see page 339	see page 339	see page 339	see page 339	see page 339	see page 339	see page 339	see page 339	see page 339	see page 339-340
Number of SO subscribed	706,502	717,571	549,365	26,000	455,858	144,646	5,738	0	1,913	0
Number of SO cancelled	199,064	231,172	182,234	0	155,642	142,921	124,539	91,808	26,986	0
OUTSTANDING STOCK OPTIONS	**0**	**618**	**37,410**	**0**	**60,702**	**329,499**	**475,810**	**531,277**	**582,709**	**611,611**

n/a means any information relating to a period within which the person involved was neither an MB Member nor an employee of the Company.
* *These beneficiaries were employees up to April 25, 2013.*
** *Under the assumption that the performance and presence conditions are met.*
(1) *After taking into account the adjustment applied on July 15, 2009.*
(2) *After taking into account the adjustments applied on May 10, 2010 and on October 12, 2010.*
(3) *After taking into account the adjustment applied on May 10, 2011.*
(4) *On the basis of the fully diluted shares as at December 31, N-1.*
(5) *MB members at the time of the allocation.*
(6) *MB Members as at December 31, 2016.*
(7) *Subsequent to his appointment as MB Member on June 1, 2011 (i.e. after the allocation dated March 10, 2011), Mr Cuvillier benefited from a grant in the framework of an additional tranche (Plan no. 7).*
(8) *Ms Astrid Panosyan was appointed as Chief Resources Officer effective September 1, 2015.*
(9) *Indicative dates which must be adjusted to take into account non business days.*

As of March 7, 2017, after taking into account the cancellations, the number of potential shares to be issued theoretically (assuming the performance conditions are met over the specified period and excluding any potential cancelations that may occur during the course of the plan) with respect to SO, represent 2.62% of fully diluted share capital as of December 31, 2016.

On March 7, 2017, the MB granted a total of 611,611 SO to 327 beneficiaries.

Information about Performance Shares as at March 7, 2017

TABLE 9 – AFEP-MEDEF RECOMMENDATION/TABLE 10 – AMF RECOMMENDATIONS

Date of the Plan	2012	2013	2014	2015	2016	2017
Date of grant	14/03/12	04/03/13	03/03/14	03/03/15	21/04/16	07/03/17
Total number of PS allocated:	44,975	36,056	36,516	37,554	36,745	39,770
To MB Members:	6,544	7,300	7,579	7,682	8,963	9,680
Mr Christophe Cuvillier	1,992	2,500	2,561	2,561	2,561	2,766
Mr Olivier Bossard	1,024	1,200	1,229	1,229	1,229	1,327
Mr Fabrice Mouchel	797	900	1,024	1,127	1,127	1,217
Ms Astrid Panosyan*	n/a	n/a	n/a	n/a	1,127	1,217
Mr Jaap Tonckens	1,707	1,500	1,536	1,536	1,536	1,659
Mr Jean-Marie Tritant	1,024	1,200	1,229	1,229	1,383	1,494
Starting date of the vesting period	26/04/12	04/03/13	03/03/14	03/03/15	21/04/16	07/03/17
*Allocation date and if any starting date of the holding period ** *						
• for French tax residents(1)	26/04/15	04/03/16	03/03/17	03/03/18	21/04/19	07/03/20
• for non-French tax residents(1)	26/04/16	04/03/17	03/03/18	03/03/19	21/04/20	07/03/21
*End of holding period (at the end of the trading day)** *						
• for French tax residents	26/04/17	04/03/18	03/03/19	03/03/20	21/04/21	07/03/22
• for non-French tax residents(2)	n/a	n/a	n/a	n/a	n/a	n/a
Number of Performance Shares vested (unavailable)	27,570	21,482	18,706	0	0	0
Number of Performance Shares vested (available)	6,926	6,942	345	345	0	0
Number of cancelled/expired Performance Shares	10,479	7,632	7,581	5,191	1,627	0
Outstanding PS (unvested)	0	0	9,884	32,018	35,118	39,770

* *Appointed as Chief Resources Officer effective September 1, 2015.*
** *Indicative dates which must be adjusted to take into account non business days.*
(1) *Under the assumption that the performance and presence conditions are met.*
(2) *Holding period is not applicable.*

As of March 7, 2017, after taking into account the cancellations, the number of potential shares to be theoretically issued (assuming the required performance conditions are attained and excluding any cancellations) with regard to the PS represents 0.12% of the fully-diluted capital as of December 31, 2016.

On March 7, 2017, the MB granted a total of 39,770 PS to 327 beneficiaries.

7.2.3.2. Warrants to purchase existing shares and/or subscribe for new shares

None.

7.2.3.3. ORA (bonds redeemable in shares)

Pursuant to the Rodamco Europe B.V. Public Exchange Offer, 9,363,708 ORA were issued in part consideration for the shares contributed by Rodamco Europe B.V. shareholders. As at December 31, 2016, 9,357,802 ORA had been redeemed for shares.

The remaining ORA, yet to be converted, as at December 31, 2016, is 5,906. A total of 7,383[1] potential new shares may be issued out of the exercise of the ORA based on the redemption ratio of 1.25 following the exceptional distribution of May 10, 2011. For full details on the ORA, please refer to the "Note d'opération" approved by the *Autorité des Marchés Financiers* (AMF) (French financial markets authority) under visa no. 07-152 dated May 18, 2007[2].

7.2.3.4. ORNANE (bonds redeemable in cash and/or in new and/or existing shares)

ORNANE 2012 issuance on September 19, 2012

On September 19, 2012, Unibail-Rodamco SE issued 3,451,767 ORNANE at a nominal value per unit of €217.28, representing a nominal amount of €750 Mn.

In April 2015, Unibail-Rodamco SE completed a repurchase procedure which resulted in the purchase of 99% of the 2012 ORNANE. As at December 31, 2016, the remaining number of 2012 ORNANE, is 35,820.

The 2012 ORNANE are convertible since January 1, 2016. The rate of conversion is 1.17 as at December 31, 2016. For full details on the 2012 ORNANE, please refer to the "Note d'opération" approved by the AMF (French financial markets authority) under visa no. 12-440 dated September 11, 2012[2].

ORNANE 2014 issuance on June 25, 2014

On June 25, 2014, Unibail-Rodamco SE issued 1,735,749 ORNANE at a nominal value per unit of €288.06, representing a nominal amount of €500 Mn.

The 2014 ORNANE will be potentially convertible from April 1, 2017. The rate of conversion is 1.06 as at December 31, 2016. For full details on the 2014 ORNANE, please refer to the "Note d'opération" approved by the AMF (French financial markets authority) under visa no. 14-296 dated June 17, 2014[2].

ORNANE 2015 issuance on April 15, 2015

On April 15, 2015, Unibail-Rodamco SE issued 1,441,462 ORNANE at a nominal value per unit of €346.87, representing a nominal amount of €500 Mn.

The 2015 ORNANE will be potentially convertible from April 1, 2017. The rate of conversion is 1.00 as at December 31, 2016. For full details on the 2015 ORNANE, please refer to the "Note d'opération" approved by the AMF (French financial markets authority) under visa no. 15-144 dated April 8, 2015[2].

7.2.4. Share buy-back program

Pursuant to Articles L. 225-209 and seq. of the French Commercial Code and the European Commission Regulation no. 2273/2003 of December 22, 2003, the General Meeting held on April 21, 2016 authorised the MB, for a period of eighteen months, to buy-back Company shares up to the legal limit of 10% of the total number of outstanding shares adjusted for any change in the share capital during the authorisation period, with a view to:

(i) cancelling all or part of the shares purchased under Article L. 225-209 of the French Commercial Code, subject to the General Meeting's authorisation to reduce the Company's share capital;

(ii) holding shares that may be allotted to its Executive Officers and employees and to those of affiliated companies under the terms and conditions provided by law pursuant to the Company's SO schemes, allotments of existing shares or Company or inter-company employee stock purchase plans;

(iii) holding shares that enable it to allot shares upon the exercise of rights attached to negotiable securities giving access to the share capital by way of redemption, conversion, exchange, presentation of a warrant, or in any other manner;

(iv) stimulating the market and the liquidity of the shares through an investment intermediary in the context of a liquidity contract;

(1) Subsequent to ORA holder entitlement to round up fractional shareholdings.
(2) Available for free on the Company's website or on request.

(v) implementing any new market practice which might be approved by the AMF (French financial markets authority) and, more generally, carrying out any transaction permitted under the regulations in force.

The maximum share buy-back purchase price is fixed at €250 per share, excluding costs, based on a nominal value of €5/share. The total cost of the share buy-back programme must not exceed €2.47 Bn.

At the General Meeting to be held on April 25, 2017, the MB will propose to shareholders that they renew this authorisation for a period of eighteen months on the same terms and conditions, *i.e.* a maximum share buy-back purchase price at €250 per share, excluding costs, based on a nominal value of €5/share. The total cost of the share buy-back programme must not exceed €2.47 Bn pursuant to the share capital as at December 31, 2016 (*i.e.* 99,393,785 shares).

This new authorisation, subject to the Annual General Meeting to be held on April 25, 2017 approval, would replace the authorisation granted on April 21, 2016. This authorisation cannot be used by the MB during the period of a public offer.

7.2.4.1. Review of share buy-back programme (March 8, 2016 to February 15, 2017)

Between March 8, 2016 and April 21, 2016, the Company did not buy-back any shares pursuant to the General Meeting authorisation of April 16, 2015.

From April 22, 2016 to February 15, 2017, the Company did not buy-back any shares pursuant to the General Meeting authorisation of April 21, 2016.

As at February 15, 2017, the Company does not hold any of its own shares.

Situation as at February 15, 2017

% of the treasury shares held directly or indirectly on the date of the publication of the programme	0%
Number of cancelled shares during the last 24 months	0
Number of shares held in the portfolio as at February 15, 2017	0
Accountant value of the portfolio	€0
Market value of the portfolio	€0

Information on transactions between April 21, 2016 and February 15, 2017

	Gross totals		Open positions on Registration Document filing date			
			Buy		Sell	
	Buy	Sales/Transfers	Purchased call options	Forward buy	Sales call options	Forward sale
Number of shares	–	–	–	–	–	–
Average maximum maturity	–	–	–	–	–	–
Average transaction price *(€/share)*	–	–	–	–	–	–
TOTAL AMOUNT	**–**	**–**	**–**	**–**	**–**	**–**

The Company has not entered into any market-making or liquidity agreements.

The Company has not used any derivative products as part of its share buy-back programme.

7.2.5. Pledged Company shares

As at February 15, 2017, 435,251 shares were pledged in a registered custodian account (*nominatif administré*). No standard registered shares (*nominatif pur*) were pledged.

7.2.6. Escheat shares

Within the framework of the procedure set forth in Article L. 228-6 of the French Commercial Code, Company shares unclaimed by shareholders for a period of two years following the publication of a notice in the newspaper La Tribune on July 8, 2005, were sold. The shareholders whose shares were sold may claim the counter value from Caceis (the Company's share custodian) within a ten-year period as from the sale of shares.

7.2.7. Other securities granting access to the share capital

None.

7.2.8. Dividends/Distribution of profits

Dividends are paid out of profits, retained earnings and, if necessary, distributable reserves.

In respect of the 2015 financial year, the Company made a distribution of €9.70 per share deducted from the "distributable earnings" (as authorised by the General Meeting on April 21, 2016), through an instalment payment made on March 29, 2016 and a balance payment on July 6, 2016.

The shareholders of the Group received in total for each Unibail-Rodamco SE share owned:

- €8.89 in cash paid from Unibail-Rodamco SE's tax exempt real estate activities (dividend issued from the "SIIC regime"). Such dividend, which corresponds to the Company's distribution obligation under the SIIC regime, is not subject to the 3% contribution tax which is otherwise payable by companies that are liable to corporate income tax on the distributions they make (Article 235 ter ZCA of the French Tax Code);
- €0.81 in cash paid from Unibail-Rodamco SE's non-tax exempt activities (dividend issued from the activities which are not exempt under the "SIIC regime"). The Company was liable for the aforesaid 3% contribution tax in respect of this dividend.

The total distribution with respect to the 2015 financial year was €963,079,161.55.

With respect to the 2016 financial year, on the basis of the consolidated recurring result of €11.24(1), per share the MB will propose to shareholders at the General Meeting to be held on April 25, 2017, that they approve the accounts for the financial year ending December 31, 2016 and the payment of a dividend of €10.20 per share to be paid out of distributable profits, which is an increase of 5.15% in relation to 2016. This represents a distribution rate of 91% pay-out ratio of the net recurring result, in line with the Group's 85%-95% dividend pay-out policy.

The payment of the dividend, the amount of which has been fixed on February 1, 2017 by the SB, will be paid as follows:

- payment of an interim dividend of €5.10 paid on March 29, 2017 (ex-date March 27, 2017) from the profits of Unibail-Rodamco SE's tax exempt real estate activities;
- payment of a final dividend of €5.10 paid on July 6, 2017 (ex-date July 4, 2017), subject to approval of the General Meeting on April 25, 2017, of which €2.42 arising from the profits of Unibail-Rodamco SE's tax exempt real estate activities.

Note: dividends that remain unclaimed for a period of five years from the date they are made available for payment are paid to the French Treasury, in accordance with Article L. 1126-1 of the French General Code of the Property of Public Persons (*Code général de la propriété des personnes publiques*).

(1) Split based on the number of existing shares as at December 31, 2016.

INCREASES/DECREASES IN UNIBAIL-RODAMCO'S SHARE CAPITAL DURING THE PAST FIVE YEARS

Date	Movements in the share capital	Number of shares issued	Total number of shares	Total share capital	Premium resulting from transaction
09/05/2012	Exercise of Performance Stock Options (2005-2007)	112,092	91,918,981	€459,594,905	€12,118,325.55
29/06/2012	Exercise of Performance Stock Options (2005-2007)	880	91,919,861	€459,599,305	€82,128.10
29/06/2012	Reimbursement of ORA	435	91,920,296	€459,601,480	€66,241.80
29/06/2012	Company Savings Plan	41,077	91,961,373	€459,806,865	€4,236,051.16
31/08/2012	Exercise of Performance Stock Options (2005-2007)	254,181	92,215,554	€461,077,770	€32,532,522.48
01/10/2012	Exercise of Performance Stock Options (2005-2007)	21,415	92,236,969	€461,184,845	€2,887,718.20
31/12/2012	Exercise of Performance Stock Options (2005-2008)	642,004	92,878,973	€464,394,865	€74,332,174.72
31/12/2012	Reimbursement of ORNANE	2,013,007	94,891,980	€474,459,900	n/a
01/03/2013	Exercise of Performance Stock Options (2006-2008)	105,465	94,997,445	€474,987,225	€10,720,322.94
31/03/2013	Exercise of Performance Stock Options (2006-2009)	431,244	95,428,689	€477,143,445	€38,676,960.60
03/06/2013	Exercise of Performance Stock Options (2006-2009)	582,712	96,011,401	€480,057,005	€54,102,667.78
03/06/2013	Reimbursement of ORA	21	96,011,422	€480,057,110	€3,190.92
03/06/2013	Dividend paid in shares	1,190,366	97,201,788	€486,008,940	€189,994,317.26
01/07/2013	Company Savings Plan	27,812	97,229,600	€486,148,000	€4,249,951.72
30/09/2013	Exercise of Performance Stock Options (2006-2009)	10,451	97,240,051	€486,200,255	€1,018,780.52
31/12/2013	Exercise of Performance Stock Options (2006-2009)	28,525	97,268,576	€486,342,880	€2,834,076.22
03/03/2014	Exercise of Performance Stock Options (2007-2009)	17,733	97,286,309	€486,431,545	€1,708,947.30
31/03/2014	Exercise of Performance Stock Options (2007-2010)	298,109	97,584,418	€487,922,090	€33,304,465.88
30/06/2014	Exercise of Performance Stock Options (2007-2010)	416,441	98,000,859	€490,004,295	€47,417,417.39
01/07/2014	Company Savings Plan	30,779	98,031,638	€490,158,190	€4,830,560.79
30/09/2014	Exercise of Performance Stock Options (2007-2010)	9,206	98,040,844	€490,204,220	€964,819.33
30/09/2014	Anticipated allocation of Performance Shares (2012) following a death	43	98,040,887	€490,204,435	€0.00
30/09/2014	Reimbursement of ORA	500	98,041,387	€490,206,935	€76,140.00
31/12/2014	Reimbursement of ORA	72	98,041,459	€490,207,295	€10,941.68
31/12/2014	Exercise of Performance Stock Options (2007-2010)	16,888	98,058,347	€490,291,735	€1,737,148.66
03/03/2015	Reimbursement of ORA	1,045	98,059,392	€490,296,960	€159,132.60
03/03/2015	Exercise of Performance Stock Options (2007-2010)	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 Performance Stock Options (2008-2011)	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)	27,527	98,473,344	€492,366,720	€0.00
30/06/2015	Exercise of Performance Stock Options (2008-2011)	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 options (2008-2011)	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 Performance Stock Options (2009-2011)	52,228	98,693,942	€493,469,710	€5,717,440.57
08/03/2016	Allocation of Performance Shares (2013)	21,482	98,715,424	€493,577,120	€0.00
08/03/2016	Exercise of Performance Stock Options (2009-2011)	45,222	98,760,646	€493,803,230	€4,677,562.44
31/03/2016	Exercise of Performance Stock Options (2009-2012)	314,957	99,075,603	€495,378 015	€43,318,897.34
30/06/2016	Exercise of Performance Stock Options (2010-2016)	202,193	99,277,796	€496,388,980	€27,904,687.09
30/06/2016	Allocation of Performance Shares (2012) (2013 to 2015 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
05/07/2016	Company Savings Plan	29,783	99,317,069	€496,585,345	€5,525,871.66€
30/09/2016	Exercise of Performance Stock Options (2010-2012)	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 Performance Stock Options (2010-2012)	47,209	99,393,785	€496,968,925	€6,554,720.32

Note: increases in the share capital associated with the exercise of options and reimbursements of ORA and ORNANE are taken into account by a statement of the MB.

7.3. Share capital and voting rights

7.3.1. Ownership of capital and voting rights

The Group's share capital as at December 31, 2016 comprises of 99,393,785 fully paid-up shares with a nominal value of €5 each. One voting right is attached to each share in accordance with the "one share, one vote" principle.

99.3% of the share capital is free floating.

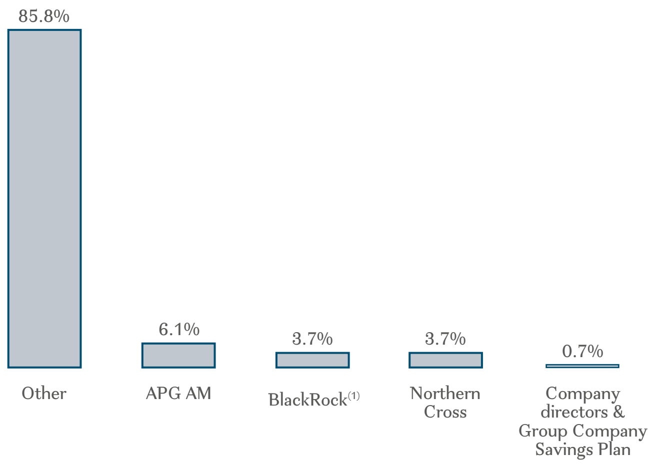
The Company's shareholding structure has changed as follows during the last three financial years:

	Year-end-2014			Year-end-2015			Year-end-2016		
Shareholder	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights
Free float	97,613,810	99.55%	99.55%	98,171,188	99.47%	99.47%	99,393,785	99.32%	99.32%
Treasury shares	0	0.00%	0.00%	0	0.00%	0.00%	0	0.00%	0.00%
Company directors	199,780	0.20%	0.20%	282,512	0.29%	0.29%	429,502	0.43%	0.43%
Group Company Savings Plan[1]	244,757	0.25%	0.25%	240,242	0.24%	0.24%	248,743	0.25%	0.25%

(1) *Including units in the Company Saving Plan held by the MB Members.*

It is stated that since the closing of the accounts, there has not been any significant variation of the share capital.

SHAREHOLDING STRUCTURE AS OF DECEMBER 31, 2016



(1) *BlackRock Advisors (U.K.), LTD.*

7.3.2. Information regarding ownership threshold disclosures since January 1, 2016[1]

In addition to the thresholds provided by Article 9 bis of the Articles of Association of Unibail-Rodamco SE[2] and in accordance with Article L. 233-7 of the French Commercial Code, any individual or entity acting on his own or in concert who comes to acquire a percentage of the share capital or voting rights[3] 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 French Financial Markets Authority within four business days following the crossing of such threshold, the total number of shares or voting rights it holds. Notification must also be given when the number of shares or voting rights falls below one of these thresholds.

(1) *Legal threshold disclosures notified prior to January 1, 2016 can be viewed on the AMF website and threshold Company disclosures notified to the Company are available at the registered office of the Company.*
(2) *Refer to Section 7.1.13 Statutory shareholder threshold and obligation to register shares of the present Annual Report.*
(3) *Calculated in accordance with Article 223-11 of the General Regulation of AMF, based on the total number of shares to which voting rights are attached, including shares without voting rights, as published on a monthly basis by Unibail-Rodamco SE as regulated information release.*

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 declaring the crossing of legal thresholds is available on the AMF website.

To the best of the Company's knowledge and on the basis of the legal and statutory thresholds disclosed by shareholders to the Company and/or the AMF (French Financial Markets Authority), the most recent positions are listed below:

Owner	Number of shares	% of share capital	Number of voting rights	% of voting rights
BlackRock Inc (number of shares based on an email dated 13/04/2016 sent to the Company)	9,891,674	9.98%	9,891,674	9.98%
BlackRock Inc (number of shares based on an email dated 04/04/2016 sent to the Company)	9,899,067	10.3%	9,899,067	10.3%

7.3.3. 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

8 RISK FACTORS AND COMPLIANCE PROGRAMME

8.1. Risk Management Framework

8.1.1. Risk Management Policy & organisation

The Risk Management Policy at Unibail-Rodamco is one of the levers designed to:

- **secure decision-making and the Group's processes to achieve its objectives;**
- **create and preserve Group's value, assets and reputation** (it is used to identify and analyse the main potential threats in order to anticipate risks instead of submitting to them passively);
- **promote the consistency of decisions with Group's values and strategy;**
- **bring the Group's staff together behind a shared vision of key risks and raise awareness *vis-à-vis* inherent risks.**

The organisation of Unibail-Rodamco can be defined as a matrix organisation containing seven regions (France, Nordic countries, Benelux, The Netherlands, Spain, Austria and Germany), and a Corporate Centre organised around five main functions i.e. Developer, Owner, Operator, Resourcer, and Financer. The decision-making process is done mostly through committees and collegial decision-making. The segregation of duties within Unibail-Rodamco is based on the separation between execution and control. Unibail-Rodamco does not outsource core activities, except for some parts of its IT system.

In these seven regions, Unibail-Rodamco'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.

Investment & Development

Investment is one of the major processes at Unibail-Rodamco 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 is identified, it has to undergo a strict procedure with different steps before approval in alignment with Unibail-Rodamco's investment strategy.

Concerning the development of new property, each region has its own Development department which manages the development projects in relation with the Corporate Centre. The decision making process follows the same procedure as mentioned above. The construction is ordered and executed (preparation of bid tender, call for offer, selection of building contractors…) under the responsibility of the Group Director of Major Works and the Regional Managing Directors. The 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 Managing Director and local operational teams, this activity focuses on value creation in Unibail-Rodamco's asset portfolio and consists of defining a 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.

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. This depends on market development and Unibail-Rodamco's strategy regarding the value creation process.

Operating Management

Operating Management mainly focuses on property leasing, on the implementation/monitoring of the 5-year plan and on property management including security and technical maintenance (facility management). The 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).

Exhibition Management

Exhibition management includes activities such as letting square meters in Unibail-Rodamco'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 consists of the following activities:

- control of construction costs and management of construction contracts;
- defining the Group sustainable development policy;
- selecting and monitoring construction and refurbishment companies;
- supervision of construction until grand opening.

Divestment

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 that should be given.

The organisational structure is also based on a set of delegations that define roles and responsibilities of managers. This organisation is also completed by internal committees, where decisions are taken based on risk analysis approach.

8.1.2. Group Risk Committee

Unibail-Rodamco set up a Group Risk Committee (GRC) in January 2015 which is composed of the Chief Resources Officer (as Chairman), the Chief Financial Officer, the Deputy Chief Financial Officer, and Group directors in charge of:

- Construction management;
- Purchasing, maintenance, property & sustainability;
- Legal aspects;
- Organisation & Human Resources;
- Insurance;
- Information Technology;
- Internal Audit & Compliance.

This committee aims at aligning how risk management is included in all operations (operating management, development, property management, finance, human resources...) throughout the Group. The primary responsibility of the GRC is to oversee and approve the group-wide risk mapping and key mitigating measures to assist the Management Board (MB) in:

- overseeing that all executive teams have identified and assessed the risks that the Group faces in all regions where it operates and has established a risk management system capable of addressing those risks;
- overseeing, in conjunction with the MB and/or other internal committees, if applicable, that risks such as strategic, financial, credit, real estate market, liquidity, security, property management, IT, legal, regulatory, reputational, and other risks are under control;
- overseeing the division of risk-related responsibilities to each risk owner as clearly as possible and performing a gap analysis and regular reviews to determine that the oversight of any risks is not missed;
- alert the MB on emerging risks; and
- in conjunction with the MB, approving the Company's risk management policy.

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 takes them without a proper risk analysis;
- provides input to management regarding the Unibail-Rodamco risk appetite and tolerance;
- monitors the organisation's risk profile (risk mapping);
- approves risk management policy and plan which include:
  - the Company's risk management structure,
  - the standards and methodology adopted to assess risks,
  - risk mitigating measures (risk management guidelines),
  - training and awareness programs or information.

The GRC duties and action plan will be annually presented to the MB and to the Audit Committee (AC) as well as to the Supervisory Board (SB).

The Group Risk Management organisation and governance were reviewed by KPMG in Q1 2016. The overall conclusion was a **"Strong risk awareness and mitigation culture at Unibail-Rodamco",** quoting KPMG. The main recommendation was to enhance the documentation of the Risk Management system. The Group decided to further develop the operational organisation of risk management by implementing criteria for assessing the criticality and the level of control of key risks *via* the creation of risk fact sheets and action plan. Each risk is allocated to a Risk Owner. This operational approach for assessing risks was discussed with the AC and presented to the SB on December 7, 2016.

The GRC met five times in 2016. Main achievements were:

- the implementation of a Risk Management Policy;
- the review of the key risk mapping;
- the creation of risk sheets where sub-risks are identified and assessed.

In 2017, the GRC will finalise all risk sheets in collaboration with risk owners which will be discussed with the AC in the presence of the risk owner. A description of the main risks monitored by this internal control system follows.

8.2. Risk factors & mitigating measures

Investors' attention is drawn to the fact that the risk factors discussed in this section are not exhaustive and that there may be other risks, either wholly or partly unknown and/or of which the occurrence is not considered likely to have a material adverse effect on the Unibail-Rodamco Group, its operations, its financial situation and/or its results as at the date of filing of this Annual Report.

The Group Risk Mapping is composed of 19 key risks of which 12 are considered as primary risks and 9 are classified in other risks:

	Risks inherent to the real estate sector	Risks inherent to the external environment	Operational risks inherent to the business activities
Primary risks	• Property market Consumer behavior Obsolescence of assets	• Tax • Access to funds, interest rate, counterparty and capital markets	• Mergers & acquisitions • Development & construction • Leasing • Health & safety • Terrorism • IT breakdown & cybercriminality • Corruption • Succession plan & key managers • Unreliable forecast & material accounting issues
Other risks		• Legal and regulatory risks • Euro break-up • Country default • Political instability	• Fraud • Human resources

These risks are developed below with the associated risk mitigating measures for primary risks.

PRIMARY RISKS INHERENT TO THE REAL ESTATE SECTOR

Risk	Risk factor	Mitigating measures	Additional information
Property market, Consumer behavior, Obsolescence of assets	• The Group's activities are exposed to factors beyond its control such as the cyclical nature of the sectors • Sudden changes in the economic, financial, regulatory, geopolitical, political, social, health and/or ecological environment may have a significant adverse effect on the Group's result and/or assets' values • E-commerce might also affect the sales in shopping centres	• Regular conduct of social and satisfactory surveys to anticipate changes in social behavior and customers demand • Loyalty programs and events in malls to enhance the customers' shopping experience • Adaptation of the tenant mix in order to propose the most attracting offer with concepts unrivalled by e-commerce • Customer Data Framework to collect visitor data & patterns	More details page 355

PRIMARY RISKS INHERENT TO THE EXTERNAL ENVIRONMENT

Risk	Risk factor	Mitigating measures	Additional information
Tax	• Existence of special tax regimes for real estate investors in France, Spain and the Netherlands, leading to a lower tax burden • Mandatory requirements need to be followed to avoid losing the benefit of them	• Tax regimes are closed followed up by the Tax department of the Group • Tax requirements are monitored on a regular basis	More details page 355
Access to funds, interest rate, counterparties and capital markets	• Exposure to market risks (fluctuations in interest rates) • Ability to raise financial resources	• Monitoring of sensitivity to interest rates, liquidity and counterparty risks • Decision taken by the Group Asset & Liability Management Committee	More details page 356

PRIMARY OPERATIONAL RISKS INHERENT TO THE BUSINESS ACTIVITIES

Risk	Risk factor	Mitigating measures	Additional information
Mergers & acquisitions	Profitability of investment and divestment of assets depends on: • market conditions • tax • the quality of assets • legal & regulatory documentation	• Standardised risk analysis & in-depth due diligence • Decision-making process is collegial and includes MB Members • Centralised regulatory & legal documentation of assets for data room purpose	More details page 358 and the Chairman's report on page 289
Development & construction	• Development projects are subject to administrative authorisation • Potential deviation of construction cost & delay	• Standardised development & construction processes • Selection of large & reputable contractors • Tender process implemented	More details page 358 and the Chairman's report on page 289
Leasing	• Tenant solvency • Default of payment • Litigation	• Collegial leasing decision-making process • Credit analysis for new tenants • Close follow-up of debtors	More details page 359 and the Chairman's report on page 290
Health & safety	• Compliance with local environmental and health regulations • People and assets health & safety vulnerable to damages caused by a fire, water leakage, construction defects, natural disasters (climate change, health or ecological crises, etc.)	• Management system of risks and annual external verification and scoring in place • Environmental and health risk mitigation procedure in place	More details page 359 and the Chairman's report on page 290
Terrorism	• Serious consequences on people and property in case of a terrorist attack • Exposure of property assets to acts of terrorism	• Implementation of policy and guidelines • Implementation of technical solutions for security • Information and trainings for retailer staff • Close collaboration with police authorities	More details page 359
IT breakdown & Cybercriminality	• IT Failure, interruption or breach in security • Loss of data • Important costs for information retrieval and verification	• Mitigating measures regularly reviewed and improved • Annual test of the IT recovery plan	More details page 359
Corruption	• Risk of corruption and bribery in the real estate sector and/or in countries where the group operates	• The Code of ethics makes a particular focus on corruption & bribery • Implementation of an Anti-Corruption Programme in 2017 (see page 362)	More details page 360
Succession plans & key employees	• Employee 's security • Change management • Employees' engagement & motivation	• Meaningful and attractive remuneration policy • Succession plan for the most relevant levels	More details page 360
Unreliable forecasts & material accounting issues	• Unreliable forecasts and/or accounting issues • Profit warning	• Accounting processes handled by local and corporate teams • Financial statements reviewed by Statutory Auditors	More details in the Chairman's report on page 291

8.2.1. Risks inherent to the real estate sector

8.2.1.1. Property market, consumer behavior, obsolescence of assets

Risk factors

The Unibail-Rodamco Group is present in various sectors of the commercial property sector, specifically in the development, management and refurbishment of shopping centres, offices, convention-exhibitions and associated services. Apart from risk factors specific to each asset, the Group's activities are exposed to factors beyond its control and to specific systemic risks, such as the cyclical nature of the sectors in which it operates. The Group's strategy and policies aim to hedge and curb the significant adverse effect of these risks. However, sudden changes in the economic (including domestic consumption), financial, currency, regulatory, geopolitical, political, social, health and/or ecological environment may have a significant adverse effect on the Group, the value of its assets, its results, its distribution policy, its development plans and/or its investment/divestment activities. E-commerce might also affect the sales in shopping centres.

A long-term deterioration in economic conditions with implications for the rental 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.

The Group's assets (with the exception of certain development projects) are valued twice a year using the fair value method. The value of the Group's assets is sensitive to variation according to the valuers' principal assumptions (yield, rental value, occupancy rate) and is, therefore, subject to material variations that may impact the Group, its profile and/or its results.

Some of the Company's real estate assets depend on flagship stores and could suffer a material adverse impact if one or more of these tenants were to terminate their respective leases or to fail to renew their lease, and/or to deal with a lack of attractiveness of their location, and/or in the event of consolidation among these retail sector companies.

Mitigating measures

Mitigating measures taken by the Group to reduce these risks consist in the regular conduct of social and satisfaction surveys to anticipate changes in social behavior and customers demand. The Group also develops loyalty programs and events in malls to enhance the customers' shopping experience. The Group permanently adapts its tenant mix in order to offer the most attractive offer, with concepts least affected by e-commerce. Finally the Group is putting in place a Customer Data Framework to collect visitors' data.

Any event, either accidental or not, likely to have a significant adverse effect on the footfall in Group's shopping centres, could have a significant adverse effect on the financial position, the results or the outlook of the Group, as well as on the trading prices of securities issued by Unibail-Rodamco and traded on a regulated market.

Mitigating measures

The Group implements standardised rules in its malls *via* its «4-star» label to ensure people safety and service quality. Customers are the core of this strategy.

8.2.2. Risks inherent to the external environment

8.2.2.1. Tax

Risk factors

General

Unibail-Rodamco is subject to tax in the countries in which it operates. In some countries, a special tax regime for real estate investors exists, leading to a lower tax burden at Group level, the basic principle being that a real estate company distributes most of its income, which income subsequently is taxable at the level of the shareholders. If and to the extent Unibail-Rodamco opts to make use of such system, it will be obliged to meet the conditions that are linked to the respective systems.

France

In France, Unibail-Rodamco is subject to the SIIC *(Sociétés d'Investissements Immobiliers Cotées)* tax regime as set forth in Section 208 C of the French General Tax Code. If Unibail-Rodamco does not respect the required conditions, it would become liable for standard corporate income tax which would have a significant adverse effect on its business activities and its results. Furthermore, if one or more of Unibail-Rodamco's shareholders, acting separately or together, reaches the 60% ownership threshold for voting rights, this would cause Unibail-Rodamco to lose its SIIC status.

In addition to the above, Unibail-Rodamco could be faced with an additional 20% tax charge on distributions paid out of the SIIC result to a tax-exempt shareholder (excluding individuals) owning, directly or indirectly, 10% or more of Unibail-Rodamco's share capital (a Shareholder Concerned) in the event that the Company is unable to off-set this tax charge to the Shareholder Concerned. For more details, refer to page 333.

The Netherlands

As reported in its press release of December 11, 2009, Unibail-Rodamco expects that the Dutch tax authorities will deny the FBI (Fiscale Beleggings Instelling) status in The Netherlands for Unibail-Rodamco's Dutch activities for 2010 onwards. Unibail-Rodamco still qualifies as a SIIC under the French SIIC regime. Differences between the French SIIC and the Dutch FBI regime, although materially insignificant in the Group's case, proved to be irreconcilable for the Dutch tax authorities.

Although Unibail-Rodamco does not agree with the viewpoint of the Dutch tax authorities, it continues to apply a prudent view in its 2016 accounts, based on the assumption that the Dutch activities from 2010 onwards will be taxable. In light of the significant Dutch tax loss carry forwards identified by the Group's fiscal advisors in the Netherlands, even though questioned by the Dutch tax authorities, this assumption should have no material impact on the financial position of the Group.

Spain

In Spain, Unibail-Rodamco makes use of the SOCIMI *(Sociedades Cotizadas de Inversion en el Mercado Immobiliario)* tax regime for most of its Spanish real estate assets. Unibail-Rodamco should not respect the required conditions, the Company would become liable for standard corporate income tax which would have a significant adverse effect on its business activities and its results.

Furthermore, if one or more of Unibail-Rodamco's shareholders had a participation that equals 5% or more and simultaneously pay less than 10% tax on its dividends received from Unibail-Rodamco SE, the Group could be faced with an additional 19% tax charge on distributions paid out of the SOCIMI result.

Future changes

In all countries in which it operates, Unibail-Rodamco and its subsidiaries remain exposed to changes in the tax rules that are currently in force, which can have a significant adverse effect on the Group, its results and its financial position.

Mitigating measures

Within Unibail-Rodamco, a continuous monitoring process is in place to ensure that it is in line with the requirements as prescribed by the special tax regimes detailed above. Furthermore Unibail-Rodamco is a member of various national and international bodies involved in potential changes in the tax rules, thus having a constent entry to the most recent developments as well as being able to advise on those to the extent requested.

8.2.2.2. Risks associated with access to funds, interest rate, counterparties and capital markets

Market risks

Risk factors

The Group, through its activities, is exposed to market risks which can generate losses as a result of fluctuations in interest rates and/or currency exchange rates.

The Group is exposed to interest-rate risks on the loans it has taken out to finance its investments. An increase or decrease in interest rates could have a significant adverse effect on the Group's results. Part of the Group's exposure to variable rates is hedged through derivatives but these hedges could be insufficient to cover these risks. Moreover, changes in interest rates could have a significant adverse effect on the Group result by affecting the valuation of derivatives contracts.

The Group is exposed to foreign exchange risks because it operates in countries outside the euro zone. The value of assets, rents and revenues received in these countries, as well as the value of operational and financial expenses, when translated into euros, may be affected by fluctuations in exchange rates. Additionally, changes in the interest rates of countries outside the euro zone may also impact the results and/or the statement of financial position of the Group.

The use of financing instruments on international markets exposes the Group to extraterritorial regulations that may have a significant adverse effect on the Group, its results and its financial position.

Foreign exchange risk is managed at a corporate level by the Group Treasury Department which monitors the foreign exchange risk on a regular basis. To hedge part of this risk, the Group uses derivatives and debt in foreign currency. Such instruments may not hedge perfectly the underlying assets or activities, and as a result changes in the currency exchange and/or interest rates may have an impact on the cash flows, the results and/or the statement of financial position.

In addition, committees dedicated to financing with MB Members including the Chief Financial Officer and the deputy Chief Financial Officer are held several times a year to decide the appropriate hedging strategy which is then implemented by the Treasury department. Procedures do not allow for speculative positions to be put in place. Hedging practices and the net interest rate and currency positions are described in the paragraph "Market Risk Management" of the Financial Resources in the Business Review section.

The Group, through its activities, is 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 participations 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 risks

Risk factors

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 papers) or equity capital, so that it can finance its general operating requirements and its investments. It is possible (for example in the event of disruption in the bond or equity markets, a reduction in the lending capacities of banks, changes affecting the property market or investor appetite for property companies, a downgrade in Unibail-Rodamco's credit rating or a change in business activities, financial situation or Unibail-Rodamco's ownership structure) that the Group could – at any given point in time – encounter difficulties in raising funds and, as a result, lack the access to liquidity that it needs. These events could also affect the cost of its financing and lead to an increase in the financial expenses of the Group. In this context, Unibail-Rodamco has put in place undrawn back-up facilities for an amount mentioned in the paragraph "Funds raised" of the Financial Resources in the Business Review section. Additionally, some of the Group's financing contracts are subject to financial covenants and the occurrence of material adverse changes. More details on the Group's covenants and ratio levels can be found in the paragraph "Financial structure" of the Financial Resources in the Business Review section.

Mitigating measures

Sensitivity to interest rates, currency movements, liquidity and counterparty risks is monitored by the Group Treasury Department in line with the policy defined by the Group Asset & Liability Management Committee (ALM Committee). This committee has six members, including three members of the Management Board (the Chief Executive Officer, the Chief Financial Officer and the Deputy Chief Financial Officer).

The groundwork for this committee is prepared by the Group Treasury Department, which regularly provides each member with a comprehensive report on the Group's interest rate position, liquidity projections, bank covenant positions, availability under the Group's committed lines of credit, proposed (re)financing or hedging operations (if applicable), the details of any (re)financing operations or transactions (hedging operations, share buybacks, etc.) completed since the last ALM Committee meeting, and a report on counterparty risks. Currency exposure is also reviewed on an *ad hoc* basis.

The ALM Committee met three times in 2016. Throughout the year, the members of this committee received regular updates on significant changes in the financial environment, especially changes in interest rates, financing conditions, share prices or trade operations.

The Group's market trading guidelines for hedging operations and transactions involving Unibail-Rodamco shares and its transaction control guidelines are formally set out ensuring the segregation of duties between execution and control functions.

Counterparty risks

Risk factors

A large number of major international financial institutions are counterparties to the interest rate and/or foreign exchange rate and deposits contracted by the Group. In the case of default by a counterparty, the Group could loose all or part of its deposits or may lose the benefit from hedges signed with such counterparties. This could then result in an increase in interest rate and/or currency exposures and have a significant adverse effect on the Group, its results and its financial position. Due to its use of derivatives, the Group is exposed to potential counterparty defaults.

The Group's policy to manage counterparty risks in relation to derivative products is described in the paragraph "Market Risk Management" of the Financial Resources in the Business Review section.

8.2.2.3. Legal and regulatory risks

Risk factors

The Group must comply with a wide variety of laws and regulations of France and the countries in which it operates as well as with extraterritorial regulations, and in particular with European regulations. These include financial rules, securities law and regulations, general regulations of the competition authorities, urban planning regulations, construction and operating permits and licences, health and safety regulations (particularly for assets that are open to the public), environmental regulations, lease laws, labour regulations, personal data protection, and corporate and tax laws, in particular the provisions of the SIIC[1] regime and foreign equivalents.

8

(1) *Listed Property Investment Companies SIIC (Sociétés d'Investissements Immobiliers Cotées).*

Changes in the regulatory or framework and/or the loss of benefits associated with a status or an authorisation could require Unibail-Rodamco to adapt and/or reduce its business activities, its assets or its strategy (including geographical presence) or to face additional constraints and/or costs, possibly leading to a significant adverse effect in the value of its property portfolio and/or its results, an increase in its expenses, and/or a slowing or even halting of the development of certain investment or leasing activities.

In the normal course of its business activities, the Group could be involved in legal and/or administrative and/or arbitral and/or regulatory proceedings (for instance, regarding contractual responsibility, employers' liabilities, penal issues) and is subject to tax and administrative audits. Furthermore, in addition to financial risks, risks potentially associated with the foregoing include risk of loss of the right to conduct business or maintain a geographical market presence and reputational damage associated with the Company's image, ethics and way of doing business. To the best of the Company's knowledge, at the filing date of this Annual Report, Unibail-Rodamco is not involved in, nor party to any government, judicial, administrative, regulatory or arbitration proceeding (including all proceedings which the Company is aware of and which are either pending or threatening) which could have or have had during the last 12 months a significant adverse effects on the results, the profitability or financial situation of the Company and/or the Group and are not reflected in its financial statements.

Mitigating measures

See the Report of the Chairman of the Supervisory Board page 290.

8.2.2.4. Risks related to Euro break-up or country default

Risk factors

The onset of a credit risk (including for Sovereigns) or a Sovereign debt crisis or exit of the Eurozone by a country where the Group operates and their potential impacts could be detrimental to the Group and could negatively affect the markets and business in which the Group operates. This environment could also negatively affect the Group's operations and profitability, its solvency and the solvency of its counterparties and the value and liquidity of the securities issued by Unibail-Rodamco and/or Unibail-Rodamco's ability to meet its commitments in respect of those securities and its commitments with respect to its debt more generally.

8.2.3. Operational risks inherent to the business activities

8.2.3.1. Mergers & Acquisition

Risk factors

The value creation process is based on investment and divestment of assets. The profitability of these operations depends on market conditions, tax, the quality of assets and its legal & regulatory documentation.

Mitigating measures

See the Report of the Chairman of the Supervisory Board page 289.

8.2.3.2. Risks inherent to development and construction

Risk factors

Unibail-Rodamco conducts construction and refurbishment activities in the office, shopping centre and convention-exhibition property segments, the principal risks of which are linked to:

- projects definition which can deviate from the Group's strategy and/or from future tenants' and customers' demand, generating potential vacancy or a letting at insufficient rent levels;
- securing the final requisite legal administrative authorisations (building permits, commercial licences, opening and/or operational licences, etc.);
- controlling construction costs (staying on time and on budget, managing fluctuations and technical constraints); and
- accidents, bodily injuries or material damages which may delay the project;
- financial claims with contractors and sub-contractors.

Mitigating measures

See the Report of the Chairman of the Supervisory Board page 289.

8.2.3.3. Leasing

Risk factors

Unibail-Rodamco's ability to collect rents depends on the solvency of its tenants. Tenant creditworthiness is taken into consideration by Unibail-Rodamco before it enters into a specific lease. Nevertheless, it is possible that tenants may not pay rent on time or may default on payments, especially in more difficult economic environments, and this could materially affect Unibail-Rodamco's operating performance and/or its results.

Mitigating measures

See the Report of the Chairman of the Supervisory Board page 290.

8.2.3.4. Health and Safety

Risk factors

As a property owner or manager, Unibail-Rodamco has to comply with local environmental and health regulations in each country where it is active. Failure to comply with these local environmental and health regulations, or the need to comply with significant new regulations that may be introduced in these domains, could lead to higher expenses (Capex and/or Opex), the closing of a site, or hamper the development of the Group's activities and could potentially affect Unibail-Rodamco's results and its financial position or general liability.

Moreover, each of Unibail-Rodamco's real estate assets is potentially exposed to damages caused by a fire, water leakage, construction defects or natural disasters (climate change, health or ecological crises, …) that may have a significant adverse effect on the properties concerned and similarly on the Group, its results and its financial position.

Mitigating measures

A Health and Safety annual risk assessment was conducted in 2016 for all managed assets in all regions to mitigate health and safety risks. The risk assessment is performed by an independent Health & Safety inspector. This risk assessment provides a single and comprehensive source of information on the management of sanitary and environmental risks such as water, air, lead, asbestos and Legionnaires' disease.

In addition, Unibail-Rodamco regularly arranges inspections of technical facilities that could have an impact on the environment and/or personal safety, such as fire-fighting equipment, ventilation and air conditioning systems, electric installations and elevators.

This organisation is part of the group-wide policy on health and safety risk management. This policy consists of group-wide rules and guidelines and is complemented at the local level by additional procedures mandated by local regulations under the responsibility of each Regional Managing Director.

8.2.3.5. Terrorism

Risk factors

By their nature, and despite the measures put in place by the Group independently, and in close cooperation with public authorities in the country concerned, the property assets of the Group are potentially exposed to acts of terrorism which may have serious consequences on persons and property. The activity and the footfall of an asset which has been subject to an act of terrorism as well as all or some assets located in the country concerned, would suffer variable consequences depending on the gravity of the event for a relatively long period of time and could have a significant adverse effect on the Group, its results and its financial position.

Mitigating measures

Prompt measures have been implemented in 2015 to strengthen existing procedures and processes applied by local teams and reinforce the security of customers, employees, suppliers' employees and tenants' employees by:

- reinforcing strong relationships with police authorities;
- providing temporary additional staffing for securing access;
- implementing access guidelines for delivery areas and other non-public accesses;
- carrying out when relevant an external assessment of security efficiency (intrusion, video, alarms, areas of vulnerability);
- providing training to shopping centre management teams to identify and manage situations linked to terrorism; and
- further developing crisis management principles and best practices.

8.2.3.6. Information system breakdown and cybercriminality

Risk factors

The Group relies on communication and information systems to conduct its business. Any failure, interruption or breach in security of these systems or any loss of data could result in failures or interruptions to its business leading to important costs related to information retrieval and verification and to a potential loss of business.

The information systems may also face identity theft or attacks against computer hardware or software leading to the misappropriation of confidential or personal data, extortion of funds or the temporary interruption of Group activities (denial of service). Consequences could be, among others, financial (abortion of a transaction, penalties, …), reputational (disclosure of operational or non-public financial data) and/or legal (responsibility towards individuals or corporate entities about which Unibail-Rodamco Group holds confidential and/or personal information).

A failure, interruption or security breach of its information systems could have a material adverse effect on its business continuity, results of operations and financial condition.

Mitigating measures

The IT Department of Unibail-Rodamco is in charge of defining the IT strategy and implementing and operating the shared IT system for the Group.

Unibail-Rodamco's information system relies on:

- internally designed & developed software dedicated to the efficiency of assets and leases management;
- software packages from well-known IT companies such as SAP, SOPRA STERIA GROUP, and CODA; and
- a set of data warehouses/datamarts enabling comprehensive reporting on all functions with extracting controls to guarantee data consistency and integrity.

Unibail-Rodamco's IT risk management approach is largely based on:

- security policy: individual passwords are required to access computers and applications. In addition, the control of access right requests, firewall and anti-spam protections ensure the security and integrity of the Group's information system. Training sessions on IT security were also rolled out in 2016 and will continue in 2017, to raise awareness to 100% of the Group's employees;
- the appointment of an IT Risk Officer since December 2014 who is assisted by a French leading IT security company and the creation of the Information Technology Risk Committee which meets on a monthly basis;
- Change Management policy: IT development projects are monitored through dedicated status committees where planning, costs, training and risks are addressed. IT developments are approved by end-users;
- Business Recovery Management: the regular and formalised backup of data is stored off site and ensures the recovery of the activity in the event of a failure in the information system. An outsourced data centre ensures the high availability of the mailing and treasury systems, being also a backup platform for the IT recovery system. In addition, the Group Business Recovery Plan (BRP) is continuously updated and improved. This BRP provides a technical and organisational action plan in case of a major breakdown (temporary unavailability of Head Offices and\or computing infrastructures). The high availability perimeter will be enlarged to accounting IT systems in 2017.

In November 2016, an audit of the information system security was performed by an external company and revealed important improvements compared to the audit performed one year earlier. In addition to the policy covering standard risks related to the IT system, cyber-risks insurance policy was taken out in July 2015.

8.2.3.7. Risks related to corruption & bribery

Risk factors

A risk of corruption and bribery exists in the real estate sector and/or in countries where the group operates. Any employee, manager, director, or representative of the Group may be exposed to corruption.

Mitigating measures

The Code of ethics makes a particular focus on this specific risk as well as the e-learning module on ethics. In 2016, an Anti-Corruption Programme was defined (see page 362). It includes:

- a definition of active and passive corruptions as well as influence peddling;
- a risk mapping (concerned activities et exposed localisations);
- an alert system (Whistleblowing procedure);
- screening process of integrity and reputation of customers, supplier, business partners, intermediaries;
- accounting checks;
- training sessions to most exposed employees and managers;
- disciplinary sanctions.

8.2.3.8. Risks linked to succession plans and key managers

Risk factors

The departure of a top management team member or a key person could have a material adverse impact upon the business, financial situation and/or results of the Group.

Mitigating measures

The Group policy is to set a meaningful and attractive remuneration policy and aims to have an effective succession plan for the most relevant levels (Supervisory Board, Management Board, Group Management Team, key managers).

8.2.3.9. Risks related to unreliable forecasts & material accounting issues

Risk factors

Unreliable forecasts and/or accounting mistakes might have a material impact on financial accounts which may led to profit warning. Managing assets for third parties, the Group might also be liable for material financial impacts in case of errors. Such errors might result in material financial indemnities and loss of reputation.

Mitigating measures

See the Report of the Chairman of the Supervisory Board page 290.

8.2.3.10. Risks of fraud

Risk factors

The Group can be exposed to fraudulent attempt (identity theft for example) or embezzlement in the course of its business which might have a major impact on finance and reputation.

Mitigating measures

To reduce the risk of fraud and embezzlement, the Group has implemented a secure payments procedure and has formalised the rules for opening, changing and closing bank accounts. Departments' awareness on fraud scenario is raised all along the year and illustrated by real cases.

In the case of attempted fraud, the Group Compliance Officer systematically shares the case *via* email to the whole regions, including a reminder of preventive procedure.

8.3. Insurance

Unibail-Rodamco SE is covered by a Group insurance programme, which is underwritten by leading insurance companies. This programme is actively monitored by the Group Insurance Department in liaison with local teams and insurance brokers.

Under the property damage and terrorism programmes, the Group's property assets are insured, for the most part, for their full reconstruction value, which is regularly assessed by external property insurance valuers, and for business interruptions and loss of rent.

Under the insurance programme, French and Spanish assets are insured for their reconstruction cost 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 which includes an annual aggregate limit based on the asset which has the highest insured value with respect to rebuilding cost and loss of rent (CentrO in Germany).

The Group operates a loss prevention policy, developing measures to reduce the probability and impact of claims. This policy improves the Group's position when negotiating cover and premiums with its insurers.

The Group has also taken out general liability insurance policies that cover financial damages resulting from third parties' claims.

Main construction projects and renovation works on properties are covered by Contractor's 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 other countries or by Contractors warranties.

The 2016 premium amounted to €8,5 Mn, excluding construction insurance premiums. Most of these premiums were invoiced in the context of existing contracts concluded with third parties.

At the end of 2016, the Group's insurance policies were successfully renegotiated with substantial coverage improvements with effect as of January 1, 2017.

There were no major losses in 2016.

8.4. Unibail-Rodamco Compliance Programme

8.4.1. Compliance Programme

In 2008, in order to comply with the highest standards of governance, the Group introduced a Compliance Programme which applies to all company staff and directors in every region where it operates.

This Compliance Programme is founded on three pillars – prevention, detection and correction.

Prevention	Detection	Correction
Management and staff commitment to adhere to the Code of Ethics. Existence of an independent function devoted to compliance issues Implementation of an annual awareness-raising module	Existence of an alert mechanism Existence of monitoring and investigation procedures Implementation of procedures to monitor partners and suppliers	Ethics form an integral part of the staff assessment policy Application of a zero tolerance policy, with systematic disciplinary measures Reporting of incidents in an annual compliance report

This programme is monitored by the Group Compliance Officer (GCO), who reports to the CEO and Chairman of the MB and the Chairman of the SB. Key elements of this programme include:

- a Code of Ethics[1], translated into the various working languages of the Group, which sets out the fundamental values and principles governing the Company's operations and providing guidelines on how management and staff, as well as Group business partners and service providers, in their professional environment must behave:
  - respect human dignity and employees,
  - comply with laws and regulations,
  - demonstrate loyalty and integrity and prevent conflicts of interests,
  - conduct business ethically (including combating corruption),
  - protect confidential information and personal data,
  - use of assets and services of Unibail-Rodamco,
  - comply with anti-trust laws,
  - respecting delegation of authority and signature (including signing authority);
- a procedure relating to insider trading;
- a procedure for vetting individuals who are recruited or promoted to sensitive positions (executive officers, cash management, authorised bank signatories, Chief Resources Officer) which involves a criminal record check and obtaining a list of any other external function or mandate;
- an IT Charter covering the use of IT tools made available to staff;
- a procedure for managing internal or external irregularities *via* a single contact address;
- a procedure for combating money laundering and the funding of terrorism.

In addition, when it comes to purchasing procedures, the Group applies a strict policy for selecting suppliers (Know Your Partner) and requires them to comply with the Group's Code of Ethics.

An e-learning module is devoted to this programme and all company staff must complete it on an annual basis. This module has been updated in 2015 to take care of the Code of Ethics' modifications.

(1) *Available on the Company website or at its head office.*

The MB and the Governance, Nomination and Remuneration Committee (GNRC) examine on an annual basis the Compliance Report drafted and submitted by the Group Compliance Officer; this report includes any failure with the Compliance Programme and notably the procedures set out above. Within this framework, the Group is committed to applying the most rigorous standards and may decide to impose sanctions, depending on the gravity of an incident and in accordance with the relevant applicable legislation.

Group directors, managers and staff are subject to an obligation to report to the CEO and Chairman of the MB, the Group Compliance Officer and to the MB member in charge of their department any conflicts of interest (even if only potential) in occurrences where they have a direct or indirect personal interest in the outcome of a decision-making process which ought to be conducted impartially (such as fulfilling a post or a function, or having a financial interest, in a competitor or client company or in one of Unibail-Rodamco's suppliers or partners).

In addition, as a signatory to the Global Compact of the United Nations, the Group is committed to promoting respect for fundamental values related to human rights, labour rights, the environment and anti-corruption measures.

8.4.2. Anti-Corruption Programme

Since introducing the Compliance Programme in 2008, Unibail-Rodamco has spread its ethical values and culture of Compliance in order to maintain the Group's reputation and integrity, protect the interests and the confidence of its investors and safeguard their trust.

As part of this process, Unibail-Rodamco anticipated the new legal obligations set out in the "Loi Sapin 2" relating to transparency, combating corruption and the modernisation of economic environment and decided to go further in the promotion of its fundamental pillar: **"We never compromise on ethics"**.

Unibail-Rodamco has defined a rigorous Anti-Corruption Programme for preventing the risk of corruption which is applicable in every entity controlled by the Group. It is based on the 'zero tolerance' principle of any form of corruption. This programme has the dual aim to making its staff accountable and of protecting the assets of Unibail-Rodamco through robust risk management.

This programme incorporates all the provisions of international conventions and national laws and regulations which may be applicable to the Group's business activities.

More specifically, this framework encourages ethical conduct and a commitment to complying with applicable laws and regulations in order to prevent, detect and deter any form of corrupt practice and to take prompt and appropriate action to deal with such practices.

This framework rests on seven pillars:

The rolling out of this ambitious programme will start in 2017. In order to benefit from proven expertise, underpinned by the highest standards of best practices, Unibail-Rodamco has engaged the services of an international law firm which has provided assistance in the regions where the Group conducts business.

During 2016, an audit was conducted over the course of several months with the aim of mapping risks and identifying the staff groupings who were the most exposed to risk, given their functions. A serie of interviews, in which Regional Managing Directors were involved was conducted in each of the countries. In parallel, existing documentation and procedures were reviewed and analysed in the light of the risk mapping, and international and local applicable laws and regulations. On the basis of the law firm recommendations, the compliance framework was revised or amended.

This Anti-Corruption Programme was approved by the MB on February 21, 2017 and presented to the SB on March 7, 2017. The first phases of the action plan is on-going.

The developments detailed below provide an outline of how things will look in 2017 once the plan will be fully implemented.

PILLAR 1 – An active engagement of the Management Board applicable to all

The Group's management, in particular the CEO and Chairman of the MB and the Group Compliance Officer, promote the Ethics & Compliance Policy within the Company and work towards its successful implementation ("Tone from the top").

The Group's values are based on a 'zero tolerance' approach as far as unethical conduct and corruption are concerned. The MB and its Chairman will periodically challenge this approach so that the highest standards are maintained and a culture of ethical conduct and compliance is promoted.

Adopted in February 2017, the Anti-Corruption Programme is disseminated to the MB, the Group Management Team and the Country Management Teams, and then subsequently to all company staff.

Responsibility for ethical conduct and compliance extends to every stage of the management chain. The Group Compliance Officer and the Local Compliance Correspondents advise and support staff in every country where the Group operates.

PILLAR 2 – Ethics & Compliance Policy

The aim of the Group's Ethics & Compliance Policy is to develop an ethical culture and set of practices which are consistent with the Group's values and are founded on:

- The Code of Ethics, which sets out the overarching framework governing the professional conduct of every staff member.

  It is structured around three fundamental principles:

  - promoting a culture of integrity;
  - requiring conduct to be based on loyalty, honesty and respect of others;
  - acting in compliance with laws and regulations.

  The Code of Ethics defines the various types of conduct which are unacceptable. It has been incorporated into the internal regulations.
- The Anti-Corruption Programme, which defines the set of rules applicable within the Group, is structured around the following elements:
  - mapping of risks & operational structures;
  - evaluation of third parties ("Know Your Business Partner" principle);
  - training and awareness-raising;
  - monitoring and evaluation;
  - alert procedure (whistleblowing);
  - disciplinary policy.

This programme has been developed taking into account the specific nature of the Group's business activities, its challenges and associated risks.

These documents, drafted in English, will ultimately be translated and will be available on the Group's intranet so that they can be accessed by any staff member.

New staff members must familiarise themselves with these documents and abide by them.

PILLAR 3 – Risk Assessment/ Operational Structures

The assessment of the Ethics & Compliance risks is an integral part of the analysis and assessment of risks conducted by the Company and the lead on this matter will be taken by the Group Compliance Committee, overseen by the Group Risk Committee.

Two tools are used:

- the risk matrix is periodically updated;
- the key indicators, the criteria and the process in order to periodically reassess these risks.

This risk assessment goes hand in hand with organisational measures to ease the proactive monitoring of the Ethics & Compliance Policy.

Group Compliance Committee

The Group Compliance Committee (GCC) is an arm of the Group Risk Committee and is composed of four members appointed by the MB.

This committee is chaired over by the Chief Resources Officer, a MB member.

Its main purpose is to:

- examine the Compliance Annual Report drafted by the Group Compliance Officer;
- make any necessary recommendation on Compliance Due Diligences presented by the Group Compliance Officer and on the business ethics environment in case of potential new market entry;
- manage and request any Compliance audit;
- review audit reports and request mitigating measures, as the case may be;
- periodically assess the effectiveness of the Anti-Corruption Programme;
- oversee any crisis management processes in the event that there are breaches of the Programme.

The Group Compliance Committee can raise to the MB and/or the SB any issue relating to the Ethics & Compliance Policy.

Group Compliance Officer

In order to guarantee his/her independence and freedom of action, the Group Compliance Officer (GCO) is appointed by the SB upon the recommendation of the GNRC and of the MB. The GCO coordinates the Ethics & Compliance mechanisms of Unibail-Rodamco.

His/her principal responsibilities are:

- supervising and monitoring the application of the Ethics & Compliance Policy;
- promoting a culture of ethical conduct and compliance, including through a tailored training programme;
- investigating any reports or indications of conduct which is inconsistent with, or in direct violation of, the Anti-Corruption Programme.

The GCO may, when he/she deems it necessary, seek the assistance of any Group function, and in particular the Group Legal Department.

Each year he/she prepares a Compliance Annual Report, which is examined by the Group Compliance Committee and presented to the MB and the SB.

This Compliance function organisation incorporates clear reporting lines (the delegation scheme) and a clear definition of responsibilities.

The GCO has a dedicated budget and resources at his/her disposal to ensure that he/she has the means to carry out his/her duties. In 2016, Unibail-Rodamco has joined the "Cercle de la Compliance" (Compliance circle).

Local Compliance Correspondents

In all of the regions where the Group operates, the Group Compliance Officer has at his/her disposal a network of Local Compliance Correspondents (LCC) to support the coordination of the Anti-Corruption Programme and manage the processes and procedures.

The LCC are appointed by the Group Compliance Officer with the approval of the Group General Counsel.

PILLAR 4 – Evaluation of third parties (“Know Your Business Partner” principle)

The Group is also actively implementing specific measures in relation to:

- intermediaries: agents, consultants, external senior advisors, lobbyists;
- joint-venture partners;
- service providers;
- suppliers/contractors;
- mergers and acquisitions projects involving specific due diligence requirements;
- gifts, invitations, philanthropic and sponsorship activities.

These assessments are conducted according to their perceived criticality based on various criteria (including country risk, the nature of the service provided, the terms and conditions of remuneration and the risk profile of the co-contractor). They are under the responsibility of local teams assisted by Local Compliance Correspondents.

All investigations are reported to the Group Compliance Officer. If necessary, the latter can conduct his/her own investigations and involve the Group Compliance Committee.

In addition, books monitoring procedures are implemented in order to ensure the transparency and traceability of transactions which fall within the frame of the Anti-Corruption Programme.

PILLAR 5 – Staff training and awareness-raising

In order to ensure effective implementation, the Group is carrying out a wide range of awareness and training programs.

Since the Ethics & Compliance Policy is both a strategic priority and a fundamental value of the Group, the annual process of staff assessment incorporates this component through one of the evaluation criteria.

A mandatory e-learning training is provided annually to members of the SB, the MB and all Group staff and renewed every year.

Specific live training is arranged for key positions and functions potentially exposed to greater Ethics and Compliance Risks.

PILLAR 6 – Mechanisms for monitoring yearly implementation and control

The practical implementation of the Ethics & Compliance Policy is periodically monitored and an annual review is conducted, overseen by the GCO.

This review results in a Compliance Annual Report drafted by the GCO, reviewed by the GCC and presented to the MB and the SB of Unibail-Rodamco.

Since the Anti-Corruption Programme is subject to markets changes and the Group's business activities' development, compliance audits may also be carried out at the initiative of the GCO in order, where necessary, to reassess the risks, to take appropriate remedial action and introduce any necessary improvements.

In addition, the mechanisms include an alert procedure (whistleblowing proceedings) which enables Group staff or external third parties to confidentially report conduct or situations which do not comply with the Anti-Corruption Programme. The procedure guarantees the confidentiality of the persons making the report, of the persons who are the subject of the report and of the information collected in the process, as well as the absence of any retaliation.

It is the responsibility of the GCO to investigate any allegations in order to establish their veracity or otherwise and to refer them, where appropriate, to the GCC.

During the 2016 financial year, no incident of corruption was reported to the authorities by Unibail-Rodamco. The Group has not recorded any financial provision in relation to any corruption risk and was not the object of any judicial proceedings in relation thereto.

PILLAR 7 – Disciplinary policy

Unibail-Rodamco has zero tolerance for any conduct which does not comply with the rules prescribed by the Anti-Corruption Programme or with applicable laws. In the event that these provisions are violated by an employee or representative, the Group will promptly apply any appropriate disciplinary measure which is consistent with local law, while reserving the right to instigate further judicial proceedings in France or abroad.

9 ADDITIONAL INFORMATION

9.1. Statement of the persons responsible for the Registration Document / Annual Report

The English version is a free translation of the Registration Document.

We confirm, to the best of our knowledge, after having taken all reasonable measures that the information contained in this Registration Document gives 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. The 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.

We have obtained from the statutory auditors their end-of-audit letter, which states that they have verified the information on the financial position of the Company and the financial statements included in this Registration Document and have read this Registration Document in its entirety.

The statutory auditors have issued a report on the historical financial information included in the financial section of this document.

With respect to the 2016 financial year, without qualifying the opinion expressed in their report on the consolidated financial statements for the financial year ending on December 31, 2016, the statutory auditors made the following comments on the method changes presented in subsequent notes:

- the note 5.2.1.2.1 which presents the terms of the first application of ANC 2015-06 Regulation which in particular revise the accounting treatment of technical losses on merger,
- the note 4 which presents the terms of anticipated application of ANC 2015-05 Regulation regarding the accounting treatment of financial instruments and hedging activities.

Paris, March 21, 2017

On behalf of the Management Board

Christophe Cuvillier
Chairman of the Management Board of Unibail-Rodamco SE

Jaap Tonckens
Chief Financial Officer

9.2. Statutory auditors' and independent appraisers' reports

9.2.1. Statutory auditors' report, prepared in accordance with article L. 225-235 of the French Commercial Code (code de commerce), on the report prepared by the Chairman of the Supervisory Board of Unibail-Rodamco SE

This is a free translation into English of the statutory auditors' report issued in French prepared in accordance with Article L. 225-235 of French company law on the report prepared by the Chairman of the Supervisory Board on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information issued in French and is provided solely for the convenience of English speaking readers.

This report should be read in conjunction and construed in accordance with French law and the relevant professional standards applicable in France.

To the Shareholders,

In our capacity as statutory auditors of Unibail-Rodamco SE and in accordance with article L. 225-235 of the French commercial code (code de commerce), we hereby report on the report prepared by the chairman of your company in accordance with article L. 225-68 of the French Commercial Code (*code de commerce*) for the year ended December 31, 2016.

It is the chairman's responsibility to prepare and submit for the supervisory board's approval a report on internal control and risk management procedures implemented by the company and to provide the other information required by article L. 225-68 of the French Commercial Code (code de commerce), particularly in terms of corporate governance.

It is our responsibility to:

- report on any matters as to the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information, and
- confirm that the report also includes the other information required by article L. 225-68 of the French Commercial Code (*code de commerce*). It should be noted that our role is not to verify the fairness of this other information.

We conducted our work in accordance with professional standards applicable in France.

Information on internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the chairman's report in respect of internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consist mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of accounting and financial information on which the information presented in the chairman's report is based and the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of accounting and financial information that we would have noted in the course of our work are properly disclosed in the chairman's report.

On the basis of our work, we have no matters to report on the information relating to the company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the chairman of the Supervisory Board in accordance with article L. 225-68 of the French Commercial Code (*code de commerce*).

Other information

We confirm that the report prepared by the chairman of the Supervisory Board also contains other information required by article L. 225-68 of the French Commercial Code (*code de commerce*).

Neuilly-sur-Seine and Paris-La Défense, March 20, 2017

The Statutory Auditors, French original signed by

Deloitte & Associés represented by Damien Leurent	Ernst & Young Audit represented by Christian Mouillon

9.2.2. Overview of valuation reports prepared by UNIBAIL-RODAMCO's independant external appraisers

Scope of Instructions

In accordance with your instructions we have undertaken valuations of the various freehold and leasehold property interests as at December 31, 2016 (the "valuation date") either held directly by Unibail-Rodamco (the "Company") or held in a Joint Venture where the Company holds a share, as referred to in our valuation reports for each individual property. This Overview letter has been prepared for inclusion in the Company's accounts.

The valuations have been undertaken by our local valuation teams in each relevant country and have been reviewed by the Pan European Valuation teams of all 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.

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 2016.

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

9.3. Statutory Auditors

Principal Statutory Auditors

Expiry of term of office at the General Meeting (GM) held for the purpose of closing the 2016 accounts.

Ernst & Young Audit
1/2 place des saisons
92400 Courbevoie Paris La Défense 1

Christian Mouillon

Commencement date of the first term of office: GM of May 13, 1975

Deloitte et Associés
185 avenue Charles de Gaulle
92524 Neuilly-sur-Seine

Damien Leurent

Commencement date of the first term of office: GM of April 27, 2011

Deputy Statutory Auditors

Expiry of term of office at the General Meeting (GM) held for the purpose of closing the 2016 accounts.

Auditex
1/2 place des saisons
92400 Courbevoie Paris La Défense 1

Commencement date of the first term of office: GM of April 27, 2011

BEAS
195 avenue Charles de Gaulle
92524 Neuilly-sur-Seine

Commencement date of the first term of office: GM of April 27, 2011

9.4. Documents available to the public

The following documents are available on Unibail-Rodamco's website at www.unibail-rodamco.com:

- the registration documents in the form of annual reports, as well as their updates, which are filed at the AMF;
- the financial press releases of the Group.

Unibail-Rodamco's Articles of Association and parent company accounts may be consulted at the headquarters of the Company, 7, place du Chancelier Adenauer - 75016 Paris and on the website www.unibail-rodamco.com or obtained on demand.

9.5. Cross-references table

Concordance table of the registration

The table below sets out the principal categories required under the European Regulation (CE) 809/2004.

Category of appendix 1 of European Regulation (CE) 809/2004	Page number of the registration document
1. Responsible persons	
1.1. Persons responsible for the information included in the reference document	367
1.2. Declaration of the persons responsible for the reference document	367
2. Statutory auditors of accounts	
2.1. Name and address of the statutory auditors	371
2.2. Resignation of the statutory auditors	n/a
3. Selected information	
3.1. Historic information	Annual and Sustainable Development Report: 22-23
3.2. Interim information	Annual and Sustainable Development Report: 22-23
4. Risk factors	**353-361**
5. Information on the issuer	
5.1. History and evolution of the Company	
5.1.1. Corporate name and trade name	333
5.1.2. Registration centre and number	333
5.1.3. Date of incorporation and statutory length of life	333
5.1.4. Head office and legal form	333
5.1.5. Important events	175
5.2. Investments	
5.2.1. Description of the year's main investments	25; 28; 178-179; 189
5.2.2. Description of investments in progress	33-37
5.2.3. Description of future investments	33-37
6. Overview of activities	
6.1. Main activities	
6.1.1. Nature of the operations	15-29
6.1.2. New products or new developments	35-37
6.2. Main markets	Annual and Sustainable Development Report: 48-65
6.3. Exceptional events	n/a
6.4. Possible dependencies	n/a
7. Organisational chart	
7.1. Description of the Group	15
7.2. List of significant subsidiaries	222-228
8. Property ownership	
8.1. Significant fixed assets	3-13
8.2. Environmental issues possibly influencing the usage of property	75-109
9. Analysis of the financial position and results	
9.1. Financial position	171
9.2. Operating profit	169-170 ; 181-182
9.2.1. Important elements	15-30
9.2.2. Important changes	15-30
9.2.3. Influencing factors	n/a
10. Cash-flow and share capital	
10.1. Share capital of the issuer	173
10.2. Sources and cash-flow amounts	172
10.3.Terms of borrowings and financial structure	52-56
10.4. Share capital restrictions that could affect the activities of the issuer	121-127
10.5. Forecast of financial sources	52-56

Category of appendix 1 of European Regulation (CE) 809/2004	Page number of the registration document
11. Research and development patent licences	n/a
12. Information on market trends	
12.1. Principal trends which impacted production and revenues	15-30
12.2.Trends which may impact future activity	33
13. Forecasts or estimates of profit	
13.1. Main assumptions underlying forecasts and estimates	33
13.2. Report of the independent statutory auditors	n/a
13.3. Forecast or estimate of net profit	33
13.4. Forecast of profit included in an existing prospectus	33
14. Supervisory bodies, directors, control and executive management	
14.1. Supervisory bodies and directors	269-285
14.2. Conflicts of interest regarding supervisory bodies and directors	281-283
15. Remuneration and benefits	
15.1. Remuneration paid and benefits in kind	285-287; 305-329
15.2. Provisioned amounts for pensions, retirements, or other benefits	215-218
16. Functioning of supervisory bodies and directors	
16.1. Expiry of current mandates	269-280
16.2. Service agreements binding the members of the Supervisory Board, Board of Directors	n/a
16.3. Information on the Audit Committee and the Remunerations Committee	271-273; 285-287
16.4. Corporate governance	269-288; Annual and Sustainable Development Report: 12-17
17. Employees	
17.1. Number of employees	130-140; 214
17.2. Profit sharing and stock-options	215-218; 338
17.3. Agreements for employees to subscribe to the share capital	215-217
18. Main shareholders	
18.1. Shareholders holding more than 5% of share capital	347-348
18.2. Different voting rights	347-348
18.3. Direct or indirect holding or control of the issuer	347-348
18.4. Known agreements with the issuer which could engender a change of control	n/a
19. Related party transactions	**197-198**
20. Financial information concerning the portfolio, financial position and results	
20.1. Background financial information	Contents; 233-264
20.2. Pro-forma financial information	n/a
20.3. Financial statements	168-229; 232-264
20.4. Verification of annual historic information	
20.4.1. Audit certificate of annual historical information	230; 265-266
20.4.2. Other information reviewed by the statutory auditors	267
20.4.3. Sources of information not reviewed by the statutory auditors	n/a
20.5. Dates of previous financial information	
20.5.1. Most recent financial year for which the financial information has been audited	230; 265-266
20.6. Interim financial information	
20.6.1. Audited quarterly or half-yearly information	n/a
20.6.2. Quarterly or half-yearly information not audited	n/a
20.7. Dividend distribution policy	
20.7.1. Amount of dividends per share	220; 345; Annual and Sustainable Development Report: 21; 32
20.8. Court proceedings and disputes	357-358
20.9. Significant changes in financial position or business activity	n/a

Category of appendix 1 of European Regulation (CE) 809/2004	Page number of the registration document
21. Supplementary Information	
21.1. Company share capital	
21.1.1. Subscribed capital	335
21.1.2. Non-representative shares	n/a
21.1.3. Number, book value and nominal value of treasury shares	335
21.1.4. Amount of securities giving access to share capital	343-344
21.1.5. Information relating to the conditions applying to acquisition of shares issued but not yet paid up	n/a
21.1.6. Information relating to the share capital of group companies subject to options	n/a
21.1.7. Historical information on share capital	173; 219; 346
21.2. Applied regulations and articles of association	
21.2.1. Corporate purpose	333
21.2.2. Synopsis of the articles of association	333-334
21.2.3. Description of rights and privileges	333-334
21.2.4. Description of actions required to modify shareholders' rights	333-334
21.2.5. Description of conditions for convening shareholders' meetings	334
21.2.6. Change-of-control provisions	333-334
21.2.7. Rules defining the thresholds for disclosure of shareholdings	334; 347-348
21.2.8. Description of conditions governing changes in capital	335-340
22. Important contracts	**n/a**
23. Information from third parties, expert statements and interest statements	
23.2. Expert statements	369-370
23.3. Third party information	n/a
24. Documents publicly available	**371**
25. Information on shareholdings	**196**

9.6. Glossary

Average cost of debt: recurring financial expenses (excluding the ones on financial leases and the ones 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.

Buyer's Net Initial Yield: annualised contracted rent (including indexation) and other incomes for the next 12 months, net of operating expenses, divided by the TAC.

Committed projects: projects currently under construction, for which Unibail-Rodamco owns the land or building rights and has obtained all necessary administrative authorisations and permits.

Controlled projects: projects in an advanced stage of studies, for which Unibail-Rodamco controls the land or building rights, but where not all administrative authorisations have been obtained yet.

EBITDA-Viparis: "Net rental income" and "Other site property services income" + "Contribution of affiliates" of Viparis venues.

EPRA: European Public Real estate Association.

EPRA "Eurozone": The EPRA Eurozone Index is a reference index administered independently by FTSE EPRA/NAREIT. It is composed of 40 real estate companies in the Eurozone (incl. Unibail-Rodamco). It includes the companies of the EPRA/NAREIT Retail, Office, Diversified[1], Office/Industrial and Industrial sectors. This index is used to test the Total Shareholder Return - TSR performance condition applicable to current Long-term Incentive (LTI) plans up until and including the 2016 grants. This index has been adjusted to restore its relevance, in compliance with the Afep-Medef Code.

EPRA Eurozone "Retail and Office": The EPRA Eurozone "Retail and Office" Index is a reference index administered independently by FTSE EPRA/NAREIT. It is composed of 33 retail and/or office focused real estate companies in the Eurozone (incl. Unibail-Rodamco). It includes the companies of the EPRA/NAREIT Retail and Office sectors, as well as those companies of the Diversified[1] and Office/Industrial sectors focused primarily (more than 50% of their total activity) on retail and/or offices.
This index is used to test the Total Shareholder Return - TSR performance condition applicable to Long-term Incentive (LTI) plans as of the 2017 grants.

EPRA NNNAV (triple net asset value): corresponds to the Going concern NAV less the estimated transfer taxes and deferred capital gain taxes.

EPRA NIY: 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. For a reconciliation of Unibail-Rodamco's NIY with the EPRA net initial yield definitions, refer to the EPRA Performance Measures (Item 3).

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.

4 Star label: the "4 Star label" for a shopping centre is based on a 684 point quality referential and audited by SGS, the world leader in service certification.

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 capitalised interest); Recurring EBITDA is calculated as total recurring operating results and other income less general expenses, excluding depreciation and amortisation.

International Premium Retailer (IPR): retailer with strong and international brand recognition, and a differentiating store design and product approach, which the Group believes will increase the appeal of the shopping centres.

IVSC: International Valuation Standards Council.

Large malls: standing shopping centres with more than six million visits per annum.

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 the square meters and currency exchange rate differences in the periods analysed.

Loan-to-Value (LTV): net financial debt/Total portfolio valuation, including transfer taxes. Please refer to EPRA Performance Measures (Item 7) for the calculation and reconciliation of the Group's LTV with its Balance Sheet.

Maintenance capital expenditure (Maintenance CAPEX): maintenance Capex relates to works either on equipment or the structure of a standing asset. The primary purpose of Maintenance 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.

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.

(1) For a company to be classified in a specific sector, its main activity must represent at least 75% of its total activity. If not, the company is classified as Diversified.

Net Initial Yield (NIY): 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.

Net Promoter Score (NPS): an international customer loyalty metric measuring if a shopping centre engenders positive or negative recommendations. It was created in 2003 by a consultant of Bain & Company in collaboration with Satmetrix. The NPS measures the difference between the percentage of "promoters" and the percentage of "detractors" of a shopping centre. "Promoters" are defined as those answering 9 or 10 to the question "Based on a scale from 0 to 10, how likely are you to recommend this shopping centre to a colleague or friend? 0 means you would not recommend and 10 means you would definitely recommend." "Detractors" are defined as those answering 0 to 6. Scores of 7 and 8 are "Passives" and do not impact the calculation of the NPS. NPS can be as low as -100 and as high as +100. The NPS is calculated yearly in all Unibail-Rodamco's shopping centres, based on a survey at the exits of each shopping centre of approximately 500 visitors during a one-week period and led by Soft Computing, an independent institute.

Non-recurring activities: include valuation movements, disposals, mark-to-market and termination costs of financial instruments, including bond tender premiums, impairment of goodwill or recognition of negative goodwill 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.

ORA (*Obligations Remboursables en Actions*): bonds redeemable for shares.

RICS: Royal Institution of Chartered Surveyors.

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